

ALASKA LEGISLATURE COMMITTEE FILES 1991-1992 8672
7553 SENATE LABOR & COMMERCE

S B

1 8 9

SENATE COMMITTEE REPORT
(RST COMMITTEE OF REFERRAL)

DATE: 3/11/91

FURTHER: Finance

Date of 5-Day Notice: 5-2-91
(in accordance with Uniform Rule 23)

DATE TURNED
INTO OFFICE: _____

L&C Committee considered SB 189

Amending the Alaska Securities Act of 1959 to allow fees related to registration to be established by regulation, to provide for registration, examination and procedures that avoid duplication, and provide exemption from registration for certain securities.

and recommended:

- replace with _____ CS _____ same title
- attached amendment(s) new title
- _____ letter of intent adopted
- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to _____

ATTACHES NEW FISCAL NOTE(S):

Department(s)/Date:

Department(s)/Date:

fiscal note(s) Com 14 / 5-6-91

zero fiscal note(s) _____

appropriation-no fiscal note

Governor's bill w/fiscal note

SIGNING DO PASS:

[Signature]

OTHER RECOMMENDATIONS:

[Signature]
Chair: Signature and Recommendation

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. SB 189

Revision Date: _____ Department Affected: Commerce & Economic Dev.
 Title: Amend the Alaska Securities Act of 1959 BRU: Banking, Securities & Corporations
 Component: Banking & Securities
 Sponsor: Rules Committee
 Requestor: Governor COMPONENT SERIAL NO.

1	2	3	3
---	---	---	---

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE	400.0	500.0	500.0	550.0	550.0	550.0
---------	-------	-------	-------	-------	-------	-------

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

Estimate of current year impact:

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Willis F. Kirkpatrick, Director Phone: 465-2521
 Division: Banking, Securities & Corporations Date: 5/6/91
 Approved by Commissioner: Glenn A. Olds
 Agency: Department of Commerce & Economic Development Date: 5-6-91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE

No. 1

Bill Version: SB 189

(S) Publish Date: 3/11/91

STATE OF ALASKA
1991 LEGISLATIVE SESSION

Revision Date: _____ Department Affected: Commerce & Economic Dev.
 Title: Amend the Alaska Securities Act of 1959 BRU: Banking, Securities & Corporations
 Component: Banking & Securities
 Sponsor: Rules Committee
 Requestor: Governor COMPONENT SERIAL NO.

1	2	3	3
---	---	---	---

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	400.0	500.0	500.0	550.0	550.0	550.0

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Willis F. Kirkpatrick, Director Phone: 465-2521
 Division: Banking, Securities & Corporations Date: 2/20/91
 Approved by Commissioner: Glenn A. Olds
 Agency: Department of Commerce & Economic Development Date: 2/20/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

APR 26 1991

STATE OF ALASKA

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

OFFICE OF THE COMMISSIONER

WALTER J. HICKEL, GOVERNOR

PO. BOX D
JUNEAU, ALASKA 99811-0800
PHONE: (907) 465-2500

April 26, 1991

The Honorable Drue Pearce
Chairman, Senate Labor
and Commerce Committee
Room 101, Capitol
P.O. Box V
Juneau, AK 99811

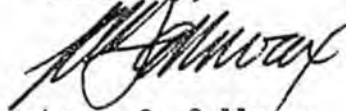
Dear Senator Pearce:

Re: Senate Bill 189, Amending the Alaska Securities Act

The Senate Labor and Commerce Committee has before it Senate Bill 189, amending the Alaska Securities Act. Please be advised that the department would very much appreciate the committee's consideration and hearing on this bill. The legislation will permit the Division of Banking and Securities to revise securities fees which have not been modified since enactment of the Securities Act in 1955. In addition, the bill grants exemption from registration for certain securities listed on the National Automatic Quotation System (NASDAQ), as well as certain securities listed on the Chicago Board Options Exchange. These new exemptions are allowable in many jurisdictions and are needed to bring us mainstream with our fellow regulators.

This is a unique opportunity where industry is, in fact, supporting legislation which will result in increased fees and put us back in the middle of the road for securities regulation. This is important for us, and we would appreciate your consideration.

Sincerely,



Larry O. Galloway
Assistant Commissioner

LOG/LPC/jc4667c
042691b

WALTER J. HICKEL
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

SB189

March 11, 1991

The Honorable Richard I. Eliason
President of the Senate
P.O. Box V
Juneau, AK 99811

Dear President Eliason:

Under the authority of art. III, sec. 18 of the Alaska Constitution, I am transmitting a bill to amend the Alaska Securities Act of 1959. The bill addresses three administrative problems.

First, the bill would change existing statutes to allow the Department of Commerce and Economic Development (department) to set securities registration-related fees by regulation. Sections 1, 2, 4, and 6. Currently, almost all registration-related fees are expressly set by statute. Because those statutes have not been updated for many years, the fees are significantly below those charged by other jurisdictions and are inadequate to pay for the services provided. The intent of the department is to set the fees by regulation at an amount consistent with that charged by other states.

Second, in an effort to reduce the amount of duplicate filings and unnecessary paperwork handled by the department, the bill provides that the administrator of securities (the director of the division of banking, securities and corporations) may arrange with the National Association of Securities Dealers or the Securities and Exchange Commission to have coordinated national filings, and may accept certain uniform registration-related procedures. Section 3.

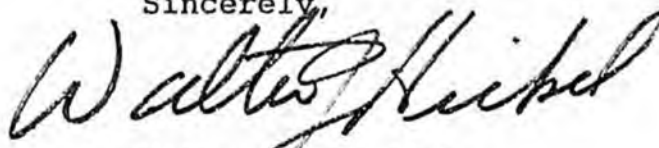
Third, the bill provides for new exemptions from the registration requirement for securities: At present, securities listed under a number of national stock exchanges are exempt from registration. AS 45.55.140(a)(10). The bill will add to that list two other recognized exchanges, the Chicago Board Options Exchange and the National Association of Securities Dealers Automated Quotation National Market System (NASDAQ/NMS). Additionally, the administrator would have the flexibility to add to that list as conditions dictated. Most jurisdictions have a similar form of administrator exemption approval.

The Honorable Richard Eliason -2-

289

The bill updates the Alaska Securities Act to bring it in line with current practice and to permit coordination with national enforcement authorities. I urge your support of this measure.

Sincerely,

A handwritten signature in cursive script that reads "Walter J. Hickel". The signature is written in dark ink and is positioned above the printed name.

Walter J. Hickel
Governor

FISCAL NOTE

No. 1

STATE OF ALASKA
1991 LEGISLATIVE SESSION

Bill Version: SB 189

(S) Publish Date: 3/11/91

Revision Date: _____ Department Affected: Commerce & Economic Dev.
 Title: Amend the Alaska Securities Act of 1959 BRU: Banking, Securities & Corporations
 Component: Banking & Securities
 Sponsor: Rules Committee
 Requestor: Governor COMPONENT SERIAL NO.

1	2	3	3
---	---	---	---

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE	400.0	500.0	500.0	550.0	550.0	550.0
---------	-------	-------	-------	-------	-------	-------

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Willis F. Kirkpatrick, Director Phone: 465-2521
 Division: Banking, Securities & Corporations Date: 2/20/91
 Approved by Commissioner: Glenn A. Olds
 Agency: Department of Commerce & Economic Development Date: 2/20/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

April 14, 1991

Drue -

RE: SB 189 & SB 230

You asked what these two bills were.

*have they
asked for
this? does
anyone
care?*

SB 189 -

Sec 1, 2, 4 & 6 move security registration fee to regulations and out of statute.

Sec 3 allows conformity and coordination with NASD and SEC filings.

The bill also recognizes and exempts from registration the Chicago Board Options Exchange and NASDAQ/NMS.

The one item that makes me a little nervous is it gives the administrator the option of exempting others from registration as "conditions dictate".

SB 230 -

Long term employee absence due to Persian Gulf callup resulted in some employer UI rates increases. This legislation allows Dept of Labor to spread that increase over all employers in the state; lessening its impact. It also allows benefit calculations on wages earned by the employee just prior to active duty.

let's schedule

Rad

SB 189: "An Act amending the Alaska Securities Act of 1959 to allow fees related to registration to be established by regulation, to provide for registration, examination, and other procedures that avoid duplication, and to provide for exemption from registration for certain securities."

This bill permits the Division of Banking, Securities and Corporations to revise securities fees which have not been modified since enactment of the Securities Act of 1955. In addition, the bill grants exemption from registration for certain securities listed on the National Automatic Quotation System (NASDAQ), as well as certain securities listed on the Chicago Board Options Exchange. These new exemptions meet listing criteria of present manual exemptions provided by the Act. The exemptions are allowable in many jurisdictions and will provide uniformity.

The securities industry is encouraging and supporting this legislation.


Glenn A. Olds, Commissioner

Date: 5-6-91

**DEPARTMENT OF COMMERCE &
ECONOMIC DEVELOPMENT**
DIVISION OF BANKING, SECURITIES & CORPORATIONS

P.O. BOX D
JUNEAU, ALASKA 99801-0800
Banking & Securities (907) 465-2521
Corporation Section (907) 465-2530
ANCHORAGE
Corporation Information (907) 563-2161

NOTICE OF PROPOSED CHANGES IN THE
REGULATIONS OF THE DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

Notice is given that the Department of Commerce and Economic Development, Division of Banking, Securities and Corporations, under the authority of AS 45.55.240, proposes to adopt regulations in Title 03 of the Alaska Administrative Code to implement AS 45.55.040(c) and (d) and AS 45.55.110(b), as follows:

Chapter 20 Session Laws of Alaska 1991 (HB 210) provides that the department may now set by regulation certain fees formerly set by statute. The proposed regulations will revise fees for securities registration and filing as well as registration fees for brokers and agents. The new fee structure will approximate the current costs of administering the Alaska Securities Act. AS 45.55.195 permits the assessment of examination fees by the administrator. New regulations are promulgated to set forth what comprises exam fees and provide that such assessments may not exceed actual costs to the department.

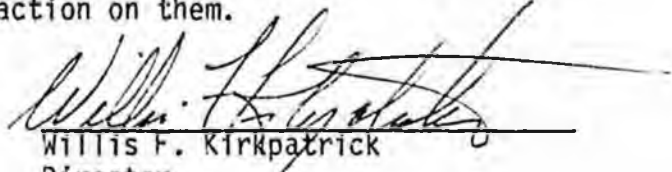
Notice is also given that any person interested may present oral or written statements or arguments relevant to the proposed action at hearings to be held at the Frontier Building, Division of Banking, Securities and Corporations' Conference Room, Suite 778, Anchorage, Alaska at 10:00 a.m. on June 28, 1991; and at the Department of Commerce and Economic Development Conference Room, State Office Building, 333 Willoughby Avenue, Juneau, Alaska at 1:00 p.m. on July 1, 1991. In addition, written statements or arguments may be sent to the Division of Banking, Securities and Corporations, P.O. Box D, Juneau, Alaska 99811, to be received no later than July 15, 1991.

This action is not expected to require an increased appropriation. Copies of the proposed regulations may be obtained by writing to the Division of Banking, Securities and Corporations, P.O. Box D, Juneau, Alaska 99811.

The Department of Commerce and Economic Development, Division of Banking, Securities and Corporations, at the hearing or after it, will either adopt these or other proposals dealing with the same subject, without further notice, or decide to take no action on them.

DATE:

June 13, 1991


Willis F. Kirkpatrick
Director

WFK/KP/bkt4509c
061291a

led

3 AAC 08 is amended by adding a new section to read:

3 AAC 08.015. REGISTRATION AND EXAMINATION FEES. (a) The following fees are established for licensing broker-dealers, agents, and investment advisers:

- (1) application for an initial registration,
 - (A) for a broker-dealer, \$200;
 - (B) for an agent or investment adviser, \$75.
- (2) application for annual renewal of registration,
 - (A) for a broker dealer, \$200;
 - (B) for an agent or investment adviser, \$75.

(3) application for a registered broker-dealer or investment adviser for registration of a successor, \$75.

(4) application for a broker dealer to transfer an agents unexpired portion of registration, \$75.

(b) Whenever an examination is conducted under provisions of AS 45.55.195, the administrator may assess a fee for the actual expenses necessarily incurred by the department in connection with the examination or investigation, whether initial, annual or special.

(1) the fee assessed must include the proportionate part of the actual travel expenses and per diem incurred by each examiner while away from the examiners duty station.

(2) the costs in connection with an examination may not exceed the actual cost to the department of the examination.

(3) the assessment shall be made as soon as feasible after the examination or investigation has been completed.

(4) the assessment must be received by the department within 30 days after receipt of notice of the assessment.

(5) An issuer, broker-dealer, agent, or investment advisor that fails to make the payments required within the time specified is subject to AS 45.55.195. (Eff. / / ,
Register)

Authority: AS 45.55.040(c)

AS 45.55.040(d)

AS 45.55.195(b)

AS 45.55.240

3 AAC 08.080 is amended by adding a new subsection to read:

(e) Every person filing a registration statement shall pay a filing fee of \$100 and a registration fee of one-tenth of one percent of the maximum aggregate offering price at which the registered securities are to be offered in this state, but the registration fee shall in no case be less than \$100 or more

than \$3,000. (Eff. 2/20/72, Register 41; am / / ,
Register)

Authority: AS 45.55.100(b)

AS 45.55.110(b)

AS 45.55.240

3 AAC 08.503(a) and (b)(2) are amended to read:

3 AAC 08.503. REGISTRATION AND REPORTING. (a)

Registration of Offerings. Under the registration provisions in this section, a registrant is only required to file the registration statement, those items required by a registration statement, those items requested by the staff, and a registration fee as provided in 3 AAC 08.080(e) [AS 45.55.110(b)]. If additional documents, including the offering documents, are filed with the administrator, the filing will be treated as a request for full merit review.

(b) (2) Up to five salespeople may be registered as agents of an issuer or sponsor of an issuer to be formed under a waiver of examination. To register, an issuer or sponsor of an issuer shall file an application for registration and pay a \$75 [50] initial registration fee and a \$20 [10] filing fee for each subsequent issue. A \$75 [30] annual renewal fee is charged for renewals of registration. No salesperson may be registered to

more than one person at a time without compliance with the dual registration provisions of 3 AAC 08.010(d). (Eff. 5/24/84, Register 90, am / / , Register)

Authority: AS 45.55.110(b)

AS 45.55.110(e)
AS 45.55.110(b)
AS 45.55.240[(b)]

3 AAC 08.640(a) and (b) is amended to read:

3 AAC 08.640. REGISTRATION AND REPORTING. (a) The corporation shall pay a registration and filing fee as provided in 3 AAC 08.080(e) [AS 45.55.110(b)] for the registration of the offering under Form U-7.

(b) Up to five salespeople may be registered as agents of the corporation and be exempt from the examination requirement of 3 AAC 08.010(f). To register, the corporation must file an application for registration and pay a \$75 [50] registration fee. No salesperson may be registered to more than one corporation at a time without compliance with the dual registration provisions of 3 AAC 08.010(d). (Eff. / / , Register)

Authority: AS 45.55.110(b), (j)

AS 45.55.195

AS 45.55.240(a)

AS 45.55.240(b)

3 AAC 08.910(5)(B) and (6) are amended to read:

(5) (B) notification must be accompanied by a \$40
[25] exemption application fee and must include

(i) name of issuer;

(ii) description of the security to be

sold;

(iii) the terms of the offering;

(iv) the date sales are to commence;

(6) each application for exemption filed under
AS 45.55.140 must be accompanied by a \$40 [25] filing fee.
(Eff. 2/20/72, Register 41; am 3/24/76, Register 57; am 2/9/78,
Register 65; am / / , Register)

Authority: AS 45.55.110(b)

AS 45.55.140(b)

AS 45.55.240

NASD FAX COVER SHEET

May 1, 1991

Page 1 of 2

FROM: Frank Formica	TO: Senator Pearce
COMPANY NAME: NASD	COMPANY NAME: Alaska State Capitol
PHONE NUMBER: (202) 728-8289	PHONE NUMBER: (907) 465-3844
FAX NUMBER: (202) 728-8894	FAX NUMBER: (907) 463-5352

MESSAGES

--

MAY 6 1991

NASD

National Association of
Securities Dealers, Inc.
1735 K Street, N.W.
Washington, D.C. 20006
(202) 728-8000

May 1, 1991

BY FAX

The Honorable Drue Pearce, Chairman
Senate Labor and Commerce Committee
Alaska State Legislature
State Capitol
P.O. Box V
Juneau, AK 99811

RE: Senate Bill 189

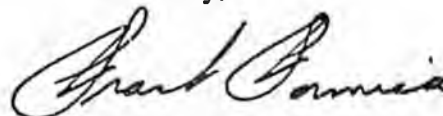
Dear Chairman Pearce:

On behalf of the National Association of Securities Dealers, Inc. (NASD), I am writing to urge your support of Senate Bill 189 to amend the Alaska Securities Act. The NASD is charged with the responsibility of regulating both the National Association of Securities Dealers Automated Quotation System (NASDAQ), which is the second largest securities market in the United States, and the over-the-counter securities markets. This task encompasses both regulation of virtually every broker/dealer firm in the country that conducts business with the public and the regulation and operation of the NASDAQ system.

The NASD strongly supports passage of SB 189 since it includes an important provision to exempt from state registration those securities that are listed on the NASDAQ National Market System (NMS). This legislation recognizes the equality of securities listed on NMS, like National Bancorp of Alaska, MCI and Apple Computer, with those listed on the New York and American Stock Exchanges. Passage of SB 189 also promotes uniformity with the 45 states that have already provided this exemption for securities listed on NMS.

We respectfully request that you schedule a hearing for SB 189 and urge you to favorably report the bill. If you have any questions, please call me at (202) 728-8289.

Sincerely,



Frank J. Formica
Vice President
Office of Congressional and
State Liaison

cc: Mr. Larry Carroll

DEAN WITTER REYNOLDS INC.
3601 C Street, Anchorage, AK 99503 Telephone (907) 564-7137



GARI B. ANDREINI
Vice President and Branch Manager
Pacific Region

May 3, 1991

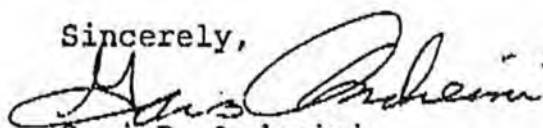
Office of Drew Pierce, Senator
Attn: Mr. Rod Mourant
Fax number 463-5352

Dear Mr. Mourant:

Dean Witter Reynolds, Inc., Anchorage and Fairbanks offices urge your support of senate bill #189 which will help improve investment regulations within the State of Alaska.

The proposed agent renewal fee increase from \$30.00 to \$75.00 is larger than I would have hoped for, but the bill overall is a good one and should be passed.

Sincerely,


Gari B. Andreini

GBA/ts

APR 29 1991



Nancy R. Crossman
General Counsel &
First Vice President

LaSalle at Van Buren
Chicago, Illinois 60605 312 786-7502
Fax: 312 786-7407

April 26, 1991

The Honorable Drue Pearce
Chairman
Senate Labor & Commerce Committee
State Capitol
P.O. Box V
Juneau, AK 99811-0101

Re: Senate Bill 189

Dear Chairman Pearce:

On behalf of the Chicago Board Options Exchange, Inc.. (CBOE), I am writing to request your support for Senate Bill 189, amending the Alaska Securities Act of 1959.

Among other things, the legislation will exempt from state registration securities listed or approved for listing on the CBOE. The exemption will put CBOE on equal footing with the New York Stock Exchange (NYSE), American Stock Exchange (AMEX), Midwest Stock Exchange (MSE), and Pacific Stock Exchange (PSE), all of which are currently recognized under Alaska's exchange listing exemption. CBOE's criteria for listing securities for trading are equal or superior to the criteria of other exchanges already recognized under the statute.

Since February 1973 the CBOE has been registered as a national securities exchange under Section 6 of the Exchange Act of 1934, as amended. Until recently, CBOE has listed and traded only standardized put and call options. (Such options are exempt from registration under Alaska's "equal rank" exemption because the securities underlying such options are listed and traded on the NYSE and the AMEX.)

On October 19, 1990, the Securities and Exchange Commission approved rules allowing the CBOE to list and trade stocks, warrants and other securities instruments. After reviewing CBOE's listing criteria, regulatory functions, and proposed securities for listing, an Ad Hoc Marketplace Committee of the North American Securities Administrators Association (NASAA) issued a report at its April 1991 conference recommending that the states accord CBOE a marketplace exemption.

Pursuant to legislative or administrative action, new products listed on CBOE are currently exempt from registration in 22 states. Five states, including Alaska, have legislation or rules pending to afford such recognition. An additional 16 states have assured CBOE of recognition after the issuance of a favorable NASAA Report, which as noted above, was released in April.

It should be noted that recognizing CBOE is not likely to have an adverse effect on state revenue. If a security is qualified to list on CBOE and CBOE does not have the necessary exchange listing exemptions, the security would most likely be listed on the AMEX or another recognized exchange and, therefore, would not be required to register in Alaska. However, another aspect of the pending bills could positively impact state revenues -- the amendments granting the department of regulation authority to establish registration fees, which we understand have not been adjusted since the 1950's.

All in all, SB189 will promote uniformity among the states in the regulation of securities and will benefit state revenues by allowing registration fees to be adjusted to reflect the cost of the state's regulatory function.

We, therefore, respectfully request that you and you colleagues favorably act on this bill prior to the May recess. If you have any questions, please contact me at (312) 786-7502.

Sincerely,



Nancy R. Crossman
First Vice President and
General Counsel

cc: Lawrence P. Carroll



Nancy L. Nielsen
Assistant Corporate Secretary

LaSalle at Van Buren
Chicago, Illinois 60605 312 736-7466

May 3, 1991

Federal Express

Senator Drue Pearce
Chairman
Labor & Commerce Committee
State Capitol
P.O. Box V
Juneau, AK 99811-0101

Senator Virginia M. Collins
Vice Chairman
Labor & Commerce Committee
State Capitol
P.O. Box V
Juneau, AK 99811-0101

Re: Senate Bill 189

Dear Senators Pearce and Collins::

We understand that a hearing on the Senate Bill 189 is scheduled for Monday, May 6, 1991. In connection with the hearing, we thought you might be interested in the enclosed report of the Ad Hoc Marketplace Committee of the North American Securities Administrators Association. The Committee conducted a due diligence study of the Chicago Board Options Exchange, the results of which are summarized in the report. As noted in Nancy Crossman's letter of April 26th, the Report, which recommended that the states accord CBOE a marketplace exemption, was delivered at the April NASAA Conference.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Nancy L. Nielsen'.

Nancy L. Nielsen
Assistant Corporate Secretary

cc: Lawrence P. Carroll

MEMORANDUM

TO: NASAA Board of Directors
NASAA Members

FROM: Ad Hoc Marketplace Committee

DATE: March 8, 1991

RE: CBOE Exemption Request

In April, 1990, the Chicago Board Options Exchange ("CBOE") began contacting state administrators to request that it be treated as an exempt marketplace for purposes of the "exchange exemption." Subsequently, the NASAA Board established the Ad Hoc Marketplace Exemption Committee and directed it to review the request for an exemption for CBOE-listed securities, to make recommendations to the states with respect to that request, and to determine the appropriateness of entering into the Memorandum of Understanding Regarding a Model Marketplace Exemption with the CBOE. This document sets forth the findings and recommendations of the committee.

CRITERIA FOR MARKETPLACE EXEMPTIONS

In dealing with the CBOE request, the committee quickly recognized that in light of initiatives in other United States marketplaces and the globalization of the markets, it was necessary to consider the matter of marketplace exemptions from a broader perspective. Accordingly, the committee determined that its first task should be to establish criteria to apply to any marketplace seeking an exemption from state registration requirements.

The committee initially focused on the MOU which NASAA entered into with the NASD. That document essentially contains quantitative and qualitative listing criteria for issuers, plus a commitment to cooperate and share information. The Committee perceived this to be an excellent starting point, but has since developed additional minimum standards which deal with other aspects of a marketplace's operation.

As a result of the process briefly described above, the committee formulated the following four-part test which it believes a marketplace should be required to meet to qualify for a marketplace exemption:

1. Listing criteria. The marketplace should be willing to execute a Memorandum of Understanding with NASAA, which contains listing criteria at least as high as those included in the MOU which NASAA executed with the NASD.

2. Products. Except for products which are subject to listing criteria in the MOU, the marketplace should only include products which are not of significant regulatory concern from a corporate finance perspective.

3. Customer protection. The marketplace should provide an adequate level of customer protection. This would include mechanisms for handling customer complaints, reviewing sales practices, and implementing disciplinary measures for violations. Rules and institutional mechanisms should be in place to protect customers from sales and trading abuses.

4. Surveillance. The marketplace should provide for minimum levels of surveillance. This standard will be deemed to have been met if Securities and Exchange Commission oversight exists, and there is satisfactory compliance with SEC standards. The Committee does not propose, at this time, that NASAA make an independent analysis of the surveillance systems of a marketplace, but rather that it review SEC concerns and compliance.

EVALUATION OF CBOE

In order to apply these criteria to CBOE, as required by its charge, the committee took a number of steps. First, Susan Bryant and Craig Goettsch visited the CBOE headquarters on November 29, 1990. In the course of that visit, they toured the floor of the exchange and met some of its officers, its legal counsel, and key members of its Regulatory Services Division. The visiting committee members subsequently delivered a report of their observations to the full committee. Second, the committee received considerable written information from CBOE concerning its operations and procedures, as well as the products it intends to list. Indeed, much of the discussion in this memorandum of the more technical aspects of the CBOE's operation is taken from the information provided by the exchange. Third, the committee reviewed an SEC examination report on CBOE procedures.

With respect to the committee's evaluation of CBOE, it is important to note the Committee's expertise is in state corporate finance matters. Monitoring the operation of securities marketplaces is not a traditional state function, a fact which the committee does not propose to change. Similarly, state regulators generally have limited involvement with certain types of products which CBOE intends to list. Thus, to some extent, the recommendations set forth in this memorandum rest on the existence of SEC oversight and on the belief that some of the more exotic products to be listed on CBOE are not likely to involve individual investors in general, and small investors in particular.

The standardized options currently listed on CBOE, like standardized options listed on the four other national securities exchanges that trade options, are issued by The Options Clearing Corporation ("OCC"), a clearing agency registered under the Securities Exchange Act of 1934. OCC-issued options are currently registered in Alabama, Maryland, Ohio and Virginia. In the remaining jurisdictions, options are sold in reliance upon one or more exemptions from registration.

In 21 states, CBOE is an approved exchange and options traded thereon are accordingly exempt under the exchange exemption. The exchange exemption is also applicable to OCC-issued options traded on CBOE in most states where CBOE is not currently a recognized exchange. This is so because the typical exchange exemption applies to "any security listed or approved for listing upon notice of issuance on [certain approved exchanges, which always include NYSE and AMEX]; any other security of the same issuer which is of similar or substantially equal rank." OCC-issued options listed on CBOE are of equal rank with other OCC-issued options that are listed on NYSE and AMEX. Accordingly, CBOE-listed options are exempt under the "equal rank" provision of the exemption.

The RUSA option exemption or some other form of option exemption is applicable to OCC-listed options in states having such an exemption; and OCC-issued options listed on CBOE are generally eligible for the "blue chip" exemption in states having a "blue chip" exemption. Unique exemptions or special exemptive orders are applicable in three states.

LISTING CRITERIA

At the time that CBOE initiated its current effort to expand the number of states in which CBOE is recognized under the exchange exemption, CBOE had just filed with the SEC proposed rule changes that would permit CBOE to list common stocks and other securities in addition to standardized options. The listing criteria for stocks and other securities were substantially identical to the corresponding criteria of AMEX. CBOE has indicated that it originally patterned its listing criteria after AMEX in part because it was aware that AMEX is an approved exchange in virtually every state and therefore thought that AMEX criteria were acceptable to state securities administrators.

Largely in response to subsequent comments and concerns expressed by state administrators, CBOE amended its proposed standards to: (i) insure that CBOE standards would be at least equal to those of the NASDAQ/NMS in every respect and (ii) make clear that CBOE's listing criteria are strict minimum standards and not simply "guidelines." As originally filed, CBOE's listing criteria were referred to as "guidelines" which "will be considered in evaluating listing eligibility together with all other pertinent data." The final rules approved by the SEC state that "the Exchange has established certain numerical and other criteria (Rules 31.9 through 31.36), which issuers will be required to meet." CBOE's listing criteria for each type of security that it proposes to list are attached as Appendix I to this report.

CBOE has informed us that it has never waived or made exceptions to its criteria for the listing of options and that it has no committee for the purpose of considering such exceptions. CBOE has also said that it does not intend to make exceptions to its criteria for the listing of other securities and that, as noted above, its rules would not permit it to do so.

CBOE's listing standards also require delisting if the minimum maintenance criteria are not met. Delisting proceedings would be initiated promptly and would take about 20 days.

CBOE has agreed to enter into a Memorandum of Understanding ("MOU") with NASAA substantially identical to the MOU between NASAA and the NASD except that CBOE has agreed to an additional condition, which is described below, relating to new products. NASAA's purpose would be to "lock in" minimum uniform listing criteria for a marketplace exemption.

CBOE PRODUCTS

CBOE currently lists only standardized put and call options. It has also obtained unlisted trading privileges in 500 stocks listed on NYSE, AMEX and NASDAQ/NMS for the purpose of trading in "baskets" comprised of such stocks, although trading in such baskets has been discontinued. CBOE is the only options exchange that does not also trade stocks and other securities. CBOE has accordingly adopted listing standards for equity securities and certain other securities referred to below. CBOE cannot predict what proportion of its trading activity will be represented by any of the specific types of securities because that will depend upon its success in attracting issuers. CBOE has stressed that the availability of the exchange exemption for its listed securities is an important factor in attracting issuers. Its principal competitors, NYSE and AMEX, are able to offer exempt status in nearly every state.

CBOE's new listing standards, which were approved by the SEC in October of 1990, cover common stock, preferred stock, debt securities, stock warrants and currency and index warrants. Listing standards covering certain unit investment trusts are pending SEC approval. Listing standards covering "other securities" were approved by the SEC in November, 1990. The "other securities" category corresponds to identical rules of NYSE and AMEX and is intended to cover "hybrid" securities having characteristics of more than one of the other categories of securities. The numerical listing criteria for "other securities" are generally higher than for equity securities and are similar to, and in some respects higher than, the standards applicable to index warrants. Although the rule gives the exchange some flexibility in listing securities with unique combinations of features, the SEC made clear in its approval order that "the listing of securities that raise significant new regulatory issues would require a separate filing with the Commission." At the request of the Committee, CBOE has agreed to furnish to NASAA and/or the states a copy of all its SEC filings seeking to list new products, and this agreement will be set forth in the MOU.

Common Stocks. The exchange has prepared and printed a listing application and related informational materials to be distributed to prospective listed companies. CBOE has sent out four such packets to date. CBOE anticipates that the most likely source for stock listings would be Midwestern companies.

Hybrid Debt Securities. CBOE currently expects to approve an application to list zero-coupon S&P 500-Linked Notes that meet its listing criteria for bonds and debentures as well as the stricter criteria for "other securities." The securities are repayable at the option of the holder after 6 months at a repurchase price linked to the S&P 500 Index. At maturity, the issuer is obligated to redeem the notes at the greater of their par value or the index-linked repurchase price. These notes are intended to provide the holder a potential participation in any appreciation of the S&P 500 index over a five year period. These securities are an example of the hybrid securities intended to be covered by CBOE's "other securities" category. In general, hybrid securities allow the investor to obtain in a single transaction risk and reward characteristics that would otherwise be obtainable only by the purchase or sale of a combination of traditional securities.

Index Warrants. CBOE anticipates that among the first securities that it expects to list under its new listing criteria will be warrants. The Exchange is preparing to begin trading in various domestic and foreign stock index warrants. The Exchange has filed for, or obtained, SEC approval to trade warrants on the following stock indexes:

Compagnie des Agents de Change (CAC 40)
Deutscher Aktien Index (DAX)
Financial Times - Stock Exchange (FT-SE 100)
Standard and Poors 100 (S & P 100)
Standard and Poors 500 (S & P 500)

Index warrants are securities based on the movement in a stock market index. Warrant holders are entitled to receive an amount of cash determined by the difference between the current value of the index at the time the warrant is exercised and the fixed exercise price of the warrant. There has been much recent growth in the trading of index warrants. Warrants on several foreign indexes are now listed on AMEX, and NYSE has also proposed to list index warrants. AMEX-listed warrants are also traded on other exchanges pursuant to unlisted trading privileges, and CBOE itself has been trading one such warrant on a UTP basis since January in order to test its systems. CBOE believes that it is in a good position to attract listings of index warrants because of their similarity to standardized options. CBOE believes that these warrants have the characteristics of options, and will require that investors in index warrants meet the same suitability requirements applicable to options customers. Risk disclosure and suitability requirements similar to those applicable to options trading are also being required by the SEC, and approval to trade warrants on domestic indexes will not be granted until the risk disclosure procedures have been approved.

CBOE's listing standards for index warrants are the same as those of the AMEX and are actually higher than the listing standards for issuers of common stock. They require that: (1) the issuer shall have assets in excess of \$100,000,000 and otherwise substantially exceed the Exchange's size and earnings requirements; (2) the term of the warrants shall be for a period ranging from one to five years from the date of issuance; and (3) the minimum public distribution of such issues shall be 1,000,000 warrants together with a minimum of 400 public holders, and have an aggregate market value of \$4,000,000.

Index warrants have been issued primarily by sovereign governments such as the Kingdom of Denmark and the Republic of Austria, and by investment banking firms such as Saloman, Paine Webber, and Merrill Lynch. Other entities could issue index warrants so long as they meet CBOE's listing standards.

Unit Investment Trusts. CBOE also has proposed listing standards for unit investment trusts. CBOE has indicated to the committee that these standards are intended primarily to permit the listing of "Super Shares", a product which they have been developing for some time. Super Shares are securities consisting of four components that may be traded separately: Appreciation Super Shares, which provide leveraged participation in market advances; Priority Super Shares, which provide additional income in flat or declining markets; Protection Super Shares, which provide protection for a stock portfolio in a market decline of up to 30 percent; and Income and Residual Super Shares which provide additional income in flat or rising markets. Super Shares are intended to allow sophisticated investors to separate (and to retain or dispose of) specific elements of the risk and return characteristics of a portfolio of stocks that replicates the S&P 500. Applications to register Super Shares have been filed in many states, and they are still under review at the SEC.

CBOE has emphasized that its listing standards for unit investment trusts are intended to provide only for the listing of Super Shares and perhaps other innovative products of a generally similar nature. CBOE has emphasized that it does not intend to list traditional unit investment trusts of the type that are now registered in large numbers in many jurisdictions.

It should be noted that innovative products such as index warrants and unit investment trusts are not only subject to the disclosure requirements under the Securities Act of 1933, but they are also subject to substantive review by the SEC under the Securities Exchange Act of 1934. The products are intended for sophisticated investors with specific investment objectives, and they will be subject to the same suitability requirements that apply to trading in standardized options. CBOE's listing standards for these products are the same as those of the AMEX and require the issuer to meet financial requirements that are generally higher than the requirements applicable to issuers of common stocks. CBOE believes that there is demand for innovative products and that it is a preferred marketplace for such instruments. CBOE also believes, however, that potential issuers of these securities as well as issuers of stock and debt securities will likely list on NYSE or AMEX if

Listing on CBOE involves the expense and potential delay of numerous state registrations when the securities would be exempt if listed on those exchanges.

TRADING SYSTEMS AND CUSTOMER PROTECTION

Most option classes listed at CBOE are traded in an open outcry system where certain members of the Exchange may trade as market-makers. Market-makers provide liquidity in option trading by risking their own capital for personal trading, and are the backbone of CBOE's trading system. They take the opposite side of public orders by competing in an open outcry auction market. Floor brokers, on the other hand, act only as agents, executing orders for others. "Dual trading," which refers to a member simultaneously trading for his own account and for customers, is prohibited at the CBOE in that a market-maker may not also act as a floor broker in the same or a related class of options on the same business day.

Although institutional participation has increased in recent years, the principal users of the securities options markets are retail customers. CBOE's rules provide special protections for the transactions of those customers. For example, CBOE recently developed the RAES system, which provides for computerized and automatic execution of smaller customer orders on a priority basis. RAES acts much like the NASD's SOES system. The Retail Automatic Execution System (RAES) automatically executes 10-contracts or less customer market orders and marketable limit orders at the prevailing market quote in the most active series. RAES provides retail customers with a guaranteed firm quote, instantaneous turnaround time to the originating branch office, and reduces member firms' execution, fill reporting and trade match costs. It makes CBOE's price reporting more timely and efficient while facilitating an accurate time and sales audit trail. RAES executes one in five customer orders at CBOE.

Another development took effect in July, 1989, when the SEC approved a CBOE rule filing which codified the "Firm Quote" program, a policy which had been in effect since June, 1988. Under this rule, which applies only to non-broker/dealer orders for options which expire in the two near-term trading months, the trading crowd (made up of "market-makers") is required (except during trading rotations and fast markets) to fill at least 10 contracts of a customer order at the posted bid or offer when the order reaches the crowd. In conjunction with the firm quote rule, CBOE instituted rule changes that narrowed the bid/ask spreads that are allowed under normal market conditions. Additionally, public customer limit orders that are not close to the current market quote are routed to the "public limit order" book. The public limit order book is available only to public customers at CBOE. Market orders that arrive prior to the opening and limit orders are the only types of orders accepted in the book and have priority over all other similar orders from the trading crowd at a given price. Exchange-employed order book officials execute the orders in the book and are prohibited from trading for their own account. The book's highest bid, lowest offer and the size of those orders

are displayed to market-makers on the trading floor. Orders on the book are executed on a first-in/first-out basis at each price, regardless of the order's size.

CBOE has informed us that during the "mini crash" of October, 1989 CBOE honored all orders on the public customer order book at the opening prices even though the large number of orders placed on the book at the opening could not be sorted and effected at the opening in an orderly manner. In so doing, CBOE incurred a loss of over \$2.5 million from assigning opening prices to such orders as if they had been effected at the opening prices when in fact the orders had to be executed in the rising market after the opening. CBOE has continued to automate its systems by expanding the use of the electronic order book in order to avoid another such loss in the future.

SEC OVERSIGHT

Prior to our visit, the Committee reviewed the most recent SEC inspection report of CBOE surveillance and the response of CBOE to that inspection. The SEC had raised two areas of critical concern. Firstly, they asked whether the implementation of the CBOE's Comprehensive Automated Surveillance System, termed The Market Surveillance Systems ("MSS"), was on track. Management of CBOE reported to us that the MSS is on track with all three areas mentioned by the SEC after their November, 1988 inspection being completed within time lines promised by the CBOE. "Front running" was completed in December of 1989; "Mini-manipulation" and "capping and pegging" were operational in March and May of 1990 respectively, and it is expected that MSS will be operational for index options surveillance by May of 1991.

The second SEC concern pertained to audit trails. CBOE has responded to this concern by adopting a new rule providing for summary fines. On page three of their response letter to the SEC there is a chart of these fines. There has also been a recidivism provision added to this system to escalate fines for repeat offenders. A rule was adopted in December, 1989 which imposes a fine if fewer than 70% of a trader's reported times are accurate. Another provision of the rule imposes a \$1000 fine if fewer than 50% of a trader's OEX trades are reported with the required degree of accuracy. More stringent parameters are being added for all classes of options. From September 21st to October 20th, 69 people were fined pursuant to this rule. From October 21st to November 20th, only 27 people were fined. CBOE has more recently received a letter from the SEC which says they are doing well, but could continue to improve. The letter was not pursuant to an audit but was limited to a review of accuracy rates. CBOE has filed rules requiring that the percentage of mistakes go down from 30 percent to 25 percent. They later cut that figure to 20 percent.

SURVEILLANCE AND REGULATION

The Regulatory Services Division of CBOE consists of 89 people. A current summary of the structure and functions of the Regulatory Services Division was provided to us by the exchange and is attached as Appendix 2.

CBOE's Department of Compliance investigates sales practice violations and terminations. The most frequent complaints involve suitability or unauthorized use of discretion. The exchange receives approximately 30 notifications of termination per month, of which about 10% involve customer complaints. Complaints of sales practice abuses are responded to immediately in writing. The customer is advised that the complaint is under review and that the exchange cannot award compensation to customers, although the exchange's arbitration facilities are available to customers seeking to recover losses. Sales practice cases average 7 to 12 months from the beginning of the investigation before going to the Business Conduct Committee.

CBOE is an active participant in the Options Self Regulatory Council. Other participants in the Council include representatives of the American Stock Exchange, Midwest Stock Exchange, National Association of Securities Dealers, New York Stock Exchange, Philadelphia Stock Exchange and Pacific Stock Exchange. The Council facilitates an equitable distribution of regulatory responsibilities for all aspects of the sales practices of organizations that are members of more than one exchange or the NASD. The Council also acts as a forum for the development, revision or interpretation of rules and regulations in an effort to ensure consistent enforcement of such rules and regulations. The council coordinates yearly examinations and investigations of such matters as terminations for cause and customer complaints. For such purposes, each firm is assigned to one of four Designated Options Examining Authorities (CBOE, AMEX, NASD, or NYSE) and it is reassigned every two years. Routine examinations are performed primarily at the firm's main office, extending to the branch office level on an "as needed" basis. Routine examinations include such matters as supervision of branch offices by the main office, account approvals, and suitability of trading.

The exchange's Department of Market Regulation investigates possible violations of exchange and SEC rules governing business conduct on the trading floor, supports exchange committees which deal with floor policies to insure compliance with the rules, and educates the exchange membership and the public regarding trading floor rules and policies. At February 12, 1991 the total number of open investigations was 164. The average number of customer complaints received per month during 1990 was 10. As in the case of sales practice violations, customers are sent an acknowledgment letter immediately upon receipt of the complaint advising them of the exchange's procedures. Customer complaints in which the staff determines there is no apparent rule violation are generally closed within two weeks of receipt. Cases in which the staff believes that there may be a rule violation take an average of about 8 months before they are reviewed by the Business Conduct Committee. The SEC's August 23, 1989 inspection letter states: "The 1988 inspection found that, overall, the CBOE surveillance, investigatory and disciplinary programs for trading abuses continue to function effectively."

The exchange's Business Conduct Committee is similar to that of the NASD. This committee determines, based on staff investigations and recommendations, when probable cause exists to bring charges of rule violations, authorizes charges against members, and either settles or holds hearings with regard to those violations. For sales practice violations it

can take up to a maximum of two years from initiation to resolution of the problems. The Business Conduct Committee has used consent procedures very successfully to expedite a resolution. A chart favorably comparing the number of actions taken and sanctions imposed by CBOE with other SROs was provided.

CBOE also participates in the Intermarket Surveillance Group ("ISG"), which is comprised of the major national securities exchanges with the major commodities exchanges and certain foreign exchanges as affiliated members. The ISG was created originally to serve as a forum to negotiate routine sharing of information between exchanges for regulatory purposes. It also serves as a forum for negotiating uniform rules and regulatory policies when appropriate. The CFTC and SEC staff also attend these meetings.

CBOE has worked actively with Florida, California and Wisconsin, as well as with NASAA, to provide training for securities department staff. CBOE is currently assisting the Colorado Securities Department in connection with a large case involving options trading by an investment advisor (over whom the CBOE had no jurisdiction). CBOE has indicated its willingness to share complaint information with the states as it is authorized under its rules to do and otherwise to cooperate with the regulatory activities of the states. It should also be noted that CBOE disciplinary decisions are reported on the CRD system on Form U-6.

CONCLUSIONS

The committee developed a four-part test to determine whether to recommend that NASAA execute an MOU with CBOE and whether states should accord the exchange a marketplace exemption. After applying that test, we are satisfied that an MOU should be executed and that the exchange should be granted the exemption.

CBOE's listing criteria match those of NASDAQ-NMS, and CBOE is more than willing to enter into an MOU and to include a notice requirement in the event it takes steps to list new products. Most of the products currently listed or planned for listing are not subject to state registration review. Moreover, those products, particularly options and index warrants, raise market regulation, rather than traditional corporate finance issues.

From a regulatory perspective, CBOE operates much like the NASD, with a business conduct committee and a separate regulatory division. Restrictions on certain types of trading practices, along with systems like the SOES, provide further consumer protection. In addition, the regulatory and surveillance systems are subject to SEC audit and oversight. Finally, CBOE welcomes visits by state administrators to examine its operations and it is prepared to cooperate with the states in handling investigations and customer complaints.

For the reasons stated above, the committee recommends that:

1. NASAA execute an MOU with CBOE; and
2. States accord CBOE a marketplace exemption

APPENDIX ONE
CBOE
LISTING CRITERIA

APPENDIX TWO
REGULATORY SERVICES DIVISION

Booklets will be provided at the Spring Conference.

The format for the rest of this memorandum will be as follows. There will be a brief background discussion of CBOE, to be followed by a section outlining the current status, in terms of state registration requirements, of the exchange and the options which trade there. After that, CBOE will be analyzed against each of the standards set forth above, namely: listing criteria, products, customer protection, and surveillance. Finally, the memorandum will summarize the committee's conclusions and set forth its recommendations.

CBOE - BACKGROUND

CBOE is a national securities exchange registered as such under the Securities Exchange Act of 1934 and regulated by the SEC. CBOE was created in 1973 by members of the Chicago Board of Trade, but it has always been an entity wholly independent of the Board of Trade. Prior to 1973, the only available stock options were non-standardized, unregistered options guaranteed by individual brokerage firms and traded "over-the-counter." CBOE introduced trading in options with standardized terms that are issued and guaranteed by a registered clearing agency and registered and regulated under the federal securities laws. Today standardized options are traded on five national securities exchanges including the New York Stock Exchange and the American Stock Exchange.

In 1980, CBOE acquired the Midwest Stock Exchange's options business. CBOE now lists options on over 200 widely-traded stocks. During 1990, over 60 percent of all U.S. listed securities options trading took place at CBOE. CBOE also developed options on broad-based stock indexes, a major innovation in the securities markets. The first such index, now known as the Standard and Poor's 100 Index (ticker symbol OEX), was introduced on March 11, 1983. OEX has become the most active index product on the market, trading an average of over 275,000 contracts per day during fiscal 1990. CBOE also trades options on the Standard and Poor's 500 Index (SPX), the index that many U.S. money managers use as a benchmark for portfolio performance. During 1990, trading in these two indexes at CBOE represented more than 91 percent of the total U.S. index option market.

Due to increased volume in the early 1980s, CBOE outgrew its original trading facilities and in 1984 moved into its own building which it had designed and built. Trading takes place in a 45,000 square foot space (the world's largest exchange trading floor) with another floor of the same size in reserve. CBOE also appears to be well-capitalized. Total members' equity at June 30, 1990 stood at \$58,070,000, with a working capital of almost \$35,000,000.

CURRENT STATUS

CBOE is currently exempt as a marketplace in 21 states pursuant to statute or rule. Only a few states would need a statutory amendment to provide for an exemption for CBOE.

S B

1 9 0

SENATE COMMITTEE REPORT
(FIRST COMMITTEE OF REFERRAL)

DATE: 3/11/91

FURTHER: Finance

Date of 5-Day Notice: 4-4-91
(in accordance with Uniform Rule 23)

DATE TURNED
INTO OFFICE: _____

L&C Committee considered SB 190

Powers of the Alaska Safety Advisory Council; efd.

and recommended:

- replace with _____ CS _____ same title
- attached amendment(s) new title
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):

Department(s)/Date:

Department(s)/Date:

fiscal note(s) LABOR / 2-14-91

zero fiscal note(s) REV / 2-15-91

appropriation-no fiscal note

Governor's bill w/fiscal note

SIGNING DO PASS:

DeLessa
Rick Halford

OTHER RECOMMENDATIONS:

[Signature]
Chair: Signature and Recommendation

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO : SB 190

Revision Date: _____
Title: "An Act relating to powers of the Alaska Safety Advisory Council"
Sponsor: Senate Rules Committee
Requestor: Senate Labor & Commerce

Department Affected: Labor
BRU: Commissioner's Office
Component: Commissioner's Office

COMPONENT SERIAL NO. 340

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	103.5	103.5	103.5	103.5	103.5	103.5
SUPPLIES	6.0	6.0	6.0	6.0	6.0	6.0
EQUIPMENT						
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	109.5	109.5	109.5	109.5	109.5	109.5
CAPITAL						
REVENUE	109.5	109.5	109.5	109.5	109.5	109.5

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
GF Program Receipts	109.5	109.5	109.5	109.5	109.5	109.5
TOTAL	109.5	109.5	109.5	109.5	109.5	109.5

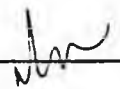
POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: If the effective date is 1/1/91, the FY 91 impact would also be \$109.5.

ANALYSIS: (Attach a separate page if necessary)

see attached

Prepared by: Eileen Plate, Special Assistant Phone: 465-2700
Division: Commissioner's Office Date: 3/12/91
Approved by Commissioner: Nancy Bear Usura 
Agency: Department of Labor Date: 3/12/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

Fiscal Note Analysis for:

"An Act relating to powers of the Alaska Safety Advisory Council"

This bill would allow the Alaska Safety Advisory Council to collect program receipts at its annual safety & health conference. These receipts would, in turn, be used to pay for the conference activities as well as other council activities.

Projected receipts for FY 92:

Annual Governor's Conference		\$109,500
Registration fees:	\$85,000	
Exhibit fees:	14,000	
Other fees:	10,500	

Projected expenses for FY 92:

Annual Governor's Conference		\$109,500
Speakers expense	\$58,000	
Conference hotel	36,000	
Portfolios/Nametags/Awards	6,000	
Miscellaneous	9,500	

If the effective date is January 1, 1991, the receipts and expenditures for FY 91 would also fall under the provisions of this bill. We estimate the receipts and expenditures will be about the same in 1991 as shown above for 1992.

FISCAL NOTE

No. 1

Version: SB 190

(S) Publish Date: 3/11/91

STATE OF ALASKA
1991 LEGISLATIVE SESSION

Revision Date: _____

Title: Alaska Safety Advisory Council

Department: Revenue

BRU: Treasury

Component: _____

Sponsor: Hickel

Requestor: _____

Component Serial No.

--	--	--	--

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

ANALYSIS:

Prepared by: Brian C. Andrews

Phone: 465-2350

Division: Treasury

Date: February 15, 1991

Approved by Commissioner: [Signature]

Agency: Revenue

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

WALTER J. HICKEL
GOVERNOR



5B190

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 11, 1991

The Honorable Richard I. Eliason
President of the Senate
P.O. Box V
Juneau, AK 99811

Dear President Eliason:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the powers of the Alaska Safety Advisory Council (council).

The council is made up of 13 members from industry, labor, government, and the public sector. A primary function of the council is to organize and hold an annual governor's safety conference to bring together citizens interested in safety and health matters. (AS 18.60.835) The council, through its annual safety conference and other duties, provides the people of Alaska with an important format to develop and exchange ideas relating to safety and health. The annual appropriation to the council, \$15,000, has been insufficient to cover the cost of the annual conference. Therefore, the council charges an attendance fee for the safety conference to help underwrite the cost of the next conference.

To conform with state law, the council's funding must be channeled through the state budget/legislative appropriation process. This bill provides statutory authority for the council to charge the conference attendance fee, thereby generating program receipts which must be accounted for under the Executive Budget Act (AS 37.07). Thus, the bill provides for accountability of amounts received by the council and provides a source for future legislative appropriations.

I urge your prompt action on this matter.

Sincerely,

A handwritten signature in cursive script that reads "Walter J. Hickel".

Walter J. Hickel
Governor

STATE OF ALASKA

DEPARTMENT OF LABOR
OFFICE OF THE COMMISSIONER

WALTER J. HICKEL, GOVERNOR

P.O. BOX 21149
JUNEAU, ALASKA 99802-1149
PHONE: (907) 465-2700

FAX: (907) 465-2784

March 22, 1991

Rod Mourant
Professional Assistant
Labor and Commerce Committee
Alaska State Senate
P.O. Box V
Juneau, AK 99811

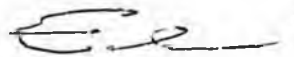
Dear Rod,

This is to confirm our telephone conversation earlier today concerning Senate Bill 190, dealing with the Alaska Safety Advisory Council.

Passage of this bill is needed to bring the Council into conformity with state budget/appropriation laws. Accordingly, we would appreciate the Labor and Commerce Committee's consideration in scheduling it for hearing as soon as possible.

Thank you for your help.

Sincerely,



Eileen Plate
Special Assistant

EP:kh

SB

205

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

DATE: 3/15/91

FURTHER: Judiciary

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 3/16/92

L&C Committee considered SB 205

Revising the nonprofit corporations code, the religious corporations code; amending Alaska Rules of Civil Procedure 3, 4, 8, 17, 19, 23.1, 24, 79 and 82, Alaska Rules of Evidence 803, Alaska Rules of Appellate Procedure 602 and 609; efd.

and recommended:

- replace with _____ cs SB 205 (L+C) same title
- attached amendment(s) new title
- _____ letter of intent adopted
- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to _____

ATTACHES NEW FISCAL NOTE(S):

- | | |
|---|--|
| Department(s)/Date: | Department(s)/Date: |
| <input type="checkbox"/> fiscal note(s) _____ | <input type="checkbox"/> zero fiscal note(s) _____ |
| _____ | _____ |
| _____ | _____ |
| <input type="checkbox"/> appropriation-no fiscal note | <input type="checkbox"/> Governor's bill w/fiscal note |

SIGNING DO PASS:

Shirley Craft

OTHER RECOMMENDATIONS:

James Ellis No Rec
Mike Halford NO REC

Ernie Pearce - No Rec
 Chair: Signature and Recommendation

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. SB 205

Revision Date: _____

Department Affected: Commerce & Econ. Dev.

Title: Nonprofit Corporation Code Revision

BRU: Banking, Securities & Corporations

Component: Corporations

Sponsor: Rules by Legislative Council

Requestor: Senate Labor and Commerce

COMPONENT SERIAL NO.

1	2	3	3
---	---	---	---

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	51.0	51.0	51.0	51.0	51.0	51.0
TRAVEL	4.0	4.0	4.0	4.0	4.0	4.0
CONTRACTUAL	21.0	21.0	21.0	21.0	21.0	21.0
SUPPLIES		2.0	1.0	1.0	1.0	1.0
EQUIPMENT	62.7	20.0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	138.7	98.0	77.0	77.0	77.0	77.0
CAPITAL	0	0	0	0	0	0
REVENUE FUND RESOURCE:	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	138.7	98.0	77.0	77.0	77.0	77.0
FEDERAL FUNDS						
OTHER FUND SOURCE:						
TOTAL	138.7	98.0	77.0	77.0	77.0	77.0

POSITIONS:

FULL-TIME	1	1	1	1	1	1
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS (Attach a separate page if necessary.)
SEE ATTACHED

Prepared By: Willis F. Kirkpatrick, Director

Phone: 465-2521

Division: Banking, Securities & Corporations

Date: 2-21-92

Approved by Commissioner: Glenn A. Olds

Agency: Department of Commerce & Economic Development

Date: _____

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., and Impacted Agency(ies).

FISCAL NOTE - SB 205

ANALYSIS:

The projected expenses include a new accounting position to audit financial statements/biennial reports; approve the dispositions of corporate assets, mergers and consolidations; involuntarily dissolve corporations for misrepresentations; and other examining responsibilities. Travel expenses would be needed on a quarterly basis to examine Anchorage-based corporations for complaints, examinations and investigations. Contractual expenses include the rights of the corporations to request hearings or administrative procedures for actions taken by the Commissioner. Equipment and Supplies would be used to purchase imaging equipment. The Corporations Staff is already inundated with excessive filings in hard copy, fiche and film. Retrieval is extremely slow and time-consuming. Rather than increase staff by requesting two additional persons, we could accomplish the additional filings and review with the expedited imaging retrieval system. (This was also recommended by the Governor's Efficiency Team.)

SUMMARY OF EXPENDITURES - FY 93

<u>Personal Services:</u>		\$51.0
<u>Accountant II</u> - Range 16 - Juneau		
<u>Travel:</u>		\$ 4.0
Quarterly investigations/examinations in Anchorage		
<u>Contractual:</u>		\$21.0
Postage for nonprofit mailouts	\$ 1.0	
Administrative Officer	20.0	
<u>Supplies:</u>		\$ 1.0
Imaging supplies-optical disks (not FY 93)		
<u>Equipment:</u>		\$62.7
Initial purchase of stand-alone optical imaging includes a workstation, PC, software, digitizer, printer and roll film backup	\$60.0	
Computer for accountant position	2.7	

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. HB 219 ¹⁰⁰ 15B205

Revisor: Date: _____

Department Affected: Commerce & Econ. Dev.

Title: Nonprofit Corporation Code Revision

BRU: Banking, Securities & Corporations

Component: Corporations

Sponsor: Rules

Requestor: _____

COMPONENT SERIAL NO.	1	2	3	3
----------------------	---	---	---	---

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	51.0	51.0	51.0	51.0	51.0	51.0
TRAVEL	4.0	4.0	4.0	4.0	4.0	4.0
CONTRACTUAL	21.0	21.0	21.0	21.0	21.0	21.0
SUPPLIES		2.0	1.0	1.0	1.0	1.0
EQUIPMENT	62.7	20.0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	138.7	98.0	77.0	77.0	77.0	77.0
CAPITAL	0	0	0	0	0	0
REVENUE FUND RESOURCE:	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	138.7	98.0	77.0	77.0	77.0	77.0
FEDERAL FUNDS						
OTHER						
FUND SOURCE:						
TOTAL	138.7	98.0	77.0	77.0	77.0	77.0

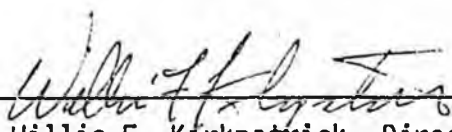
POSITIONS:

FULL-TIME	1	1	1	1	1	1
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS (Attach a separate page if necessary.)

SEE ATTACHED



Prepared By: Willis F. Kirkpatrick, Director

Phone: 465-2521

Division: Banking, Securities & Corporations

Date: _____

Approved by Commissioner: Glenn A. Olds

Agency: Department of Commerce & Economic Development Date: _____

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., and Impacted Agency(ies).

Page 1 of 2

ANALYSIS:

The projected expenses include a new accounting position to audit financial statements/biennial reports; approve the dispositions of corporate assets, mergers and consolidations; involuntarily dissolve corporations for misrepresentations; and other examining responsibilities. Travel expenses would be needed on a quarterly basis to examine Anchorage-based corporations for complaints, examinations and investigations. Contractual expenses include the rights of the corporations to request hearings or administrative procedures for actions taken by the Commissioner. Equipment and Supplies would be used to purchase imaging equipment. The Corporations Staff is already inundated with excessive filings in hard copy, fiche and film. Retrieval is extremely slow and time-consuming. Rather than increase staff by requesting two additional persons, we could accomplish the additional filings and review with the expedited imaging retrieval system. (This was also recommended by the Governor's Efficiency Team.)

SUMMARY OF EXPENDITURES - FY 93

<u>Personal Services:</u>		\$51.0
Accountant II - Range 16 - Juneau		
<u>Travel:</u>		\$ 4.0
Quarterly investigations/examinations in Anchorage		
<u>Contractual:</u>		\$21.0
Postage for nonprofit mailouts	\$ 1.0	
Administrative Officer	20.0	
<u>Supplies:</u>		\$ 1.0
Imaging supplies-optical disks (not FY 93)		
<u>Equipment:</u>		\$62.7
Initial purchase of stand-alone optical imaging includes a workstation, PC, software, digitizer, printer and roll film backup	\$60.0	
Computer for accountant position	2.7	

4/4

Drue:

I've now spent a total of 8 or 10 hours on this project over the past few weeks...on the phone, playing telephone tag, waiting for people to return from vacation, talking to Parnell, Lehman, Finkelstein, Rooker, Clary, Christian Businessman's group, etc.

I'd now suggest we send out the attached letter...over your signature only...to the following people. (Bringing Finkelstein in would only add hours more of work. I'm happy to do it, if you want, but it's time-consuming stuff.)

Suggest we send to:

- . Bishop Hurley, Catholic Head
- . Rabbi Rosenfeld, Jewish Head
- . Jerry Prevo, Anchorage Baptist Temple
- . Alphonso Patterson, Abbott Loop Christian Center
- . ~~?????????. Anchorage Christian Center~~
- . Lew Rooker, Northern Light United Church ((Juneau)
- . Bill Council, attorney suggested by Rooker.

Please advise.

Don 4/4

*Sounds fine —
forget the A.C.C.
since you have
Abbott Loop.*

*↓
225 500/2000
09/01*

*P.O. 20 3/1/01
1/1000-1000*

*Erin —
Pls. see next
pg. for draft to
put in final.
B*

3/7

Drue:

According to Pat Parnell, the largest individual churches are:

- Abbott Loop Christian Center (2000 families)
- Anchorage Baptist Temple (1500 families)
- Anchorage Christian Center (700-1000 families)

In talking to Loren Lehman, Parnell and the Christian Businessman's Group in Anchorage, there's a long list of churches. I suggest we send to the Pastors of the above three plus Bishop Hurley (Catholic head) and Rabbi Rosenfeld (Jewish head).

Pat 3/7
ok!
==

There is an assn of ministers in each major town - call Lew Rooker here at 586-3131 (Northern Light United Church) to ask how to get info out (suggestion)

called
" 3/31
called 4/2

to: Bill Council
tel. try.

Call De Prevo or Glen Clary for same in Auc.

called
- called 3/7/71
w.c.
- 4/2 called

1
Anch Baptist
people
333-6535

- Abbott loop
Alfonso Patterson
- First Baptist
- Muldown/Dewli

Alaska State Legislature

Senator Drue Pearce, Chair
Senator Tim Kelly
Senator Rick Halford
Senator Paul Fischer
Senator Al Adams



WHEELER BUREAU
P.O. BOX 5
JUNEAU ALASKA 99811
(907) 485 1971

3111 C STREET, SUITE 150
ANCHORAGE, ALASKA 99501
(907) 561 2010

SENATE SPECIAL COMMITTEE
ON OIL AND GAS

Methodist - (Parrish) ALL Saints
Episcopal

- Arch. Bop. Temple
- 1st Presb
- Grace Brethren Ch or Hoffman
- Faith Baptist
- Abbott Hoop River Center
- Warriors / Ch of S. C. of L.O.S. DICK
TRAINI
H. SEMBY
- Central Lutheran
- Parkside Church
- Arch. River Center
- First Assembly of God
- Jehovah's Witness
- Muldoon Assembly of God
- Bishop Henley - W.N. Ch
- Rabbi Harvey Rosenfeld
 (Coy. Beth Stolor - 7525 E.
 P. Lts)
- TRINITY PRES. HILLSIDE

W.C. - 2/2/72

STATE OF ALASKA

2/26

Drive -

I mentioned the attached idea (that draft) to David -
he suggests it go out to the "20 or so largest"
churches in Anchorage. (Maybe this wasn't such
a hot suggestion of mine!) What would you like
me to do.

8 or so?

B

DRAFT

draft of separate letters for DP by billy...Hurley, Prevo SB 205

Bishop Frank Hurley
Holy Family Cathedral
818 W. Fifth Avenue
Anchorage, AK 99501



and

Pastor Jerry Prevo
Anchorage Baptist Temple
6401 E. Northern Lights Blvd.
Anchorage, AK
February 24, 1992

Dear Bishop Hurley (Pastor Prevo):

Attached is a copy of Senate Bill 205, the nonprofit corporation code revision and religious corporation code revision. The identical bill has been introduced in the House as House Bill 219.

~~Earlier today,~~ We co-chaired the first meeting of the Legislature's Labor and Commerce Committees on the referenced bill. A number of issues were raised concerning religious corporations...and the various forms they may take. Hence, this letter.

If you or your attorneys would care to comment on the bill, we would be happy to hear from ~~them~~. Obviously, the bill is a huge one and very complex. We can understand if it takes you some time to comment. On the other hand, if the revision is to pass this session, we have to move the bill along to its other committees. However, if your comments come after the bill has moved from the committees we chair, be assured we will forward them to the appropriate committee for inclusion in their deliberations.

If we can be of help to you in any other way this session, please let us know.

Respectfully,

Drue Pearce, Senate Chair
Labor and Commerce Committee

David Finkelstein, House Chair
Labor and Commerce Committee

COPY

ALASKA CODE REVISION COMMISSION

COMMISSIONERS

JOHN W. ABBOTT-CHAIR
MARY HUGHES
CAROLYN E. JONES
ERIK J. LEROY
DICK MADSON
PATRICK M. RODEY
JUDGE (RET.) THOMAS B. STEWART
ROBIN L. TAYLOR

ALASKA STATE LEGISLATURE
P.O. BOX Y STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-2450

EXECUTIVE SECRETARY
TAMARA BRANDT COOK

March 3, 1992

The Honorable David Finkelstein
Representative
Alaska State Legislature
Chair, House Labor and Commerce
State Capitol
Juneau, AK 99801-1182

Re: Proposed Amendments to HB 219 and SB 205; The Nonprofit Corporation Code Revision.

Dear Chairman Finkelstein:

This letter will follow up on information being provided to you by the division of corporations concerning amendments to HB 219 and SB 205. I met with Mr. Monagle, the corporations supervisor, and we were able to agree on all of the recommended amendments contained in the letter from Commissioner Glenn Olds (which this letter references). Staff members for both the House and Senate Labor and Commerce Committees requested that the committees be provided with justification for one of the proposed amendments. That amendment would modify HB 10.21.852 by deleting subsections 7 and 8 (P. 123, lines 26-29, inclusive) from that section. While the Code Revision Commission is willing to acquiesce in the deletion of those two subsections, it is for the purpose of attempting to work out all of the language differences with the Division of Corporations. The provisions were placed in the draft bill because they serve a useful and needed purpose in the bill.

If the committees feel that the retention of subsections 7 and 8 will not impose an undue burden upon the Division of Corporations, they should be retained for the following

Letter to the Honorable
David Finkelstein
HB 219 and SB 205
Page 1 of 3

reasons. During public hearings held by the Alaska Code Revision Commission on the nonprofit corporation code, one of the frequent complaints was that small nonprofits did not have the funds or the manpower to meet the reporting requirements then set forth in the proposed bill. The Commission has sought to accommodate this inability on the part of small nonprofits by providing for the filing of only one document which will set forth a limited amount of financial information. This information would be included as a part of the information required by the Division of Corporation for the biennial report which is required to be filed by nonprofit corporations. As such, small nonprofits could satisfy their reporting obligations with the filing of one document. Nothing in § 852 would require cross-referencing or indexing. The biennial report would merely become the repository for certain minimal financial data so that any person with a relationship to the corporation would have access to this information without having to place an undue burden on the small nonprofit. No additional work would be required by the Division of Corporations once the form biennial report was adopted (the Division needs to only duplicate the language contained in § 852 and the form is complete). The Division of Corporations has no obligation under this section to do *anything* with the information other than to make sure that all of the information sections have been filled out. It has no obligation to independently *verify* the information that is provided or take any action of any nature on this information. In short, the inclusion of the information contained in subsections 7 and 8 will pose no additional burden upon the Division of Corporations. While the Division is free to create a database using this information, that is entirely discretionary with the division and is not required by the section.

The information required by and contained in § 852 will be located in the public records and in almost all instances, the biennial report will be the only place where such information can be obtained. Accordingly, it will serve a very useful purpose for disseminating information to those persons, members, contributors or creditors, who do business with Alaska nonprofit corporations. Balancing the burden (there are none) against the benefits (which are substantial), it seems that these two subsections should remain in the bill. Given the recent events concerning the national United Way organization, it cannot be disputed that financial information should be readily available to avoid the type of grossly disproportionate salaries that can occur and, in fact, did occur in the national United Way organization.

Turning to another point, it is my understanding that the Division of Corporations will not be requesting withdrawal or modification of the fiscal note submitted on its behalf. It is the Commission's position that there is no merit whatsoever to the request for additional funding based upon HB 219 and SB 205. An examination of the bill will quickly and easily reveal that the provisions for oversight and regulation are almost uniformly discretionary with the Division of Corporations. Those instances of obligations being imposed upon the Division are merely a continuation of statutory obligations *presently* in

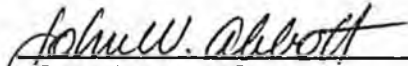
force and undertaken by the Division. HB 219 and SB 205 do not require that the Division adopt a pro-active posture in enforcement of the proposed codes. It seems to me that if the Division of Corporations wants to play a more active role in corporation enforcement matters, a position request for a person with an accounting should appear in its annual budget with support for the new position.

I believe that the Division will pursue its request in front of the Senate or House Judiciary Committee and will not be providing its justification for the fiscal note with the Senate or House Labor and Commerce Committees.

If I can provide you with any additional information, please contact me at (907) 346-1039 and I will get back to you as soon as possible. You can also use the same number as a FAX number if you wish.

Finally, thanks for the help with the bill. I hope that it finds acceptance with the committees and we can continue with our efforts to overhaul the Title 10 corporation chapters.

Very truly yours,



JOHN W. ABBOTT
Chair

cc: The Honorable Drue Pearce
Mike Monagle

A M E N D M E N T

OFFERED IN THE SENATE

BY THE SENATE LABOR & COMMERCE COMMITTEE

TO: SB 205

Page 5, line 3:

Delete "deceptively similar to"

Insert "undistinguishable on the records of the department from"

Page 6, line 29:

Delete "deceptively similar to"

Insert "undistinguishable on the records of the department from"

Page 7, line 1:

Delete "DECEPTIVELY SIMILAR"

Insert "UNDISTINGUISHABLE"

Page 7, line 5:

Delete "deceptively similar"

Insert "name that is undistinguishable on the records of the department from the corporate"

Page 7, line 6:

Delete "deceptively similar"

Insert "name that is undistinguishable on the records of the department from the corporate"

Page 10, following line 19:

Insert a new subsection to read:

"(c) Notwithstanding a provision of this chapter to the contrary, a domestic corporation may exceed the limits established in this section for the accumulation of surplus current assets if the corporation is specifically authorized to do so under federal law."

Reletter the following subsections accordingly.

Page 85, lines 28-29:

Delete "same or a deceptively similar corporate, reserved, or registered name is"

Insert "corporation's name is the same as, or undistinguishable on the records of the department from, a corporate, reserved, or registered name"

Page 103, lines 10-11:

Delete "same or a deceptively similar corporate, reserved, or registered name is"

Insert "corporation's name is the same as, or undistinguishable on the records of the department from, a corporate, reserved, or registered name"

Page 116, line 18:

Delete "is the same name as, or deceptively similar to"

Insert "is not the same name as, or undistinguishable on the records of the department from"

Page 140, line 9:

Delete "deceptively similar to"

Insert "undistinguishable on the records of the department from"

Page 141, line 3:

Delete "deceptively similar to"

Insert "undistinguishable on the records of the department from"

Page 141, line 6:

Delete "DECEPTIVELY SIMILAR"

Insert "UNDISTINGUISHABLE"

Page 141, line 10:

Delete "deceptively similar"

Insert "name that is undistinguishable on the records of the department from the corporate"

Page 141, line 11:

Delete "deceptively similar"

Insert "a name that is undistinguishable on the records of the department from the corporate"

Page 163, line 16:

Delete "deceptively similar to"

Insert "undistinguishable on the records of the department from"

SB 205 and HB 219: Nonprofit Corporation Code Revision

The Department of Commerce and Economic Development has been asked to comment on SB 205 and HB 219. While the department is aware that abuses may be present in fund raising activities of nonprofit corporations, it would be difficult to convert a filing office activity of the department into that of an enforcement agency.

In Section 10.21.190(5), the Commissioner is listed as the person who would take action in "breach of charitable trust." Often the State is seen as an agency with resources and is expected to represent all of the public's needs.

In both Sections 10.21.195(b) and (c) and 10.21.198, the Commissioner has defined responsibility in certain cases where nonprofit corporations' assets are distributed. This broad delegation of responsibility to safeguard interest of the public further embroils the department in corporate affairs.

Section 10.21.415 and Section 10.21.420 involve the department as a regulatory agency to take action in certain circumstances.

Sections 10.21.500-10.21.503 require the Commissioner to make certain findings in cases of consolidation and mergers in a manner which is regulatory and restrictive in nature.

Section 10.21.563 provides that, in some instances where there are inadequate assets to pay a receiver, the court may appoint the Commissioner. This could place a financial burden upon the department.

The department has no objection of filing sufficient information provided by corporations that would disclose accountability of revenue and expenditures of nonprofit corporations. This information could then be readily available to all interested parties upon inquiry.

It will be difficult, however, and expensive to convert the functions of the Corporations Section staff from administrators of records to that of enforcement agents or reactive watchmen of nonprofit corporations.

The department would be more than pleased to work with committee members and the Alaska Code Revision Commission in addressing the concerns addressed herein and a few other minor administrative details that should be considered to provide greater efficiency in the administration of the act.



Glenn A. Olds, Commissioner

Date: 2-21-92

SB

2007

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. SB 207

Revision Date: _____ Department Affected: Commerce & Economic Dev.
 Title: An Act prohibiting a licensed operator from conducting charitable gaming activity on behalf of more than ten permittees a year BRU: Occupational Licensing Administration
 Sponsor: Senator Zharoff Component: _____
 Requestor: Senator Zharoff COMPONENT SERIAL NO.

0	3	5	6
---	---	---	---

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

Estimate of current year impact:

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Ann Boudreaux, Director Phone: 465-2534
 Division: Occupational Licensing Date: March 20, 1991
 Approved by Commissioner: Glenn A. Olds *Glenn A. Olds* Asst Comm.
 Agency: Department of Commerce & Economic Development Date: March 20, 1991

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).



SENATOR FRED F. ZHAROFF
ALASKA STATE LEGISLATURE

P. O. BOX 405, KODIAK, ALASKA 99815 (907) 486-5250

DURING SESSION:

P. O. BOX V, JUNEAU, ALASKA 99811 • (907) 465-3473 • 465-3474

DISTRICT N

ALASKA PENINSULA • ALEUTIAN CHAIN • BRISTOL BAY • KODIAK ISLAND • LAKE CLARK/LAKE ILLIAMNA • PRIBILOF ISLANDS • SHUMAGIN ISLANDS

MEMORANDUM

TO: Senator Drue Pearce, Chairman
Labor & Commerce Committee

FROM: Senator Fred F. Zharoff 

DATE: April 11, 1991

SUBJ: SB 207

SB 207, "An Act prohibiting a licensed operator from conducting charitable gaming activity on behalf of more than 10 permittees a year; and providing for an effective date" was introduced on March 15 and referred, initially, to the Labor & Commerce Committee. I appreciate your scheduling of this bill for a committee hearing.

The intent of SB 207 is to place a limitation on the number of permits an operator can work on behalf of permittees. Currently, permittees have limitations placed on them in the form of the amount of money they can payout in conducting gaming activities. There are no limitations on the amount of activity conducted operators as long as they have permits to work.

In addition, I believe that limiting the number of permits an operator can work will allow for additional people to become operators and spread the business for operators out somewhat.

Enclosed is a zero fiscal note from the Department of Commerce & Economic Development and a list provided by the department of the operators licensed in 1990 and the permittees for which they conducted gaming activities. As you can see from the list, not all of the operators would be affected by this bill.

Enclosures

SB 207: "An Act prohibiting a licensed operator from conducting charitable gaming activity on behalf of more than ten permittees."

For the 1990 calendar year, a total of 193 organizations utilized the services of a licensed operator. If the ten-permittee limit were in place, 54 of these organizations would not have received proceeds generated by their operator.

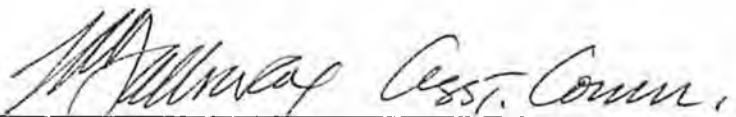
For the 1991 calendar year to date, 103 organizations are currently receiving the benefit of proceeds from the operator-conducted activities. If the ten-permittee limit were in place, 21 of those organizations would not be able to receive proceeds using an operator. This total DOES NOT include the permittees that have made application for a permit and who plan to use an operator. It is estimated that there will be as many organizations using operators in 1991 as there were in 1990, if not more, due to the elimination of third party vendor sales.

If this bill were to become law, organizations that depend on funds generated by an operator to keep their various programs and services functioning may be negatively impacted unless additional operators are utilized.

Some of the larger bingo halls would have to close their doors for part of the year or limit their hours of operation because they are already limited in the number of bingo sessions and prize awards that may be awarded on behalf of a permittee. With the current limits, several of the operators MUST utilize many permits because they "max out" each permit on allowable prize awards.

For those operators with bingo halls, the operator can only conduct 11 bingo sessions per month per permittee. Also, those operators who sell pull-tabs only may be negatively impacted if they currently use more than ten permits. Permittees utilizing the services of a licensed operator are currently restricted to \$500,000 prize limitation per year on activities other than bingo while other permittees are limited to \$1,000,000 in prize awards.

The department believes that, rather than limiting the number of permits that an operator can use, increasing the amount of adjusted gross income which an operator is required to pay under AS 05.15.128(2) would help the permittees who choose to contract with licensed operators to conduct gaming for them rather than limiting an operator's ability to compete with nonoperator-run bingo halls.


Glenn A. Olds, Commissioner

Date: 4-18-91

NUMBER

GAME TYPE

CONTRACTED ORGANIZATION

1990 int

000879 PULL-TABS

ARMED SERVICES YMCA

Jack Powers

PERMIT

NUMBER

GAME TYPE

CONTRACTED ORGANIZATION

000215 PULL-TABS

ALASKA NATIVE SISTERHOOD CAMP 2

Central Council

*Slingit & Haida Indian
Tribes of Alaska*

PERMIT

NUMBER

GAME TYPE

CONTRACTED ORGANIZATION

000500 BINGO

ROTARY CLUB NOME

000500 PULL-TABS

ROTARY CLUB NOME

000635 BINGO

NOME KENNEL CLUB

000635 PULL-TABS

NOME KENNEL CLUB

000160 BINGO

NOME PRESCHOOL ASSOCIATION, INC.

000160 PULL-TABS

NOME PRESCHOOL ASSOCIATION, INC.

000014 BINGO

NOME SHRINE CLUB

000014 PULL-TABS

NOME SHRINE CLUB

000015 BINGO

NOME VOLUNTEER FIRE DEPARTMENT

000015 PULL-TABS

NOME VOLUNTEER FIRE DEPARTMENT

Jim West

PERMIT

NUMBER

GAME TYPE

CONTRACTED ORGANIZATION

000726 PULL-TABS

KETCHIKAN SENIOR CITIZENS SERVICES, INC.

Dan Hodson

NUMBER	GAME TYPE	CONTRACTED ORGANIZATION
001086	PULL-TABS	RABBIT CREEK LIONS CLUB

Loyd Reese

PERMIT NUMBER	GAME TYPE	CONTRACTED ORGANIZATION
000491	PULL-TABS	KETCHIKAN LITTLE LEAGUE AUX.
000566	PULL-TABS	KETCHIKAN YOUTH SERVICES
000514	PULL-TABS	RAINBIRD BROADCASTING CORP.
001055	PULL-TABS	WHITE CLIFF PARENTS ORGANIZATION
000913	PULL-TABS	KETCHIKAN THEATRE BALLET
001103	PULL-TABS	DISTRICT 1 REPUBLICANS
001089	PULL-TABS	KETCHIKAN WRESTLING CLUB
001128	PULL-TABS	KETCHIKAN SPECIAL OLYMPICS

Dwight McBrien

Games of Chance and Contests of Skill
 AUTHORIZED LIST OF CONTROLLED GAMES AND CONTRACTED ORGANIZATION

PERMIT NUMBER	GAME TYPE	CONTRACTED ORGANIZATION
000459	PULL-TABS	PYTHIAN SISTERS, FRIENDSHIP #2

Steve Cooper

PERMIT NUMBER	GAME TYPE	CONTRACTED ORGANIZATION
000626	PULL-TABS	ALAND CLUB OF FAIRBANKS
000292	PULL-TABS	PIONEERS OF ALASKA IGLOO #4
001042	PULL-TABS	GREATER FAIRBANKS BOARD OF REALTORS
000292	BINGO	PIONEERS OF ALASKA IGLOO #4

Jack O'Brien

PERMIT NUMBER	GAME TYPE	CONTRACTED ORGANIZATION
001101	PULL-TABS	TONGASS SPORTFISHING ASSOCIATION

Donna Turner

PERMIT NUMBER	GAME TYPE	CONTRACTED ORGANIZATION
000314	PULL-TABS	MIDNIGHT SUN LIONS CLUB, INC.
001057	PULL-TABS	INTERPRETER REFERRAL LINE
001088	PULL-TABS	JEWISH CONGREGATION OF FAIRBANKS
001098	PULL-TABS	MIDNIGHT SUN LIONESS CLUB

Ruth Shannon

PERMIT NUMBER	GAME TYPE	CONTRACTED ORGANIZATION
000048	FISH DERBIES	KETCHIKAN VISITORS BUREAU

Ken Dole

PERMIT NUMBER	GAME TYPE	CONTRACTED ORGANIZATION
000877	PULL-TABS	ALASKA STATE AERIE

Shyue Ruebel

PERMIT NUMBER	GAME TYPE	CONTRACTED ORGANIZATION
000017	PULL-TABS	MAT-SU VALLEY HUMANE SOCIETY
000041	PULL-TABS	BUILDING INDUSTRY ASSOC OF ANCHORAGE
000065	PULL-TABS	ALASKA LIGHT OPERA THEATRE
000088	PULL-TABS	SHOMREI OHR
000430	PULL-TABS	ANCHORAGE SHRINE CLUB
000431	PULL-TABS	ALASKA SHRINE TEMPLE A.A.O.N.M.S.
000512	PULL-TABS	BIG BROS/BIG SISTERS OF ANCHORAGE, INC.
000862	PULL-TABS	ANCHORAGE CHAPTER OF HADASSAH
000894	PULL-TABS	ALASKA CHIROPRACTIC SOCIETY
000992	PULL-TABS	ALASKA STATE HOMEBUILDERS ASSOC.
000382	PULL-TABS	CONGREGATION BETH SHOLOM
000584	PULL-TABS	EAST HIGH SCHOOL

James H

PERMIT
NUMBER

GAME TYPE

CONTRACTED ORGANIZATION

Dick Anthony

PERMIT NUMBER	GAME TYPE	CONTRACTED ORGANIZATION
000084	PULL-TABS	AKEELA HOUSE, INC.
000087	BINGO	ANCHORAGE SOURDOUGH SWEET ADELINES
000087	RAFFLES & LOTTERIES	ANCHORAGE SOURDOUGH SWEET ADELINES
000087	PULL-TABS	ANCHORAGE SOURDOUGH SWEET ADELINES
000533	BINGO	CARPENTERS LOCAL #1281
000540	BINGO	ANCHORAGE CHEECHAKO CHORUS
000540	RAFFLES & LOTTERIES	ANCHORAGE CHEECHAKO CHORUS
000540	PULL-TABS	ANCHORAGE CHEECHAKO CHORUS
000569	BINGO	MOOSE RIVER RAFT RACE & STERLING DAYS
000569	PULL-TABS	MOOSE RIVER RAFT RACE & STERLING DAYS
000608	BINGO	ALASKA STATE ASSOC. FOR RETARDED CITIZEN
000608	RAFFLES & LOTTERIES	ALASKA STATE ASSOC. FOR RETARDED CITIZEN
000608	PULL-TABS	ALASKA STATE ASSOC. FOR RETARDED CITIZEN
000851	BINGO	OLDER PERSONS ACTION GROUP, INC.
000851	RAFFLES & LOTTERIES	OLDER PERSONS ACTION GROUP, INC.
000533	RAFFLES & LOTTERIES	CARPENTERS LOCAL #1281
000533	PULL-TABS	CARPENTERS LOCAL #1281
000942	BINGO	ALASKA KOREAN HUMAN RIGHTS COMMITTEE
000942	RAFFLES & LOTTERIES	ALASKA KOREAN HUMAN RIGHTS COMMITTEE
000942	PULL-TABS	ALASKA KOREAN HUMAN RIGHTS COMMITTEE
000851	PULL-TABS	OLDER PERSONS ACTION GROUP, INC.
000834	BINGO	ALASKA WOMEN'S POLITICAL CAUCUS
000834	PULL-TABS	ALASKA WOMEN'S POLITICAL CAUCUS
000084	BINGO	AKEELA HOUSE, INC.
001108	BINGO	ALASKA COMMUNITY SERVICES, INC.
001108	PULL-TABS	ALASKA COMMUNITY SERVICES, INC.

PERMIT
NUMBER

GAME TYPE

CONTRACTED ORGANIZATION

PERMIT NUMBER	GAME TYPE	CONTRACTED ORGANIZATION
000078	PULL-TABS	EASTER SEAL SOCIETY OF ALASKA, INC.
000963	PULL-TABS	PUBLIC EMPLOYEES LOCAL 71, AFL-CIO
000795	PULL-TABS	ALASKA GOLDSTRIKERS SOCCER CLUB
001130	PULL-TABS	EASTER SEAL SOCIETY OF ALASKA, ANCH CHAP

John Blomfield

PERMIT
NUMBER

GAME TYPE

CONTRACTED ORGANIZATION

Jay Hunison

PERMIT NUMBER	GAME TYPE	CONTRACTED ORGANIZATION
000062	PULL-TABS	ALASKA CONSUMER CREDIT COUNSELING SVCS
000350	PULL-TABS	ALASKA MINERS ASSOCIATION
000484	PULL-TABS	WASILLA-KNIK WILLOW CREEK HIST. SOCIETY
000680	PULL-TABS	ALZHEIMER'S DISEASE ASSO. OF ALASKA
000948	PULL-TABS	AMERICAN DIABETES ASSOC. JUNEAU CHAPTER
000947	PULL-TABS	AMERICAN DIABETES ASSOC. ANCHORAGE CHAPT
000473	PULL-TABS	INTERNATIONAL CREDIT ASSOCIATION
000468	PULL-TABS	ALASKA WORLD AFFAIRS COUNCIL

NUMBER

GAME TYPE

CONTRACTED ORGANIZATION

000200	PULL-TABS	ENEPUT CHILDRENS CENTER
000256	PULL-TABS	AMERICAN LEGION POST #18
000263	PULL-TABS	FAIRBANKS CONCERT ASSOCIATION
000280	PULL-TABS	ALASKA CRIPPLED CHILDREN & ADULTS, INC.
000297	PULL-TABS	W.I.C.C.A., INC.
000321	PULL-TABS	FAIRBANKS REHABILITATION ASSOCIATION
000376	PULL-TABS	LITERACY COUNCIL OF ALASKA
000412	PULL-TABS	FAIRBANKS ARTS ASSOCIATION
000683	PULL-TABS	FAIRBANKS SYMPHONY ASSOCIATION
000863	PULL-TABS	KETCHIKAN YOUTH FOOTBALL LEAGUE
000943	PULL-TABS	S.E.A.D.O.G.S.
000071	PULL-TABS	JUNEAU YOUTH FOOTBALL LEAGUE
001016	PULL-TABS	DOWNTOWN ANCHORAGE ASSOCIATION
001060	PULL-TABS	OPTICIANS ASSOCIATION OF ALASKA
000392	PULL-TABS	SONS OF NORWAY LODGE 32
001073	PULL-TABS	NINILCHIK VOLUNTEER FIRE DEPT
001078	PULL-TABS	NORTHERN ALASKA ENVIRONMENTAL CENTER
000734	PULL-TABS	CATHOLIC COMMUNITY RESOURCES, INC.

Joe Nyquist

PERMIT
NUMBER

GAME TYPE

CONTRACTED ORGANIZATION

000170	PULL-TABS	FESTIVAL FAIRBANKS '84, INC.
000183	PULL-TABS	INTERIOR BUILDING ASSOCIATION
000299	PULL-TABS	FAIRBANKS AMATEUR HOCKEY ASSOCIATION
000497	PULL-TABS	FAIRBANKS YOUTH SOCCER ASSOCIATION
000719	PULL-TABS	KIWANIS CLUB OF CHENA-FAIRBANKS
000752	PULL-TABS	ALASKA VISITORS ASSOCIATION
000516	PULL-TABS	JUNEAU SHOTOKAN KARATE CLUB
000551	PULL-TABS	GASTINEAU CHANNEL LITTLE LEAGUE
000955	PULL-TABS	KETCHIKAN VOLUNTEER FIRE DEPARTMENT
000960	PULL-TABS	A.W.A.R.E., INC.
001004	PULL-TABS	FAIRBANKS LITTLE LEAGUE
000971	PULL-TABS	FAIRBANKS NORTH STAR LITTLE LEAGUE
000716	PULL-TABS	ANCHORAGE CHAMBER OF COMMERCE
001087	PULL-TABS	SWEET ADELINES
000742	PULL-TABS	NORTH POLE NICKS
001119	PULL-TABS	JUNEAU BOXING CLUB
001142	RAFFLES & LOTTERIES	ALASKA STATE FIREFIGHTER'S ASSOC
001142	PULL-TABS	ALASKA STATE FIREFIGHTER'S ASSOC
000813	PULL-TABS	GASTINEAU HUMANE SOCIETY

Edward Dilley

PERMIT
NUMBER

GAME TYPE

CONTRACTED ORGANIZATION

000082	PULL-TABS	AMERICAN DIABETES ASSOC. AK AFFILIATE
000131	PULL-TABS	IDITAROD TRAIL COMMITTEE, INC.
000307	PULL-TABS	MUSCULAR DYSTROPHY ASSOCIATION
000435	PULL-TABS	EASTER SEAL SOCIETY OF ALASKA, KETCHIKAN
000576	PULL-TABS	BOYS & GIRLS CLUBS OF GREATER ANCHORAGE
000579	PULL-TABS	ALASKA SPECIAL OLYMPICS
000677	RAFFLES & LOTTERIES	CAMA! CULTURAL EXCHANGE
000798	PULL-TABS	ALASKA HEALTH FAIR, INC.
000923	PULL-TABS	CHALLENGE ALASKA
000681	PULL-TABS	AMERICAN LUNG ASSOCIATION OF ALASKA
000677	PULL-TABS	CAMA! CULTURAL EXCHANGE
000945	PULL-TABS	ARCTIC WINTER GAMES CORP. OF ALASKA

Bob Thomas

NUMBER	GAME TYPE	CONTRACTED ORGANIZATION	
000076	BINGO	VISUAL ARTS CENTER OF ALASKA	<i>Pete Kraemer</i>
000076	PULL-TABS	VISUAL ARTS CENTER OF ALASKA	
000191	BINGO	ANCHORAGE AMATEUR RADIO CLUB, INC.	
000191	PULL-TABS	ANCHORAGE AMATEUR RADIO CLUB, INC.	
000281	BINGO	AMVETS POST #2 AUXILIARY	
000281	RAFFLES & LOTTERIES	AMVETS POST #2 AUXILIARY	
000281	PULL-TABS	AMVETS POST #2 AUXILIARY	
000283	BINGO	AMVETS POST #2	
000283	RAFFLES & LOTTERIES	AMVETS POST #2	
000283	PULL-TABS	AMVETS POST #2	
000641	BINGO	AL-ACRES INC.	
000641	PULL-TABS	AL-ACRES INC.	
000657	BINGO	ALPINE ALTERNATIVES INC.	
000657	PULL-TABS	ALPINE ALTERNATIVES INC.	
000671	BINGO	PIPE TRADES JOINT APPRENTICE COMMITTEE	
000071	RAFFLES & LOTTERIES	JUNEAU YOUTH FOOTBALL LEAGUE	
000671	PULL-TABS	PIPE TRADES JOINT APPRENTICE COMMITTEE	
000672	BINGO	PLUMBERS & STEAMFITTERS LOCAL 367	
000672	PULL-TABS	PLUMBERS & STEAMFITTERS LOCAL 367	
001033	BINGO	KAPPA ALPHA PSI	
001033	RAFFLES & LOTTERIES	KAPPA ALPHA PSI	
001033	PULL-TABS	KAPPA ALPHA PSI	
001100	BINGO	ALPHA KAPPA ALPHA XI PSI OMEGA	
001100	RAFFLES & LOTTERIES	ALPHA KAPPA ALPHA XI PSI OMEGA	
001100	PULL-TABS	ALPHA KAPPA ALPHA XI PSI OMEGA	
000671	RAFFLES & LOTTERIES	PIPE TRADES JOINT APPRENTICE COMMITTEE	
000641	RAFFLES & LOTTERIES	AL-ACRES INC.	
001123	BINGO	IMAGINARIUM	
001123	RAFFLES & LOTTERIES	IMAGINARIUM	
001123	PULL-TABS	IMAGINARIUM	



Sue Griffin

PERMIT NUMBER	GAME TYPE	CONTRACTED ORGANIZATION
000080	BINGO	ALASKA HEALTH PROJECT
000080	RAFFLES & LOTTERIES	ALASKA HEALTH PROJECT
000080	PULL-TABS	ALASKA HEALTH PROJECT
000126	BINGO	ALASKA LABORERS 341 POLIT & EDUC. COMM.
000126	RAFFLES & LOTTERIES	ALASKA LABORERS 341 POLIT & EDUC. COMM.
000126	PULL-TABS	ALASKA LABORERS 341 POLIT & EDUC. COMM.
000179	RAFFLES & LOTTERIES	ALASKA CHAPTER NATIONAL MS SOCIETY
000179	PULL-TABS	ALASKA CHAPTER NATIONAL MS SOCIETY
000193	BINGO	DEMOCRATIC PARTY OF ALASKA
000193	RAFFLES & LOTTERIES	DEMOCRATIC PARTY OF ALASKA
000193	PULL-TABS	DEMOCRATIC PARTY OF ALASKA
000225	RAFFLES & LOTTERIES	MAT-SU CRIMESTOPPERS
000225	PULL-TABS	MAT-SU CRIMESTOPPERS
000225	BINGO	MAT-SU CRIMESTOPPERS
000433	BINGO	DISTRICT 11 DEMOCRATS
000433	RAFFLES & LOTTERIES	DISTRICT 11 DEMOCRATS
000433	PULL-TABS	DISTRICT 11 DEMOCRATS
000475	RAFFLES & LOTTERIES	DISTRICT 20 DEMOCRATS
000475	PULL-TABS	DISTRICT 20 DEMOCRATS
000502	BINGO	ALASKA CENTER FOR THE ENVIRONMENT
000502	RAFFLES & LOTTERIES	ALASKA CENTER FOR THE ENVIRONMENT
000502	PULL-TABS	ALASKA CENTER FOR THE ENVIRONMENT
000563	BINGO	ANCHORAGE KNIGHTS OF COLUMBUS 4859
000563	RAFFLES & LOTTERIES	ANCHORAGE KNIGHTS OF COLUMBUS 4859
000563	PULL-TABS	ANCHORAGE KNIGHTS OF COLUMBUS 4859
000581	BINGO	ALASKA DANCE THEATRE, INC.
000581	RAFFLES & LOTTERIES	ALASKA DANCE THEATRE, INC.
000581	PULL-TABS	ALASKA DANCE THEATRE, INC.
000598	BINGO	SUSITNA GIRL SCOUT COUNCIL
000598	RAFFLES & LOTTERIES	SUSITNA GIRL SCOUT COUNCIL
000598	PULL-TABS	SUSITNA GIRL SCOUT COUNCIL
000613	BINGO	HOLY FAMILY CATHEDRAL
000613	PULL-TABS	HOLY FAMILY CATHEDRAL
000682	BINGO	MISS ALASKA SCHOLARSHIP PAGEANT, INC.
000682	RAFFLES & LOTTERIES	MISS ALASKA SCHOLARSHIP PAGEANT, INC.
000682	PULL-TABS	MISS ALASKA SCHOLARSHIP PAGEANT, INC.
000653	RAFFLES & LOTTERIES	ANCHORAGE REPUBLICANS WOMENS CLUB
000659	BINGO	AMERICAN LEGION AUX., JACK HENRY UNIT #1
000659	RAFFLES & LOTTERIES	AMERICAN LEGION AUX., JACK HENRY UNIT #1
000659	PULL-TABS	AMERICAN LEGION AUX., JACK HENRY UNIT #1
000664	BINGO	ALASKA STATE AFL-CIO
000664	RAFFLES & LOTTERIES	ALASKA STATE AFL-CIO
000664	PULL-TABS	ALASKA STATE AFL-CIO
000812	BINGO	COOK INLET HOUSING AUTHORITY
000812	RAFFLES & LOTTERIES	COOK INLET HOUSING AUTHORITY
000812	PULL-TABS	COOK INLET HOUSING AUTHORITY
000837	BINGO	BARRIER FREE RECREATION
000837	RAFFLES & LOTTERIES	BARRIER FREE RECREATION
000837	PULL-TABS	BARRIER FREE RECREATION
000926	BINGO	ST. VINCENT DEPAUL SOCIETY OF ANCHORAGE

Griffin cont.

000926	RAFFLES & LOTTERIES	ST. VINCENT DEPAUL SOCIETY OF ANCHORAGE
000926	PULL-TABS	ST. VINCENT DEPAUL SOCIETY OF ANCHORAGE
000061	BINGO	ANCHORAGE SPORTS ASSOCIATION, INC.
000061	RAFFLES & LOTTERIES	ANCHORAGE SPORTS ASSOCIATION, INC.
000061	PULL-TABS	ANCHORAGE SPORTS ASSOCIATION, INC.
000995	BINGO	BARTLETT H.S. BOYS BASKETBALL BOOSTERS
000995	RAFFLES & LOTTERIES	BARTLETT H.S. BOYS BASKETBALL BOOSTERS
000995	PULL-TABS	BARTLETT H.S. BOYS BASKETBALL BOOSTERS
000613	RAFFLES & LOTTERIES	HOLY FAMILY CATHEDRAL
001024	BINGO	TRIAM SPORTS, INC.
001024	RAFFLES & LOTTERIES	TRIAM SPORTS, INC.
001024	PULL-TABS	TRIAM SPORTS, INC.
000426	BINGO	ALASKA LABORERS TRAINING SCHOOL
000426	RAFFLES & LOTTERIES	ALASKA LABORERS TRAINING SCHOOL
000426	PULL-TABS	ALASKA LABORERS TRAINING SCHOOL
000179	BINGO	ALASKA CHAPTER NATIONAL MS SOCIETY
000149	BINGO	CHUGIAK HIGH SCHL BOYS BASKETBALL BOOSTE
000149	RAFFLES & LOTTERIES	CHUGIAK HIGH SCHL BOYS BASKETBALL BOOSTE
000149	PULL-TABS	CHUGIAK HIGH SCHL BOYS BASKETBALL BOOSTE
000437	BINGO	ABUSED WOMEN'S AID IN CRISIS, INC.
000437	RAFFLES & LOTTERIES	ABUSED WOMEN'S AID IN CRISIS, INC.
000437	PULL-TABS	ABUSED WOMEN'S AID IN CRISIS, INC.
000508	BINGO	MABEL T. CAVERLY SENIOR SERVICES
000508	RAFFLES & LOTTERIES	MABEL T. CAVERLY SENIOR SERVICES
000508	PULL-TABS	MABEL T. CAVERLY SENIOR SERVICES
000722	BINGO	AFGE 3296
000722	RAFFLES & LOTTERIES	AFGE 3296
000722	PULL-TABS	AFGE 3296
000585	BINGO	REPUBLICAN PARTY OF ALASKA
000585	RAFFLES & LOTTERIES	REPUBLICAN PARTY OF ALASKA
000585	PULL-TABS	REPUBLICAN PARTY OF ALASKA
000456	BINGO	ASSOC FOR RETARDED CITIZENS OF ANCHORAGE
000456	RAFFLES & LOTTERIES	ASSOC FOR RETARDED CITIZENS OF ANCHORAGE
000456	PULL-TABS	ASSOC FOR RETARDED CITIZENS OF ANCHORAGE
000650	BINGO	ANCHORAGE COUNCIL AFGE LOCAL 121
000650	RAFFLES & LOTTERIES	ANCHORAGE COUNCIL AFGE LOCAL 121
000650	PULL-TABS	ANCHORAGE COUNCIL AFGE LOCAL 121
001132	BINGO	HOUSE DEMOCRATIC CAMPAIGN COMMITTEE
001132	RAFFLES & LOTTERIES	HOUSE DEMOCRATIC CAMPAIGN COMMITTEE
001132	PULL-TABS	HOUSE DEMOCRATIC CAMPAIGN COMMITTEE
000653	BINGO	ANCHORAGE REPUBLICANS WOMENS CLUB
000653	PULL-TABS	ANCHORAGE REPUBLICANS WOMENS CLUB
000475	BINGO	DISTRICT 20 DEMOCRATS
001166	BINGO	ALASKA CHARITABLE GAMING ASSOCIATION INC
001166	RAFFLES & LOTTERIES	ALASKA CHARITABLE GAMING ASSOCIATION INC
001166	PULL-TABS	ALASKA CHARITABLE GAMING ASSOCIATION INC



S B

2 0 8

Alaska State Legislature

Senator Drue Pearce, Chair
Senator Virginia Collins, Vice Chair
Senator Dick Eliason
Senator Rick Halford
Senator Jay Kerttula



SENATE LABOR AND COMMERCE COMMITTEE

WHILE IN JUNEAU
P.O. BOX V
JUNEAU, ALASKA 99811
(907) 465-3844

3111 C STREET, SUITE 150
ANCHORAGE, ALASKA 99504
(907) 561-2018

SENATE LABOR AND COMMERCE COMMITTEE LETTER OF INTENT

CS SB 208 (L&C)

The Senate Labor and Commerce Committee is concerned that volunteer firefighters providing volunteer service outside an incorporated city or borough may not be covered by workers' compensation. This committee encourages representatives from the Alaska Fire Chiefs Association, the Alaska Firefighters Association, the state Fire Marshal's office, the Emergency Medical Services Association, and the state Emergency Medical Services' office to meet during the interim to address this concern. Recommendations on how to remedy this lack of insurance coverage should be reported to the Second Session of the Seventeenth Alaska State Legislature by January 31, 1992, for possible legislative action.

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. SB 202

Revision Date: _____ Department Affected: Administration
 Title: An act relating to Workers' compensation for emergency medical BRU: Risk Management
techs Component: _____
 Sponsor: Eliason
 Requestor: Labor and Commerce COMPONENT SERIAL NO.

--	--	--	--

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

Estimate of current year impact: 0

ANALYSIS: (Attach a separate page if necessary.)

See Attached

Prepared By: Don Hitchcock Phone: 465-2180
 Division: Risk Management Date: 3-20-91
 Approved by Commissioner: Millett Keller
 Agency: Administration Date: 3/21/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO : SB 208

Revision Date: _____
 Title: " An Act relating to workers' compensation for emergency medical ..."
 Sponsor: Senator Eliason
 Requestor: Senate Labor & Commerce

Department Affected: Labor
 BRU: Workers' Compensation
 Component: Workers' Compensation
 COMPONENT SERIAL NO. 344

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS.CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Linda Rexwinkel, Director *LR* Phone: 465-2790
 Division: Workers' Compensation Date: 4/2/91
 Approved by Commissioner: Nancy Bear Usera *NBU*
 Agency: Department of Labor Date: 4/2/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

ALASKA STATE LEGISLATURE SENATE

SENATOR RICHARD I. ELIASON

PRESIDENT OF THE SENATE
LABOR & COMMERCE COMMITTEE
RESOURCES COMMITTEE
RULES COMMITTEE
CHAIRMAN, SPECIAL COMMITTEE ON
DOMESTIC & INTERNATIONAL
COMMERCIAL FISHERIES



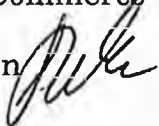
P O BOX 143
SITKA, ALASKA 99835

P O BOX V
JUNEAU, ALASKA 99811
(907) 465-4916

FAX (907) 465-4928

MEMORANDUM

TO: Senator Drue Pearce, Chair
Senate Labor and Commerce Committee

FROM: Senator Dick Eliason 

DATE: March 19, 1991

RE: Senate Bill 208 - Workers' Compensation for Volunteer EMTs

I respectfully request a hearing in the Senate Labor and Commerce Committee to take testimony on Senate Bill 208, Workers' Compensation for Volunteer Emergency Medical Technicians. This legislation would provide workers' compensation coverage to a volunteer EMT who is injured during the course of providing service as a volunteer EMT.

Senate Bill 208 has the support of the Department of Labor and the Department of Administration has indicated a zero fiscal note would be prepared for this legislation.

Thank you very much for your consideration of this request.

Alaska State Legislature

Senator Drue Pearce, Chair
Senator Virginia Collins, Vice Chair
Senator Dick Eliason
Senator Rick Halford
Senator Jay Kerttula



SENATE LABOR AND COMMERCE COMMITTEE

WHILE IN JUNEAU
P.O. BOX V
JUNEAU, ALASKA 99811
(907) 465-2844

3111 C STREET, SUITE 150
ANCHORAGE, ALASKA 99504
(907) 561-2010

TO: Mike Ford, Legal Counsel
Legal Services Division

FROM: Rod Mourant, Legislative Aide
Senate Labor & Commerce Committee

A handwritten signature in cursive script, appearing to read "Rod", positioned to the right of the "FROM:" line.

DATE: April 13, 1991

RE: SB 208

Mike, Labor & Commerce Committee passed out a CSSB208 (L&C) yesterday. The CS was based on SB 208 draft 7-LS0932\A and the three amendments on the attachment.

There is also a letter of intent that I will finalize with Senator Eliason's staff.

I need a final ASAP. Thank you.

To

clayt Chris

Date

Time

11:15

While You Were Out

M

Kenn BRUCE

of

Phone

274-1007

AREA CODE

NUMBER

EXTENSION

TELEPHONED		PLEASE CALL	<input checked="" type="checkbox"/>
WAS IN TO SEE YOU		WILL CALL AGAIN	
WANTS TO SEE YOU		URGENT	
RETURNED YOUR CALL			

Message

re: tort reform

Operator

STATE OF ALASKA
THE LEGISLATURE

POURBY MAIL CAPTION
HEAD ALASKA 99811
907 465 3000

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

September 7, 1988

SUBJECT: Tort reform initiative
(Work Order No. 6-0079)

TO: Senator Jan Faiks

FROM: Michael F. Ford *M.F.*
Legislative Counsel

Assuming the ballot initiative repealing joint liability under AS 09.17.080(d) passes, you have asked if this will also affect the joint liability for discharges of oil or other pollutants under AS 46.03, or the liability for clean-up or containment of oil or hazardous substances under AS 46.08.070. As explained in this memo, I do not believe that passage of the initiative will affect the joint and several liability provided for under AS 46.03.758(e) or other civil liability imposed under AS 46.03 or AS 46.08.

Passage of the initiative would amend AS 09.17.080(d) and eliminate joint liability under that law. The initiative does not directly amend any other civil penalty or reflect an intent to repeal or amend civil liability established under other statutes. Absent a specific intent to repeal or amend, the question becomes will the passage of the initiative result in amendment by implication? A statute can certainly be amended by implication, but generally only when the statute falls into one of two categories. First, when there is irreconcilable conflict between two laws, then the later act constitutes implied repeal to the extent of the conflict. Second, if the later act covers the whole subject of the earlier one and is clearly intended as a substitute, it will similarly repeal the earlier act. Peter v. State, 531 P.2d 1263 (AK 1975).

Concerning the first category, there is not an irreconcilable conflict between the AS 09.17.080(d) and the pollution laws, particularly when comparing these laws in the context of their respective chapters. The AS 09.17 pro-

Senator Jan Faiks
Page 2
September 7, 1988

vision is a general limitation on civil liability, imposed in tort cases. The AS 46.03 and AS 46.08 provisions only apply to civil suits brought for illegal oil or other hazardous pollution. These environmental provisions are narrow public interest statutes, clearly distinguishable from the tort limitations imposed under AS 09.17.

Given the distinctions between AS 09.17 and AS 46.03 and 08, it is also difficult to argue that the second category of repeal by implication applies. There is no indication that the tort reform act was intended to address the natural resource protection policies outlined in AS 46.03 and 08, or that the tort reforms were intended as a substitute for the civil penalties contained in those chapters. Therefore amendment of AS 09.17.080(d) by initiative will not amend these provisions by implication. This same reasoning applies to regulations adopted under the environmental statutes. Unless the limitation on tort liability irreconcilably conflicts with the regulations, or is intended as a substitute, passage of the initiative will have no affect on these regulations.

Federal law in the area of hazardous pollution is contained in 46 U.S.C. 9601 - 9657. While the federal law does not preempt the states from imposing additional liability, a person who receives compensation under federal law is precluded from recovering compensation for the same damages under state law. See 46 U.S.C. 9614(b). Under federal law, "hazardous substance" does not include petroleum or natural gas, unless specifically designated as a hazardous substance by the administrator of the Environmental Protection Agency. See 46 U.S.C. 9601(14).

If you have further questions please contact me.

MFF:gc
WKG3:090

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Labor
 Title: "An Act relating to workers' compensation." BRU: Workers' Compensation
 Sponsor: Senate Labor & Commerce Components: _____
 Requestor: Senate Labor & Commerce Workers' Compensation

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Note: There will be no impact on FY 90.

Prepared by: Elaine VanderSande, Admin Officer Phone: 465-2790
 Division: Workers' Compensation Date: 4/23/90
 Approved by Commissioner: Jim Sampson Date: 4/23/90
 Agency: Department of Labor

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

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Administration
 Title: An Act relating to workers BRU: Risk Management
compensation
 Sponsor: Labor and Commerce Components: _____
 Requestor: Sen. Kelly

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

The addition of Volunteer Emergency Medical Technicians to the State workers compensation program will not require any change in the Risk Management appropriation request.

Prepared by: Don Hitchcock, Director *[Signature]* Phone: 465-2180
 Division: Risk Management Date: 4-23-90
 Approved by Commissioner: Frank S. Baxter *[Signature]* Date: 4-23-90
 Agency: Department of Administration

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

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR ELIASON

TO: SB 208

Page 1, line 9, following "technician":

Insert "or is an active roster volunteer member of a state certified emergency medical service and is registered with the Department of Health and Social Services"

Page 2, line 1, before "gross":

Insert "minimum"

Page 2, line 9, following "AS 18.08":

Insert "or is an active roster volunteer member of a state certified emergency medical service and is registered with the Department of Health and Social Services"

For an Act entitled: "An Act relating to worker's compensation for volunteer emergency medical technicians."

SB 208 would provide workers' compensation coverage by the state for state certified volunteer EMT's who are injured while providing emergency medical services outside an incorporated city or borough and who are not otherwise covered for worker's compensation.

Background

Approximately two-thirds of Alaska's twenty five hundred state certified Emergency Medical Technicians (EMT's) are volunteers. These volunteers provide the backbone of the emergency medical services system in many parts of rural Alaska. Although most volunteers respond to fewer emergency medical calls than paid EMT's, they often face similar hazards and are at some risk of becoming injured.

Under AS 23.30.092, a political subdivision may elect to provide benefits and compensation to volunteer ambulance attendants, policemen or firemen by obtaining insurance and filing copies of the policies with the commissioner of the Department of Labor. However, volunteer EMT's who live in, and provide services in, unincorporated communities outside organized incorporated cities or boroughs do not have worker's compensation coverage at the present time. A review of the computer records of the Emergency Medical Services Section in the Division of Public Health reveals that less than one hundred fifty state certified volunteer EMT's reside in unincorporated areas and therefore would be eligible to receive benefits under this bill.

If this bill passes, those volunteer EMT's who reside in incorporated cities or boroughs that elect not to provide this coverage would still not be eligible to receive workers' compensation benefits, except if they happen to be injured while providing services outside incorporated cities and boroughs. We have no way of estimating how many volunteer EMT's would be in this category, but we estimate that the number is low.

The Matanuska-Susitna Borough has provided workers' compensation coverage for volunteer EMT's and firefighters for over ten years. Currently, 350 volunteers are covered by borough paid worker's compensation coverage. According to Kevin Koechlein, Director of Emergency Services for the Matanuska-Susitna Borough, over ten years there have been two lost work time injuries, costing less than \$1,000 apiece, and an average of about \$2,000.00 per year in medical claims. Last