

ALASKA LEGISLATURE COMMITTEE FILES 1995-1996 8672

8941 SENATE LABOR & COMMERCE

Jan. 11, 1996

ATTENTION TOM BRICE :

Dear Sir:

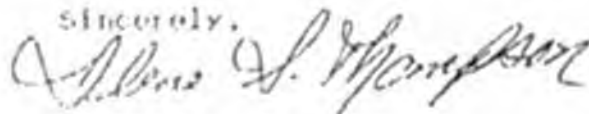
I'm writing to express my concern regarding House Bill 73. I have worked as a wholesale / retail distributor of beauty products for fifteen years, and currently hold three professional licenses in the field. During this time frame I have referred numerous consumers to seek medical assistance due to damage incurred by unlicensed, untrained individuals working out of their homes or in a salon.

The damage and injuries I have seen are not of a minor nature but demanding medical attention. Example, fungus to the degree of nail deformation and infection, nail deformities with furrows and grooves due to improper filing or application of acrylic products.

The implements and products used during basic manicuring and artificial application are very strong chemicals that require proper knowledge of their safe use.

I cannot express strongly enough my concern for the consumer if we continue to allow unlicensed individuals to perform manicuring services to the public. For the safety and well-being of the consumer, I respectfully urge you to pass House Bill 73.

Sincerely,



Ellen S. Thompson



**MARY C. WING, M.D.**

Family Practice

UMMATA MEDICAL CLINIC, Inc.

8 Bonita Avenue

Fairbanks, Alaska 99701

Telephone (907) 456-5711

MEMORANDUM

DATE: March 22, 1996  
TO: Alaska State Representatives And Senators  
RE: House Bill 73  
FROM: Mary C. Wing, MD, Family Practice

It is my understanding that during the 1980's a portion of the law governing manicooring was left out of the governing rules for the board of barbers and hair dressers. This group is currently trying to get such information returned by the above named bill.

As a practicing physician, I have seen numerous patients with problems such as fungal infections of the fingernails or toenails. I have also observed the use of manicuring and pedicuring equipment on people. The personnel involved in the use of this equipment need to be properly trained in sterile technique so as to prevent the spread of fungus from one nail to another in the same person, or from one person to another. In addition, in this day of Aids concerns along with hepatitis B and C, we all need to be aware that an inadvertent nick or cut, cutting of the skin during a manicooro or pedicooro could lead to the inadvertent transfer of one of these illnesses or another person.

I would ask you to give strong consideration to voting yes on House Bill 73.

*Mary C. Wing*

FISCAL NOTE

No. 2  
 Bill Version: GSHB 73(L&C)  
 (H) Publish Date: 3/12/96

STATE OF ALASKA  
 196 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_  
 Title: Licensure of manicurists  
 Sponsor: Brice  
 Requestor: \_\_\_\_\_

Department Affected: Environmental Conservation  
 BRU: Division of Environmental Health  
 Component: Seafood and Sanitation Inspections

COMPONENT SERIAL NO. 1936

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND&STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS,CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
<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>

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ( )	0.0	0.0	0.0	0.0	0.0	0.0
------------------------	-----	-----	-----	-----	-----	-----

FUND SOURCE

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

Estimate of any current year (FY 96) cost: \$ 0.0

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary.)

This bill adds manicuring shops and schools to the list of facilities for which DEC supervises health and sanitary conditions. The department currently lacks the staff to conduct any routine inspections of these facilities. Inspections are conducted only if there are complaints of sufficient concern to warrant a response.

Prepared by: Janice Adair  
 Division: Director, Division of Environmental Health

Phone: 269-7645  
 Date: 3/5/96

Approved by Commissioner: [Signature]  
 Agency: Department of Environmental Conservation

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

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For further dist

**HB**

**116**



# Alaska State Legislature

House of Representatives  
Special Committee on Fisheries

## SPONSOR STATEMENT

HB 116 - "EXEMPTING ASMI FROM THE STATE PROCUREMENT CODE"

March 7, 1995

House Bill 116 would exempt the Alaska Seafood Marketing Institute (ASMI) from the state procurement code under AS 36.30.850(b) for all domestic marketing and board-related activities.

ASMI is a state seafood commodity commission which is solely dependent upon fishing industry assessments for supporting domestic marketing. The 1¢ marketing tax is levied on all commercial salmon harvesters -- so only private industry dollars go towards the domestic marketing efforts addressed in this bill.

The institute has four legislative mandates: 1) to promote all species of Alaska seafood worldwide; 2) to maintain and promote quality awareness from point of harvest to final distribution; 3) to disseminate information on prices paid and market conditions for raw salmon and salmon products; and, 4) to investigate new product forms and future markets for Alaska salmon.

The board is seeking to eliminate the restrictive requirements of the state procurement code in marketing Alaska products in the United States. The procurement requirements restrict the institute's private sector economy. As an example, ASMI cannot advertise and procure services over \$25,000 in the lower 48 states without an elaborate, time consuming and costly bid process that does not adequately consider unique vendor knowledge and abilities.

The delays, restrictions and selection criteria required by the state procedures cripple ASMI efforts in implementing promotional activities and is a barrier to the board in making direct decisions regarding expenditures of industry funds. ASMI's unique mission requires purchasing non-governmental services such as coupon distribution and redemption, advertising, retail store product demonstration, sales representatives, foodservice catering, product sample distribution, market research, consumer education, product development and industry cooperative promotions.

The state procurement procedures are not designed to address these needs and result in significant inefficiencies. The proposed procurement exemption will allow ASMI to purchase marketing services and supplies that meet industry imperatives.

WALTER J. HICKEL, GOVERNOR

DEPARTMENT OF COMMERCE AND  
ECONOMIC DEVELOPMENT

DIVISION OF ECONOMIC DEVELOPMENT

P O BOX 110804  
JUNEAU, ALASKA 99811-0804  
PHONE (907) 465-2017

Division of Economic Development  
Department of Commerce and Economic Development

comments in support of HB 116

House Bill 116 will facilitate the ability of the Alaska Seafood Marketing Institute (ASMI) to move in a timely and cost-effective manner in the marketplace. It seeks to exempt ASMI from the state procurement code and provides for the adoption of similar procedures for procurement.

The task assigned to ASMI to market Alaska's seafood products worldwide requires more flexibility than is offered within the state's procurement code. The funding sources for ASMI are a processor's assessment, a tax on salmon limited entry permit holders, and federal Market Promotion Program. HB 116 would assist ASMI in their marketing efforts, serve their constituents better, and benefit the state through better management of their programs and more effective marketing returns.

Section 2 of this bill amends the definition of "agency" in AS 36.30.990 (1) by exempting the Alaska Seafood Marketing Institute. AS 36.30.850(b) states that the Procurement Code applies to expenditures of State money by the State, acting through an agency. Exempting ASMI from the definition of "agency" exempts them from the requirements of the State Procurement Code.

RECEIVED

MAR 14 1995

Ans'd.....

February 1, 1995

The Honorable Alan Austerman  
Chairman, House Special Committee on Fisheries  
State Capital Room 343  
Juneau, AK 99801

Dear Representative Austerman:

I am requesting your assistance in obtaining an exemption from the onerous requirements of the state procurement laws for the Alaska Seafood Marketing Institute. This request is for the purpose of increasing efficiency and reducing the cost of promoting the consumption of our products within the United States.

The seafood industry is Alaska's largest private employer with the equivalent of over 33,000 full time jobs, which represents one-sixth of all employment within the state. Seafood and its related industries represents a multi-billion dollar impact on the Alaska economy and provides more than \$40 million dollars of tax revenue to state and local governments. The health of the industry and its multiple economic benefits to the state are dependent upon the successful marketing of Alaska products throughout the world.

Currently, the industry is experiencing heavy competition from farmed salmon, foreign seafood production and other protein sources. This competition has significantly eroded Alaska's market share and reduced prices for Alaska products directly affecting the incomes of all those dependent upon a healthy industry.

The Alaska Seafood Marketing Institute is the state's seafood commodity commission with offices in Juneau and Seattle, Washington. The Institute's domestic marketing activities are solely funded through industry tax assessments from salmon fishermen and Alaska processors. ASMI is governed by a 25 member Board of Directors composed of fishermen and processors who are responsible for managing the finances and marketing services in the best interest of the industry. In meeting these responsibilities, the board has adopted a domestic marketing plan to aggressively promote Alaska products and increase consumption. In pursuing this plan,

Alaska Seafood Marketing Institute  
122 West 8th Street, Room 100  
Juneau, Alaska 99801-1895  
Tel (907) 465-5560  
In Alaska 1-800-478-2903  
Fax (907) 465-5572

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FEB 01 1995

ASMI

ASMI Letter of Support



Representative Austerman

page 2

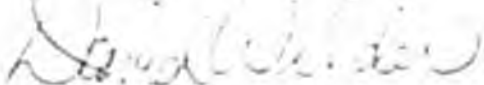
the board has unanimously decided to seek exemption from the restrictive requirements of the state procurement code. This is necessary in order for the institute to obtain tactical flexibility to effectively compete in a private sector economy.

The state procurement process is not designed to facilitate market promotion services in the private sector, conduct business in a cost effective manner or readily allow the board to participate in management of its own purchases. As an example, ASMI cannot readily advertise and to procure services valued over \$25,000 outside of Alaska. The current marketing plan is based upon contracting with region based sales representatives who have unique knowledge of local foodservice and retail distribution systems. Under the state procurement system, it is impossible for ASMI to contract directly with such individuals without an elaborate, time consuming and costly bid process that does not adequately consider unique knowledge and abilities.

In addition, the procurement requirements place extensive delays and prohibitions on ASMI's ability to act quickly and take advantage of unique promotional opportunities that often arise informally, and or in association with other marketing activities. As an example, if ASMI purchased a service utilizing a small procurement process (value less than \$25,000) and required an expansion above \$25,000, ASMI would have to resolicit or obtain approval from the Department of Administration. During the time required to adhere to these procedures, the promotion opportunity can often be lost.

The delays, restrictions and selection criteria required by the state procedures cripple ASMI efforts in implementing promotional activities and results in increased costs to the industry. ASMI's unique mission requires purchasing non-governmental associated services which state procedures are not designed to address. Any assistance you can provide in obtaining relief from these requirements is greatly appreciated.

Sincerely



David Wilder, Chairman  
Board of Directors

# FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. HB 116

Revision Date  
Title "An act exempting the Alaska Seafood Marketing Institute  
from the State Procurement Code  
Sponsor House Special Committee on Fisheries  
Requestor House Special Committee on Fisheries

Department Commerce and Economic Development  
BRJ Alaska Seafood Marketing Institute  
Component Alaska Seafood Marketing Institute

COMPONENT SERIAL NO. #393

Expenditures/Revenues	(Thousands of Dollars)					
	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
<b>OPERATING EXPENDITURES</b>						
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS/CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	00	00	00	00	00	00

**CAPITAL EXPENDITURES**

**CHANGE IN REVENUES**

FUND SOURCE	(Thousands of Dollars)					
	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF Program Receipts						
1006 GF MMTIA						
Other						
<b>TOTAL</b>	00	00	00	00	00	00

Estimate of any current year (FY 95) cost \$ 00

**POSITIONS**

POSITION TYPE	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
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 analysis is required.  
This bill does not have a fiscal impact on the Alaska Seafood Marketing Institute.

Prepared by: An Schemm, Executive Director  
Division: Alaska Seafood Marketing Institute  
Approved by: Commissioner  
Agency: Commerce and Economic Development

Phone: 465 5500  
Date: 2/10/95

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# FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. CSHB 116 (L&C)

Revision Date: \_\_\_\_\_  
 Title: An Act exempting the Alaska Seafood Marketing  
 Institute from State procurement code.....  
 Sponsor: (H) Special Committee on Fisheries  
 Requestor: (H) L&C

Department Affected: Administration  
 BRU: General Services  
 Component: Purchasing  
 COMPONENT SERIAL NO. 50

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

OPERATING EXPENDITURES	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>	00	00	00	00	00	00

CAPITAL EXPENDITURES	0	0	0	0	0	0
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CHANGE IN REVENUES ( )	0	0	0	0	0	0
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**FUND SOURCE:** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
OTHER						
<b>TOTAL</b>	00	00	00	00	00	00

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

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

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

There is no fiscal impact to the Division of General Services

Prepared by Dugan Petty, Director  
 Division General Services

Phone 365-2250  
 Date \_\_\_\_\_

Approved by Commissioner Mark Boger  
 Agency Department of Administration

Date 3/1/95

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**HB**

**158**

# Tort Reform Comparison

Produced by House Judiciary, March 11, 1996

Section	Senate CS3-SHB-158(JUD)	SHB-158(FIN) am (C)
Statute of Repose.	15 years. Describes a time period within which any civil action must be filed with the court system.	8 years.
Certain Statutory Liabilities in two years.	Same.	The existing two year limit for actions involving libel, slander, assault, battery, seduction, or false imprisonment remains the same. This section removes unclear and conflicting language in statute.
Limitation on Actions Involving Injury to Personal Property.	Same.	Requires that a person commence a civil action for personal injury, death, or property damage within two years of the time the person knows, or should have known of the injury death or damage.
Noneconomic Damages.	Deleted.	Extends the definition for noneconomic losses to include claims for wrongful death. Limits damages to \$300,000 or \$500,000 for certain specified injuries. Provides an exception for damages awarded against a person committing or attempting to commit a felony.
Definition of Punitive Damages.	Same.	Clear and convincing evidence of outrageous conduct, including accidents with malice and bad motives, or reckless indifference to the interests of another person.
Award of Punitive Damages.	Same.	Three times the amount of noneconomic and economic damages awarded or \$300,000, whichever is greater.
Security for Periodic Payments.	Court requires security to be posted for any entity or person..	The State, self insured municipalities, or an authorized insurer are exempted from this section.
Inflation Adjustments for Periodic Payments.	Same.	Clarifies the method for increases in future periodic payments to cover inflation.
Collateral Benefits.	Deleted.	Jury is told what compensation the plaintiff has received for their injury from other sources; such as existing insurance policies or another defendant. Additionally, this section does not apply to federally funded programs which must seek repayment under federal law; or death benefits under a life insurance policy; or under workers compensation.
Apportionment of Fault.	Fault is allocated to only the parties named in the lawsuit.	Apportion fault to every person who is at fault for a party's injuries, rather than just those named in the lawsuit.
Offers of Judgment	This section does not apply to multiple defendants unless all defendants join in the offer.	States that if a party makes an offer within 5% of the judgment and the offeree declines it, the offeree must pay the offeror the costs and attorney fees incurred from the lawsuit.
Prejudgment Interest Defined.	Interest is set at 3% above the interest rate set by the U.S. Bureau of Public Debt for 5 year treasury notes in effect on the day on which the judgment is entered.	Interest is set at 3% above the 12th Federal Reserve District Discount Rate in effect on January 2nd of the year in which the judgment or decree is entered.

Prejudgment Interest.	Deleted.	Interest may not be awarded on future economic and noneconomic damages, or punitive damages.
Civil Liability of Hospitals for Nonemployees.	Same, except health care provider must carry \$2.5 million in liability insurance.	Provides that a hospital is not liable for civil damages resulting from an act or omission by a health care provider who is not an employee or actual agent of the hospital. The hospital must provide notice that the health care provider is an independent contractor and the notice of limited liability.
Damages Resulting from the Commission of Crimes.	Equivalent.	Provides that a person committing, attempting to commit, or fleeing from the commission of a felony whose action substantially contributed to the person's injury or death, is prohibited from recovering damages. Further, a personal representative of a deceased person who was in the act of committing that felony may not recover damages.
Signing of Pleadings, Motions; Sanctions.	Deleted.	Court shall impose sanctions upon frivolous or unwarranted pleadings upon the person who signed them. Sanctions include paying the other party for attorney's fees and a fine not to exceed \$10,000.
Mandatory Arbitration.	Mandates arbitration for all claims that do not exceed \$100,000 in damages. Offers of judgment are not subject to arbitration.	Arbitration not mandated.
Expert Witness Qualifications.	Section pertains to all expert witness qualifications.	Section only pertains to medical expert witness qualifications.
Mandatory Insurance Rate Rollback.	Act takes effect only if, on or before December 31, 1999, the liability insurance rates filed with the Division of Insurance have been reduced by at least 10% from those rates filed on January 1, 1995.	Act takes effect upon passage.
Definitions of Professional Negligence and Services in malpractice actions.	Broadly defines professionals to include all professional services.	Defines professionals only with regard to a health care provider.

# Alaska State Legislature

## Representative Brian S. Porter

CHAIRMAN  
HOUSE JUDICIARY COMMITTEE

MEMBER  
HOUSE LABOR & COMMERCE COMMITTEE  
HOUSE STATE AFFAIRS COMMITTEE  
INTERNATIONAL TRADE & TOURISM  
COMMITTEE

MEMBER  
FINANCE SUBCOMMITTEES  
DEPARTMENT OF LAW  
DEPARTMENT OF EDUCATION  
COURTS



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FAX (907) 463-4814

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16 W 4TH AVE., SUITE 610  
ANCHORAGE, AK 99501-2111  
PHONE (907) 258-8197  
FAX (907) 258-5510

### DISTRICT 20 CSHB 158 (FIN)

CSHB 158 (FIN) commonly known as "tort reform" contains several key provisions stated below. Further, a sectional analysis is enclosed. If there are any further questions, please contact me or my staffer, Daniella Loper.

#### Key Provisions:

- Limits non-economic damages such as pain & suffering to \$300,000 and for specified injuries to \$500,000. This does not limit money awarded for economic damages such as lost wages and medical costs.
- Prohibits punitive damages unless malice or conscious acts showing deliberate disregard of another person can be shown. Punitive damages are in excess of economic and noneconomic damages and are used to punish a defendant for a malicious, intentional act.
- Provides for punitive damages of at least \$300,000 or three times the amount of compensatory damages awarded, whichever is greater. Further requires that one half of punitive damages be deposited into the general fund of the state.
- Allows juries to be told of awards already collected by a claimant for the same injury and deduct that amount from any subsequent judgment.
- Prevents injury claimants from naming only "deep pocket" defendants by allowing the court to determine each party's share of obligation to each claimant.
- Establishes guidelines for the use of expert witnesses.
- Bars damage suits by people who received their injuries in the course of committing a felony.
- Provides for monetary sanctions of up to \$10,000 against any attorney in civil cases for filing frivolous, unnecessary, and legally deficient pleadings.
- Limits the filing deadline for lawsuits regarding construction liability to eight years from the date of completion or the last action alleged to have caused injury.

FISCAL NOTE

no. 8

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

Bill Version: SCS CSHB 158 (Jud)

(S) Publish Date: 3/8/96

Revision Date: \_\_\_\_\_  
Title: An Act relating to civil actions, amending Alaska Rules of Civil Procedure 49, 68, and 95.....  
Sponsor: Rep. Porter  
Requestor: (S) JUD

Department Affected: Administration  
BRU: Risk Management  
Component: Risk Management

COMPONENT SERIAL NO. 0071

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>

CAPITAL EXPENDITURES	00	00	00	00	00	00
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CHANGE IN REVENUES ( )	00	00	00	00	00	00
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FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
OTHER						
<b>TOTAL</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>

Estimate of any current year (FY 96) 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)

State agency civil liability claims exposure and the amount Risk Management will ultimately pay in liability loss settlements will be reduced by this legislation

The extent of such savings is difficult to forecast, due to the uncertainty that any of the limitations in the type of claims that may be filed or amounts of damages that can be awarded will actually be realized in future liability claims that may be filed against the State arising from accidents that have not yet occurred

Risk Management loss funding is collected solely through interagency receipts of premiums assessed each State agency

In future years, Risk Management's liability premium assessments will reflect the reductions actually realized by this legislation as our premium charges are developed from actual claims expenses incurred

Prepared by J. Brad Thompson, Director  
Division Risk Management

Phone 465-5723  
Date \_\_\_\_\_

Approved by Commissioner Mark Boyer  
Agency Department of Administration

Date 3/4/96

PREPARER TO [REDACTED] LEGISLATIVE OFFICE  
For [REDACTED] Office

# FISCAL NOTE

No. 7

Bill Version: SCS 05HB158 (Jud)

(S) Publish Date: 3/8/96

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_ Department: Commerce and Economic Development  
 Title: Civil Liability BRU: Insurance  
 Component: Operations  
 Sponsor: Reps. Porter, Toohay, Mulder, Ogan  
 Requestor: Senate Judiciary Committee COMPONENT SERIAL NO. #354

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	08	08	08	08		
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>08</b>	<b>08</b>	<b>08</b>	<b>08</b>	<b>00</b>	<b>00</b>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES						
--------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other 1091 Designated Pro. Rec	08	08	08	08		
<b>TOTAL</b>	<b>08</b>	<b>08</b>	<b>08</b>	<b>08</b>	<b>00</b>	<b>00</b>

Estimate of any current year (FY 96) cost: \$ 00

POSITIONS

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

**ANALYSIS:** (Attach a separate page if necessary)  
 The only additional cost the division would incur is mailing notification to the affected companies twice per year through the implementation year.  
 500 companies x 2 x \$ 32 postage = \$320  
 Plus estimated printing costs of \$250 x 2 = \$500  
 While it is likely the number of companies in the subsequent mailings would decrease over the four-year period, there is no way to anticipate when companies would submit the rate reduction filings, so no fiscal change is reflected year-to-year.

Prepared by: Joan Brown, Administrative Officer Phone: 465-2597  
 Division: Insurance Date: 3/1/96  
 Approved by Commissioner: William L. Hensley Date: 3-1-96  
 Agency: Commerce and Economic Development

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No. 6

# FISCAL NOTE

Bill Version: SCS CS HB158(Jud)

(S) Publish Date: 3/8/96

**STATE OF ALASKA  
1996 LEGISLATIVE SESSION**

Revision Date: 3/1/96 Dept. Affected: Department of Law  
 Title: ...relating to civil actions; amending BRU: Civil Division  
Rules 68, 82(b) and 95... Component: General Legal Services  
 Sponsor: Representative Porter  
 Requester: Senate Judiciary Committee COMPONENT SERIAL NO. 2087

**Expenditures/Revenues**

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
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>

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						
1008 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>

Estimate of any current year (FY96) cost: \$ 0.0

**POSITIONS**

FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME						
TEMPORARY						

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

The Senate Judiciary Committee substitute for HB 158 amends Title 9, the Alaska Code of Civil Procedure, to provide far-reaching changes that are intended to bring about reforms in the manner in which the state's civil justice system handles personal injury claims. The bill seeks to reduce costs associated with the civil justice system, and the bill seeks to change the distribution of the cost of risk of injury. The bill does this by changing the existing balance between claimants and defendants, and their respective, competing economic interests, by limiting the time in which certain claims can be filed, and by setting and reducing claims limits. As a result, the existing balance is tilted away from claimants and toward defendants. Consequently, the state's claims exposure and the amount it ultimately pays per case might be reduced in large claims. However, because the total number of claims would probably not be significantly reduced, the impact on the department's defense of personal injury claims will be negligible.

*Richard I. Pegues*

Prepared by: Richard I. Pegues, Director Phone: 465-3672  
 Division: Administrative Services Division Date: 3/1/96  
 Approved by Commissioner: Bruce M. Boteino, Attorney General Date: 3/1/96  
 Agency: Department of Law

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# FISCAL NOTE

No. 5  
Version: CSHB 158 (FIN)  
(H) Publish Date: 3/22/95

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

Revision Date: 03/20/95 Dept. Affected: Alaska Court System  
Title: Tort Reform BRU: Trial Courts  
Sponsor: Rep. Porter Components: \_\_\_\_\_  
Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. 768

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

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	3.1	3.1	3.1	3.1	3.1	3.1
TRAVEL						
CONTRACTUAL	7.9	7.9	7.9	7.9	7.9	7.9
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
<b>TOTAL OPERATING</b>	<b>11.0</b>	<b>11.0</b>	<b>11.0</b>	<b>11.0</b>	<b>11.0</b>	<b>11.0</b>

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ( )						
------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	11.0	11.0	11.0	11.0	11.0	11.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>11.0</b>	<b>11.0</b>	<b>11.0</b>	<b>11.0</b>	<b>11.0</b>	<b>11.0</b>

**POSITIONS**

FULL-TIME						
PART-TIME	1.0	1.0	1.0	1.0	1.0	1.0
TEMPORARY						

Estimate of current year (FY 96) cost: \$ None

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

See attached analysis.

Prepared by: C. S. Christensen III, Staff Counsel *CC* Phone: 264-8228  
Agency: Alaska Court System Date: 03/20/95

Approved by: Arthur H. Snowden, Jr., Administrative Director *AS* Date: 03/20/95  
Agency: Alaska Court System

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Alaska Court System  
Fiscal Analysis  
CSHB 158 (FIN)

CSHB 158 (Fin) proposes numerous changes to that portion of the civil justice system which deals with personal injury and property damage. These changes are primarily intended to redistribute costs and risks associated with personal injury and property damage.

The Alaska Court System provides the primary forum in this state for the resolution of tort claims. The fiscal impact of the majority of these changes will be neutral or is impossible to reasonably predict. However, at least one of the proposed changes will have the effect of increasing the costs to the state of administering the tort system.

CSHB 158 (Fin) repeals and reenacts AS 09.17.070, relating to collateral benefits. This amendment essentially provides that the amount which a defendant owes to a plaintiff will be reduced by whatever insurance benefits or other benefits the plaintiff has already received as compensation. Implementation will require extra trial time, in order for the jury to hear testimony regarding the types of coverage which might be involved, the amounts paid, and determining which payments may be offset. The current statute relating to collateral benefits is substantially less complex. Moreover, at the present time only the judge hears the testimony, and then only if the jury has returned a verdict for the plaintiff. The proposed system is thus less efficient and results in longer trials and more jury costs.

CSHB 158 (Fin) can be expected to save some judicial costs by reducing the motion practice currently engaged in on issues which were not clearly resolved the last time tort laws were amended. The amount of savings is speculative, and this note assumes that it is offset by the longer trials and increased appeals that will result until the supreme court resolves issues created by the procedural and substantive changes made by CSHB 158 (Fin). In this regard, note that several of the pro-tort reform attorneys who testified in favor of HB 292 last session conceded that that bill would result in increased litigation for a period of years, until all the legal issues were resolved by appeals to the supreme court. One of these attorneys estimated the period of increased litigation at five to seven years.

This fiscal note makes the following assumptions:

In superior court in FY 94, there were 875 tort cases filed. Approximately 38 tort trials were held, with approximately 50 percent returning a verdict for plaintiff; there were approximately 47 tort cases decided by summary judgment, with all returning a verdict for the defendant; and there were approximately 38 default judgments entered, with all entered for the plaintiff. Determining collateral benefits will average one-half day of court time, including jury time. Time spent is discounted by two-thirds in default cases.

In district court in FY 94, there were 532 tort cases filed (other than small claims). Approximately 21 tort trials were held; approximately 26 tort cases were decided by summary judgment; and approximately 21 default judgments were entered. Because of the lower dollar value of cases, not as much time will be invested by litigants in determining collateral benefits; it is assumed that one-half as much court time will be used. District court jury costs are also less, because half as many jurors are used.

Alaska Court System  
Fiscal Analysis  
CSHB 158 (FIN)

	<u>Salary</u>	<u>Benefits</u>	<u>Total</u>
<u>Personal Services</u>			
Pro Tem Judge, fully vested, Anchorage permanent part-time, 1 month	\$2,013	\$1,074	\$3,087
 <u>Contractual Services</u>			
Jury Fees Superior Court-			7,925
38 - 1/2 day length collateral benefit hearings with 13 jurors at \$12.50 a half day (from trials)		6,175	
District Court-			
20 - 1/2 day length collateral benefit hearings with 7 jurors at \$12.50 a half day (from trials)		1,750	
		-----	
Estimated Total Cost			<u>\$11,012</u>

# FISCAL NOTE

No 4

Bill version: CS HB 158 (JUD)

(H) Publish Date: 3/8/95

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_  
Title: Civil Liability

Department: Commerce and Economic Development  
BRU: Insurance  
Component: Operations

Sponsor: REPS, PORTER, Tooney  
Requestor: Representative Porter      COMPONENT SERIAL NO. #354

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	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>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>

CAPITAL EXPENDITURES

CHANGE IN REVENUES

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF Program Receipts						
1006 GF-MHTIA						
Other						
<b>TOTAL</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>

Estimate of any current year (FY 95) cost: \$ 00

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

ANALYSIS: (Attach a separate page if necessary)  
No fiscal impact.

Prepared by: Joan Brown, Administrative Officer      Phone: 465-2597  
Division: Insurance      Date: 2/8/95  
Approved by Commissioner: William L. Hensley      Date: 3/9/95  
Agency: Commerce and Economic Development

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FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

No. 3  
Bill Version: CS HB 158 (JUD)  
(H) Publish Date: 3/8/95

Revision Date: \_\_\_\_\_  
Title: An Act relating to civil actions; amending Alaska Rules of Civil Procedure 49, 68, and 95.  
Sponsor: Porter and Toohy  
Requestor: \_\_\_\_\_

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						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	00	00	00	00	00	00
CAPITAL EXPENDITURES	00	00	00	00	00	00
CHANGE IN REVENUES ( )	00	00	00	00	00	00

FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
OTHER						
TOTAL	00	00	00	00	00	00

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.)

State agency civil liability claims exposure and the amount Risk Management will ultimately pay in liability loss settlements will be reduced by this legislation.

The extent of such savings is difficult to forecast, due to the uncertainty that any of the limitations in the type of claims that may be filed or amounts of damages that can be awarded will actually be realized in future liability claims that may be filed against the State arising from accidents that have not yet occurred.

Risk Management loss funding is collected solely through interagency receipts of premiums assessed each State agency.

In future years, Risk Management's liability premium assessments will reflect the reductions actually realized by this legislation as our premium charges are developed from actual claims expenses incurred.

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

Phone: 465-5723  
Date: \_\_\_\_\_

Approved by Commissioner: Mark Boyer  
Agency: Department of Administration

Date: 2/10/95

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# FISCAL NOTE

no. 2

Bill Version: CS HB 158 (JUD)

(H) Publish Date: 3/8/95

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_ Dept. Affected: Department of Law  
 Title: ...relating to civil actions; amending Alaska Rules BRU: Legal Services  
of Civil Procedure 49 and 68... Component: Operations  
 Sponsor: Representative Porter  
 Requester: Representative Porter COMPONENT SERIAL NO. 0093

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

OPERATING EXPENDITURES	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>	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES						
--------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

FUND SOURCE	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY95) cost: \$ 0.0

**POSITIONS**

POSITIONS	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
FULL-TIME	0.01	0.0	0.0	0.01	0.01	0.0
PART-TIME						
TEMPORARY						

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

This bill amends Title 9, the Alaska Code of Civil Procedure, to provide various changes that are intended to bring about reforms in the manner in which the state's civil justice system handles personal injury claims. The bill seeks to reduce costs associated with the civil justice system, and the bill seeks to create a more equitable distribution of the cost of risk of injury. The bill does this by changing the existing balance between claimants and defendants, and their respective, competing economic interests, by limiting the time in which certain claims can be filed, and by setting and reducing claims limits. As a result, the existing balance is tilted away from claimants and toward defendants. Consequently, the state's claims exposure and the amount it ultimately pays per case might be reduced in large claims. However, because the total number of claims would probably not be reduced, the impact on the department's defense of personal injury claims will be negligible..

Prepared by: Richard I. Prigues, Director Phone: 365-3672  
 Division: Administrative Services Division Date: 2/13/95  
 Approved by Commissioner: Bruce M. Botelho, Attorney General Date: 2/13/95  
 Agency: Department of Law

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**HB**

**168**

# HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

ALASKA STATE LEGISLATURE  
HOUSE OF REPRESENTATIVES



STATE CAPITOL, JUNEAU 99801  
(907) 465-3759

CS HB 168 HES

An Act relating to temporary permits for certain optometrists.

This bill was introduced by the House HESS Committee at the request of the Alaska Optometric Association.

With the passage of this bill, a locum tenens permit may be issued to a nonresident optometrist for the purpose of assisting or substituting for an optometrist licensed under AS 08.72.

Alaska has a lot of solo practitioners in remote and semi-remote areas of the State. If the practitioner becomes injured, seriously ill or must leave temporarily, he presently must close down his clinic. This can bring a hardship to his patients, especially if the time away extends to several months.

Also, outside specialists in subnormal vision, visual therapy, etc, can be scheduled to assist local doctors where specialty care does not now exist.

I urge your favorable consideration of this legislation.

## Chapter 72. Optometrists.

### Article

2. Licensing (§ 08.72.175)

3. Miscellaneous Provisions (§§ 08.72.272, 08.72.273)

### Article 2. Licensing.

#### Section

175. License endorsement

Sec. 08.72.175. License endorsement. (a) The board may issue a license endorsement authorizing a licensee to prescribe and use the pharmaceutical agents described in AS 08.72.272, if the licensee or applicant for a license passes the written and practical portions of an examination on ocular pharmacology, approved by the board, that tests the licensee's or the applicant's knowledge of the characteristics, pharmacological effects, indications, contraindications, and emergency care associated with the prescription and use of pharmaceutical agents. The endorsement expires at the same time as the license to which it attaches. The endorsement may be renewed upon satisfactory completion of continuing education requirements established by the board by regulation.

(b) A pharmacist or pharmaceutical supplier may supply a licensee with pharmaceutical agents as provided under AS 08.72.272 upon presentation of evidence that the licensee holds a license endorsement under this section. (§ 5 ch 49 SLA 1988; am § 1 ch 58 SLA 1992)

Effect of amendments. — The 1992 amendment, effective September 9, 1992, inserted references to prescription in two places in subsection (a).

### Article 3. Miscellaneous Provisions.

#### Section

272. Use of pharmaceutical agents

273. Removal of foreign bodies

Sec. 08.72.272. Use of pharmaceutical agents. (a) A licensee may prescribe and use a pharmaceutical agent in the practice of optometry if

(1) the pharmaceutical agent is a drug topically applied to the human eye and its appendages; and

(2) the person holds a license endorsement issued by the board authorizing the prescription and use of pharmaceutical agents.

(b) A licensee may not purchase, possess, prescribe, or use a pharmaceutical agent unless the licensee has obtained a license endorsement under AS 08.72.175. (§ 7 ch 49 SLA 1988; am § 2 ch 58 SLA 1992)

Effect of amendments. — The 1992 amendment, effective September 9, 1992, rewrote the section.

*Sec. 08.72.115 Malpractice insurance. [Repealed, § 40 ch 117 SLA 1978.]*

• *Sec. 08.72.120. Registration. [Repealed § 9 ch 50 SLA 1988.]*

**Sec. 08.72.125. Licensing of branch offices.** (a) The board shall license each branch office of an Alaskan licensee.

(b) A person may not practice, or attempt or offer to practice, optometry without obtaining a license for each branch office from the board.

(c) The board shall prescribe in the regulations the factors to be considered in issuing a branch office license. (§ 2 ch 76 SLA 1969; am § 9 ch 75 SLA 1980; am § 12 ch 37 SLA 1986; am § 4 ch 50 SLA 1988)

*Effect of amendments.* — The 1988 amendment, effective May 26, 1988, substituted "Licensing" for "Registration" in the catchline, rewrote subsection (a), which read "The board shall issue a branch office certificate of registration to an Alaskan licensee," and substituted

"without obtaining a license for each branch office" for "in communities on a part-time basis without obtaining a branch office certificate of registration" in subsection (b) and "license" for "certificate of registration" in subsection (c).

*Sec. 08.72.130. Optometry register. [Repealed, § 13 ch 37 SLA 1986.]*

**Sec. 08.72.140. Qualifications for examination.** The board shall admit to the examination a person who furnishes proof that the person

(1) has a visual acuity of a standard of at least 20/40 in at least one eye as corrected;

(2) is not afflicted with a contagious or infectious disease;

(3) has had education equivalent to four years attendance at a state high school;

(4) is a graduate of a recognized school or college of optometry. (§ 35-3-141 ACLA 1949; am § 1 ch 95 SLA 1966; am §§ 3 — 5 ch 76 SLA 1969; am §§ 10, 23 ch 75 SLA 1980)

**Sec. 08.72.150. Application for examination and issuance of license.** An applicant shall apply for the examination by filing an application with the department together with the examination fee at least 15 days before the examination. Upon successful completion of the examination by the applicant and payment of the license fee, the board shall issue a license to the successful applicant. The applicant may practice optometry in the state upon receipt of the license. (§ 35-3-141 ACLA 1949; am § 6 ch 76 SLA 1969; am § 5 ch 50 SLA 1988)

# FISCAL NOTE

No. 1

Bill Version: CSHB 168(HES)

(H) Publish Date: 3/17/95

**STATE OF ALASKA  
1995 LEGISLATIVE SESSION**

Revision Date: March 3, 1995

Department: Commerce and Economic Development

Title: An Act relating to temporary permits for  
certain optometrists.

BRU: Occupational Licensing

Component: Operations

Sponsor: House HES

Requestor: House HES

COMPONENT SERIAL #: 1844

**Expenditures/Revenues**

(Thousands of Dollars)

OPERATING EXPENDITURES	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>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES						
--------------------	--	--	--	--	--	--

**FUND SOURCE**

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>00</b>

Estimate of any current year (FY 95) cost: \$ 00

**POSITIONS**

FULL-TIME						
PART-TIME						
TEMPORARY						

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

HB 168 authorizes the issuance of a temporary permit to a nonresident optometrist to substitute for an Alaska licensed optometrist with an established practice. The costs associated with issuing 60 consecutive day temporary permits which may be renewed three times within a 12-month period are anticipated to be minimal. Therefore, an increased appropriation is not needed at this time. At the start of FY 95, there were 94 optometrists licensed to practice in Alaska. HB 168 requires applicants to pay a fee for the permit. Fees collected will be used to cover any costs associated with this provision.

Prepared by Jennifer Strickler, Admin. Officer Phone 465-2144  
 Division Occupational Licensing Date 3/3/95  
 Approved by Commissioner William L. Hensley Date 3/6/95  
 Agency Commerce and Economic Development

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Page 1 of 1

- FISCAL NOTE -

**HB**

**180**

**- Alaska State Legislature -**

**REPRESENTATIVE  
JEANNETTE JAMES**

P.O. Box 56622  
North Pole, Alaska 99705  
(907) 488-1546  
FAX (907) 488-9006



While in Juneau  
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Juneau, Alaska  
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**House of Representatives**

House District 34

**SPONSOR STATEMENT**

**HOUSE BILL 180**

**LIQUOR LICENSES FOR REMOTE LODGES**

HB180 is a cooperative effort between remote lodge owners and the Alcohol Beverage Control Board to correct an inequity.

Under current law, some small lodges which happen to be located in a remote corner of large unified population areas cannot get a liquor license. These small remote lodges exemplify the very heart of Alaska and provide a vital service to Alaskan residents as well as visitors from outside our state.

For example, as the law now reads, if a person wants to develop a small lodge or tourist facility in a remote or inaccessible area of the Mat-Su or Kenai Borough, the lodge would be required to have 40 rental rooms to obtain a full-service liquor license. All of us who have enjoyed visiting small remote lodges in Alaska know that this requirement is excessive and unfair.

This is not a "liquor issue." This is an effort to remove a roadblock created by an inequity in our laws. If Alaska is to survive economically, we must allow hard-working Alaskans to develop small businesses in the spirit of Alaskan enterprise.

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

ALCOHOLIC BEVERAGE CONTROL BOARD

Rep. Jeannette James  
TONY KNOWLES GOVERNOR  
FEB 20 1995  
RECEIVED BY  
ANCHORAGE, ALASKA 99501 6628

February 16, 1995

The Honorable Jeannette James  
Alaska State House of Representatives  
Room 102, State Capitol  
Juneau, Alaska 99801-1182

RE: HB 180

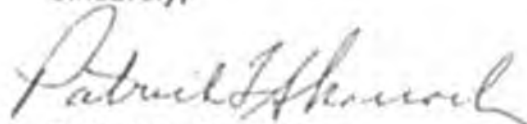
Dear Representative James:

Your HB 180 has specific potential to correct an inequity in current law. For example, a person who would like to develop a tourist facility in a rural or inaccessible area in the Matanuska-Susitna or Kenai Borough has to construct a 40-room facility to obtain a full-service liquor license (or acquire an existing license from another person). In reality, this requirement is excessive.

The Alcoholic Beverage Control Board fully supports the legislation and believes that your amendment will possibly stimulate development of small tourist facilities in certain remote areas.

If I can provide you any additional information or clarification, please do not hesitate to call.

Sincerely,



Patrick L. Sharrock  
Director

95-013

# McClaren River Lodge

42 Mi. Denali Hwy.  
P.O. Box 5018  
Paxson, AK 99757

(907) 822-7105 (at Lodge)  
(907) 263-8800 (at Fairbanks)  
RECEIVED BY

JAN 25 1995  
January 5, 1995  
Rep. Jeannotte James

All Honorable members,  
Alaska State Legislature  
Juneau, Alaska

Ladies and Gentlemen of the Legislature

By way of introduction, my name is Mike Tittle and until her untimely death last November my wife Lynn and I were the only year round residents of the Denali Highway

Lynn and I (I can't yet believe she is dead nor can I refer to her in the past tense) are 35 year residents of Alaska and prior to buying the McClaren River Lodge and moving to the Denali Highway we owned a real estate company in Fairbanks

We had Paxson Lodge and Tangle River Inn listed for sale with our company and in the process of servicing the listings we fell in love with the area and saw a way we could make our dream come true and promote winter tourism as well. Not to mention the Alaskans that can't find a place to ride a snowmachine. We had over 2 000 people come out here by snowmachine our first winter of operation.

We took an old lodge and completely rebuilt it to make it winter ready and comfortable. In order to do this we sold our company and everything we owned to be able to make the lodge something the State of Alaska could be proud of.

However, since we're located a mere 15 miles inside the Mat-Su borough we can't get a liquor license and are in very real danger of losing everything we've worked so hard for because of it.

There has been a license at this lodge since Statehood and it's gone only because the prior owner didn't renew it in a timely manner.

The regulation in question is Sec 04 11 400 of Title 4 which says that I must have 40 rooms for rent before I can get a license.

Ladies and Gentlemen, this is the most unfair situation I am aware of in the entire State of Alaska. I pay taxes to the Mat-Su borough and have to haul my trash to Fairbanks. We provide a service to the public that no one else is doing yet we get penalized for it. We promote winter tourism as much or more than anyone in the State yet because the Mat-Su borough decided to annex the earth I can't get the license that would allow me to compete on an even keel with other lodges. We have provided an oasis in the arctic and have given it our lives.

I have talked to hundreds of tourists and the overwhelming consensus is that they would rather spend much more of their time in small rustic lodges where the pace is a little slower and they can experience the "real Alaska." They say they feel they're missing something if they don't experience the bush as well as the cities.

I've outlined a few minor changes to the ABC regulations that I hope you will support as it will help our economy as well as promote tourism.

I beg your indulgence and understanding.

Best Regards

*Mike Tittle*  
Mike Tittle, owner

April 25, 1995

Senator Tim Kelly  
Alaska State Capitol  
Juneau, Alaska 99801-1182

RE: House Bill 180  
An act relating to liquor licenses issued to a hotel, motel,  
resort or similar establishment.

Dear Mr. Kelly;

I am writing this letter to ask for your support for the above mentioned House Bill 180. This is a bill that is critical for the economic development of smaller remote lodges, motels, hotels and resorts. These enterprises provide unique outdoor experiences for both resident Alaskans as well as tourists. They cater to people that are interested in fishing, hunting, snowmachining, skiing, sightseeing, photography and other wilderness endeavors.

At present, if these businesses are located within a borough, it is required to have at least 40 rooms before a 'full dispensary' liquor license can be obtained. This requirement is economically unfeasible as it requires the owners of these type of businesses to build many more rooms than they can ever expect to fill. Most of these type of enterprises cater to a much smaller group of people in most cases and to ask them to build many more rooms than they can ever be expected to have occupied is an economic hardship which will cause the business to fail. The actual cost will vary of course, but generally each room in these areas will cost from \$10,000 to \$15,000 to construct. That computes to a ballpark figure of around \$300,000 for improvements that can never be expected to be occupied. This is on top of the estimated \$500,000 minimum that is required to be invested in the main infrastructure of the business which consists of the main lodge building, restaurant, generators, water/sewer facilities, site improvements and other related improvements.

This House Bill 180 is designed to encourage the development of these type of remote businesses that could otherwise never be expected to show a profit. The higher mortgage payments, required to pay for the \$300,000 for rooms that will never be occupied, is the difference between making or breaking this type of business.

Page 2  
Senator Tim Kelly  
April 25, 1995

This proposed bill has the full support of the Alcohol Beverage Board and many legislators. It has passed the House by a 31 to 8 vote and is through the Senate Community and Regional Affairs committee. It now is up for consideration in the Senate Labor and Commerce committee which you chair. As time is of the essence due to the pending adjournment, I would ask that you schedule this bill for consideration before your committee as it has endured the rigors of the legislative process to this point with little opposition and it would be a shame to table it at this point when it is so close to passage.

Thank you for any consideration concerning this matter. If you should like to contact me please feel free to call at (907) 243-4215.

Respectfully submitted,



TIMOTHY TITTLE, SRA  
Real Estate Appraiser/Consultant



appraisal associates of alaska  
real estate appraisers and consultants

FAX TRANSMITTAL FORM

DATE: 4/26/95

TO: SENATOR TIM KELLY

FROM: TIMOTHY TITTE

SUBJECT: House Bill 130

COMMENTS: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Total Pages 3 (Including this cover sheet)

In the event of questions or problems regarding this transmission, please call (907) 243-4215.

Our FAX number is (907) 243-4297.

# Alaska State Legislature

REPRESENTATIVE  
**JEANNETTE JAMES**

P.O. Box 56622  
North Pole, Alaska 99705  
(907) 488-0862

House District 14



Write in Ink on  
State Capitol  
Juneau, Alaska  
99801-1182  
(907) 465-3745

## House Of Representatives

**DATE:** April 12, 1995

**TO:** Senator Kelly, Chair  
Senate Labor and Commerce Committee

**FROM:** Representative Jeannette James

Please schedule House Bill 180, "Liquor Licenses for Remote Lodges," for hearing in your committee as soon as possible. Back-up material is attached.

We request that Mr. Patrick Sharrock, Director of the Alcohol Beverage Control Board, be available to answer questions via teleconference when HB180 is heard. His number in Anchorage is 277-8638.

Thank you for your help.

# Alaska State Legislature

REPRESENTATIVE  
**JEANNETTE JAMES**

P.O. Box 56622  
North Pole, Alaska 99705  
(907) 488-1546  
FAX (907) 488-9006



While in Juneau  
State Capitol  
Juneau, Alaska  
99801-1182  
(907) 465-3743  
FAX (907) 465-2381

House of Representatives

House District 34

## SPONSOR STATEMENT

### HOUSE BILL 180

#### LIQUOR LICENSES FOR REMOTE LODGES

HB180 is a cooperative effort between remote lodge owners and the Alcohol Beverage Control Board to correct an inequity.

Under current law, some small lodges which happen to be located in a remote corner of large unified population areas cannot get a liquor license. These small remote lodges exemplify the very heart of Alaska and provide a vital service to Alaskan residents as well as visitors from outside our state.

For example, as the law now reads, if a person wants to develop a small lodge or tourist facility in a remote or inaccessible area of the Mat-Su or Kenai Borough, the lodge would be required to have 40 rental rooms to obtain a full-service liquor license. All of us who have enjoyed visiting small remote lodges in Alaska know that this requirement is excessive and unfair.

This is not a "liquor issue." This is an effort to remove a roadblock created by an inequity in our laws. If Alaska is to survive economically, we must allow hard-working Alaskans to develop small businesses in the spirit of Alaskan enterprise.

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_ Dept. Affected: \_\_\_\_\_ Revenue  
 Title: An Act Relating to Liquor License Issuance BRU: ABC  
 Component: ABC  
 Sponsor: Representative James  
 Requester: (H)TT COMPONENT SERIAL NO. 100

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

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
<b>CAPITAL EXPENDITURES</b>						
<b>CHANGE IN REVENUES ( )</b>						

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY95) cost: \$ \_\_\_\_\_

**POSITIONS**

FULL-TIME						
PART-TIME						
TEMPORARY						

No additional costs or significant revenue is anticipated with the implementation of HB 130. No significant demand for increased licensure is anticipated.

Prepared by: Pat Sharrock, Director Phone: 907-2638  
 Division: ABC Division Date: 2/6/95  
 Approved by: \_\_\_\_\_  
 Commissioner: Deborah Voet Date: 2/6/95  
 Agency: Revenue

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# FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. HB 180

Revision Date: \_\_\_\_\_ Dept. Affected: Department of Law  
 Title: "An Act relating to liquor licenses issued to a hotel, motel, resort, or similar establishment..." BRU: Legal Services  
 Component: Operations  
 Sponsor: Representative James  
 Requester: Representative James COMPONENT SERIAL NO. 0093

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

OPERATING EXPENDITURES	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>

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES						
--------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
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>

Estimate of any current year (FY95) cost: 0.0

**POSITIONS**

FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME						
TEMPORARY						

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

No fiscal impact.

Prepared by: Richard I. Pegues, Director  
 Division: Administrative Services Division  
 Approved by Commissioner: Bruce M. Botelho, Attorney General  
 Agency: Department of Law

Phone: 465-3872  
 Date: 2/16/95  
 Date: 2/16/95

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STATE OF ALASKA

DEPARTMENT OF REVENUE

ALCOHOLIC BEVERAGE CONTROL BOARD

Rep. Jeannette James  
TONY KNOWLES, GOVERNOR  
FEB 20 1995  
RECEIVED BY  
ANCHORAGE, ALASKA 99501-6698

February 16, 1995

The Honorable Jeannette James  
Alaska State House of Representatives  
Room 102, State Capitol  
Juneau, Alaska 99801-1182

RE: HB 180

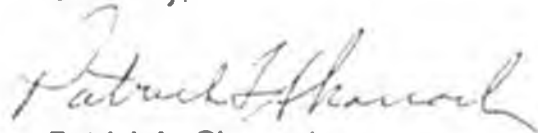
Dear Representative James:

Your HB 180 has specific potential to correct an inequity in current law. For example, a person who would like to develop a tourist facility in a rural or inaccessible area in the Matanuska-Susitna or Kenai Borough has to construct a 40-room facility to obtain a full-service liquor license (or acquire an existing license from another person). In reality, this requirement is excessive.

The Alcoholic Beverage Control Board fully supports the legislation and believes that your amendment will possibly stimulate development of small tourist facilities in certain remote areas.

If I can provide you any additional information or clarification, please do not hesitate to call.

Sincerely,



Patrick L. Sharrock  
Director

E1

# SENATE COMMITTEE REPORT

DATE: 4/13/95

FURTHER:

DATE TURNED INTO OFFICE: May 2, 1995

Labor and Commerce Committee considered HOUSE BILL NO. 180

Liquor licenses issued to a hotel, motel, resort, or similar establishment; efd.

and recommends:

be replaced with \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)

adopt previous \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)

attached amendment(s)

adopt Letter of Intent by \_\_\_\_\_ Committee

further referral to the \_\_\_\_\_ Committee

Senate Bill:

same title

new title

House Bill:

same title

technical change

new: SCR\* \_\_\_\_\_

HB 180

SIGNING TO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>John Ferguson</i>		<i>Mike Miller</i>	✓		
		<i>J. Dun</i>	✓		
		<i>Joseph P. Salo</i>	✓		
CHAIR: <i>T. Kelly</i>	✓				

NEW FISCAL NOTE(S):

Date Zero Fiscal

PREVIOUS FISCAL NOTE(S):\*

Department

Date Zero Fiscal

**HB**

**220**



## DIVISION OF PUBLIC SERVICES

DATE: 4-20-95

Please accept the enclosed original(s) of written testimony  
for the HB 220 teleconference hearing that was  
scheduled on 4-20-95.

A copy of this testimony was transmitted to your committee via  
fax on \_\_\_\_\_.

Thank you,

I support HB 220 except the removal  
of section #2. I would have the  
limit in state travel only.  
Let's keep Alaska's business in the State  
of Alaska. I also draw your attention  
to Senate Bill SCSB 108 with an  
amendment (Council cannot meet out side  
the State of Alaska)



## DIVISION OF PUBLIC SERVICES

DATE: 4-20-95

Please accept the enclosed original(s) of written testimony  
for the HR 220 teleconference hearing that was  
scheduled on 4-20-95 PM.

A copy of this testimony was transmitted to your committee via  
fax on 4-20-95.

Thank you,

*Ferry Lemugan*  
Tok R. Village

I support The Changes as referenced  
in the agenda for the teleconference  
except for removal of that part  
limiting travel expense reimbursement  
to travel in State which is in conflict with SCSB 108.

The Council can be more powerful  
by/During meetings in home Territory

I suggest This bill be passed  
to the International trade and  
Tourism Committee, for additional  
input and any possible coordination  
with other Tourism programs.

Thank you

DIVISION OF LEGAL SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

907) 465-3967 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

130 Seward Street, Suite 409  
Juneau, Alaska 99801-2105

**MEMORANDUM**

March 3, 1995

**SUBJECT:** Sectional Summary of HB 220  
(Work Order No. 9-LS0749\F)

**TO:** Representative Pete Kott  
Attn: George Dozier

**FROM:** *TB*  
Theresa Bannister  
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents.

Section 1 changes the criterion for when the commissioner must contract with a trade association to jointly manage the Alaska Tourism Marketing Council. Replaces a "best interest of the state" criterion with a criterion that is based on the existence of a qualified trade association in the state that has an interest in promoting the state as a destination through the cooperative marketing program. Allows a contract with the trade association to last four years, rather than two years.

Section 2 removes a limitation on the per diem and travel expenses that the Council's board members may receive. That limitation provided for per diem and travel expenses only for travel in the state. With the amendment a board member can receive per diem and travel expenses for travel outside the state as well as inside the state. Makes a technical change (adding "of tourism").

Section 3 changes who must sign a contract or grant of the Council in order to make the contract or grant effective. Under the amendment, it is the commissioner who must sign.

Section 4 changes to whom the Council is to submit the Council's annual proposed operating budget. Under the amendment, the proposed budget is to be submitted to the commissioner.

Section 5 extends the sunset date for the Alaska Tourism Marketing Council to December 30, 1999.

Representative Pete Kott

March 3, 1995

Page 2

Section 6 makes a technical change to delete the definition of "director", since the bill's changes make the definition unnecessary

Section 7 makes the Act effective July 1, 1995

If I may be of further assistance, please advise

TLB klb pl

95-118 klb

# Alaska State Legislature House of Representatives

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EAGLE RIVER, AK 99577  
PHONE (907) 894-8944  
FAX 894-8949

SESSION  
STATE CAPITOL  
JUNEAU AK 99801-1182  
PHONE (907) 485-3777  
FAX (907) 485-2819

## SPONSOR STATEMENT HB 220

There is no doubt that tourism is an important and expanding element in Alaska's economy. With declining production in oil and continued instability in market prices, alternative sources of state revenue and private sector diversity and expansion become more important.

House Bill 220 is legislation that greatly assists in tourism expansion and greater diversification of the state's economy. This legislation calls on the Commissioner of the Department of Commerce & Economic Development to contract with a qualified in state trade association to promote Alaska as a visitor destination through a cooperative marketing effort. The contract term would be four years in order that the promotion has stability and a chance to impact the market place.

I urge your support for expansion of Alaska tourism and this legislation which will help it to continue to succeed in a very competitive industry.

Sponsor Statement

Representative Pete Kott



# FISCAL NOTE

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

**BILL NO. HB220**

Revision Date: March 3, 1995 Department: Commerce and Economic Development  
 Title: An act relating to duties of the Commissioner, BRU: Alaska Tourism Marketing Council  
per diem expenses, powers & duties of ATMC, extension Component: Alaska Tourism Marketing Council  
 Sponsor: Koll, Theriault, Vozey, Toohy  
 Requestor: Labor and Commerce, Finance COMPONENT SERIAL NO. 1026

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES			193.4	193.4	193.4	193.4
TRAVEL			55.1	55.1	55.1	55.1
CONTRACTUAL			6,735.4	6,735.4	6,735.4	6,735.4
SUPPLIES			4.0	4.0	4.0	4.0
EQUIPMENT			5.0	5.0	5.0	5.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	00	00	6,992.9	6,992.9	6,992.9	6,992.9
<b>CAPITAL EXPENDITURES</b>	00	00	00	00	00	00
<b>CHANGE IN REVENUES</b>	00	00	00	00	00	00

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 General Fund			4,604.5	4,604.5	4,604.5	4,604.5
1005 GF Program Receipts			2,388.4	2,388.4	2,388.4	2,388.4
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	00	00	6,992.9	6,992.9	6,992.9	6,992.9

Estimate of any current year (FY 95) cost: \$ 00

POSITIONS	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
FULL-TIME	0	0	3	3	3	3
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

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

The council is due to sunset on December 30, 1996. This bill extends the council until December 30, 1999. Current operating costs would not be affected by HB220. If the bill is enacted, expenditures and revenue projections for FY98-FY01 are reflected as being consistent with the council's current operating budget.

Prepared by: Kathleen Dunn Phone: 907-563-2289  
 Division: Alaska Tourism Marketing Council Date: March 3, 1995  
 Approved by Commissioner: William L. Hensley *William L. Hensley* Date: 3/3/95  
 Agency: Commerce and Economic Development

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# Alaska State Legislature House of Representatives

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FAX 694-8949

SESSION  
STATE CAPITOL  
JUNEAU, AK 99801-1102  
PHONE (907) 465-3777  
FAX (907) 465-2819

TO: Senator *T Kelly* Kelly, Chair  
Senate Labor & Commerce Committee

FROM: Representative *P Kott* Pete Kott

DATE: April 13, 1995

RE: House Bill 220

There is no doubt that tourism is an important and expanding element in Alaska's economy. With declining production in oil and continued instability in oil market prices, alternative sources of state revenue and private sector diversity and expansion become more important.

House Bill 220 extends the sunset date of the Alaska Tourism Marketing Council to 1999 and assists in tourism expansion and greater diversification of the state's economy. This legislation allows the Commissioner of the Department of Commerce & Economic Development to contract with a qualified in state trade association to promote Alaska as a visitor destination through a cooperative marketing effort.

The fiscal note accompanying the legislation is governor Knowles' operating budget request for the ATMC.

Thank you for scheduling HB220 for a hearing in the Senate Labor & Commerce Committee.



Representative Pete Kott



**HB**

**224**



Official Business

# Alaska State Legislature

## HOUSE OF REPRESENTATIVES

State Capitol  
Juneau, AK 99801-1182

**Representative Vic Kohring**  
**Sponsor Statement**  
**House Bill 224**  
**An Act relating to the State Plumbing Code**

HB 224 is a housekeeping bill which seeks unanimity among the various codes covered in Section 18.60. With the passage of House Bill 101 last year, regarding the national electrical code, the plumbing code remains the last construction code to require legislative action for updates and amendments.

Under this bill the Department of Labor may, by regulation, adopt all or part of the new code published by the International Association of Plumbing and Mechanical Officials (IAPMO). In addition, the department may adopt amendments, if those amendments are in the best interest of the state.

Every three years, IAPMO produces an update to the Uniform Plumbing Code, the Uniform Swimming Pool, Spa, and Hot Tub Code, and the Uniform Solar Energy Code, which are then approved at the following annual conference. To have these codes adopted on the state level, however, the legislature must introduce and pass legislation. Due to various interests and concerns, new codes are not always adopted. In fact, the state continued to use the 1979 code until the 1991 version was adopted and became effective, June 12, 1991. The 1979 code became so obsolete that it was generally ignored by the construction industry, the local jurisdictions, and design engineers.

HB 224 has the support of the Department of Labor, many mechanical engineers, and the Plumbing and Pipe Fitting Unions.



Official Business

# Alaska State Legislature

## HOUSE OF REPRESENTATIVES

**Representative Vic Kohring**  
**Sectional Analysis**

State Capitol  
Juneau, AK 99801-1182

**CS for House Bill 224(STA)**

**An Act relating to the State Plumbing Code**

### **Section 1**

Section 1 makes a technical change to the definition section under AS 18.56.300(c)(3). Currently the plumbing code for the State of Alaska consist of three publications (the Uniform Plumbing Code, the Uniform Swimming Pool, Spa, and Hot Tub Code, and the Uniform Solar Energy Code). With the passage of this bill, the Department will have the authority to adopt those publications, as well as make amendments to constitute the minimum plumbing code for the state. Thus, section 1 removes the reference to "publications identified as the" and inserts, code "adopted for the state" to more adequately define the code.

### **Section 2**

Section 2 is a conforming change, making subsections (a) and (b) under AS 18.60.705 reflect the new authority granted in the provisions under sections 3 and 4 of this measure.

### **Section 3**

This section gives the Department of Labor the authority to adopt by regulation the new codes after they are approved and published by the International Association of Plumbing and Mechanical Officials. Also, this section authorizes the department to adopt amendments to the code, if those amendments are in the best interest of the state.

### **Section 4**

Section 4 authorizes a municipality to grant a waiver from the plumbing code for single-wall heat exchangers installed on or after June 12, 1991, if they meet the three criteria listed in the bill. If the municipality does not specifically have the authority to grant this waiver and the only method of inheriting that authority is by a vote of the people, the department may grant the waiver for the municipality

### **Section 5**

This section is a technical change, removing reference to subsections (a) and (b) under AS 18.60.705.

### **Section 6**

Section 6 is also a technical change for the same purpose described under section 1.

BILL NO: HB 224

DATE: March, 16 1995

TITLE: "An Act relating to the plumbing code" CONTACT: Dwight Perkins  
465-2700

The adoption of this Bill will eliminate the delay in adopting new editions of the minimum plumbing design and installation standard for the State. This bill will also allow the Department of Labor, Division of Labor Standards and Safety, Mechanical Inspection Section to amend the code through the regulation process which includes public comment. The Department of Labor Supports passage of HB 224.

APPROVED:

Tom Cashen  
Tom Cashen, Commissioner

DATE: 3-16-95

**POSITION PAPER/Department of Labor**

**ALASKA BEST  
PLUMBING & HEATING, INC.**

1845 Caribou Way  
Fairbanks, AK 99709

Phone (907) 455-6506 Fax (907) 455-4871

State Contractor Lic. #A13854 Mechanical Administrator Lic. #AA23

March 13, 1995

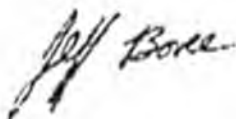
Representative Kohring  
Fax: 465-3818

Concerning my letter to you dated March 9, 1995. Since that letter was sent I have spoken with Mr. Al Dwyer, Chief of Mechanical Inspecting, and he informs me that the public does have an opportunity for input on the plumbing regulations for the State of Alaska.

If this is truly the case, I will support House Bill 224.

If you have any questions or comments, please feel free to contact me.

Thank you,



Jeff Boveo  
Manager

JNB/ceb  
www.cidalaffelatterskolring2.kr



# MECHANICAL CONTRACTORS

of Fairbanks, Inc.

P.O. Box 74796 Fairbanks, AK 99707-4796  
1840 Second Avenue (907) 456-8347  
FAX NO (907) 451-6132



May 5, 1995

Senator Tim Kelly, Chairman  
Senate Labor and Commerce Committee  
Room 101 State Capitol  
Juneau, Alaska, 99801-1182

Re: House Bill 224

Dear Senator Kelly:

The Mechanical Contractors of Fairbanks is an Association of plumbing and heating contractors in the Fairbanks area.

Our Association supports HB 224 which passed the House of Representatives earlier this week.

We urge your committee to quickly pass this bill through, unamended, to the Senate Rules for passage this session.

Thank you for your help.

Sincerely,

Eugene R. Rutland  
Executive Director

cc: Senator Steve Frank  
cc: Senator Bert Sharp  
cc: Senator Mike Miller  
cc: Senator Georgianna Lincoln



*John's Heating Service, Inc.*

IN HEAT 24 HOURS A DAY  
1235 MILL BAY ROAD  
KODIAK, ALASKA 99615  
(907) 486-3706  
FAX (907) 486-2497

April 8, 1995

To: House Labor and Commerce Committee  
Chairman, Rep. Pete Kott  
Alaska Legislator  
State Capitol  
Juneau, Alaska 99801--1182

Re: HB-224

I want to make it known that I am in complete favor of H B 224. and in favor of changing 1003 (K) of the 1991 Universal Plumbing Code. Although Kodiak already has an exemption to U.P.C. 1003 (K) I feel it would be in the best interest of all concerned if the State on a whole were to adopt this new regulation.

First and foremost I feel HB 224 should go through legislation, and then the problem of 1003 (K) of the code can be addressed.

Some partys have the feeling that if the Dept. of Labor has the control of the U.P.C. they will make changes without regard to any other communitys input. I feel that this is wrong and they will work with us on changing the problems that arise. I can understand what Fairbanks is upset about, since they have been told by inspectors that they would see what they could do to circumvent this code. I think that the inspectors hands were tied as the Dept. of Labor did not have the power to make these changes for Fairbanks.

Koodiak has gotten around this problem as the State does not inspect here but twice a year if we are lucky. So now is ~~the~~ chance to make a change. lets work together to adopt HB 224 and put the U.P.C. in the Regulatory Dept, instead of the Legislative Dept.

My background is twenty plus years in the Heating repair and installation of Hydronic systems. I am a licensed plumber as well. All my time has been spent in the city of Kodiak.

Sincerely,

John F. Butler, President  
John's Heating Service, Inc



## American Mechanical Inc.

P.O. Box 72991 • Fairbanks, Alaska 99707 • (907) 479-5754

March 31, 1995

Vic Kohring  
Representative  
House Labor & Commerce Committee

Re: Plumbing Code Bill  
CS for House Bill No. 224

Dear Mr. Kohring,

I am a State of Alaska Licensed General Contractor including a Residential Endorsement, State of Alaska Licensed Mechanical Administrator, City of Fairbanks Licensed Master Plumber and State of Alaska Licensed Journeyman Plumber. I have been in the Plumbing and Mechanical Trade for 25 years. I have contracted for and completed projects in Barrow, Prudhoe Bay, Nome, Kotzebue, Aleutian Islands, Fairbanks, Anchorage, Sitka, Metlakatla and other various remote sites.

I am in favor of the original bill as submitted and sponsored by Representatives Kohring, Green. The State Plumbing Code should be adopted by regulation, in order to enable the Department of Labor to protect the citizens from the hazards of improper plumbing installations. The reasons for my concerns and justifications are as follows:

1. The Uniform Plumbing Code is updated and printed every three years. The existing system of adopting each new edition by statute is awkward and inefficient. For example after the adoption of the 1979 edition the Legislature failed to adopt another current edition until 1991. This bill would allow the State to adopt each new edition by regulation.
2. Adopting each new edition of the code by regulation would allow for public comments and input from industry and government.

I object to the proposed amendment regarding single wall heat exchangers (coils) for the following reasons:

1. Including this amendment in the statute precludes public comment.
2. This amendment is being supported by factions from a small geographical area and as written, ignores the rest of the State.
3. This amendment would allow an exception to the code that represents significant and identifiable hazard to the health of the citizens of the entire State. In addition it may put the State at risk for liability resulting from potential illness or death due to this exception to the code.
4. There have been instances of glycol poisoning from failed single wall coils in the State.

I believe as a life long resident of this State that all children, men and women should have assurance that when they turn on their water faucet clean safe water is guaranteed.

As evidence of this conviction I would like to use my own family home as an example. When I built I installed a boiler for home heating only. For the domestic hot water I installed an oil-fired water heater, thus separating the two systems. As a result I know that my immediate and extended family and many friends that come to visit are not put at risk by failure of a single wall coil in my plumbing system. It seems ironic that we could still be at risk from the potential failure of a single wall coil elsewhere in the Municipal Utilities System that supplies our water. If such a tragedy should occur I will know that I did my part to prevent it. It is not unreasonable to expect the State of Alaska to do as much.

I remain cordially yours,



Dennis L. Michel  
President



United Association of Journeymen and Apprentices of the  
Plumbing and Pipe Fitting Industry of the United States and Canada

LOCAL NO 262

STREET ADDRESS 723 West 10th Street

CITY STATE ZIP Juneau, Alaska 99801

SUBJECT MATTER

DATE 3/14/95

Representative Vic Kohring  
Alaska State Legislature District 26  
Alaska State Capital, Room 428  
Juneau, Alaska 99801

Dear Representative Kohring,

As Business Manager of a Union, I seldom get the opportunity to say, "Thank you," but, lo and behold, your introduction of House Bill 224, amending the statutes to allow amendments to the Uniform Plumbing Code by regulation, does indeed have merit. We have, on many past occasions, fallen victim to legislative scheduling and lack of direct knowledge when it comes to code related legislation. We would be much more comfortable with amendments made by regulation within the department, assuming the code minimums established by your bill, are adopted. We offer you our full support and our gratitude. Thank you.

I am respectfully yours,

Dennis Dalman  
Business Manager  
U.A. Local 262



United Association of Journeymen and Apprentices of the  
Plumbing and Pipe Fitting Industry of the United States and Canada

LOCAL NO

367

STREET ADDRESS 610 W 54th

CITY, STATE, ZIP

Anchorage, AK 99518

SUBJECT MATTER

DATE

March 16, 1995

MAR 20 1995

Representative Vic Kohring  
Alaska State Capital Room #428  
Juneau, AK 99801

Dear Representative Kohring:

On behalf of the members of U.A. Local 367, let me express support for House Bill 224.

Thank you for your interest in taking action on matters like updates to the Uniform Plumbing Code.

Sincerely,

Larry Gallagher  
Business Manager  
U.A. Local 367

MORIS J. BISHOP  
General President

MORIS A. LEE  
General Secretary-Treasurer

DONALD F. McNAMARA  
Vice General President

Letters should  
be mailed to  
this subject

# HARBOR PLUMBING & HEATING, INC.

MECHANICAL CONTRACTORS

---

P.O. BOX 32117  
JUNEAU, ALASKA 99803  
(907) 789-7222 FAX (907) 789-0314

March 22, 1995

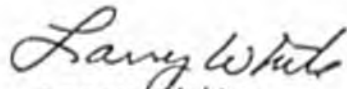
Representative Vic Kohring  
Alaska State Legislature District 26  
Alaska State Capitol, Rm 428  
Juneau, AK 99801

MAR 23 1995

Dear Representative Kohring:

Please make it a matter of record that I support H.B. 224 an act relating to the State Plumbing Code. I believe that the States interest would be better served if Plumbing Codes are adopted by regulation rather than statute. Any amendments to the code should be done by regulation in conjunction with the publics input.

Sincerely,



Larry White  
Harbor Plumbing & Heating, Inc.



# International Mechanical, Inc.

646 E. DOWLING RD. ANCHORAGE, ALASKA 99518  
(907) 563-3044 FAX (907) 561-7689

March 16, 1995

MAR 24 1995


To: Representative Vic Kohring  
Alaska State Legislature District 26  
Alaska State Capital, Rm. 428  
Juneau, Alaska 99901

Re: House Bill 224

Dear Representative Kohring

I strongly support HB 224 and have encouraged others here in Anchorage to also support your bill.

Sincerely,

  
Ray G. Carey

# RSA Engineering, Inc. Facsimile

To: Mike Tibbles  
Company: Rep. Kohring  
Phone: 907-456-2186  
Fax: 907-465-3818

From: Lee F. Holmes  
Company: RSA Engineering, Inc.  
Phone: (907) 276-0521  
Fax: (907) 276-1751

Date: 03/16/95

Pages including this  
cover page: 4

Project: House Bill 224

## Comments:

I appreciate your effort in working to introduce this legislation and hope the information I provide helps. Attached are sheets out of a catalog for one of the most popular hot water generators used in rural Alaska. We have designed these units for all geographic areas of the state. As you can see from the sketch the only opening into the heating coil is in the bottom so there is no air transfer. I have left a message for Roger Courtney, Municipality of Anchorage Plumbing Inspector, to send me any information he has on double wall versus single wall heat exchangers. As soon as I get the information I will call you.

I also checked with the local supplier of the units as to the costs and found that a 40 gallon single wall unit has a list price of \$734, and the same unit with double wall is \$728. So the double wall unit is actually \$6 cheaper than the single wall unit. I guess prices have changed to reflect the increased use of the double wall units.

Please look through the attached information and call with any questions.

Thanks,

Lee

**PERFECTION MECHANICAL INC.**

**MECHANICAL CONTRACTORS**

P.O. Box 60585 • Fairbanks, Alaska 99706

Phone (907) 456-5979

January 19, 1996

Senator Tim Kelly  
State Capitol  
Mail Stop 3101  
Juneau AK 99801-1182

Subject HB 224

Dear Senator Kelly

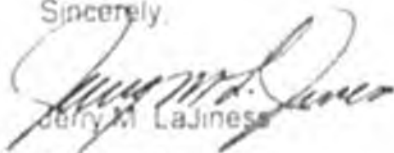
The Mechanical Contractors of Fairbanks is an association of mechanical contractors. I am an active member of this association.

Our association supports Senate C S for C S For House Bill #224 (L&C)

This bill now adapts the 1994 Uniform Plumbing Code by statute and allows the use of single wall heat exchangers for domestic water heating. The changes to this bill address the concerns our association originally had with this legislation.

We urge you to support speedy passage of this bill.

Sincerely,



Jerry M. LaJiness  
President



**TCL**

P.O. BOX 74330 • FAIRBANKS, ALASKA 99707  
Phone (907) 452-1792 • Fax (907) 452-8207

*January 18, 1996*

*Senator Tim Kelly  
State Capitol Room 101  
Mail Stop 3101  
Juneau, AK 99801-1182*

*Re. HB 224*

*Dear Senator Kelly:*

*As owner of TCI, and a member of the Board of Directors of the Mechanical Contractors of Fairbanks, I support Senate CS for CS for House Bill No. 224 (I.&C). Please vote in favor of its passage.*

*The change to this bill, allowing the use of single unit heat exchangers for domestic water heating, resolves my prior concerns.*

*Thank you for doing an admirable job for us in Juneau.*

*Sincerely,*

*Vernon Boyles*

*Vernon Boyles, President  
TCI*



# MECHANICAL CONTRACTORS

of Fairbanks, Inc.

PO Box 74796 Fairbanks, AK 99707-4796  
1840 Second Avenue (907) 456-8347  
FAX NO (907) 451-6132



January 18, 1996

Senator Tim Kelly  
State Capitol  
Mail Stop 3101  
Juneau, Alaska. 99801-1182

Subject: HB 224

Dear Senator Kelly:

The Mechanical Contractors of Fairbanks is an association of mechanical contractors. I serve as their executive director.

Our association supports Senate C S For C S For House Bill #224 (L&C).

This bill now adopts the 1994 Uniform Plumbing Code by statute and allows the use of single wall heat exchangers for domestic water heating. The changes to this bill address the concerns our association originally had with this legislation.

We urge you to support speedy passage of this bill.

Sincerely,

A handwritten signature in cursive script that reads 'Eugene R. Rutland'.

Eugene R. Rutland  
Executive Director

**FISCAL NOTE**

**STATE OF ALASKA  
1996 LEGISLATIVE SESSION**

**BILL NO. CSHB 224(5TA)**

Revision Date: \_\_\_\_\_  
 Title: State plumbing code  
 Sponsor: Representative Kohring  
 Requestor: Senate Labor & Commerce

Department Affected: Labor  
 BRU: Labor Standards & Safety  
 Component: Mechanical Inspection  
 COMPONENT SERIAL NO. 340

**EXPENDITURES/REVENUES:**

(Thousands of Dollars)

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
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>						
----------------	--	--	--	--	--	--

<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/INTA						
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 (FY96) impact: \$ None

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

This bill would allow the department to adopt, by regulation, codes approved by the International Association of Plumbing and Mechanical Officials as the minimum plumbing code standards of the state.

Prepared By: Al Dwyer, Director Phone: 269-4914  
 Division: Labor Standards & Safety Date: 1/16/96  
 Approved by Commissioner: Tom Cashen, Commissioner  
 Agency: Department of Labor Date: 1/16/96

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 For further distribution information call the Governor's Legislative Office

# FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. HB 224

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

Department Affected: Labor

Title: State plumbing code

BRU: Labor Standards & Safety

Component: Mechanical Inspection

Sponsor: Representative Kohring

Requestor: House Labor & Commerce

COMPONENT SERIAL NO. 346

**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)

This bill would allow the department to adopt, by regulation, codes approved by the International Association of Plumbers and Mechanical Officials as the minimum plumbing code standards of the state.

Prepared by: John A. Abshire, Director Phone: 269-4914  
Division: Labor Standards & Safety Date: 3/21/95

Approved by Commissioner: Tom Cashen, Commissioner  
Agency: Department of Labor Date: 3/21/95

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**HB**

**231**



OFFICIAL BUSINESS

# Alaska State Legislature

House of Representatives

REPRESENTATIVE  
CYNTHIA TOOHEY  
DISTRICT 13

STATE CAPITOL ROOM 104  
JUNEAU, ALASKA 99801-1118  
19071 463-4819

718 WEST 4TH AVENUE, SUITE 330  
ANCHORAGE, ALASKA 99501-2173  
19071 258-8189

## SPONSOR STATEMENT

### HOUSE BILL 231

House Bill 231, "An Act relating to the interview requirements of the State Medical Board," would allow the Alaska State Medical Board to use its discretion in determining whether a personal interview for licensing a physician was necessary.

At the present time, physicians applying for permanent licensure must be interviewed in person by the Alaska State Medical Board or a member of the Board. The Board, a member of the Board, or an alternate designated interviewer must interview in person the locum tenens physician, intern, or resident applicants.

The interview process is cumbersome, expensive, and of limited value since the license application process which takes place prior to the applicant being interviewed is extensive and thorough. An interview is unlikely to reveal any information not already known.

By making the interview discretionary, it relieves the applicant, the board members, and the board staff of a significant amount of work that may be of limited value in most instances. House Bill 231 would allow the interview to be conducted in only those cases where it was deemed necessary.

House Bill 231 is supported by the Alaska State Medical Association and the Division of Occupational Licensing. There is a zero fiscal note. HB 231 passed the House unanimously. Your support would be appreciated.

— SPONSOR STATEMENT —

TONY KNOWLES, GOVERNOR

DEPARTMENT OF COMMERCE AND  
ECONOMIC DEVELOPMENT

DIVISION OF OCCUPATIONAL LICENSING

3601 C STREET, SUITE 722  
ANCHORAGE, ALASKA 99503-5046  
PHONE: (907) 561-2878  
FAX: (907) 562-5781  
TDD: (907) 465-5437

March 20, 1995

Representative Cynthia Toohey  
House of Representatives  
State Capitol - Room 104  
Juneau AK 99801-1182

Dear Representative Toohey:

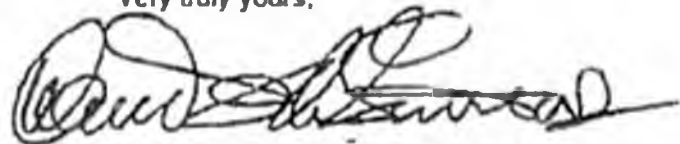
I am writing to express to you the support of the Alaska State Medical Board for House Bill 231 which would revise AS 08.64.255 and 279 by making the personal interview a discretionary part of the licensing process for physicians rather than a mandatory action.

Thank you for sponsoring this bill for the State Medical Board. It is the board's view that the personal interview, while still a valuable licensing tool in some cases, is for most physicians an inconvenient and expensive requirement that is of questionable value. The majority of physician applicants who apply for Alaska licensure come to us with "clean" records; i.e., no licensing actions from other states, no disciplinary actions by schools, training programs, or hospitals, and no adverse actions by other legal entities. For these applicants, requiring them to appear for a personal interview with a board member represents an expensive, time-consuming hurdle to licensure which does little to serve the public good.

By retaining the interview as a discretionary licensing tool, the board and its staff may still require an applicant to appear in person to answer questions that arise from large or numerous malpractice claims, actions by other boards, personal behavioral history questions, or other unusual circumstances that would lead us to question their qualifications to be licensed to practice in Alaska. It is the board's intention to define by regulation under what circumstances a personal interview may be required or requested of an applicant.

We feel your bill will serve to make the board more efficient in the use of its time and resources while at the same time serving to protect the public from unscrupulous practitioners or those whose skills are questionable.

Very truly yours,



David A. McGuire, M.D., Chairman  
State Medical Board

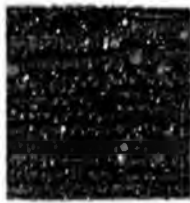
LGH:l

xc: Board Members  
Catherine Reardon, Director  
Division of Occupational Licensing

08-11-2011

♻️ printed on recycled paper by C.D.

- LETTERS OF SUPPORT -



# ALASKA STATE MEDICAL ASSOCIATION

4107 Laurel Street • Anchorage, Alaska 99508-5334 • (907) 562-2662

March 21, 1995

Representative Cynthia Toohey  
Alaska State Legislature  
P. O. Box V (MS 3100)  
Juneau, AK 99811

Dear Representative Toohey:

Thank you for sponsoring House Bill 231. This bill if passed will allow the State Medical Board members the option of interviewing new physician applicants to Alaska but will not require interviews if everything else is in order. This will be of definite benefit for certain locum tenens in the State, especially visiting specialists in Southeast Alaska from Virginia Mason Hospital and the University of Washington. Hopefully, this will allow the medical board to spend their valuable time on difficult issues of monitoring and discipline and eliminate some needless busy work for them.

Sincerely yours,

Donald R. Lehmann, M.D.  
President, Alaska State Medical Association

DFL:bj

# SENATE COMMITTEE REPORT

DATE: 4/11/95

FURTHER: \_\_\_\_\_

DATE TURNED INTO OFFICE: \_\_\_\_\_

L&C Committee considered HOUSE BILL NO. 231

"An Act relating to the interview requirements of the State Medical Board."

and recommends:

- be replaced with \_\_\_\_\_ CS \_\_\_\_\_ ( \_\_\_\_\_ )
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_ ( \_\_\_\_\_ )
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to the \_\_\_\_\_ Committee

Senate Bill:

- same title
- new title
- House Bill:
- same title
- technical change
- new: SCR\* \_\_\_\_\_

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
		<i>John Ferguson</i>	✓		
		<i>Judith E. Falo</i>	✓		
		<i>[Signature]</i>	✓		
CHAIR: <i>Twin Kelly</i>					

**NEW FISCAL NOTE(S):**

Department                      Date    Zero    Fiscal


**PREVIOUS FISCAL NOTE(S):\***

Department                      Date    Zero    Fiscal


APPROPRIATION -- no fiscal note

\*include fiscal notes accompanying Governor's Bill





**HB**

**237**

## Sponsor Statement House Bill 237

For the past 13 years, the Ad Hoc Committee on Workers' Compensation, a private citizen initiative group with representatives from both management and labor associations from around the state, has been working to find solutions to the concerns surrounding Alaska's Workers' Compensation system. Through their efforts the Ad Hoc Committee has been very instrumental in getting several pieces of major workers' compensation reform passed by the legislature.

In October of 1993, the Ad Hoc Committee began meeting regularly and came up with the framework of what is now House Bill 237. The Ad Hoc Committee addressed six specific problem areas in Alaska's workers' compensation laws and came up with solutions agreeable to both labor and management. The six issues dealt with by the Ad Hoc Committee and now House Bill 237 are: death benefit revision, immunity for workplace safety inspections (also known as Van Biene), design professional construction site liability limit, contractor premium adjustable rate, determination of spendable weekly wages (also known as Gilmore), and workers' compensation fraud. Attached to this sponsor statement is a letter from the Ad Hoc Committee giving a break down of these six issues.

It is my hope that the effort put forth by this group will be recognized for its importance and House Bill 237 will be accepted without change.

# ALASKA

## LABOR-MANAGEMENT AD HOC COMMITTEE ON WORKERS' COMPENSATION

---

February 23, 1995

The Honorable Eldon Mulder  
Alaska State Legislature  
State Capitol  
Juneau, Alaska 99801-1182

Dear Representative Mulder:

The Alaska Labor-Management Ad Hoc Committee on Workers' Compensation is in its thirteenth year of service as a private citizen initiative group formed to fairly address concerns in regard to the Alaska Workers' Compensation system. It was through the efforts of the Ad Hoc Committee that major legislative reform was passed in 1989. Those measures resulted in four years of premium reductions, with 1994 being the first year of a rate increase since 1987.

The Ad Hoc Committee has been meeting regularly since October, 1993 in an attempt to work through some major issues related to workers' compensation. We have recently reached a resolution on several key items that form the basis of our proposed 1995 legislation. Our proposed legislation has had a preliminary review by the Division of Workers' Compensation. The proposed bill contains the following elements:

- **Death Benefit Revision** - The current death benefit has a 10-year cap and also calls for the reduction of benefits at the 5- and 8-year time frame. Although the 10-year cap is still retained to control the cost of claims, it was suggested that the reduction intervals could create hardships for a surviving spouse with small children. It has been estimated that the elimination of the 5- and 8-year reductions will result in an average premium increase of 0.6%.
- **Von Bleno** - This portion of the bill provides immunity for insurance carriers, trade associations and other persons providing worksite safety inspections. These inspections are often voluntary and are conducted in the interest of promoting safety in the workplace. Without this immunity, many of the workplace safety inspections will be curtailed to the disadvantage of both employees and employers.