

**ALASKA LEGISLATURE COMMITTEE FILES 1995-1996 8672**

**8931 SENATE LABOR & COMMERCE**

**SB**

**65**

# Alaska State Legislature

SENATOR  
JOHN TORGERSON  
DISTRICT D

SESSION ADDRESS  
STATE CAPITOL, ROOM 427  
JUNEAU, ALASKA 99801-1102  
TELEPHONE (907) 465-2828  
FAX (907) 465-4779

Senate

DATE: February 9, 1995

TO: Senator Tim Kelly, Chairman  
Senate Labor & Commerce Committee

FROM: Senator *John Torgerson*

RE: SB 65 - Electric Cooperative Services & By-Laws  
Sponsor Statement

Senate Bill 65 offers amendments to Alaska Statutes Title 10, Chapter 25 - Electric and Telephone Cooperative Act. The amendments proposed will:

- (1) expand the services presently authorized for electric cooperatives (Sections 1 & 2);
- (2) clarify titles of officers for by-law changes (Section 3 and Sections 5 thru 17); and
- (3) provide for by-law changes regarding elections (Section 4.)

(1) Expansion of services . The reason to expand the services is primarily financial. The electric cooperatives would be able to receive loans for water, sewer, and electric utilities from the Rural Utility Service (RUS). The RUS was newly formed last fall, after the federal government reorganization combined the Rural Electrification Administration (REA) with other utility loan programs.

The RUS will provide loans for these utilities, but Alaska's cooperatives cannot take advantage of these new fiscal opportunities unless the statutes are changed to authorize the expanded services.

SPONSOR STATEMENT



ARECA

Electric Service for 991,000 Alaskans

Alaska

Rural

Electric

Cooperative

Association, Inc.

703 W. Taylor Rd. #200  
Anchorage, AK 99503  
(907) 561-6111  
FAX (907) 561-5547

February 15, 1995

Senator Tim Kelly, Chairman  
Senate Labor & Commerce Committee  
Juneau, AK

Re SB 65

Dear Sen Kelly:

Thank you for scheduling SB 65 in your committee, and this letter is intended to explain the bill and tell you that we do support it.

This bill amends the Electric and Telephone Cooperative Act (AS 10.25) in three different ways.

1. Expansion of Powers for Electric Cooperatives

Section 2 of the bill would permit electric cooperatives to have it within their corporate powers, like any business corporation, to engage in certain other kinds of utility services. Specifically, it would authorize electric cooperatives to provide direct satellite television, sewer, water, and gas services. Before a co-op could engage in these businesses, it would have to receive a certificate from the APUC. An electric cooperative would not be authorized to engage in telephone or cable television services. Section 1 provides the clear intent that co-ops would not be able to serve areas already served by some other utility.

The reason for the authorized expansion into sewer and water services comes from the reorganization within the US Department of Agriculture in 1994. The Rural Electrification Administration was replaced by the Rural Utilities Service, and that department's rural utility loan and grant programs were all put in one place. RUS is now encouraging electric co-ops to provide sewer and water services with federal loans (and some grants) in communities within their electric service areas that need it. The RUS budget for FY 95 provides \$900 million for rural sewer and water.

LETTERS OF SUPPORT

One electric co-op, Naknek Electric Association, hopes to find a local supply of natural gas to use in generating electricity. It would help with their efforts to gain economies of scale if they could also provide gas for space heating in their communities.

Direct satellite television may become available in Alaska when an additional satellite is launched within the next few years. The electric cooperatives have access to this programming through an organization they formed called National Rural Telecommunications Cooperative. When it becomes technically possible, the electric cooperatives could provide this programming to their members who live in scattered locations where cable TV is not feasible.

## 2. Local Option on Cooperative Titles

Section 3 permits the electric and telephone cooperatives to decide in their bylaws what to call the board officers. The purpose of this amendment is to permit those cooperatives who choose to do so, to use standard business titles for their officers. This is considered to be an advantage when these larger cooperatives deal with investment bankers. Several subsequent sections are conforming amendments.

## 3. Statutory Housekeeping

In working with the statutes, the attorneys representing the electric cooperatives have noticed a few ambiguities that were overlooked when these statutes were last amended in the mid-1980s. The amendments in Section 4, including the removal of a misplaced comma, make it clear that amendments to the articles of incorporation can be voted on by mail as well as at a meeting and that it takes 2/3 of those voting, not 2/3 of all members, to approve those amendments. Also, a change of wording in Section 3 permits co-op boards to elect their officers by written ballot.

Our association does unanimously support this legislation, and we hope it will be advanced at the earliest opportunity.

Sincerely,



David Hutchens  
Executive Director



Box 71249, Fairbanks, Alaska 99707-1249, Phone 907-452-1151

February 16, 1995

Senator Tim Kelly  
Alaska State Legislature  
State Capitol (MS 3100)  
Juneau AK 99801-1182

Dear Senator Kelly:

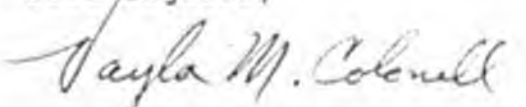
Golden Valley Electric Association is asking for your support for SB 65 which will be considered by the Senate Labor and Commerce Committee on Tuesday, February 21.

This legislation will allow electric cooperatives to offer direct satellite television, sewer and water, and gas services when authorized by the Alaska Public Utilities Commission. Since the electric cooperative is the only utility serving many communities in Alaska, the ability to expand services will surely benefit many Alaskans.

Two other provisions of the bill are housekeeping items. One will allow members of a cooperative to vote on amendments to the articles of incorporation by mail. The other allows members to specify the officers of the cooperative in the bylaws. This will permit titles for officers that are consistent with other corporate boards.

Senator Kelly, I hope you will call me if you have any questions about this bill. We appreciate your committee's consideration of our recommendations.

Best regards,

  
Vayla M. Colonell  
Manager of Member Services

cc: Dave Hutchens, ARECA



# Homer Electric Association, Inc.

CORPORATE OFFICE  
3977 Lake Street  
Homer, Alaska 99603-7400  
Phone (907) 235-4147  
FAX (907) 235-3313

MEMBER SERVICE  
3977 Lake Street  
Homer, Alaska 99603-7400  
Phone (907) 235-4147  
FAX (907) 235-3313

## RESOLUTION #95-7

### Homer Electric Association Supports Amendments to Alaska Cooperative Act (SB 65)

WHEREAS, Homer Electric Association's service area encompasses approximately 3,000 square miles on the Kenai Peninsula; and

WHEREAS, Homer Electric Association serves members who do not have access to water and wastewater services, gas services, or direct satellite television; and

WHEREAS, Homer Electric Association desires to enhance the quality of life for its members; and

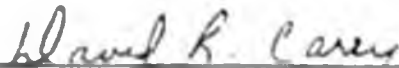
WHEREAS, Homer Electric Association has authorized Proposition #2 for membership consideration which will allow the cooperative to perform such services; and

WHEREAS, an amendment to the State of Alaska Cooperative Act would be necessary for any Alaska electrical cooperative to become involved with such services;

NOW THEREFORE, BE IT RESOLVED, that Homer Electric Association Board of Directors supports language changes to amend AS 10.25.020 to allow a utility to engage in any utility service for which the cooperative receives a certificate of convenience and necessity.

## CERTIFICATION

I, David R. Carey do hereby certify that I am Secretary of Homer Electric Association, Inc., and that the foregoing resolution was adopted at a meeting of the Directors of Homer Electric Association, Inc., held on February 14, 1995 at which meeting a quorum was present.

  
\_\_\_\_\_  
David R. Carey, Secretary

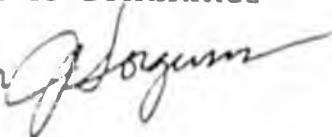
# Alaska State Legislature

SENATOR  
JOHN TORGERSON  
DISTRICT D



Senate

SESSION ADDRESS  
STATE CAPITOL, ROOM 427  
JUNEAU, ALASKA 99801-1182  
PHONE 907-465-2828  
FAX 907-465-4770

DATE: February 9, 1995  
TO: Senator Tim Kelly, Chairman  
Senate Labor & Commerce Committee  
FROM: Senator John Torgerson   
RE: SB 65 - Sectional Analysis

Section 1: Language regarding legislative intent, with specific reference to not permit the cooperative to enter into competition with another provider of the same kind of utility service.

Section 2: Adds new subsection (6) language expanding the types of services an electric cooperative can provide, if APUC has provided a certificate of convenience and necessity for each type of service provided.

Section 3: Deletes specific "officer" reference and replaces with more general "those officers authorized by the bylaws." Adds the ability to have election of board of directors conducted by written ballot, if the bylaws so authorize. House keeping language regarding the authority of the board to appoint agents or employees.

Section 4: (1) clarifies that articles of incorporation can be amended by 2/3 vote of those voting either by mail or at a meeting.

Section 5 to Section 16: Nomenclature changes to reflect the deletion of named "officers" in Section 3 revisions.

Section 17: New definition item (6) regarding the presiding officer.

Section 18: Effective date section.

SECTIONAL ANALYSIS

Expansion of services for the cooperatives will also benefit consumers. The flexibility of multiple services should allow for consolidation of services, which in turn may provide better rates for consumers.

In certain areas, the cooperative would be able to provide for natural gas in areas normally too small for commercial efforts to develop - an obvious benefit to consumers. Similar situations could occur for the provision of water and sewer services.

(2) Clarify titles. Some electric cooperatives have experienced difficulties with various investment firms in the use of standard business titles for the board officers. These revisions allow a local option for assigning the titles of the officers of the board.

(3) By-law changes regarding elections. There is some cloud regarding the current language and application to the number of votes needed to change cooperation by-laws. This revision clarifies that a two-thirds affirmative vote of members voting at the annual meeting, or by mail, is a requirement for amending articles of incorporation.

# FISCAL NOTE

**STATE OF ALASKA**  
**1995 LEGISLATIVE SESSION**

**BILL NO. SB 65**

Revision Date: \_\_\_\_\_  
 Title: Electric and Telephone Cooperatives  
 Sponsor: Senator Torgerson  
 Requestor: \_\_\_\_\_

Department Affected: Commerce and Economic Development  
 BRU: Banking, Securities and Corporations  
 Component: Banking, Securities and Corporations  
 COMPONENT SERIAL NO. 1233

**Expenditures/Revenues:** (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
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
<b>TOTAL OPERATING</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ( )	1.1	1.1	1.1	1.1	1.1	1.1
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/Program Receipts	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
Other	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimate of current year (FY 95) cost: \$ 0

**POSITIONS**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS:** (Attach a separate page if necessary.)

There are currently 38 electric and telephone cooperatives formed under Alaska Statute 10.25. Nineteen of these corporations were formed in an odd year; 19 of these corporations were formed in an even year. If the proposed amendment is adopted, establishing a biennial reporting requirement with a filing fee of \$60.00 would result in an increase of revenue to the department in the amount of approximately \$1,100 each year.

Prepared by: Willis F. Kirkpatrick, Director  
 Division: Banking, Securities and Corporations

Phone: 465-2521  
 Date: 7-15-95

Approved by Commissioner: William L. Hensley  
 Agency: Commerce and Economic Development

Date: 7/15/95

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# FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. SB 65

Revision Date: 2/14/95  
Title: "Expanding electric cooperatives' services; other purposes"  
Sponsor: Senator Torgerson  
Requestor: \_\_\_\_\_

Department Affected: Commerce and Economic Development  
BRU: Alaska Public Utilities Commission  
Component: \_\_\_\_\_  
COMPONENT SERIAL NO. 364

**Expenditures/Revenues:** (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	0	0	55.1	55.1	55.1	55.1
TRAVEL	0	0	1.1	1.1	1.1	1.1
CONTRACTUAL	0	0	18.5	18.5	18.5	18.5
SUPPLIES	0	0	1.3	1.3	1.3	1.3
EQUIPMENT	0	0	.5	.5	.5	.5
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0</b>	<b>0</b>	<b>76.5</b>	<b>76.5</b>	<b>76.5</b>	<b>76.5</b>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ( )						
------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	0	0	76.5	76.5	76.5	76.5
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>76.5</b>	<b>76.5</b>	<b>76.5</b>	<b>76.5</b>

Estimate of current year (FY 95) cost: \$ \_\_\_\_\_

**POSITIONS**

FULL-TIME	0	0	.5	.5	.5	.5
PART-TIME						
TEMPORARY						

**ANALYSIS.** (Attach a separate page if necessary.)

This fiscal note assumes that no new certificate applications will occur in FY 96. In FY 97, existing staff could handle the limited number of certificate applications. For FY 98 and beyond, the number of certificate applications processed by the Commission could increase. This would require a part-time Utility Engineering Analyst II, Range 17.

Prepared by: Robert A. Lohr  
Division: Alaska Public Utilities Commission

Phone: 276-6222  
Date: 2/14/95

Approved by Commissioner: William L. Rensley  
Agency: Commerce and Economic Development

Date: 2/16/95

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**SB**

**76**

## RECOMMENDATION

Prior to collective bargaining, the salary survey process was the means for making pay and benefit recommendations for most state employees. Since the salary survey statute was adopted, collective bargaining under the Public Employment Relations Act (PERA) has superseded this process for the vast majority of state employees. This statutory pay scale now only affects state employees in the classified and partially exempt services that are not represented by collective bargaining representatives.

The Personnel Board finds that while it appears that state employees are generally adequately compensated and may be ahead of the market for most job classes, the non represented employees have not received reasonable cost of living increases received by and/or offered to the represented employees. The State Personnel Act requires that the statutory pay plan "reflect the principle of like pay for like work" (AS 39.25.150(2)(B)). The law further requires that the annual pay schedule be developed "taking into account the statistics and reasonable internal pay relationships" (AS 39.27.035). A pay gap of at least 6.2% between represented and non represented employees constitutes an unreasonable inequity based on the merit principle of like pay for like work. Therefore, it is recommended that the statutory pay scale be increased by 6.2% as of July 1, 1995.

## FINDINGS

### SALARY SCHEDULE

There are two important considerations under Alaska Statutes when making salary setting decisions: external comparison and internal consistency.

The surveying of salaries paid by other states and other Alaskan employers provides an external comparison to State of Alaska salaries.

Internal consistency is at the heart of the State of Alaska's constitutionally mandated merit system of employment. Alaska statutes require the Personnel Rules to provide for the director of personnel to prepare a pay plan that ". . . shall provide for fair and reasonable compensation for services rendered, and reflect the principle of like pay for like work." For example, it is not consistent with the statute for employees with substantially the same duties to be paid under substantially different pay schedules.

#### External Comparison

The data from the 1994 Salary Survey indicates that state employees in the benchmark positions, on the average, have higher wages than comparable positions in the other employers surveyed. However, these results must be considered in light of the accuracy and reliability of the data.

First, only 48 of approximately 1000 job classes were surveyed. The number of job classes surveyed is necessarily small due to: limits on Division of Personnel/OEEO resources; ensuring that the survey is not too cumbersome for responding employers; and the difficulty of matching state job duties to job duties in the private and public (not including the State of Alaska) sectors to create valid job comparisons.

Second, there is a relatively wide variation in comparisons of hourly pay between specific jobs. For example, the average for the General Government Unit Employees, which represents the largest surveyed group with positions in 37 of the 48 benchmark job classes, is 8% higher than the average of the other employers surveyed. However, within the GGU benchmark job classes, individual comparisons range from 18% less to 40% more than the average of the other employers surveyed.

In conclusion, the relatively small number of job classes surveyed and the relatively wide variation in the comparison of specific jobs significantly limits the reliability of specific "market comparison" conclusions from the salary survey. In general, the survey indicates that state employees are adequately compensated and may be ahead of the market for most job classes.

#### Internal Comparison

On the other hand, internal comparison within state government is extremely precise because, for the most part, the same pay scales and job classifications are used making comparisons very accurate.

The various bargaining units have received approximately 3.6% increases above the non-represented employees paid under the statutory pay scale. Also, the bargaining units have received or been offered at least an additional 2.5% increase as of July 1, 1995. The total pay gap between the non-represented and represented employees will be at least 6.2% (which is the compounded total of the two pay increases) as of July 1, 1995.

### RECOMMENDATION

Prior to collective bargaining, the salary survey process was the means for making pay and benefit recommendations for most state employees. Since the salary survey statute was adopted, collective bargaining under the Public Employment Relations Act (PERA) has superseded this process for the vast majority of state employees. This statutory pay scale now only affects state employees in the classified and partially exempt services that are not represented by collective bargaining representatives.

The Personnel Board finds that while it appears that state employees are generally adequately compensated and may be ahead of the market for most job classes, the non represented employees have not received reasonable cost of living increases received by and/or offered to the represented employees. The State Personnel Act requires that the statutory pay plan "reflect the principle of like pay for like work" (AS 39.25.150(2)(B)). The law further requires that the annual pay schedule be developed "taking into account the statistics and reasonable internal pay relationships" (AS 39.27.035). A pay gap of at least 6.2% between represented and non represented employees constitutes an unreasonable inequity based on the merit principle of like pay for like work. Therefore, it is recommended that the statutory pay scale be increased by 6.2% as of July 1, 1995.

## SENATE BILL NO. 76

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST

Introduced: 2/8/95

Referred: L&amp;C, FIN

## A BILL

## FOR AN ACT ENTITLED

1 "An Act relating to salaries for officers and employees of the state who are not  
2 members of a collective bargaining unit; and providing for an effective date."

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

4 \* Section 1. AS 39.27.011(a) is repealed and reenacted to read:

5 (a) The following monthly basic salary schedule is approved as the pay plan  
6 for classified and partially exempt employees in the executive branch of the state  
7 government who are not members of a collective bargaining unit established under the  
8 authority of the Public Employment Relations Act and employees of the legislature  
9 under AS 24.10 and AS 24.20:

10	Range	Step	Step	Step	Step	Step	Step
11	No.	A	B	C	D	E	F
12	05	1,597	1,642	1,690	1,736	1,787	1,835
13	06	1,690	1,736	1,787	1,835	1,888	1,943
14	07	1,787	1,835	1,888	1,943	2,004	2,066

1	08	1,888	1,943	2,004	2,066	2,125	2,192
2	09	2,004	2,066	2,125	2,192	2,263	2,327
3	10	2,125	2,192	2,263	2,327	2,398	2,471
4	11	2,263	2,327	2,398	2,471	2,554	2,634
5	12	2,398	2,471	2,554	2,634	2,724	2,816
6	13	2,554	2,634	2,724	2,816	2,915	3,021
7	14	2,724	2,816	2,915	3,021	3,128	3,247
8	15	2,915	3,021	3,128	3,247	3,352	3,479
9	16	3,128	3,247	3,352	3,479	3,604	3,734
10	17	3,352	3,479	3,604	3,734	3,862	3,995
11	18	3,604	3,734	3,862	3,995	4,126	4,282
12	19	3,862	3,995	4,126	4,282	4,413	4,577
13	20	4,126	4,282	4,413	4,577	4,717	4,891
14	21	4,413	4,577	4,717	4,891	5,045	5,226
15	22	4,717	4,891	5,045	5,226	5,399	5,597
16	23	5,045	5,226	5,399	5,597	5,784	6,000
17	24	5,399	5,597	5,784	6,000	6,203	6,413
18	25	5,784	6,000	6,203	6,413	6,650	6,900
19	26	6,000	6,203	6,413	6,650	6,900	7,148
20	27	6,203	6,413	6,650	6,900	7,148	7,420
21	28	6,413	6,650	6,900	7,148	7,420	7,678
22	29	6,650	6,900	7,148	7,420	7,678	7,949
23	30	6,900	7,148	7,420	7,678	7,949	8,229

24 \* Sec. 2. EMPLOYEES OF THE JUDICIAL AND LEGISLATIVE BRANCHES, AND  
 25 CERTAIN EXEMPT EMPLOYEES OF THE EXECUTIVE BRANCH. The following  
 26 employees are entitled to receive salary adjustments comparable to those received by the  
 27 classified and partially exempt employees of the executive branch under AS 39.27.011(a), as that  
 28 subject is reenacted in sec. 1 of this Act:

29 (1) judges and permanent and temporary employees of the judicial branch who  
 30 are not members of a collective bargaining unit established under the authority of the Public  
 31 Employment Relations Act (AS 23.40.070 - 23.40.260);

1 (2) legislators and permanent and temporary employees of the legislative branch,  
2 including staff of the ombudsman's office;

3 (3) permanent and temporary employees of the executive branch who are in the  
4 exempt service under AS 39.25, who are not members of a collective bargaining unit established  
5 under the Public Employment Relations Act (AS 23.40.070 - 23.40.260), and who are not  
6 otherwise covered by AS 39.27.011(a).

7 \* Sec. 3. This Act takes effect July 1, 1995.

FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. SB 76

Revision Date \_\_\_\_\_  
Title An Act relating to salaries for officers and employees who are not members collective bargaining  
Sponsor The Senate Rules Committee by Request  
Requestor Senator Kelly

Department Affected Statewide  
BRU Statewide  
Component Statewide  
COMPONENT SERIAL NO. Statewide

EXPENDITURES/REVENUES

(Thousands of Dollars)

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL	6 051 2	6 164 7	6 280 3	6 398 0	6 518 0	6 640 2
TRAVEL	00	00	00	00	00	00
CONTRACTUAL	00	00	00	00	00	00
SUPPLIES	00	00	00	00	00	00
EQUIPMENT	00	00	00	00	00	00
LAND &	00	00	00	00	00	00
GRANTS, CLAIMS	00	00	00	00	00	00
MISCELLANEOUS	00	00	00	00	00	00
<b>TOTAL OPERATING</b>	<b>6 051 2</b>	<b>6 164 7</b>	<b>6 280 3</b>	<b>6 398 0</b>	<b>6 518 0</b>	<b>6 640 2</b>
CAPITAL EXPENDITURES	00	00	00	00	00	00
CHANGE IN REVENUES	00	00	00	00	00	00

FUNDING SOURCE

(Thousands of Dollars)

1002 Federal Receipts	591 7	704 7	717 9	731 3	745 1	759 0
1003 GF Match	110 5	112 6	114 7	116 9	119 1	121 3
1004 GF	2 735 5	2 786 8	2 839 1	2 892 3	2 946 5	3 001 8
1005 GF/Program	292 3	297 8	303 4	309 0	314 8	320 7
1006 GF/MHTIA	101 2	103 1	105 0	107 0	109 0	111 0
OTHER	2120 0	2159 7	2200 2	2241 5	2283 5	2326 4
<b>TOTAL</b>	<b>6 051 2</b>	<b>6 164 7</b>	<b>6 280 3</b>	<b>6 398 0</b>	<b>6 518 0</b>	<b>6 640 2</b>

Estimate of any current year (FY 95) cost: \$ 0

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS (Attach a separate page if necessary)  
See Attached

Prepared by Don Wanie  
Division Finance

Phone 465-2240  
Date \_\_\_\_\_

Approved by Commissioner Mark Boyer  
Agency Department of Administration

Date 2/14/95

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**Backup for SB 76**  
**An Act relating to salaries for officers and employees...**  
**(Executive Branch Only)**

BU	Fiscal Year	Projected Salary/Benefits Without SB76	Projected Salary/Benefits With SB76	Projected Net Cost of SB76
EE	96	4,042,476	4,293,534	251,058
EE	97	4,118,273	4,374,038	255,765
EE	98	4,195,490	4,456,051	260,551
EE	99	4,274,155	4,539,602	265,446
EE	00	4,354,295	4,624,720	270,424
EE	01	4,435,939	4,711,433	275,494
EE	Tot	25,420,632	26,999,380	1,578,748
XE	96	93,392,205	99,192,328	5,800,123
XE	97	95,143,309	101,052,184	5,908,875
XE	98	96,927,246	102,946,912	6,019,667
XE	99	98,744,632	104,877,167	6,132,535
XE	00	100,596,093	106,843,614	6,247,520
XE	01	102,482,270	108,846,932	6,364,661
XE	Tot	587,285,755	623,759,137	36,473,382
Tot	96	97,434,681	103,485,862	6,051,181
Tot	97	99,261,582	105,426,222	6,164,641
Tot	98	101,122,736	107,402,964	6,280,228
Tot	99	103,018,788	109,416,769	6,397,982
Tot	00	104,950,350	111,468,334	6,517,944
Tot	01	106,918,210	113,558,355	6,640,155
Tot		612,706,386	650,758,517	38,052,130

EE = Employees excluded from collective bargaining  
XE = Exempt and partially exempt employees

**Backup for SB 76**  
An Act relating to salaries for officers and employees...  
(Executive Branch Only)

**Notes and Related Information**

	EE	XE
Calendar Year End (CYE) 1994 Actuals	3,102,058	71,665,980
Projected Salary/Benefits Costs for FY95	3,968,075	91,673,330
Merit Increase Percent	0.0375000	
SB76 Salary Increase Factor	0.0621050	
Benefit Cost Factor	0.2698000	

Calendar Year End 1994 actuals are actual salary costs for the year ending 12/15/1994

Projected Salary/Benefit Costs for FY95 = CYE 1994 Actuals \* 1/4 Merit Increase Percent \* Benefit Factor

**Backup for SB 76**  
**An Act relating to salaries for officers and employees...**  
**(Executive Branch Only)**

	Fund Source Ratio	FY96	FY97	FY98	FY99	FY00	FY01
1002 Federal Receipts	0.1143	691,651	704,620	717,831	731,290	745,002	758,971
1003 GF Match	0.0183	110,482	112,554	114,664	116,814	119,004	121,235
1004 GF	0.4521	2,735,461	2,786,751	2,839,003	2,897,234	2,946,463	3,001,709
1005 GF/Program Receipts	0.0483	292,250	297,730	303,312	308,999	314,793	320,695
1006 GF/MHTIA	0.0167	101,143	103,039	104,971	106,940	108,945	110,987
All Others*	0.3504	2,120,194	2,159,948	2,200,447	2,241,705	2,283,737	2,326,557
<b>Totals</b>		<b>6,051,181</b>	<b>6,164,641</b>	<b>6,280,228</b>	<b>6,397,982</b>	<b>6,517,944</b>	<b>6,640,155</b>
<b>Expenditures</b>	<b>1.0000</b>	<b>6,051,181</b>	<b>6,164,641</b>	<b>6,280,228</b>	<b>6,397,982</b>	<b>6,517,944</b>	<b>6,640,155</b>
<b>Check Figure (sb/zero)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Fund Source Ratio is FY96 Fund Source / FY96 Expenditures and is constant for each year

\* See next page for detail of all others (some rounding has occurred)

Backup for SB 76  
 An Act relating to salaries for officers and employees...  
 (Executive Branch Only)

Fund Name	Fund Source Ratio	FY96	FY97	FY98	FY99	FY00	FY01
1007 Inter-Agency Receipts	0 1036	626,847	638,600	650,574	662,772	675,199	687,859
1011 Adv College Tuition Pymnt	0 0000	224	228	232	237	241	246
1016 Fed Incentive Payments	0 0003	1,912	1,948	1,984	2,022	2,059	2,098
1017 Benefits Systems Receipts	0 0004	2,213	2,254	2,297	2,340	2,384	2,428
1018 Exxon Valdez Settlement	0 0182	110,308	112,376	114,483	116,630	118,817	121,045
1022 State Corp Receipts	0 1655	1,001,743	1,020,526	1,039,661	1,059,154	1,079,013	1,099,245
1024 Fish and Game Fund	0 0020	12,088	12,315	12,546	12,781	13,020	13,265
1025 Sci/Tech Endowment Income	0 0086	51,744	52,714	53,703	54,710	55,735	56,780
1026 Highway Working Capital	0 0014	8,742	8,906	9,073	9,243	9,416	9,593
1027 International Airport	0 0075	45,256	46,105	46,969	47,850	48,747	49,661
1029 Public Employees Retire	0 0003	1,514	1,542	1,571	1,601	1,631	1,661
1034 Teachers Retirement	0 0003	1,514	1,542	1,571	1,601	1,631	1,661
1036 Comm Fishing Loan Fund	0 0007	4,360	4,442	4,525	4,610	4,696	4,784
1040 Real Estate Surety Fund	0 0001	365	372	379	386	393	401
1042 Judicial Retirement Sys	0 0001	349	356	362	369	376	383
1043 Public Law 81-874	0 0002	1,242	1,265	1,289	1,313	1,338	1,363
1045 National Guard Re: Sys	0 0000	233	237	242	246	251	255
1048 University Receipts	0 0001	894	911	928	945	963	981
1050 Permanent Fund Civ Fund	0 0009	5,655	5,761	5,869	5,979	6,091	6,205
1051 Rural Dev Initiative Fund	0 0006	3,492	3,557	3,624	3,692	3,761	3,832
1052 Oil/Hazard Response Fund	0 0014	8,503	8,662	8,825	8,990	9,159	9,331
1053 Investment Loss Trust Fund	0 0000	224	228	232	237	241	246
1055 IAR/Oil & Hazardous Waste	0 0037	22,624	23,048	23,480	23,921	24,369	24,826
1061 Capital Impr Proj Recpts	0 0218	131,772	134,243	136,760	139,324	141,936	144,598
1062 Power Project Loan Fund	0 0031	19,052	19,409	19,773	20,144	20,522	20,906
1066 Public School Fund	0 0003	1,957	1,994	2,031	2,069	2,108	2,147
1070 Fish Enhance Loan Fund	0 0003	1,869	1,904	1,940	1,976	2,013	2,051
1074 Bulk Fuel Rev Loan Fund	0 0004	2,700	2,751	2,802	2,855	2,908	2,963
1076 Marine Hwy System Fund	0 0046	27,867	28,390	28,922	29,464	30,017	30,579

Backup for SB 76  
 An Act relating to salaries for officers and employees...  
 (Executive Branch Only)

1077 IFC Gifts/Grants/Bequests	0 0003	1,937	1,973	2,010	2,048	2,086	2,126
1079 Storage Tank Assist Fund	0 0008	4,634	4,721	4,809	4,900	4,991	5,085
1081 Information Services Fund	0 0018	10,813	11,016	11,222	11,433	11,647	11,865
1092 Mental Health Trust Selll	0 0009	5,620	5,725	5,833	5,942	6,054	6,167
Totals	0 3504	2,120,267	2,160,022	2,200,523	2,241,782	2,283,816	2,326,637
Expenditures	0 3504	6,051,181	6,164,641	6,280,228	6,397,982	6,517,944	6,640,155

Fund Source Ratio is FY96 Fund Source / FY96 Expenditures and is constant for each year

# FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. SB 76

Revision Date: \_\_\_\_\_ Dept. Affected: Alaska Court System  
 Title: An Act relating to salaries for officers BRU: Trial Courts  
and employees of the state Components: \_\_\_\_\_  
 Sponsor: Rules by request  
 Recistor: \_\_\_\_\_ COMPONENT SERIAL NO. 788

### EXPENDITURES/REVENUES (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	1,415.0	1,415.0	1,415.0	1,415.0	1,415.0	1,415.0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
<b>TOTAL OPERATING</b>	<b>1,415.0</b>	<b>1,415.0</b>	<b>1,415.0</b>	<b>1,415.0</b>	<b>1,415.0</b>	<b>1,415.0</b>
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )						

### FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	1,415.0	1,415.0	1,415.0	1,415.0	1,415.0	1,415.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>1,415.0</b>	<b>1,415.0</b>	<b>1,415.0</b>	<b>1,415.0</b>	<b>1,415.0</b>	<b>1,415.0</b>

### POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY 95) cost: \$ None

### ANALYSIS: (Attach a separate page if necessary)

Based on a 6.2% increase in salaries for employees of the Alaska Court System who are not covered by collective bargaining.

Prepared by: C. S. Christenson III, Staff Counsel Phone: 284-8228  
 Agency: Alaska Court System Date: 02/15/95

Approved by: Arthur H. Snowden, Jr., Administrative Director  
 Agency: Alaska Court System Date: 02/15/95

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# FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

NO. \_\_\_\_\_  
BILL VERSION: SB 76  
PUBLISH DATE: \_\_\_\_\_

Revision Date: \_\_\_\_\_  
Title: "An act relating to salaries for officers and employees of the state who are not members..."  
Sponsor: Senate Rules Committee  
Requestor: Senate Labor & Commerce

Department Affected: Legislature  
BRU: All  
Component: All

COMPONENT SERIAL NO:

**Expenditures/Revenues: (Thousands of Dollars)**

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	1,415.5	1,415.5	1,415.5	1,415.5	1,415.5	1,415.5
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						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>1,415.5</b>	<b>1,415.5</b>	<b>1,415.5</b>	<b>1,415.5</b>	<b>1,415.5</b>	<b>1,415.5</b>
<b>CAPITAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>REVENUE FUND SOURCE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**FUNDING: (Thousands of Dollars)**

GENERAL FUND	1,415.5	1,415.5	1,415.5	1,415.5	1,415.5	1,415.5
FEDERAL FUNDS						
OTHER FUND SOURCE						
<b>TOTAL</b>	<b>1,415.5</b>	<b>1,415.5</b>	<b>1,415.5</b>	<b>1,415.5</b>	<b>1,415.5</b>	<b>1,415.5</b>

**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: \_\_\_\_\_

**ANALYSIS: (Attach a separate page if necessary)**

Sec. 1 of SB 76 establishes a monthly basic salary schedule for classified and partially exempt employees in the executive branch who are not members of a collective bargaining unit. The new salary schedule represents a 6.2% increase.

Sec. 2 of SB 76 extends the new salary schedule to employees of the Legislative Branch of Government.

Prepared By: Karla Schofield, Deputy Director *Karla Schofield* Phone: 485-3852  
Division: Administrative Services Date: 2/21/95

Approved By: Pamela A. Varni, Executive Director *Pamela A. Varni*  
Agency: Legislative Affairs Agency Date: 2/21/95

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

**S B**

**7 8**

# Alaska State Legislature



Legislative Research Agency

P.O. Box Y  
Juneau, AK 99811-3100  
Phone: (907) 163-3991  
Fax: (907) 163-3351

March 20, 1991

## MEMORANDUM

TO: Senator Drue Pearce

FROM: Linda J. Snow *L. Snow*  
Legislative Analyst

RE: Regulation of Hotel Mini-Bars  
Research Request 91.200

You asked this office how other states regulate hotel mini-bars. You specifically asked if other states require special licenses or permits for mini-bars, how they restrict access by minors and drunken persons, and how they control sale hours. You also asked if proposed mini-bar legislation would conflict with Alaska's "Happy Hour" law.

We spoke with representatives of alcoholic beverage control authorities in California, Illinois, Nevada, New York, Texas, and Wisconsin. Our discussions with these people are summarized below. Attached to this memorandum are relevant statutes from the various states.

### California

According to David Wright, assistant chief of business practices for the California Department of Alcoholic Beverage Control, special controlled-access cabinet permits may be issued to California hotels which have an on-sale liquor license. Mini-bar cabinets must be locked, and no access key may be issued to minors. Hotel employees allowed to stock the cabinets must be at least 21 years of age. Cabinets may not be stocked between 2:00 a.m. and 6:00 a.m., the hours during which the state prohibits sales of alcohol.

### Illinois

Mr. Eric Wisette, chief of investigations for the Illinois Liquor Control Commission, reported that his state does not require separate mini-bar permits if hotels have a general liquor license. However, local municipalities have

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<sup>1</sup>On-sale refers to establishments which sell liquor for consumption on the premises (i.e., restaurants and bars). Off-sale refers to establishments which sell packaged liquor for consumption off the premises (i.e., grocery stores and liquor stores).

the option to require permits or licenses for mini-bars. Illinois lacks legislation regarding mini-bars. The authority to regulate them comes from a Liquor Control Commission policy statement. The state has no regulations regarding hours of sale, although local governments may regulate them. Regarding access by drunken persons, the liquor license holder is ultimately responsible and risks the loss of his or her license if abuses occur. Illinois recently passed legislation (attached) which makes any person who rents a hotel room for the purpose of consumption of alcohol by minors guilty of a class C misdemeanor.

### Nevada

The State of Nevada does not regulate alcoholic beverages. According to Jody Cummings of the Nevada Game and Control Board, both city and county governments regulate alcoholic beverages in Nevada. We spoke with Art Besser, chief of licensing for the Clark County Department of Business Licenses about mini-bars in Las Vegas. He reported that hotels with 100 or more rooms and a bar liquor license may receive "individual access licenses" (for mini-bars). Each license costs \$1,000 per three-month period. The cabinets are locked, and upon proof of age, a guest will be given a mini-bar key on a ring with the room key. The mini-bar key cannot be removed from the cabinet without locking it, so it is assured that the cabinet will be locked when the occupant is not in the room. Las Vegas allows sale of alcohol 24 hours a day, seven days a week. Employees of an establishment with a liquor license must take a course in liquor awareness training, which may help them identify abuses of mini-bars. According to Mr. Besser, Clark County has not had any serious problems with abuse of mini-bar privileges.

### New York

New York law does not require special licenses or permits for hotel mini-bars beyond a general hotel liquor license. The law requires that mini-bar cabinets have a lock, and that keys will not be issued to minors or persons who are visibly intoxicated. According to Steven Kalinsky, attorney with the New York State Liquor Authority, nothing in the New York law addresses regulation of hours when the mini-bar may be used.

### Texas

Ms. Jeannene Fox, director of licensing for the Texas Alcoholic Beverage Commission, reported that Texas legislation passed in 1989 requires a special permit to operate mini-bars in hotels with a current "mixed beverage" liquor license. Fees for these permits begin at \$2,000 annually, and decrease incrementally to \$750 annually for the third and all subsequent renewals. Local governments have the authority to charge up to the same amount for permits that the state charges. Prior to issuance of a permit, mini bars must

be inspected. The cabinets must lock with a key separate from the room key, and the drinks in the cabinets must be miniature (between one and two fluid ounces) for hotels to pass inspection. Upon registration for a room with a mini-bar, every occupant of the room must present proof of age. Restocking of mini-bars cannot occur between 9:00 p.m. and 9:00 a.m. daily, or all day Sunday, and employees who restock must be at least 18 years of age.

According to Ms. Fox, Texas law views hotel rooms more like residences than licensed premises. Persons may become intoxicated, as long as they remain in their hotel room. Also, Texas law allows minors to consume alcohol in their home under the supervision of a parent or legal guardian. This pertains to hotel rooms as well. Ms. Fox also reported that prior to passage of the 1989 legislation, the commission researched control of mini-bars in other states, and found that no other states had trouble regulating access of alcohol from mini-bars by minors and drunken persons.

#### Wisconsin

We interviewed Roger Johnson, a representative of Alcohol and Tobacco Enforcement in the Wisconsin Department of Revenue. He reported that Wisconsin authorities initially had concerns about the control of alcoholic beverages sold in hotel mini-bars, but that no major problems have occurred.

Hotels with a general bar liquor license may operate mini-bars without any special permits or licenses. Generally, only expensive resort hotels in Wisconsin have mini-bars. According to Mr. Johnson, this tends to preclude minors from obtaining access to them simply because few minors can afford to rent the rooms. The mini-bar cabinets must be locked and proof of age is required before a key will be issued. Some hotels have remote locking devices and can therefore control access to the liquor during certain hours. However, Wisconsin law states that although liquor may be furnished at the time the guest occupies the room, the sale of the liquor furnished is considered to occur at the time and place the guest pays for it. Most state laws address only hours of sale of liquor, not hours of consumption.

Bob Frohling, an analyst with the National Conference of State Legislatures who specializes in alcohol issues, stated that he has no knowledge of problems in controlling access to mini-bars by minors and drunken people. David Wright of the California Department of Alcoholic Beverage Control stated that new technology is emerging which will make control of mini-bar access easier. Hotels are now able to lock mini-bar cabinets remotely, stopping access during prohibited hours or when questions arise about the age or drunkenness of a room guest. Also, mini-bar cabinets may now be equipped with remote sensors which indicate exactly what liquor has been removed from a cabinet.

Senator Pearce  
March 20, 1991  
Page 4

#### Conflict with Alaska's "Happy Hour" Law

We spoke with Mike Ford, an attorney with the Legislative Affairs Agency Legal Services Division, who is familiar with state liquor laws. He stated that the "happy hour" law prohibits delivery of a drink to a person with two or more drinks already in his possession. Technically, a guest serving himself a drink from an open-access mini-bar could not be considered delivery. Therefore, it appears there would be no conflict with Alaska's "happy hour" law.

I hope this information is sufficient to answer your questions. If you need further assistance, please call this office.

Attachments

**North American Asset Management, Inc.**

PO Box 73440  
Fairbanks, Alaska 99701

907-369-4111  
907-369-4112 Fax

February 11, 1995

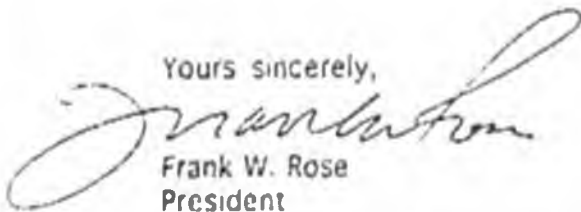
Senator Bert Sharp  
State Capital  
MS 3101  
Juneau, AK 99801-1182

Re: Mini Bar Legislation

I am sending this letter in support of the recently submitted "Mini-Bar" legislation introduced by yourself and Rep. Kott. I believe this is important legislation for the hospitality business. It allows us to provide a service that many facilities Outside provide to vacation and business travelers. In fact, it is becoming more of an expected amenity as opposed to something not normally provided. New Mini-Bar systems have a number of features that allow control of time of use, automatic inventory, special key systems, etc. Additionally, statistics show that the primary use of the Mini-Bar is for dispensing snacks and non-alcoholic beverages. The alcoholic beverage sales are important, however, in order to make the system profitable.

I appreciate your efforts in sponsoring this bill and look forward to a successful vote on this legislation.

Yours sincerely,



Frank W. Rose  
President  
North American Asset Management, Inc.



TUNDRA TOURS, INC.  
TOP OF THE WORLD HOTEL  
P.O. Box 169 • Barrow, Alaska 99723

February 11, 1995

Senator Bert Sharp  
State Capitol  
Juneau, Alaska 99801-1182

Dear Senator Sharp;

As a Board Member of the Alaska Hotel & Motel Association we strongly favor SB-18.

Whereas we are responding to the market place.

Whereas Alaska is trying to catch-up in the area of Amenities offered to the Traveling Public.

Whereas this bill will assist the Industry's bottom line.

Sincerely,

Terry Lathan  
Board Member  
Alaska Hotel & Motel Association



# Alaska Hotel & Motel Association

P.O. Box 104900 • Anchorage, AK 99510 • (907) 272-1229 • FAX (907) 265-5146  
 Representing Alaska's Finest Hotels, Motels and Inns

February 9, 1995

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 Max Lowe, CHA  
 Regal Alaskan Hotel

Executive Director  
 Ron Hewitt, CHA

Senator Bert Sharpe  
 Capitol Building  
 FAX 465-2070

Dear Senator Sharpe:

I was pleased to hear that you have introduced SB 78, which I like to refer to as the "In Room Refreshment Center" bill. As the president of the Alaska Hotel & Motel Association and the owner of the Days Inn in Anchorage, I wholeheartedly endorse this legislation.

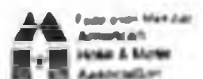
In room Refreshment Centers have become increasingly popular among the more sophisticated traveler of today. Alaska's Hotels need to provide the amenities that our guests have become accustomed too.

Modern Technology has eliminated the concerns about the dispensing of alcoholic beverages. Over 70% of the sales from these units are snack items and soft drinks, And the number one seller in the U.S.A. today is Evian bottled water.

Please let me know if I or the Association can do anything to aid in the passage of this Bill. I plan on attending the teleconference in Anchorage on Tuesday, and hope to have several Hoteliers available in Fairbanks also. Thank You.

Sincerely,

Dennis J. Lavery  
 President





## REGAL ALASKAN HOTEL

February 10, 1995

Senator Bert Sharp  
Fax #465-2070

Dear Senator Sharp:

I am writing this letter in support of SB 78 on the sale of alcohol in hotel rooms. This bill will allow us to give our international and national visitors the standard of service they expect in first class operations throughout the world. A similar version of this bill unanimously passed the House and Senate years ago, unfortunately, it was vetoed by our previous Governor. Myself or a representative of the Regal Alaskan Hotel will be present to testify on all hearings relating to this bill.

Thank you in advance for your support of this bill and the Hotel Motel Association in Alaska.

Sincerely,

Max J. Lowe, CHA  
General Manager

MJL:ta

cc: Executive Director, Alaska Hotel Motel Association  
Mitchell D. Gravo  
Governor Tony Knowles

A REGAL INTERNATIONAL HOTEL

3802 E. Seward Blvd. Anchorage, Alaska 99517-3224  
PHONE 907 243 2300 • RESERVATIONS 800 541 0553 • FAX 907 243 6815



# Alaska Hotel & Motel Association

P.O. Box 104900 • Anchorage, AK 99510 • (907) 272-1229 • FAX (907) 265-5146  
Representing Alaska's Finest Hotels, Motels and Inns

February 9, 1994

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Vito Loo, CHA  
Royal Alaskan Hotel

### Executive Director

Ron Hewitt, CHA

Senator Bert Sharp  
Capitol Building, Room 514  
Juneau, AK 99801-1182

Dear Senator Sharp

Thank you for taking the time recently to talk with members of the Alaska Hotel & Motel Association delegation about the concerns and problems facing our industry in the near future. The Alaska Hotel & Motel Association represents over 3,000 rooms in lodging facilities statewide that provide nearly 5,000 year round jobs. The Tourism industry is the second largest employer in the state, and I predict that in the not too distant future, it will become number one.

Alaska is an International destination, and we must offer our guests the same amenities they have become accustomed to elsewhere. The Alaska Hotel & Motel Association is asking for your support for the "In-room refreshment centers" commonly known as "Mini-Bars". Over 70% of the sales from these units are snacks, juices and soft drinks, with the number one seller being Evian bottled water. Currently, thirty-nine (39) states, and most foreign countries allow the unrestricted use of "Mini-Bars", and several other states allow for local option.

Modern technology has eliminated the concerns that most responsible individuals have expressed concerning the dispensing of alcohol. Today's units have remote locking and unlocking capabilities, allowing alcoholic beverages to be locked out individually, yet still permitting the sales of soft drinks and snacks. Legal hours of sale can also be preset for automatic shut off and turn on.

The addition of these units to most hotels in Alaska would result in additional employment to service and maintain these units. I would also predict that a new sub-industry might evolve to service this segment of the hotel industry.

Again, Thank You for your time and support!!

Sincerely,

  
Dennis J. Lavey, CHA, President  
Alaska Hotel & Motel Association

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# Alaska State Legislature

SENATOR  
**BERT SHARP**

DISTRICT II

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## SPONSOR STATEMENT

SB - 78

Senator Bert Sharp

Currently, the Alaska Alcohol Beverage Control Board does not allow alcoholic beverages to be stocked inside hotel or motel rooms.

Senate Bill 78 seeks to authorize the Alcohol Beverage Control Board to allow beverage dispensary license holders the right to allow self serve liquor sales inside hotel and motel rooms. The current plan is to allow alcoholic beverages to be stocked in lockable refrigerators placed in the rooms. Once the motel or hotel staff has determined a registering guest to be at least 21 years of age, a key to the locked unit can be issued along with the room key.

This bill was introduced at the request of the Alaska Hotel and Motel Association and the Alaska Cabaret, Hotel, Restaurant & Retailers Association.

SB 78 should be familiar to many legislators, the 17th Alaska Legislature passed SB 183 (Identical to SB 78) but Governor Hickel vetoed the bill.

REPRESENTING

SPONSOR STATEMENT

**Amendments:**

1981 Amendment: Substituted "100" for "45" before "calendar days" in the fourth sentence.

1985 Amendment: Amended the first sentence by (1) substituting "7,000" for "10,000" wherever it appears; and (2) deleting " , respecting which vessel a duplicate license has also been issued under Section 23321.6" at the end of the sentence.

License fee: B & P C § 23954.7.

**§ 23355.2. Sale of alcoholic beverages by hotel or motel by means of controlled access beverage cabinet:**

(a) For purposes of this section, "controlled access alcoholic beverage cabinet" means a closed container, either refrigerated, in whole or in part, or nonrefrigerated, and access to the interior of which is (1) restricted by means of a locking device which requires the use of a key, magnetic card, or similar device, or (2) controlled at all times by the licensee.

(b) Notwithstanding any other provision of this division, a hotel or motel having an on-sale license may sell alcoholic beverages to its registered guests by means of a controlled access alcoholic beverage cabinet located in the guestrooms of those registered guests, provided that each of the following conditions is met:

(1) Access to a controlled access alcoholic beverage cabinet in a particular guestroom is provided, whether by furnishing a key, magnetic card, or similar device, or otherwise, only to the adult registered guest, if any, registered to stay in the guestroom.

(2) Prior to providing a key, magnetic card, or other similar device required to attain access to the controlled access alcoholic beverage cabinet in a particular guestroom to the registered guest thereof, or prior to otherwise providing access thereto to the registered guest, the licensee shall verify, in accordance with Article 3 (commencing with Section 23657), of Chapter 16 of this division, that each registered guest to whom a key, magnetic card, or similar device is provided, or to whom access is otherwise provided, is not a minor.

(3) All employees handling the alcoholic beverages to be placed in the controlled access alcoholic beverage cabinet in any guestroom, including, but not limited to, any employee who inventories or restocks and replenishes the alcoholic beverages in the controlled access alcoholic beverage cabinet, shall be at least 21 years of age.

(4) There is no replenishing or restocking of the alcoholic beverages in any controlled access alcoholic beverage cabinet between the hours of 2 a.m. and 6 a.m. of the same day.

(c) Notwithstanding any other provision of this division, a hotel or motel having an on-sale general license may, upon issuance of a permit from the department, sell from its controlled access alcoholic beverage cabinets distilled spirits in containers of 50 milliliters or less, or in containers of comparable size. The department shall charge an annual fee for a permit issued pursuant to this subdivision equal to the annual renewal fee applicable to an off-sale general license pursuant to Section 23320.

(d) Notwithstanding any other provision of this division, a hotel or motel having an on-sale general license and an off-sale general license may sell from its controlled access alcoholic beverage cabinets distilled spirits in containers of 50 milliliters or less, or in containers of comparable size, without having to obtain the permit specified in subdivision (c).

(e) A controlled access alcoholic beverage cabinet may be part of another cabinet or similar device, whether refrigerated, in whole or in part, or nonrefrigerated, from which nonalcoholic beverages or food may be purchased by the guests in hotel or motel guestrooms. However, in that event, the portion of the cabinet or similar device in which alcoholic beverages are stored shall be a controlled access alcoholic beverage cabinet, as defined in this section.

(f) For purposes of this section, "hotel" or "motel" shall mean an establishment which is licensed to sell alcoholic beverages and which contains guestroom accommodations with respect to which the predominant relationship existing between the occupants thereof and the owner or operator of the establishment is that of innkeeper and guest. For purposes of this subdivision, the existence of other legal relationships as between some occupants and the owner or operator thereof shall be immaterial.

Added Stats 1983 ch 280 § 1; Amended Stats 1986 ch 438 § 1.

**Amendments:**

1986 Amendment: (1) Added "having an on-sale license" in the introductory clause of subd (b); (2) deleted former subd (b)(5) which read: "(5) Distilled spirits shall not be sold by means of a controlled access alcoholic beverage cabinet unless an off-sale general license is also issued for the premises."; (3) added subds (c) and (d); and (4) redesignated former subds (c) and (d) to be subds (e) and (f).

Note—Stats 1983 ch 280 provides:

SEC. 2. The Legislature declares that nothing in this act shall be construed in any manner whatsoever as modifying, repealing, repealing, or otherwise altering the provisions of Article 2 (commencing with Section 23631) of Chapter 16 of this division.

Hours of sale and delivery of alcoholic beverages: B & P C § 23631 et seq.

**§ 23356.2. Beer manufactured for personal or family use**

No license or permit shall be required for the manufacture of beer for personal or family use, and not for sale, by a person over the age of 21 years. The aggregate amount of beer with respect to any household shall not exceed (a) 200 gallons per calendar year if there are two or more adults in such household, or (b) 100 gallons per calendar year if there is only one adult in such household.

Any beer manufactured \_\_\_\_\_ manufactured

ILLINOIS

LIQUOR CONTROL ACT

43 § 131

Statutory Revisions: 1976 Op Atty  
Gen. No. 5-1139

131. Sales to and possession by persons under 21, intoxicated persons, persons under legal disability or in need of mental treatment—Proof of identity and age—Gatherings where one or more persons are under 18—Violations and penalties—Renting hotel or motel rooms

§ 6-16 (a) No licensee nor any officer, associate, member, representative, agent or employee of such licensee shall sell, give or deliver alcoholic liquor to any person under the age of 21 years, or to any intoxicated person or to any person known by him or her to be under legal disability or in need of mental treatment. No person, after purchasing or otherwise obtaining alcoholic liquor, shall sell, give or deliver such alcoholic liquor to another person under the age of 21 years, except in the performance of a religious ceremony or service. Whoever violates the provisions of this paragraph of this subsection (a) is guilty of a Class A misdemeanor.

For the purpose of preventing the violation of this section, any licensee, or his agent or employee, may refuse to sell or serve alcoholic beverages to any person who is unable to produce adequate written evidence of identity and of the fact that he or she is over the age of 21 years.

Adequate written evidence of age and identity of the person is a document issued by a federal, state, county, or municipal government, or subdivision or agency thereof, including, but not limited to, a motor vehicle operator's license, a registration certificate issued under the Federal Selective Service Act,<sup>2</sup> or an identification card issued to a member of the Armed Forces. Proof that the defendant-licensee, or his employee or agent, demanded, was shown and reasonably relied upon such written evidence in any transaction, forbidden by this Section is competent evidence and may be considered in any criminal prosecution therefor or to any proceedings for the suspension or revocation of any license based thereon.

Any person who sells, gives, or furnishes to any person under the age of 21 years any false or fraudulent written, printed, or photostatic evidence of the age and identity of such person or who sells, gives or furnishes to any person under the age of 21 years evidence of age and identification of any other person is guilty of a Class A misdemeanor.

Any person under the age of 21 years who presents or offers to any licensee, his agent or employee, any written, printed or photostatic evidence of age and identity which is false, fraudulent, or not actually his own for the purpose of ordering, purchasing, attempting to purchase or otherwise procuring or attempting to procure, the serving of any alcoholic beverage, or who has in his possession any false or fraudulent written,

printed, or photostatic evidence of age and identity, is guilty of a Class B misdemeanor.

Any person under the age of 21 years who has any alcoholic beverage in his possession on any street or highway or in any public place or in any place open to the public is guilty of a Class B misdemeanor. This Section does not apply to possession by a person under the age of 21 years making a delivery of an alcoholic beverage in pursuance of the order of his or her parent or in pursuance of his or her employment.

(b) Except as otherwise provided in this Section whoever violates this Section shall, in addition to other penalties provided for in this Act, be guilty of a Class B misdemeanor.

(c) Any person shall be guilty of a petty offense where he or she knowingly permits a gathering at a residence which he or she occupies of two or more persons where any one or more of the persons is under 18 years of age and the following factors also apply:

(1) the person occupying the residence knows that any such person under the age of 18 is in possession of or is consuming any alcoholic beverage; and

(2) the possession or consumption of the alcohol by the person under 18 is not otherwise permitted by this Act; and

(3) the person occupying the residence knows that the person under the age of 18 leaves the residence in an intoxicated condition.

For the purposes of this subsection (c) where the residence has an owner and a tenant or lessee, there is a rebuttable presumption that the residence is occupied only by the tenant or lessee.

(d) Any person who rents a hotel or motel room from the proprietor or agent thereof for the purpose of or with the knowledge that such room shall be used for the consumption of alcoholic liquor by persons under the age of 21 years shall be guilty of a Class C misdemeanor.

Laws 1933-34, 2nd Sp.Sess., p. 57, art. VI, § 12, eff. Jan. 31, 1934. Amended by Laws 1951, p. 1557, § 1, eff. July 16, 1951; Laws 1953, p. 1182, § 1, eff. July 13, 1953; Laws 1961, p. 2479, § 1, eff. Aug. 1, 1961; Laws 1963, p. 2529, § 1, eff. Aug. 7, 1963; P.A. 77-2410, § 1, eff. Jan. 1, 1973; P.A. 78-26, art. VI, § 1, eff. Oct. 1, 1973; P.A. 78-630, § 1, eff. Oct. 1, 1973; P.A. 78-1297, § 15, eff. March 4, 1975; P.A. 81-212, § 1, eff. Jan. 1, 1980. Renumbered § 6-16 and amended by P.A. 82-783, Art. VI, § 2, eff. July 13, 1982. Amended by P.A. 83-706, § 27, eff. Sept. 23, 1983; P.A. 83-834, § 1, eff. July 1, 1984; P.A. 83-1362, Art. II, § 54, eff. Sept. 11, 1984; P.A. 84-272, § 6, eff. Jan. 1, 1986; P.A. 84-1379, § 1, eff. Jan. 1, 1987.

50 U.S.C.A. App. § 451 et seq.

#### Historical Note

This paragraph is derived from R.S. "No licensee shall sell, give or deliver alcoholic liquor to any minor, or to any

As originally enacted the paragraph read: intoxicated person or to any person known

by him to be an habitual drunkard, spendthrift or insane feeble-minded or distracted person.

The 1951 amendment substituted "mentally ill, mentally deficient or in need of mental treatment" for "feeble-minded or distracted person."

The 1953 amendment made the paragraph applicable to officers, agents, employees and others acting for a licensee, and it provided a penalty for violation of the paragraph.

The 1961 amendment substituted "person under the age of 21 years" for "minor."

The 1963 amendment in the first paragraph added what is now the second sentence.

P.A. 77-2410 provided that a person violating the paragraph was guilty of a Class B misdemeanor.

The amendment by P.A. 77-2410 was necessary to conform penalties under this paragraph with the Unified Code of Corrections, see ch. 98, § 1001-1-1 et seq.

Section 2 of P.A. 77-2410 provided an effective date of January 1, 1973.

P.A. 79-26 designated the subdivisions of the paragraph, inserted subd. (b) which read:

"(b) Subsection (a) of this Section does not apply to the sale, gift or delivery of beer and wine to persons under the age of 21 years but at least 19 years of age."

and in subd. (a) referred to the exception of subd. (b).

P.A. 79-630 in what is now the first paragraph of subd. (a) following "21 years" inserted "or in the case of beer and wine, under the age of 19 years" and in subd. (a) added the second to sixth paragraphs.

P.A. 79-1297, the 1974 Revisory Act, declared in its title that it related to "certain nonsubstantive revisions of the law to resolve differences among the several forms of certain Sections amended by more than one Act of the 78th General Assembly."

P.A. 81-212, in subd. (a), in the first, second, fifth and sixth paragraphs deleted "or in case of beer and wine, under the age of 19 years" where it appeared following "21 years"; deleted former subd. (b) as added by P.A. 79-26, and designated a penalty provision as subd. (b).

P.A. 82-783, Art. VI renumbered Sections of the Liquor Control Act of 1934 and amended other Acts to revise cross references to the renumbered Sections.

For provisions of P.A. 82-783, Art. I, § 1 relating to intent and supersedure and Art. XII, § 1 relating to effective dates and extension or revival of repealed Acts, see Historical Note following ch. 23, § 4-2.

P.A. 83-706 revised statutory terminology related to persons under legal and developmental disabilities, deleted references to conservators or substituted references to guardians, and inserted gender references.

P.A. 83-834, in subd. (b), inserted "Except as otherwise provided in this Section" and added subd. (c).

P.A. 83-1362, Art. II, the 1984 Revisory Act provided in § 01:

"This Article provides for the nonsubstantive revision or renumbering or repeal of Sections of Acts necessitated by the amendment, addition or repeal of Sections by two or more Public Acts of the 83rd General Assembly, which multiple action was not resolved by one of the Acts of the 83rd General Assembly affecting the particular Section."

For provisions of P.A. 83-1362, Art. I, § 1 relating to intent and Art. V, § 1 relating to effective date and nonacceleration, see Historical Note following ch. 5, § 5-19.

P.A. 84-272, in the first paragraph of subd. (a), added "Whoever violates the provision of this paragraph of this subsection (a) is guilty of a Class A misdemeanor."

P.A. 84-1379, which incorporated the amendment by P.A. 84-272, added subd. (d).

#### Cross References

Liquor in sale, see ch. 75, § 118.

Local licenses, revocation or suspension, see § 149 of this chapter.

State licenses, revocation or suspension, see § 108 of this chapter.

# CORRECTION

THE FOLLOWING DOCUMENT(S)  
HAVE BEEN REFILMED TO  
ASSURE LEGIBILITY OR PAGINATION



Rev. 6/98

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State of Alaska

by him to be an habitual drunkard, spendthrift or insane, feeble-minded or distracted person."

The 1951 amendment substituted "mentally ill, mentally deficient or in need of mental treatment" for "feeble-minded or distracted person."

The 1952 amendment made the paragraph applicable to officers, agents, employees and others acting for a licensee, and it provided a penalty for violation of the paragraph.

The 1961 amendment substituted "person under the age of 21 years" for "minor."

The 1963 amendment in the first paragraph added what is now the second sentence.

P.A. 77-2410 provided that a person violating the paragraph was guilty of a Class B misdemeanor.

The amendment by P.A. 77-2410 was necessary to conform penalties under this paragraph with the Unified Code of Corrections, see ch. 33, § 1001-1-1 et seq.

Section 2 of P.A. 77-2410 provided an effective date of January 1, 1973.

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and in subd. (a) referred to the exception of subd. (b).

P.A. 78-630 in what is now the first paragraph of subd. (a) following "21 years" inserted "or in the case of beer and wine, under the age of 19 years", and in subd. (a) added the second to sixth paragraphs.

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P.A. 83-706 revised statutory terminology related to persons under legal and developmental disabilities; deleted references to conservators or substituted references to guardians; and inserted gender references.

P.A. 83-834, in subd. (b), inserted "Except as otherwise provided in this Section", and added subd. (c).

P.A. 83-1362, Art. II, the 1984 Revisory Act provided in § 0.1:

"This Article provides for the nonsubstantive revision or renumbering or repeal of Sections of Acts necessitated by the amendment, addition or repeal of Sections by two or more Public Acts of the 83rd General Assembly, which multiple action was not resolved by one of the Acts of the 83rd General Assembly affecting the particular Section."

For provisions of P.A. 83-1362, Art. I, § 1 relating to intent and Art. V, § 1 relating to effective date and nonacceleration, see Historical Note following ch. 5, § 55.19.

P.A. 84-272, in the first paragraph of subd. (a), added "Whoever violates the provision of this paragraph of this subsection (a) is guilty of a Class A misdemeanor."

P.A. 84-1379, which incorporated the amendment by P.A. 84-272, added subd. (d).

#### Cross References

Liquor in jails, see ch. 75, § 118.

Local licenses, revocation or suspension, see § 149 of this chapter.

State licenses, revocation or suspension, see § 108 of this chapter.

Reprint of  
Chapter 8.20  
LIQUOR LICENSE REGULATIONS

CLARK COUNTY CODE  
NEVADA  
1990

BOOK PUBLISHING COMPANY  
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**INDIVIDUAL ACCESS LICENSE.** "Individual access license" means a license which allows a hotel to stock a locked cabinet or refrigerator in a hotel room or suite with alcoholic liquor, the key to which is given to the adult transient guest. The liquor cabinet key must be on the keyring to which the room key is attached and the liquor cabinet lock must be so designed that the key may not be removed therefrom without first locking the cabinet. The hotel must have at least one hundred rooms or suites, a full-service twenty-four-hour restaurant with a service bar and a tavern or main bar, room service of meals to all guestrooms, a recreation facility as defined in Section 8.04.010(X)(b) and a convention pavilion as part of the same operation and complex.

**LEWD.** "Lewd" means:

(a) The showing of the human male or female genitals, pubic area or buttocks with less than a fully opaque covering, or the showing of the covered male genitals in a discernibly turgid state with the intent to arouse or excite the sexual desire of the viewer;

(b) The touching of the genitals, buttocks or female breast of oneself or another person for purposes of sexual arousal, gratification or affront;

(c) An act of sexual intercourse, including actual or simulated, genital-genital, oral-genital, anal-genital or oral-anal, with or between persons of the same sex or opposite sex, or an act of masturbation, bestiality or sado-masochistic abuse.

**LICENSEE.** "Licensee" means any corporation or association or a natural person to whom a valid alcoholic liquor license and/or import-wholesale alcoholic liquor license has been issued and is used herein in the plural as well as the singular sense.

**LIQUOR CATERER LICENSE.** A liquor caterer license permits the operator of a portable bar at events for which the caterer has obtained a permit.

**LIQUOR STORE.** "Liquor store" is a specialty retail store which deals exclusively in alcoholic liquors and related items including magazines, newspapers and packaged snack foods. Minors are not allowed entry into liquor stores. A liquor license shall not be granted to a liquor store if it is located within a one-thousand-five-hundred-foot radius of the entry door of any other liquor store.

**LOUNGE.** "Lounge" means a room or designated and separate area adjacent to and operated in connection with a hotel, supper club, casino or tavern wherein the patrons of said businesses meet in an informal setting at tables, booths or easy chairs for conversation or entertainment, and into which room or area minors are not permitted entry.

**MANAGER/GENERAL MANAGER.** A "manager" is the individual responsible for liquor sales and code compliance whose responsibilities are limited to a shift. "General manager" means a key employee who is designated by the licensee as the individual responsible for all liquor sales, employee supervision and liquor code requirement compliance.

**MAIN BAR.** "Main bar" means a bar where alcoholic liquors are dispensed by the drink by retail sales to customers at such bar in an establishment licensed for gaming other than Class A slot machines, resort hotel, or to a hotel having at least one hundred fifty rooms, providing sleeping accommodations to transient guests for valid consideration, and a restaurant.

**MINOR.** "Minor" means, for the purposes of this chapter, a natural person under the age of twenty-one years.

**MORAL TURPITUDE.** "Moral turpitude" is defined as any crime, including conspiracy to commit the crime, which:

3.20.465

parking lot over which the licensee has ownership or contractual parking privileges. (Ord. L-92-39 § 1, 1989; Ord. L-89-89 § 1, 1989; Ord. L-81-88 § 4, 1988; Ord. L-55-85 § 1, 1985)

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**8.20.470 License fees.** It is unlawful for any person, firm, association or corporation to engage in the retail business of selling, distributing, dispensing or giving away intoxicating, spirituous, vinous, malt (fermented) or other liquors, wines or beers in the county, outside the incorporated cities and towns therein, without first having procured a license and paid the applicable fees in advance to the county department of business license as follows:

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(a) For retail liquor licenses:

(1) For each and every main bar operated by an establishment for on-premises consumption, including room service of package goods to hotel guests in rooms by a porter within the establishment, a fee of five hundred twenty-five dollars per quarter-annual period;

(2) For each and every service bar and portable bar operated by an establishment a fee of three hundred dollars per quarter-annual period;

(3) For each and every individual access license, the fee of one thousand dollars per quarter-annual period;

(4) For a tavern, a fee of three hundred dollars per quarter-annual period;

(5) For retail beer, a fee of one hundred twenty-five dollars per quarter-annual period;

(6) For retail beer and wine, a fee of one hundred fifty dollars per quarter-annual period;

(7) For a club liquor license, a fee of thirty-four dollars and seventy-five cents per quarter-annual period;

(8) For a supper club license, a fee of three hundred dollars per quarter-annual period;

(9) For a liquor caterer license, the fee of one hundred fifty dollars per quarter-annual period and a semiannual fee based on gross revenue pursuant to Title 6, with a permit fee of ten dollars for each portable bar operated per day at each event.

(b) For package licenses:

(1) For package liquor, a fee of four hundred fifty dollars per quarter-annual period unless operated in conjunction with a tavern by the same licensee at the same location, in which case the fee shall be one hundred fifty dollars per quarter-annual period;

(2) For package beer, a fee of one hundred twenty-five dollars per quarter-annual period;

(3) For package beer and wine, a fee of one hundred seventy-five dollars per quarter-annual period;

(c) Import-wholesale. For an import-wholesale alcoholic license, a fee of six hundred fifty dollars per quarter-annual period.

(d) For a special events permit, the fee shall be the same fee as set forth above for a quarter-annual period for the type of service for which the special events permit is issued, except that charitable organizations which meet the requirements for issuance of special events permits shall not be required to pay any fee.

A separate license is required for each fictitious name used by an entity in the conduct of liquor sales, distribution or gift. (Ord. L-96-89 § 3, 1989; Ord. L-62-87 §

comprehended by this subdivision shall be upon the person who claims to be entitled to the protection and exemption afforded hereby.

(For sub 14, see parent volume)

15. All retail licensed premises shall be subject to inspection by any peace officer, acting pursuant to his special duties, or police officer and by the duly authorized representatives of the liquor authority, or the appropriate board during the hours when the said premises are open for the transaction of business.

(Added, L 1988)

16. No retail license to sell liquor and/or wine for consumption on the premises shall be granted for any public billiard or pocket billiard room, or for establishments of any description in which billiards is played or which maintains any apparatus or paraphernalia for the playing of billiards or pocket billiards and is conducted as a public place of business for profit. Notwithstanding any prohibition to the contrary, a license may be issued to an establishment wherein billiards or pocket billiards are played or may be played on a table which measures not more than three feet by six feet provided that not more than two such tables are in the establishment at any one time and further provided that the cue sticks used, and available for use, are made of light plexiglass or some similar light material.

(Added, L 1989)

17. Notwithstanding any other provision of law, a retail licensee for on-premises consumption that is a person or corporation operating a hotel shall be permitted to sell liquors, beer, and/or wines through a mechanical device or vending machine placed in the lodger's rooms and to which access to such device or machine is restricted by means of a locking device which requires the use of a key, magnetic card or similar device provided, however, that no such key, card or similar device shall be provided to any person under the age of twenty-one or to any person who is visibly intoxicated.

#### HISTORY:

Sub 1, amd, L 1985, ch 48, § 3, eff June 16, 1985.

Sub 6, amd, L 1986, ch 919, § 22, eff Dec 29, 1986.

Sub 6-b, add, L 1990, ch 759, § 1, eff Aug 21, 1990.

Sub 11, amd, L 1983, ch 445, § 1, eff July 15, 1983, L 1985, ch 545, § 1, eff July 24, 1985.

Sub 13, amd, L 1988, ch 209, § 3, eff July 1, 1988.

Sub 15, amd, L 1980, ch 843, § 108, eff Sept 1, 1980.

Sub 16, add, L 1988, ch 64, § 20, eff April 24, 1988.

Sub 17, add, L 1989, ch 217, § 1, eff June 26, 1989.

#### NOTES:

##### Editor's Notes:

See 1988 note under § 101.

#### CROSS REFERENCES:

This section referred to in §§ 64-b, 97, 98, 130.

#### RESEARCH REFERENCES AND PRACTICE AIDS:

##### Annotations:

Criminal liability of member or agent of private club or association, or of owner or lessor of its premises, for violation of state or local liquor or gambling laws thereon. 98 ALR3d 694.

§ 50.02. Fee

(a) The annual state fee for an original limousine service beverage permit is \$100 for each limousine operated by the limousine service.

(b) The annual state fee for the renewal of a limousine service beverage permit is \$50 for each limousine operated by the limousine service.

Added by Acts 1987, 70th Leg., ch. 482, § 1, eff. Sept. 1, 1987.

§ 50.03. Recordkeeping; Display of Permit; Rulemaking

The commission shall adopt rules governing the conduct of the holder of a limousine service beverage permit, including defining the term "limousine service," requirements for recordkeeping, display of the permit, and prohibitions against removal from a limousine of alcoholic beverages in their original containers in which purchased.

Added by Acts 1987, 70th Leg., ch. 482, § 1, eff. Sept. 1, 1987.

§ 50.04. Taxes

(a) The taxes imposed by this code shall be paid on all alcoholic beverages in a limousine or in a storage area maintained by a limousine service beverage permittee in accordance with rules prescribed by the commission.

(b) The preparation and service of alcoholic beverages by the holder of a limousine service beverage permit is exempt from the tax imposed by the Limited Sales, Excise, and Use Tax Act (Section 151.001 et seq., Tax Code). A limousine service beverage fee of five cents is imposed on each individual serving of an alcoholic beverage served by the permittee inside the state. The fee accrues at the time the container containing the alcoholic beverage is delivered to the passenger. The permittee shall remit the fees to the commission each month under a reporting system prescribed by rules of the commission.

Added by Acts 1987, 70th Leg., ch. 482, § 1, eff. Sept. 1, 1987.

§ 50.05. Operation in Dry Area

A limousine service beverage permit is inoperative in a dry area.

Added by Acts 1987, 70th Leg., ch. 482, § 1, eff. Sept. 1, 1987.

CHAPTER 51. MINIBAR PERMIT (NEW)

Section	Section
51.01. Eligibility for Permit.	51.06. Prohibited Interests.
51.02. Authorized Activities.	51.07. Mixed Beverage Permit is Primary.
51.03. Limited Access to Minibar.	51.08. Distilled Spirits Purchases.
51.04. Stocking Restrictions.	51.09. Coin-Operated Machines Prohibited.
51.05. Fee.	51.10. Commission May Adopt Rules.

§ 51.01. Eligibility for Permit

The commission or the administrator may issue a minibar permit only to the holder of a mixed beverage permit issued for operation in a hotel.

Added by Acts 1989, 71st Leg., ch. 692, § 2, eff. June 14, 1989.

§ 51.02. Authorized Activities

The holder of a minibar permit may sell the following alcoholic beverages out of a minibar:

- (1) distilled spirits in containers of not less than one ounce nor more than two ounces;
- (2) wine and vinous liquors in containers of not more than 13 fluid ounces; and
- (3) beer, ale, and malt liquor in containers of not more than 12 fluid ounces.

Added by Acts 1989, 71st Leg., ch. 692, § 2, eff. June 14, 1989.

§ 51.03. Limited Access to Minibar

(a) Minibars shall be of such design as to prevent access to alcoholic beverages to all persons who do not have a minibar key. The minibar key shall be different from the hotel

## LICENSES AND PERMITS

§ 51.07

### Title J

guestroom key, and the permittee shall not provide the minibar key to any person who is not of legal drinking age.

(b) A permittee may not provide a minibar key to any person other than an employee of the permittee or a registered guest of the hotel.

Added by Acts 1989, 71st Leg., ch. 692, § 2, eff. June 14, 1989.

### § 51.04. Stocking Restrictions

(a) All employees handling distilled spirits, wine, beer, ale, and malt liquor being stocked in the minibar must be at least 18 years of age.

(b) A minibar may not be restocked or replenished between the hours of 9 p.m. and 9 a.m. or on any Sunday, and it may contain no more than 40 individual containers of alcoholic beverages at any one time.

(c) A minibar may only be maintained, serviced, or stocked with alcoholic beverages by a person who is an employee of the holder of a minibar permit, and no other person shall be authorized to add alcoholic beverages to a minibar or, with the exception of a registered hotel guest consumer, to remove alcoholic beverages from a minibar.

(d) The holder of a minibar permit shall adhere to standards of quality and purity of alcoholic beverages prescribed by the commission and shall destroy any alcoholic beverages contained in a minibar on the date which is considered by the manufacturer of the alcoholic beverage to be the date the product becomes inappropriate for sale to a consumer.

Added by Acts 1989, 71st Leg., ch. 692, § 2, eff. June 14, 1989.

### § 51.05. Fee

The annual state fee for an original minibar permit is \$2,000. The annual state fee for the first renewal of a minibar permit is \$1,500. The annual state fee for the second renewal of a minibar permit is \$1,000. The annual state fee for the third and each subsequent renewal of a minibar permit is \$750.

Added by Acts 1989, 71st Leg., ch. 692, § 2, eff. June 14, 1989.

### § 51.06. Prohibited Interests

The holder of a minibar permit may not have a direct or indirect interest in a package store permit, and no package store may be located on the premises of a hotel in which a mixed beverage permittee holds a minibar permit.

Added by Acts 1989, 71st Leg., ch. 692, § 2, eff. June 14, 1989.

### § 51.07. Mixed Beverage Permit is Primary

All purchases made by a minibar permittee shall be made under the authority of and subject to the limitations imposed on the mixed beverage permit held by the permittee. All sales made by a minibar permittee shall, for tax purposes, be considered sales under the mixed beverage permit held by the permittee and shall be taxed accordingly. To ensure that the marketing of alcoholic beverages for stocking minibars is not used by suppliers for purposes of inducement or unauthorized or illegal advertising, it is further provided that:

(1) No person who holds a permit or license authorizing sale of any alcoholic beverage to mixed beverage permittees may sell or offer to sell alcoholic beverages to a minibar permittee at a cost less than the seiler's laid-in cost plus the customary and normal profit margin applicable to other container sizes. The laid-in cost shall be defined as the manufacturer's or supplier's invoice price, plus all applicable freight, taxes, and duties.

(2) Proof of laid-in cost shall become a part of the permanent records of each permittee or licensee supplying alcoholic beverages to minibar permittees and be available for a period of two years for inspection by the commission.

(3) No alcoholic beverages offered for use in a minibar may be sold in connection with or conveyed as part of any promotional program providing a discount on the purchase of any other type, size, or brand of alcoholic beverage.

(4) Distilled spirits in containers with a capacity of more than one but less than two fluid ounces must be invoiced separately from any other alcoholic beverage, and the price must be shown on the invoice.

(5) Distilled spirits in containers with a capacity of more than one but less than two fluid ounces may not be returned by the holder of a minibar permit. Neither may the beverages be exchanged by the holder of a minibar permit or redeemed for any reason other than damage noted at the time of delivery and approved by the commission. Claims for breakage or shortage after delivery to a minibar permittee shall not be allowed.

(6) No person holding a wholesaler's, local distributor's, or package store permit may participate in the cost of producing any room menu, beverage list, table tent, or any other device or novelty, written or printed, relating to the sale of distilled spirits in containers with a capacity of more than one but less than two fluid ounces. No permittee or licensee authorized to sell alcoholic beverages to a minibar permittee may pay for or contribute to the cost of providing in-house television or radio announcements to be used by any holder of a minibar permit to promote the sale of alcoholic beverages.

Added by Acta 1989, 71st Leg., ch. 692, § 2, eff. June 14, 1989.

§ 51.08. Distilled Spirits Purchases

Distilled spirits purchased for resale in a minibar must be purchased in unbroken cases, and the cases shall bear the appropriate identification stamps.

Added by Acta 1989, 71st Leg., ch. 692, § 2, eff. June 14, 1989.

§ 51.09. Coin-Operated Machines Prohibited

Nothing in this chapter shall be construed as authorizing nor may the commission or administrator authorize the sale of any alcoholic beverage from a coin-operated machine or similar device.

Added by Acta 1989, 71st Leg., ch. 692, § 2, eff. June 14, 1989.

§ 51.10. Commission May Adopt Rules

The commission may adopt rules necessary to regulate the use and operation of minibars.

Added by Acta 1989, 71st Leg., ch. 692, § 2, eff. June 14, 1989.

SUBTITLE B. LICENSES

Cross References

Judges of County Courts at Law Nos. 2 and 3 of Bexar County, grants or denials of licenses

under this code, see V.T.C.A. Government Code, § 25 0172(b).

CHAPTER 61. PROVISIONS GENERALLY APPLICABLE TO LICENSES

SUBCHAPTER B. APPLICATION AND ISSUANCE OF LICENSES

Section

- 61.311. Masters in Certain Counties.
- 61.312. Delegation of Duties of County Judges. (New)
- 61.381. Notice by Sign.

Cross References

Food service establishments, standards enforced by counties and public health districts, conflict with provisions of this code, see Vernon's Ann. Civ. St. art. 6476-5g, § 5.

Section

SUBCHAPTER C. CANCELLATION AND SUSPENSION OF LICENSES

- 61.711. Retail Dealer: Conviction of Offense Relating to Discrimination.
- 61.712. Grounds for Cancellation or Suspension: Sales Tax.

WESTLAW Electronic Research

See WESTLAW Electronic Research Guide following the Preface.

WISCONSIN

the original package or container. In addition, wine may be sold in the original package or container in any quantity to be consumed off the premises where sold. This paragraph does not apply in municipalities in which the governing body elects to come under par. (b) or to a winery that has been issued a "Class 3" license. Paragraph (am) applies to all wineries that have been issued a "Class 3" license.

(am) A "Class 3" license issued to a winery authorizes the sale of wine to be consumed by the glass or in opened containers only on the premises where sold and also authorizes the sale of wine in the original package or container to be consumed off the premises where sold, but does not authorize the sale of fermented malt beverages or any intoxicating liquor other than wine.

(b) In all municipalities electing by ordinance to come under this paragraph, a retail "Class 3" license authorizes the sale of intoxicating liquor to be consumed by the glass only on the premises where sold and also authorizes the sale of intoxicating liquor in the original package or container, in multiples not to exceed 4 liters at any one time, and to be consumed off the premises where sold. Wine, however, may be sold for consumption off the premises in the original package or otherwise in any quantity. This paragraph does not apply to a winery that has been issued a "Class 3" license. Paragraph (am) applies to all wineries that have been issued a "Class 3" license.

125.51(3)(a) (b2) Notwithstanding pars. (a) and (b) and s. 125.04 (3) (a) and (9), a "Class 3" license authorizes a person operating a hotel to furnish a registered guest who has attained the legal drinking age with a selection of intoxicating liquor in the guest's room which is not part of the "Class 3" premises. Intoxicating liquor furnished under this paragraph shall be furnished in original packages or containers and stored in a cabinet, refrigerator or other secure storage place. The cabinet, refrigerator or other secure storage place must be capable of being locked. The cabinet, refrigerator or other secure storage place shall be locked, or the intoxicating liquor shall be removed from the room, when the room is not occupied and when intoxicating liquor is not being furnished under this paragraph. A key for the lock shall be supplied to a guest who has attained the legal drinking age upon request at registration. The hotel shall prominently display a price list of the intoxicating liquor in the hotel room. Intoxicating liquor may be furnished at the time the guest occupies the room, but for purposes of this chapter, the sale of intoxicating liquor furnished under this paragraph is considered to occur at the time and place that the guest pays for the intoxicating liquor.

Notwithstanding s. 125.58 (4) (c), the guest may pay for the intoxicating liquor at any time if he or she pays in conjunction with checking out of the hotel. An individual who stocks or accepts payment for alcohol beverages under this paragraph shall be the licensee, the agent named in the license if the licensee is a corporation or the holder of a manager's or operator's license or be supervised by one of those individuals.

**SB**

**94**

MEMBER

TENTH ALASKA LEGISLATURE  
ELEVENTH ALASKA LEGISLATURE  
TWELFTH ALASKA LEGISLATURE  
THIRTEENTH ALASKA LEGISLATURE  
FOURTEENTH ALASKA LEGISLATURE  
FIFTEENTH ALASKA LEGISLATURE  
SIXTEENTH ALASKA LEGISLATURE  
EIGHTEENTH ALASKA LEGISLATURE

ALASKA STATE SENATE

SENATOR TIM KELLY

STATE CAPITOL  
JUNEAU, ALASKA 99801-1182  
(907) 465-3822  
FAX (907) 465-3758

718 WEST 4TH, SUITE 400  
ANCHORAGE, ALASKA 99501  
(907) 258-8180  
FAX (907) 258-4244

This legislation, SB 94, passed the Eighteenth Legislature as SB 141. It passed the House with a vote of 36 to 2, and the Senate by a vote of 19 to 1. It was then vetoed by Governor Hickel.

Under current law, students enrolled for credit at a public high school in a course which combines academic instruction with work experience outside the school for a public or private nonprofit employer is an employee of the State for workers' compensation purposes.

This bill would broaden this coverage so that all students participating for no financial compensation in on-the-job-training as part of an academic program would be covered. This would provide workers' compensation coverage to students who participate in automotive maintenance, welding, carpentry, and various other work-study programs other than non-profits. Without this change in law, such opportunities are not available.

This bill considers uncompensated students injured at the worksite in a work-study program as state employees for the purpose of medical benefits only under workers' compensation. Uncompensated students who are injured would not receive compensation for lost wages as they did not receive a wage. This bill also provides exclusive liability, or immunity from being sued, for the school district in which the school is located as well as for the employer providing the training. It should be noted that former Governor Hickel wrote in his veto message "By providing immunity from liability, this legislation eliminates the incentive for the school district and the employer to provide a safe work experience for students." This view fails to recognize that this immunity is central to the employer/employee relationship established under workers' compensation. No business or school district will participate in this program without this immunity. It is my hope that the new administration will be more supportive of these programs.

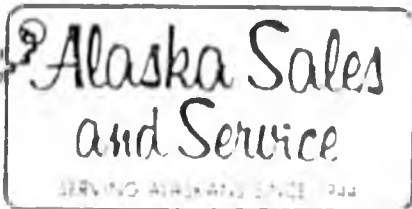
SB 94 stands to increase the opportunities available for students interested in gaining experience in vocations, as well as providing for safe and legal on-the-job training for high school students.

§ 23.30.237

ALASKA STATUTES

§ 23.30.240

**Sec. 23.30.237. High school students in work-study programs as employees of the state.** An individual who is enrolled for credit at a public high school in a course that combines academic instruction with work experience outside the school for a public or private non-profit employer is an employee of the state for the purposes of this chapter while the individual is performing the work experience. Weekly compensation for disability or death under this section may not be less than the initial payment of compensation under AS 23.30.175. (§ 1 ch 65 SLA 1980)



1300 E. 5th Avenue  
 Anchorage Alaska 99501  
 Phone (907) 279-9611  
 FAX (907) 276-8942

FEBRUARY 19, 1992

REP. BETTY DAVIS  
 ALASKA STATE LEGISLATURE  
 ROOM 409  
 JUNEAU, AK 99801

DEAR MS. DAVIS:

AFTER A BRIEF CONVERSATION WITH A ESTER BOX. AT KING CAREER CENTER,  
 IT IS OUR OPINION THE REVISION IN HOUSE BILL 426 SHOULD BE  
 MANDATED IMMEDIATELY.

PRESENTLY THE WAY THIS BILL IS WRITTEN A PRIVATE FOR PROFIT EMPLOYER,  
 SUCH AS OURSELVES, CANNOT AFFORD TO TRAIN AN OUT STUDENT AT OUR FACILITY  
 DUE TO THE WORKMANS COMPENSATION LIABILITY.

SPECIFICALLY, WE AT ALASKA SALES AND SERVICE FEEL TRAINING AN OUT STUDENT  
 WOULD BE BENEFICIAL WITHIN THE AUTOMOTIVE INDUSTRY. UPON THE STUDENTS  
 GRADUATION HE/SHE WOULD BE:

1. FAMILIAR WITH THE INNER WORKINGS OF A DEALERSHIP.
2. KNOWLEDGEABLE OF CURRENT TECHNICAL REPAIRS.
3. QUALIFIED TO OPERATE ALL SPECIALIZED STATE OF THE ART TECHNICAL EQUIPMENT.

ADDITIONALLY, BY REVISING THIS BILL WE FEEL THE SKILLED LABOR FORCE WOULD  
 BE EXPANDED FOR BOTH THE EMPLOYEE AND EMPLOYER.

IN CLOSING, WE ARE IN FULL SUPPORT OF THIS REVISION. SHOULD YOU REQUIRE  
 FURTHER INFORMATION OR ASSISTANCE PLEASE FEEL FREE TO CALL ANYTIME.

SINCERELY,

WENDY RADER  
 CUSTOMER RELATIONS MANAGER

# BARTLETT HIGH SCHOOL



25-500 N. Muldoon  
Anchorage, Alaska 99506  
(907) 337-1585

FEB 12 1992

February 5, 1992

Representative Bertye Davis  
Alaska State Legislature  
Room 409  
Juneau, AK 99811

Dear Representative Davis:

Please extend my support of House Bill 426 to expand opportunities for on-the-job-training programs for students. I do believe the term "non-profit" should be deleted from the wording.

I appreciate your continuing concern and support for the educational system in the State of Alaska.

Sincerely,

Howard Hosken, Principal  
Bartlett High School

"FROM THE DESK OF EDDIE BURKE"

DEAR SENATOR OR REPRESENTATIVE,

JAN 31, 1992

MY NAME IS EDDIE BURKE, I WILL BE IN JUNEAU FEBRUARY 5TH FOR ONE DAY. AS ONE OF YOUR CONSTITUENTS I WOULD LIKE TO HAVE AN OPPORTUNITY TO SPEAK WITH YOU BRIEFLY. THE CONVERSATIONS I WILL DISCUSS WILL BE THE ANCHORAGE CHAMBER OF COMMERCE LEGISLATIVE PRIORITIES. I HOPE YOU WILL BE ABLE TO SEE ME DURING THAT DAY FOR APPROX 15 OR 20 MINUTES.

I WOULD ENCOURAGE YOU TO SUPPORT HB-426 SPONSORED BY REP-BETTY DAVIS. IT GIVES THE ANCHORAGE SCHOOL DISTRICT THE ABILITY TO LET STUDENTS GO TO SERVICE STATIONS AND GARAGES TO OBTAIN O.J.T. FOR AUTOMOTIVE EXPERIENCE. WORKMAN COMP LAWS PROHIBIT THIS FROM HAPPENING IT IS VITAL THAT STUDENTS HAVE THE OPPORTUNITY TO GET THE HANDS ON TRAINING. I WILL BE DISCUSSING THIS FURTHER WITH YOU, ON FEBRUARY 5TH.

I AM LOOKING FORWARD TO MEETING WITH YOU AND DISCUSSING THE ABOVE ISSUES. GOOD LUCK IN THIS SESSION. FEEL FREE TO CALL OR FAX.

PHONE WK-277-7424 FAX 277-9768  
HOME-337-0388

RESPECTFULLY,



EDDIE BURKE.

February 6, 1992

Representative Bettye Davis  
Alaska State Legislature  
Room 409  
Juneau, AK 99811

RE: SUPPORT OF HB 426

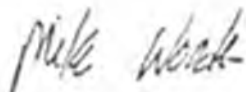
I am an instructor at the King Career Center in Anchorage, Alaska and am writing this letter of support for the legislative bill HB426. Within my program at the King Career Center, I place students in on-the-job sites with both profit as well as nonprofit businesses.

I have placed the majority of my students with state and federal agencies due to the fact that I can have students covered under "volunteer programs" within each of these agencies. On numerous occasions, I have asked "profit" companies to support OJT programs, but their concern and hesitance has come from concerns of who is responsible for the students welfare at the job site.

If this bill comes to pass, I truly believe it will make available to students many additional training sites by which they can receive hands-on work training skills.

Thank you for your efforts in pass this bill

Sincerely,



Mike Woods  
Wiland Management Instructor



JAN 05 1992

January 31, 1992

Representative Bettye Davis  
Alaska State Legislature  
Room 409  
Juneau, Alaska 99811

Dear Representative Davis:

I would like to request your support for HB426 which will extend coverage of workers compensation for high school students in on-the-job training in for-profit businesses and companies. In my capacity as the Assistant Principal of the King Career Center in Anchorage for the past five years, I have been aware of several possible on-the-job training (OJT) sites that fell through for our students because employers were unwilling to accept these students without this coverage. We feel that we could expand our outreach for training locations in many areas for our young people if HB426 were made into law. Thank you for your support on this matter.

Sincerely,

Richard Krieger,  
Assistant Principal

MARTIN LUTHER KING, JR. CAREER CENTER  
ANCHORAGE SCHOOL DISTRICT  
2650 E. NORTHERN LIGHTS BLVD. ANCHORAGE, ALASKA 99508-4119 (907) 278-9631

# FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. SB94

Revision Date: \_\_\_\_\_  
Title: An Act relating to workers' compensation coverage for certain high school students in uncompensated work-study  
Sponsor: Kelly  
Requestor: (S) L&C

Department Affected: Administration  
BRU: Risk Management  
Component: Risk Management  
COMPONENT SERIAL NO. 0071

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	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	24 0	24 0	24 0	24 0	24 0	24 0
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL OPERATING</b>	<b>24 0</b>	<b>24 0</b>	<b>24 0</b>	<b>24 0</b>	<b>24 0</b>	<b>24 0</b>

<b>CAPITAL EXPENDITURES</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>
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<b>CHANGE IN REVENUES ( )</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>
-------------------------------	-----------	-----------	-----------	-----------	-----------	-----------

**FUND SOURCE:** (Thousands of Dollars)

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/Program Receipts	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
OTHER	24 0	24 0	24 0	24 0	24 0	24 0
<b>TOTAL</b>	<b>24 0</b>	<b>24 0</b>	<b>24 0</b>	<b>24 0</b>	<b>24 0</b>	<b>24 0</b>

Estimate of any current year (FY 95) cost: \$-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 )

SB 94 increases State workers' compensation exposure by broadening present statutory responsibility for high school students in work-study programs to now extend coverage to those students combining academic instruction with uncompensated work experience with any private or public employer.

It is anticipated that this change will significantly increase the number of students involved in work study programs. Benefits payable are restricted to medical costs covered under section 095.

The State's average workers' compensation cost per employee (loss rate) is \$600. After reducing for medical costs only (50% on average) we have further decreased the State's expected loss rate by half, anticipating less hazardous work activity with faster medical recovery.

Risk Management's loss funding is collected solely through inter-agency receipts. These additional costs will be collected by RSA from the Department of Education.

Prepared by: J. Brad Thompson, Director  
Division: Risk Management

Phone: 465-5723  
Date: 2/27/95

Approved by Commissioner: Mark Boyer  
Agency: Department of Administration

Date: 2/27/95

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For file \_\_\_\_\_ Office \_\_\_\_\_

# FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. SB 94

Revision Date: \_\_\_\_\_  
 Title: Workers' Comp for Work-Study  
Students  
 Sponsor: Senator Kelly  
 Requestor: Senate Labor & Commerce

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

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL</b>						
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<b>CHANGE IN REVENUE FUND SOURCE #</b>						
--	--	--	--	--	--	--

**FUNDING:** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY95) impact: \$ None

**ANALYSIS:** (Attach a separate page if necessary)

Senate Bill No. 94 would extend workers' compensation coverage to high school students in uncompensated work study programs as employees of the state. There would not be a fiscal impact to the Division of Workers' Compensation.

Prepared by: Paul Grossi, Director Phone: 465-2730  
 Division: Workers' Compensation Date: 2/27/95

Approved by Commissioner: Tom Cashen, Commissioner  
 Agency: Department of Labor Date: 2/27/95

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# FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. SB 94

Revision Date: \_\_\_\_\_

Department Affected: Education

Title: Workers' Compensation for Work-Study Students

BRU: K-12 Support

Sponsor: Senator Kelly

Component: Foundation Support

Requester: Senate Labor and Commerce Committee

COMPONENT SERIAL NO. 141

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	24.0	24.0	24.0	24.0	24.0	24.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>24.0</b>	<b>24.0</b>	<b>24.0</b>	<b>24.0</b>	<b>24.0</b>	<b>24.0</b>

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

REVENUE FUND SOURCE:						
----------------------	--	--	--	--	--	--

**FUNDING:**

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	24.0	24.0	24.0	24.0	24.0	24.0
1005 GF/Program Receipts						
1006 GF/MIITIA						
Other						
<b>TOTAL</b>	<b>24.0</b>	<b>24.0</b>	<b>24.0</b>	<b>24.0</b>	<b>24.0</b>	<b>24.0</b>

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY95) impact: \$ - 0 -

**ANALYSIS: (Attach a separate page if necessary.)**

Department of Education costs derived from information and analysis prepared by the Department of Administration in conjunction with the Department of Labor. This amount represents estimated claims incurred on behalf of students for medical costs only which result from work related accidents while participating in work-study programs. It would be a direct pass-through via RSA to the Department of Administration.

Prepared by: Duane Guiley Phone: 465-8679

Division: School Finance Date: February 27, 1995

Approved by Commissioner: Mike Maher, Acting Commissioner

Agency: Education Date: February 27, 1995

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# Legislative Research Agency

Alaska State Legislature



130 Seward Street, Suite 218  
Juneau, Alaska 99801-2196

Phone: (907) 465-3991  
Fax: (907) 463-3351

April 14, 1994

## MEMORANDUM

TO: Senator Tim Kelly

FROM: Carol R. Vandor  
Legislative Analyst

RE: Workers' Compensation Coverage for Students in Work-Study Programs  
Research Request 94 196

You asked about workers' compensation coverage for high school students participating in work-study programs. You specifically wanted to know if any Regional Education Attendance Areas (REAA's) had submitted a workers' compensation claim for a student who was injured while participating in a work-study program with a for-profit employer. I spoke to the business managers in all 21 REAA's, and none was aware of any workers' compensation claims ever filed on behalf of students participating in a work-study program with a for-profit employer.

Administrators in the Division of Workers' Compensation, Department of Labor, are not aware of any workers' compensation claims filed on behalf of a student who was injured while participating in a work-study program with a for-profit employer. However, the division would not be aware of the "student status" unless the claim was adjudicated and through the adjudication process the claimant was identified as having been a student participating in a work study program at the time of the injury.

I hope this information is useful to you. If we may be of further assistance, please contact this office.

FEB 14 1992

Anchorage School District  
King Career Center  
Anchorage, Alaska 99508  
(907) 278-9631

MEMORANDUM

February 10, 1992

To: Representative Bettye Davis

From: Esther J. Cox, Principal

Subject: HB 426



On-the-job training is an essential element in the education of high school aged students who are interested in furthering their classroom training. An on-the-job training student is enrolled for credit in high school in a course that combines academic/vocational instruction with work experience outside of the school in business. Working with the student and an employer is a job coordinator from the high school. It is the responsibility of this person to assist the employers in developing a training plan for the student that relates to the classroom instruction as well as continue as support for both the student and employer for the duration of the on-the-job training plan. The student earns high school credit but no pay.

On-the-job training provides opportunities for students that cannot be duplicated by the public school. Included with this memo is a copy of job sites of students who are enrolled in Emergency Medical Technology and Health Occupations here at the King Career Center. It becomes apparent immediately that employers are giving of time and effort to assist in training youth. Additional training sites are in demand by programs such as Automotive Maintenance, Welding, Wildland/Fire Management, Auto/Body, Carpentry, and Aviation Maintenance Technology; however, because of the way that Section 1, Section 23.30.237 of the Worker Compensation Act is worded, only students placed in public or private nonprofit sites become employees of the state, thus covered by Worker Compensation. Because the areas listed include an element of risk just by nature of the job being performed, employers will not or are extremely hesitant at best, to place students in those sites.

It is impossible for the public schools to maintain a forward edge in technology. For example, students in Automotive Maintenance learn the basics of the gasoline engines, repair skills, valve train repair, fuel systems, etc., but diagnostic computers are only found in the business world, and if students are prohibited from being placed on OJT sites because there is no Worker Compensation coverage for them, schools are not able to send finely trained personnel into the business world.

The rewording of Section 23.30.237 would strike nonprofit and allow the state Worker Compensation to cover all students who are on on-the-job training not just those who are on public or private nonprofit job sites.

Without this change in the regulation, on-the-job training opportunities for students enrolled in a course that combines work experience outside the school and classroom instruction is limited to job sites that have little or no element of risk. It is easy to place students in offices at word processors; it is nearly impossible to place students with the airline industry in the shops or running equipment on the tarmac. We are working diligently to encourage students into non-traditional roles in the world of work.

and with limitations of job training sites, they have limited access to the role models in those jobs.

This is not a labor issue. It is an educational issue. It is to the benefit of every student enrolled in on-the-job training through his/her high school classes for Section 23.30.237 of the Worker Compensation Act to include both public and private employers.

**SB**

**95**

# Alaska State Legislature

Senator Tim Kelly, Chair  
Senator John Torgerson, Vice Chair  
Senator Mike Miller  
Senator Jim Duncan  
Senator Judy Salo



STATE CAPITOL, SUITE 101  
JUNEAU, ALASKA 99801-1182  
PHONE (907) 465-3822  
FAX (907) 465-3756

## SENATE LABOR AND COMMERCE COMMITTEE

716 W 4TH, SUITE 400  
ANCHORAGE AK 99501-2133  
PHONE (907) 258 8180  
FAX (907) 258-4524

### Sponsor Statement

SB 95:

### Automobile Liability

CS (LIC)

SB 95 is the reintroduction of HB 403 of the 18th Legislature. SB 95 seeks to reduce the mandatory offer of uninsured and underinsured motorists coverage ~~in to~~ <sup>to</sup> 500,000 <sup>per year</sup> excess of coverages voluntarily purchased by an insured.

Uninsured/Underinsured (UM/UIM) motorist coverage protects the vehicle owner against being injured in an accident with an at fault motorist who has no bodily injury liability insurance. UI motorist coverage applies only if the uninsured motorist is legally liable for the resulting injury. Uninsured motorist coverage puts the injured insured in the same position as he would be in if the motorist actually responsible for the accident had bodily injury liability insurance. Thus, if the injured driver cannot be compensated for an injury by the negligent party who has no insurance then the injured party can turn to his own insurance company for compensation. In effect, the injured driver's insurance company must take the place of the at fault motorist who was driving without liability insurance in contemplation of Alaskan law requiring liability insurance coverage.

Three years ago, the Alaska Legislature passed legislation which requires Alaskan insurers to offer uninsured or underinsured motorist coverage of between \$1 million and \$2 million dollars. This mandatory coverage has increased the cost of liability insurance for all policy holders. While these increases are due to the high limits of coverage required in Alaska, the premium for UI/UIM coverage is only a small part of the total insurance premium for vehicles.

SB 95 seeks to assure the Alaskan consumer competitive auto insurance premiums by encouraging a competitive marketplace. A greater number of insurance companies doing business in Alaska will, in the long run, ensure competitive premiums. SB 95 will encourage the growth of a competitive market for insurance by requiring insurance companies to provide only the requested amount of uninsured/underinsured coverage. Buyers of insurance will be able to choose their own individual level of protection.

Under current law, Alaska is the only state in the nation that requires insurers to offer UI/UIM coverage of up to two million dollars. SB 95 amends AS

500k/1mln  
of UM/UIM  
coverage  
Alaska's offer  
in line of other states  
of other states  
the market as  
will drive costs

1  
A maximum mandatory offer of 500,000 / 1 million  
21.89.020(c) to require coverage that includes policy limits equal to the limit voluntarily purchased to cover the insured's liability for bodily injury or death. The policy limit for this coverage may not be less than the policy limit set in AS 28.20.440.

SB 95 will encourage a competitive market for premiums as well as providing the consumer with the individual option to purchase her desired amount of coverage. The consumer is still protected by statutory limits for UM/UM coverage but will not be forced to pay for coverage equal to approximately \$2 million dollars.

All SB 95 does is lower the max. mandatory offer of insurance for UM/UM coverage to 500,000 / 1 million, bringing AK more in line with policies in insurance laws of other states.



## Alaska Independent Insurance Agents & Brokers, Inc.

February 9, 1995

Alaska State Legislators  
State Capitol Building  
Juneau, Alaska

Alaska Independent Insurance Agents and Brokers is a trade organization formed by 50 independently-owned insurance agencies residing and doing business in the State of Alaska.

Our members are the point of contact between the insurance-buying public and the insurance industry doing business in our state. Our members are the first to know the concerns of the insurance-buying public and the effect of legislative actions upon the insurance industry, and the resulting impact on the consumer.

In 1990 the Alaska State Legislature passed H.R. 429 stating carriers in the state shall initially and at renewal offer uninsured and underinsured motorist coverage, and that coverage may not be less than the statutory required coverage described in AS 28.20.440. In addition, the carrier must offer its insured the following options:

1. UM/UIM policy limits equal to limits voluntarily purchased by the insured for liability coverage.
2. UM/UIM policy limits greater than the voluntarily-purchased limits in specified optional amounts ranging from \$100/\$300 to \$1 million/\$2 million.

The problem which arises is with the mandatory offering. Many carriers within the state are unwilling or unable to offer these limits. Conversely, those carriers who may want to enter the state would not do so because of the mandatory offering of the higher limits.

To: Alaska State Legislators  
Re: UM/UIM Motorist Coverage  
February 9, 1995 - Page Two

To encourage competition in the auto insurance marketplace, it is our recommendation at the initial purchase of insurance that UM/UIM be offered up to the limits purchased for liability coverage but not less than the limits stated in AS 28.20.440.

We feel that with this change there will be an increase of insurance markets in our state and will benefit our citizens in securing a more competitive product.

Thank you for your consideration.

Sincerely,



Dennis N. Brown  
President

*progressive*

December 13, 1993

11010 WHITE ROCK ROAD  
P.O. BOX 2350  
RANCHO CORDOVA, CALIFORNIA 95741-2350

Ms. Gina McBride  
Alaska Independent Insurance Agents & Brokers, Inc.  
P.O. Box 203088  
Anchorage, AK 99520-3088

RE: Letter of Support  
Changes to Alaska UM/UM Statute (AS 21.89.020 (c) )

Dear Ms. McBride:

This letter is to confirm Progressive's support for the changes to the Alaska statute concerning Uninsured/Underinsured Motorists coverage being proposed by the Alaska Independent Agents & Brokers.

Your changes would replace the requirement for companies to offer \$1,000,000/\$2,000,000 UM/UM limits with a requirement to offer UM/UM limits equal to the Bodily Injury/Property Damage limits on the policy.

We believe that these limits will provide sufficient protection for Alaskans, while eliminating a potential source of litigation and/or un-reinsured catastrophic loss for companies.

Progressive provides both preferred and non-standard automobile insurance to over 10,000 drivers in Alaska.

Sincerely,

*Mark D. Nichaus*

Mark D. Nichaus  
Vice President



Seattle Territory Office  
Two Union Square Suite 600  
P.O. Box 1850  
Seattle WA 98111-1850

January 31, 1994

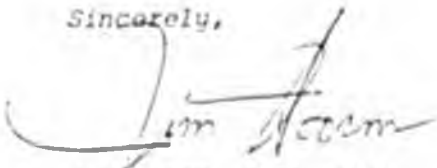
Gina McBride  
Alaska Independent Insurance Agency & Brokers, Inc.  
P.O. Box 203088  
ANCHORAGE, AK 99520-3088

RE: UM/UIM Support

Dear Gina:

We at Continental are very much in support of the revision you have offered. The effort being put forth to solve the UM/UIM problem is very much appreciated. We support your efforts and should we be able to assist you, please do not hesitate to call on us.

Sincerely,



Jim Harms, CPCU, CIC  
Branch Manager

# VENNEBERG INSURANCE, INC.

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225 Harbor Drive  
P.O. Box 199  
Sitka, Alaska 99835  
(907) 747-8625  
FAX (907) 747-5065

February 27, 1995

Chairman Kelly  
Senate Labor & Commerce Committee  
State Capitol  
Juneau, Alaska 99801

Re: SB 95

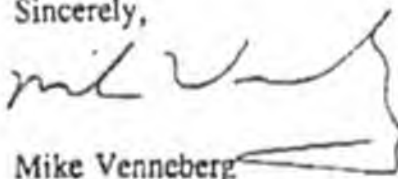
Senator Kelly,

I wish to voice my support for SB 95. This will modify the required offerings for uninsured/underinsured motorist coverage in our state.

In order to promote a desirable marketplace, which brings new carriers to our state and increased competition, we are in need of your assistance. SB 95 will modify a current requirement for offering maximum uninsured/underinsured motorist coverage to consumers. Consumers will still have the ability to purchase these high limits. In consultation with their insurance professional they will be able to choose the limits which they feel are appropriate.

I would urge the Labor & Commerce committee to support this legislation.

Sincerely,



Mike Venneberg

*Ribelin Lowell & Company*  
INSURANCE BROKERS INC.

4110 South Steese Blvd Anchorage Alaska 99508-0125  
Phone 581-1111

February 27, 1995

Chairman Kelly  
Senate Labor & Commerce Committee  
State Capitol  
Juneau, Alaska 99801

RE: SB 95

Senator Kelly,

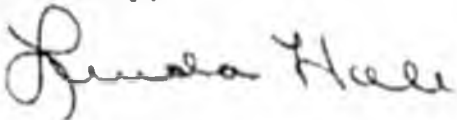
Uninsured/Underinsured Motorist coverage protects a vehicle owner against being injured in an accident with an at-fault motorist who does not have the bodily injury liability insurance that is mandated by Alaskan statute. This basically means that if the injured driver cannot be compensated for an injury by a negligent party who has no insurance, he can, in fact, turn to his own insurance company for compensation. The injured driver's insurance company must take the place of the motorist who, in violation of Alaska statute, did not carry liability insurance.

SB 95 will continue to require insurance companies to offer both uninsured and underinsured motorist coverage. The change in statute does not seek to change the type of coverage offered, but rather seeks to change the limits of coverage that are mandatory. The option to purchase the protection of uninsured motorist coverage would still be available for the Alaskan consumer. The change would correspond to other mandatory coverages in requiring a minimum limit of coverage, not a maximum limit. All other mandatory coverages are set at minimum limits, not maximum limits.

Currently Alaska requires higher mandatory limits of uninsured/underinsured motorist coverage than any other state in the country. This creates an undesirable insurance climate. Alaskan consumers will benefit from a marketplace which encourages competition and the entry of new companies into the State.

I would strongly urge the Labor & Commerce committee to favorably recommend this legislation.

Sincerely,



Linda S. Hall

*A Report to the Alaska Legislature on...*

COMMENTS

# Uninsured/ Underinsured Motorists Coverage

EFFECTS

*containing information on a recommended change to the Uninsured/  
Underinsured Motorist Coverage, Sec. 1 AS 21.89.020(c).*

February 1995

SUMMARY



**AIIAB, INC.**



Alaska Independent Insurance Agents & Brokers, Inc.

P. O. Box 203088

Anchorage, Alaska 99520-3088

(907) 349-2500 • Fax 349-1300

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## HISTORY

In 1990, the Alaska State Legislature passed HB 429 stating carriers in this state "shall, initially and at each renewal, offer" UM and UIM coverage, and that coverage may not be less than the statutorily required coverage described in AS 28.20.449. Additionally, and for the first time, the carrier shall offer its insured the following options:

1. UM/UIM policy limits equal to limits voluntarily purchased by the insured for liability coverage, and
2. UM/UIM policy limits greater than voluntarily purchased liability limits in specified optional amounts ranging from \$100,000/\$300,000 to \$1,000,000/\$2,000,000.

## PROBLEM

Many carriers writing automobile coverage in Alaska (prior to passage of HB 429) did not offer limits up to \$1,000,000/\$2,000,000, and prefer not to offer the higher limits. Carriers considering coming to Alaska, as well as carriers considering expanding their writings in our state, are hesitant because of this law. This has the effect of limiting automobile coverage availability in the State of Alaska, which is not in the best interest of the Alaskan consumer. One of the ongoing goals of the Alaska Independent Insurance Agents & Brokers, Inc. is to increase insurance availability to the consumer. This law is hampering our efforts.

## SOLUTION

**SEC. 1 AS 21.89.020(c) is repealed and reenacted to read:**

(c) An insurance company offering automobile liability insurance in this state for bodily injury or death shall offer at the time of initial purchase, coverage prescribed in AS 28.20.440 and 28.20.445 or AS 28.22, with limits equal to the limit purchased voluntarily to cover the insured's liability for bodily injury or death, for protection of the persons insured under the policy who are legally entitled to recover damages for bodily injury or death from owners or operators of uninsured or underinsured motor vehicles. The limit written may not be less than the limit in AS 28.20.440. The term "underinsured motor vehicle" shall not be construed to include an uninsured motor vehicle."

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...[confirm] Progressive's support for the changes to the Alaska statute...being proposed by the Alaska Independent Agents & Brokers. We believe that these limits will provide sufficient protection for Alaskans, while eliminating a potential source of litigation and/or uninsured catastrophic loss for companies."

*Mark D. Niehaus, Vice President  
Progressive Insurance Company*

"We at Continental are very much in support of the revision you have offered."

*Jim Harms, CPCU, CIC  
Branch Manager, Continental Insurance*

"In the largest personal department in an independent agency in Alaska, out of an estimated 5,000 policyholders, only one has elected to purchase the maximum limits of \$1,000,000/\$2,000,000 now mandated to be offered. Other agents indicate they have never had a client purchase the high limits. These high limits do not appear to be limits that Alaskan consumers desire."

*Linda Hall, CPCU, CIC  
Ribelin Lowell & Company*

## COMMENTS

### DOES:

- ✓ Set minimum limits of coverage, with optional higher limits.
- ✓ Maintain a favorable legislative and judicial atmosphere for business in Alaska.
- ✓ Provide a healthy, stable market for consumers.
- ✓ Protect auto insurance rates for Alaskans.

### DOES NOT:

- ✓ Change the mandatory minimum limits requirement.
- ✓ Change the type of insurance coverages offered.

## EFFECTS

The basic theory underlying Uninsured/Underinsured Motorist Coverage was that an insured should have access to the same level of protection as the insured was providing to others.

As originally conceived this was to be a low cost coverage. The tendency of some courts to expand interpretation of policy language and the addition of higher limits of uninsured and underinsured protection has resulted in escalating costs which ultimately get passed on to the consumer.

Our focus is to protect the Alaskan insurance consumers by continuing to create an atmosphere that encourages competition and encourages new insurance companies to enter the Alaska market by providing a reasonably favorable legislative and judicial atmosphere in which to do business.

- ✓ Alaska has the highest mandatory limits offering for UM/UIM coverage in the Nation.

## SUMMARY

## Automobile Financial Responsibility Limits 1993-94 Uninsured/Underinsured Motorist Coverage

State	UM/UIM Liability	State	UM/UIM Liability
Alabama	No Limit	Missouri	No Limit
Alaska	1 mil.-2 mil.	Montana	No Limit
Arizona	15/30/10	Nebraska	No UM; 100/300k UIM
Arkansas	No Limit	Nevada	15/30/10
California	30/60 or BI (UM/UIM)	New Hampshire	25/50/25
Colorado	Lessor of BI or 100/300k; No UIM	New Jersey	Lessor of BI or 150/500/100 UM/UIM
Connecticut	BI or (2 x BI) UM/UIM	New Mexico	25/50/10
Delaware	Lessor of BI or 100/300k; No UIM	New York	100/300k UM/UIM
Dist. of Columbia	100/300k UM; UIM = PD	N. Carolina	1 Mil UM/UIM
Florida	10/20/10	N. Dakota	100/300k UM; No UIM
Georgia	15/30/10	Ohio	12.5/25/7.5
Hawaii	15/35/10	Oklahoma	10/20/10 UM; No UIM
Idaho	No Limit	Oregon	25/50/10
Illinois	20/40/15	Pennsylvania	Higher of BI or 100/300k UM/UIM
Indiana	25/50/10	Rhode Island	25/50/25 UM; No UIM
Iowa	No Limit	S. Carolina	15/30/5
Kansas	25/50/10	S. Dakota	25/50/25
Kentucky	No Limit	Tennessee	20/50/10
Louisiana	10/20/10	Texas	20/40/15
Maine	No Limit	Utah	No Limit
Maryland	20/40/10 UM; No UIM	Vermont	20/40/10
Massachusetts	35/80k UM/UIM	Virginia	25/50/20
Michigan	No Limit	Washington	25/50/10 UM; No UIM

BI = Bodily Injury  
PD = Property Damage

**S B**

**9 9**

# Alaska State Legislature

Senator Tim Kelly, Chair  
Senator John Torgerson, Vice Chair  
Senator Mike Miller  
Senator Jim Duncan  
Senator Judy Salo



STATE CAPITOL, SUITE 101  
JUNEAU, ALASKA 99801-1182  
PHONE: (907) 465-3822  
FAX: (907) 465-3756

SENATE LABOR AND COMMERCE  
COMMITTEE

716 W 4TH, SUITE 400  
ANCHORAGE, AK 99501-2133  
PHONE (907) 258-8180  
FAX (907) 258-4524

## Sponsor Statement SB 99:

### **"Relating to the practice of architecture, engineering, and land surveying."**

SB99 seeks to clarify existing law pertaining to the regulation of architects, engineers, and land surveyors and return to current law exemptions which existed in the law until 1990.

SB99 would change the law in the following three ways: 1) Clarify existing law as to when a registrant would be required to stamp a document under seal, 2) Correct an ambiguity in the law which provides who can claim to be an architect, engineer, or land surveyor, and 3) Re-introduce an exemption for certain employees who do not offer their services to the public but practice engineering as part of their regular work duties for their employers.

Firstly, SB99 amends current language to require a registrant under the chapter to sign and stamp final drawings, specifications, surveys, plats, plates, reports and other similar documents. Current law requires all final documents to be signed and stamped under seal. SB99 would require only documents from registered architects, engineers, and land surveyors to be signed and stamped under seal.

Secondly, SB99 seeks to clarify Section 2 of the current law. Section 2 would be tightened to prohibit the practice or offer to practice the profession of architecture, engineering, or land surveying unless the offering person is an architect, engineer, or land surveyor registered under the chapter. Further, SB99 would amend this section to prohibit the use of titles or descriptions tending to convey that a person is an architect, engineer, or land surveyor unless such person is duly registered. In summary, SB99 tightens and clarifies the language of this section making it illegal to "assume or advertise a title" of "engineer" unless registered by the Board.

Thirdly, SB 99 seeks to restore for utilities other than electric utilities an exemption which had existed in the law until 1990 which specifically exempted employees of utilities from the licensure requirements of the Alaska Board of Architects, Engineers, and Land Surveyors. Unaware of the removal of the exemption, utilities continued to operate as usual. Last year, electric and telephone utilities were made aware of the removal of the exemption and have found--at least

in the case of local telephone companies-- no way to operate under the revised statute.

There are virtually no registered P.E.'s specializing in telephones in Alaska. Even assuming that enough engineers could be found, the cost to the consumer would be substantial and--perhaps as important as anything--there have been no reported problems under the exemption system. Removal of the exemption system would have significant impacts on both utilities and customers.

Re-institution of this exemption does not present the issue of licensing and regulation based on public protection. Licensure guarantees the public that a person holding himself out as a professional meets some minimum standards. An employee of a utility does not offer services to a customer. The utility itself offers service to the general public and the utility itself is responsible and liable for the job performance of its employees.

SB99 is an important vehicle which will allow utilities to continue to operate as they have been within the letter of the law. In its present form, the law will force utilities to operate in a costly and impractical manner which will result in significant delays and increased costs to consumers.

**Alaska Telephone Association**

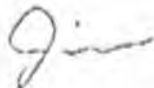
4341 B Street, Suite 304

Anchorage, AK 99503

(907)583-4000

FAX (907)562-3776

**Duane C. Durand**  
President**James Rowe**  
Executive Director**MEMORANDUM**

**DATE:** January 29, 1995  
**TO:** Josh Fink  
**FROM:** Jim Rowe   
**RE:** Professional Engineer Exemption

Until 1990, employees of utilities were exempted from the licensure requirements of the Alaska Board of Architects, Engineers and Land Surveyors by AS 08.48.331(D)(12). Unaware of the removal of the exemption for three years, utilities continued to operate as usual. About a year and a half ago the electric and telephone utilities were made aware of the removal of the exemption and have been pursuing ways to maintain service while in compliance with statute and regulation. We have found no way to operate under the revised statute and request a return to the previous standard which provided exemption.

Currently, there are only three licensed professional engineers employed by the 22 local exchange carriers in the State. None of them are working in an engineering capacity. ATU has conducted a national search for a professional engineer with telephone experience for over six months without filling the position.

Under current statute, each construction job should be supervised by a professional engineer. In Alaska's short construction season there are not enough engineers in the State to oversee the construction and if there were a sufficient number, the cost which would be passed on to customers would be burdensome. Without a P.E. on the job site, the customers cannot be served.

Alaskan local exchange carriers adhere to standards that are more stringent than the National Electrical Safety Code since some maintain Bell Operating Company standards and those that are REA borrowers must follow REA guidelines.

In comparison to electrical transmission, there is a minimal public safety issue since telephone lines are low voltage.

Most importantly, this is not even an issue of licensing and regulation which is based on public protection. Licensure guarantees the public that a person holding himself out as a professional meets some minimum standards. An employee of a utility does not offer services to a customer. The utility offers service to the customer and the certificated utility is responsible through the APUC and is liable for the job performance of its employees. There is no need to license a professional who offers no service to the public. For that reason, a 1993 survey by the National Council of Examiners for Engineering and Surveying indicates that most states exempt public utility engineers from professional examination and registration.



# CHUGACH ELECTRIC ASSOCIATION, INC.

May 25, 1994

Mr. Bob Hancock  
Anchorage Telephone Utility  
600 Telephone Avenue  
Anchorage, AK 99503

Dear Mr. Hancock:

As you may be aware, in 1990 the Alaska Legislature made changes to the Alaska State Statutes which impact the way utilities in Alaska conduct design and construction activity and in particular what is required in the way of stamping or sealing of drawings. Previously, Alaska utilities were exempt from these provisions. As such, the work which is done by the Anchorage Telephone Utility (ATU) as well as Prime Cable of Alaska (Prime) and which impacts the Chugach Electric Association, Inc. (Chugach) system, in particular pole attachments and service drops, must now adhere to the new provisions of the law. Effective immediately, all pole attachments to the Chugach system, must be done in a manner that satisfies the new law. In our judgment, this will require that your proposed work be submitted to Chugach evidencing that it has been prepared under the direction of a licensed electrical engineer in the State of Alaska. No attachments including span or down guying will be allowed without drawings submitted to Chugach which contain the stamp or seal of a licensed electrical engineer, either employed by your company or by a consultant. This also includes additions to existing attachments. Subject to additional information we have sought from the State of Alaska, Department of Commerce and Economic Development, the installations of service drops may also be included.

I have attached a copy of the interim procedure Chugach implemented on April 14, 1994 for its internal work.

I have also attached copies of correspondence subsequently received from the State of Alaska, Department of Commerce and Economic Development which may further expand on what must be done under the supervision of a licensed electrical engineer. We are still analyzing this material. While the letters are addressed to electric utility companies, the law itself does not distinguish between the various telecommunication or electric utilities. Therefore, you should not assume you are exempt from the provisions of the law.

5601 Minnesota Drive • P.O. Box 196300 • Anchorage, Alaska 99519-6300  
Phone 907-563-7494 • FAX 907-562-0027

— Chugach Electric Procedure —

Mr. Bob Hancock  
Anchorage Telephone Utility  
Stamping/Sealing of Drawings

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Page 2

Finally, I have also attached a portion of the language in the Alaska State Statutes which is pertinent to this discussion.

The Chugach staff has been working with your respective companies on joint use activity and up until now we have primarily requested that you furnish drawings which indicate your proposed work in a general manner and then we would seek further clarification if a review necessitated further support information. Unfortunately we can no longer operate in this manner as the Chugach staff cannot be expected to assume the professional liability of work designed by your companies as a result of the changes in the law. We are also not in a position to offer design review services as our current workload does not allow it.

Please feel free to call me at 762-4600 if you have any questions

Sincerely,

CHUGACH ELECTRIC ASSOCIATION, INC.



Michael E. Maxin  
Director, Engineering Division

MBM/pna  
MEM94-051994\_2 MEM/CORR#13

Attachments

WALTER J. HICKEL, GOVERNOR

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

DIVISION OF OCCUPATIONAL LICENSING

April 29, 1994

3891 C STREET, SUITE 727  
ANCHORAGE, ALASKA 99503-5111  
PHONE: (907) 911-2171  
FAX: (907) 912-5781

RECEIVED  
MAY 10 1994  
DIRECTOR  
ENGINEERING DIVISION

All Electric Utility Companies

Dear Sir/Madam:

Recently a letter was sent to your attention concerning the requirement that public utility companies must have all design plans prepared and sealed by engineers who are registered to practice engineering in the State of Alaska.

We have received quite a few phone calls from individuals who received the letter requesting clarification on when the services of an engineer is required.

The following examples may be used as a guideline when evaluating whether your company requires the services of a licensed electrical engineer.

Routine maintenance and repair do not require the services of a licensed electrical engineer because the previously approved system is simply being maintained.

Installing new lines, equipment or upgrading current equipment requires the services of a licensed electrical engineer. Enclosed is the definition of "practice of engineering" as defined in AS 08.40.341(9).

If you have concerns about work not addressed in this letter, please contact the Board of Registration for Architects, Engineers and Land Surveyors, in writing, for further clarification. Also, the board will be meeting May 19-20, 1994 in Anchorage. If we receive your written comments by May 16, 1994 we will present these comments to the board for their response.

Sincerely,

*Karl Luck*  
Karl Luck  
Director

RECEIVED

MAY 19 1994

KL/br112jw  
042894a

cc: Board of Registration for Architects,  
Engineers and Land Surveyors  
Gary Veres, Chief Investigator

EXECUTIVE MANAGER  
OPERATIONS DIVISION

cc: Division Directors