

ALASKA LEGISLATURE COMMITTEE FILES 1995-1996 8672

8942 SENATE LABOR & COMMERCE ()

Representative Mulder
February 23, 1995
Page 2

- **Design Professional Construction Site Liability Limit** - Design professionals (i.e. architect's, engineers and land surveyors) have limited involvement at the construction site with their main function being periodic observation for conformance to design requirements. While the role of design professionals is clearly defined in contract language, there have been a number of instances in which design professionals have been drawn into lawsuits based simply on their presence at the site.

The proposed statute still allows the injured employee of the contractor to bring suit against the design professional based on negligent plans and specifications. However, the statute prevents the more general charge of professional negligence through failing to detect potentially dangerous conditions during observation of construction. The recognition and correction of such conditions is the sole responsibility of the construction contractor who has control of the work.

Fourteen other states provide a similar immunity, with eight states utilizing nearly identical language.

- **Contractor Premium Adjustment Rate** - The construction industry has long sought a more equitable method of distributing the cost of workers' compensation premiums. With the large variance in pay scale, higher paying employers pay a larger cost for workers' compensation although some costs related to injuries are fixed regardless of wage (e.g. medical, vocational rehabilitation). To bring about a more equitable system, twelve states have adopted regulations establishing a premium adjustment program for the contracting classifications. The process is handled administratively by the rate setting authority.
- **Determination of Spendable Weekly Wages** - A recent Supreme Court decision in the Gilmore case has resulted in confusion regarding the calculation of compensation benefits. The proposed legislation provides a fair, efficient and predictable method of calculating compensation benefits. The methods developed are patterned after model language suggested by the court in the Gilmore ruling. The legislation recognizes the importance of establishing a fair approximation that does not rely on various open-ended determinations that cause uncertainty and increases litigation for both the injured worker and their employers.
- **Fraud** - The revised section broadens the definition of misrepresentation and gives the Board the authority to order reimbursement of monies fraudulently obtained.

Representative Mulder
February 23, 1995
Page 3

The Ad Hoc Committee supports the proposed bill as a single package agreed to by both sides. If you have any questions pertaining to any portion of the bill, please feel free to contact us at any time.

We would also like to point out that there are more issues involving workers' compensation that we will be addressing in the future. These include group self-insurance, medical cost containment (the medical cost portion of worker's compensation payouts in Alaska have more than doubled between 1988 and 1992, from approximately \$20 million to in excess of \$50 million), review of presumption of compensability, and review of benefits including health insurance. These issues will take further research and a great deal of discussion with various groups but they must be dealt with to insure that Alaska's Workers' Compensation system adequately protects injured workers while maintaining an equitable program for employers.

We thank you for your patience in allowing the Ad Hoc Committee to prepare our agreement and we look forward to your continued support in the future.

Sincerely yours,

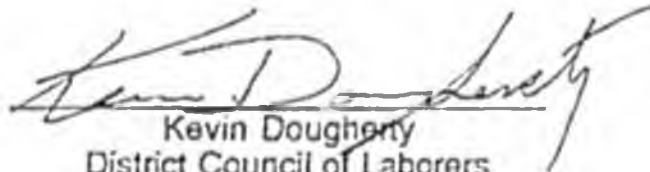


Willem Van Hemert
CRW Engineering Group

Elaine Taylor
Taylored Restoration Services

Mary Shields
Northwest Technical Services

Eric Tollefsen
CARRS Quality Centers
Treasurer, WCCA



Kevin Dougherty
District Council of Laborers

Jeffrey Wertz
Machinist Union Local 601

Royce Rock
Carpenters Union Local 1281

David Ford
Alaska Ironworkers

cc: Senator Tim Kelly
Representative Pete Kott
Representative Brian Porter



R&M CONSULTANTS, INC. 8101 VANGUARD DR. ANCHORAGE, ALASKA 99507 (907) 562-1701

ENGINEERS
GEODETISTS
PLANNERS
SURVEYORS

April 27, 1995

Senator Tim Kelly, Chairman
Labor and Commerce Committee
Alaska Senate
State Capitol Building
Juneau, Alaska

RE: House Bill 237

Dear Senator Kelly:

It is our understanding that workers' compensation legislation that was prepared by the Workers' Compensation Ad Hoc Committee, H.B. 237, is now in the Senate Labor and Commerce Committee for review.

In view of the extensive joint labor and management efforts expended over the last two years to bring together legislation that addresses the concerns of both labor and management, we are eager to see positive action taken on this bill.

We ask that you give your utmost support to this legislation.

Sincerely,

R&M CONSULTANTS, INC.

James W. Rooney
James W. Rooney, President

A M E N D M E N T

OFFERED IN THE SENATE

TO: CSHB 237(JUD) am

1 Page 8, after line 13:

2 Insert a new bill section to read:

3 ** Sec. 12. AS 23.30.265(2) is amended to read:

4 (2) "arising out of and in the course of employment"

5 (A) includes employer-required or supplied travel to and from
6 a remote job site and activities occurring anywhere on the premises of a
7 remote job site if the employee is required to live on the premises of the
8 remote job site and to be available on a 24-hour basis; but excludes
9 activities on the premises of a remote job site if the employee has fixed
10 work hours and the activities occur outside of the fixed work hours of the
11 employee;

12 (B) includes activities performed at the direction or under the
13 control of the employer; and employer-sanctioned activities at employer-
14 provided facilities;

15 (C) (BUT) excludes recreational league activities sponsored by
16 the employer, unless participation is required as a condition of employment,
17 and activities of a personal nature away from employer-provided facilities;"

18 Renumber the following bill sections accordingly.

Tim,

I spoke with Brian Porter about the conference committee on workers' compensation. He does not believe you need Taylor to meet, if you and Adams show up. He wants to have a meeting today.

I checked with Tam Cook, and she agrees with Porter. Attached is Mason's rules on conference committees, which states (highlighted on attachment): "It is usual for the chairman of the conference committee of the house of origin to take the principal responsibility for arranging the conference."

Brian was also looking for your support on two amendments he wants deleted in the Senate version, which would essentially take us back to the Senate Labor & Commerce version. A problem, however, is that one of the amendments put in at the Judiciary meeting was supported by Adams.

Josh

5 If no special provisions exist in the rules for the appointment of conference committees, they are appointed pursuant to the provisions applicable to other committees.

6 Where there was a division in the house with reference to a bill, it is the established practice to appoint a majority of the committee from the prevailing side in the controversy, but to also appoint a representative from the minority. In committees of three, two will represent the majority and one, the minority, if any.

7 The bill, concerning which the dispute as to amendments exists, should be referred to the conference committee of the house in which the bill originated and will thereafter remain in the possession of the house of origin or its conference committee.

Sec. 769. Conference Committees

1 Conference committees are usually small committees consisting of the same number of persons from each house. When the conference is concerning amendments to a bill, the practice is to appoint the author or sponsor of the measure, or the persons nominated by him, to the committee, and when the committee is expected to proceed from conference to free conference, the author or sponsor usually reserves the free conference committee for his membership.

2 A committee on conference from each of the two houses meeting together is not a joint committee but a joint meeting of two committees. The quorum of a com-

Section 768—Continued

Paragraph 6—

Cushing's Legislative Assemblies, Sec. 2267

Paragraph 6—

Jefferson, Sec. XLVI, Cushing's Legislative Assemblies, Sec. 2267

Paragraph 7—

Cushing's Legislative Assemblies, Sec. 2269

Section 769—

Paragraph 1—

Jefferson, Sec. XLVI, Cushing's Legislative Assemblies, Sec. 2267

mittee on conference is a majority of the members of each committee. In voting in a conference committee, the committee of each house votes separately. The committee on conference from each house submits its report to the house from which it was appointed, and the report, upon being received, may be treated like other reports, except that the report of a conference committee is usually given a higher precedence, and that under no condition may the house alter or amend the report of the committee, but must adopt or refuse to adopt the report in the form submitted.

3 As the two houses have equal authority, it is not proper for either to appoint the time and place for a conference. The custom is for no specific provision to be made by either house but for the committees to meet at a time arranged among themselves at the usual or a convenient place for the meeting of conference committees. It is usual for the chairman of the conference committee of the house of origin to take the principal responsibility for arranging the conference.

Sec. 770. Reports of Conference Committees

1 When the conference committee has agreed on its report, an identical report is made to each house by the committee from that house. The reports are signed by the members or a majority of the members of each committee, the committee of either house signing first on the report which is made to their house.

2 A report of a conference committee is objectiona-

Section 770—Continued

Paragraph 2—

Jefferson, Sec. XLVI, Hughes, Sec. 734, Flood, Secs. 62 249-241, Cushing's Legislative Assemblies, Sec. 2267, N. Y. Manual, p. 437

Paragraph 3—

Cushing's Legislative Assemblies, Sec. 2267

Section 770—

Paragraph 1—

Jefferson, Sec. XLVI, Cushing's Legislative Assemblies, Sec. 2267, Flood, Sec. 241

May 2, 1995

K. Scott McEntire
6530 East 16th Avenue
Anchorage, Alaska 99504
(907) 337-8614

Sen. Jim Duncan
Room 119 State Capitol
Juneau, Alaska 99801-1182
(907) 465-4766
(907) 465-4748 FAX

Dear Senator Duncan,

Even without Rep. Mulder's involvement with HB 237, it would none the less represent the epitome of the legislative process subverted by special interest groups at the cost of the constitutional rights of all Alaska residents. Despite contacting both industry and labor representatives of the Alaska Labor-Management Ad Hoc Committee on Workers' Compensation and asking to attend their meetings to discuss issues of concern to injured workers, I have been excluded from their meetings. A year ago, Josh Fink in Sen. Kelly's office told me that any Workers' Compensation bill that did not come from this Ad Hoc Committee would have little chance of being considered by the legislature. Thus by being excluded from their meetings, I was in essence excluded from representation. What Mr. Fink failed to tell me was that any bill from this committee was a done deal. When I went to the Anchorage Legislative Information Office and sent a public opinion message to every member of the House Labor and Commerce Committee asking for facts before acts, it may have been lost or just ignored, but it most definitely was not seriously considered enough to seek a legal review by the Legislative Council before it was passed. I then wrote a four page letter expressing my concerns and FAXed it to every member on the House Judiciary Committee. I also gave public testimony at the committee hearing on March 31, 1995. Rep. Mulder was also present in Juneau and informed me that he found the inferences in my letter to be personally insulting. I assure you that he can be no more insulted by my letter than I am by his bill and his apparent lack of ethics. Paul Grossi, the new director of the Division of Workers' Compensation, was present in Juneau too, yet did not have much in the way of comments despite working in the division for over eight years. Does HB 237, as written by the Ad Hoc Committee, represent all of Mr. Grossi's concerns for needed legislation or could it be that he does not even see any? With Mr. Grossi's experience and understanding of Title 30 (he is after all responsible for advising injured workers of their rights under the act in so much as he knows them) has he thoroughly reviewed this bill and its ultimate consequences not only to injured workers, but also to employers and his entire division?

When I went to the Anchorage LIO on April 28, 1995 to pick up a copy of HB 237 that included Rep. Navarre's floor amendment related to confidentiality of medical records, I also inquired about

any scheduled Senate hearings regarding this bill. I was told that no schedule was available and to call the Senate Judicial Committee for current information. On Friday, my call to the Committee went to Sen. Kelly's office and I was transferred to Sherman who was working on scheduling. Sherman told me that Josh Fink was personally handling the bill and no schedule was available yet. He suggested that I call back on Saturday. When I called back on Saturday, I was told to call back on Monday. I called back on Monday and Sherman told me that the Ad Hoc Committee had submitted several amendments to the bill. I requested copies of the amendments and was told that they were not available yet. Sherman then advised me to call back on Wednesday morning. Not satisfied with Sherman's response or Sen. Kelly's representation in general regarding this bill, I called Sen. Duncan's office. Within an hour, Roxanne FAXed me a copy of the Ad Hoc Committee's letter to Sen. Kelly dated and FAXed to Sen. Kelly on April 27, 1995. Roxanne advised me to respond ASAP as the bill may be up tomorrow in the Senate Labor and Commerce Committee. Unfortunately tomorrow is today and I did not have time to compose this letter or go to the LIO to testify before the committee meeting. I sincerely thank Sen. Duncan and Roxanne for their responsiveness and consideration in this matter. As my supposed representative, I feel deceived and dismayed by Sen. Kelly and his staff.

I am not going to provide an item by item review of HB 237. I believe the state statutes are clear regarding required reviews by the Legislative Council, the Administrative Regulation Review Committee, and the Legislative Attorney. I have reviewed reports prepared by Legislative Research Services on Workers' Compensation issues. Suspicious in their absence are the issues raised by HB 237. With the possible exception of the Gilmore issue, there are no issues in HB237 that require resolution in this session. Passage of this bill solely for the sake of expediency, without due regard for justice, is an insult not only to the injured workers in Alaska, but every worker who believes there is a compensation system should they ever need it. As for Gilmore, the Supreme Court stated, "Review of the worker's compensation statutes of the other forty-nine states reveals that Alaska is the only state which bases compensation exclusively on the average wage earned over a more than one year period without providing an alternative approach if the formula reaches an unfair result." My emphasis hopefully draws your attention to a serious flaw in the proposed HB 237. Under Sec. 8 AS 23.30.220(a) there are ten alternative approaches. However, it is inherent that a list is never complete. Regardless of how long you make the list, you will never preclude an unfair result. This is clearly recognized in the following proposed section:

AS 23.30.220(a)(10) if the employee is entitled to compensation under AS 23.30.180 and the board determines that calculation of the employee's gross weekly earnings under (1)-(7) of this subsection does not fairly reflect the employee's earnings during the period of disability, the board shall determine gross weekly earnings by considering the nature of the employee's work, work history, and resulting disability, but compensation calculated under this paragraph may not exceed the employee's gross weekly earnings at the time of injury.

Since an employee entitled to compensation under AS 23.30.180 is permanently totally disabled and Sen. Kelly, Rep. Mulder, the Ad Hoc Committee, and many other legislators find under Section 1 (6) that "benefits for permanent total disability can last for a substantial period into the future and serve a different purpose than benefits for temporary partial or temporary total

disability," they conclude from Gilmore that the Supreme Court would view the above section as "providing for an alternative approach if the formula reaches an unfair result." The reality of this section is that since permanently totally disabled employees are unlikely to be rehabilitated, especially considering the record of rehabilitating even partially disabled employees with the funds available, it is only fair that the employer be able to request the board to determine the employee's gross weekly earnings by some other method so long as end result will be less than otherwise provided. I am not sure why the Ad Hoc Committee et al. would single out just the totally disabled for this special treatment. It seems to me that every disabled employee should qualify, but then that might lead to increased litigation.

I realize this letter is too late to be considered in the Senate Labor and Commerce Committee, however I am going to FAX it to all the members anyway. I am also going to FAX it to all the Senate Judicial Committee members. I hope it will be given due consideration. Thank you for your help in this matter of concern to many unheard injured workers.

Sincerely,

K. Scott McEntire

cc:	Senate Labor and Commerce	(907) 465-3844	
	Tim Kelly, Chair	(907) 465-3822	FAX (907) 465-3756
	John Torgerson, Vice Chair	(907) 465-2828	FAX (907) 465-4779
	Mike Miller	(907) 465-2977	FAX (907) 465-3883
	Jim Duncan	(907) 465-4766	FAX (907) 465-4748
	Judith Salo	(907) 465-4940	FAX (907) 465-3766
	Senate Judiciary	(907) 465-3717	
	Robin Taylor, Chair	(907) 465-3873	FAX (907) 465-3922
	Lyda Green, Vice Chair	(907) 465-6600	FAX (907) 465-3805
	Mike Miller	(907) 465-4976	FAX (907) 465-3883
	Johnny Ellis	(907) 465-3704	FAX (907) 465-2529
	Albert Adams	(907) 465-3707	FAX (907) 465-4821

A M E N D M E N T

OFFERED IN THE SENATE

TO: SCS CSHB 237(L&C)

1 On the last page:

2 Delete "* Sec. 15. This Act takes effect July 1, 1995."

3 Insert new bill sections to read:

4 "* Sec. 15. Section 7 of this Act takes effect January 1, 1996.

5 * Sec. 16. Except as provided in sec. 15 of this Act, this Act takes effect July 1, 1995."

MASON'S LEGISLATIVE MANUAL Sec. 604

negative as well as the affirmative vote must be taken when voting viva voce, as a majority vote is required for the selection of any member of a committee.

604. Appointment of Mover to Committee

It is a common practice in some bodies, based on courtesy, to appoint the person making the motion for the appointment of a committee as chairman of the committee if he will accept the appointment. This practice is based on courtesy only, and it is not even necessary that the person making the motion for the appointment should be appointed a member.

See 604—
Hughes, Sec 762, Reed, Sec 64

Sec. 610 OFFICERS OF COMMITTEES

437

CHAPTER 56
OFFICERS AND QUORUM OF
COMMITTEES

Sec. 609. Selection of Committee Chairman

1. It is the usual practice for the authority appointing a committee to designate the chairman. When a committee is elected it is the proper procedure following the election to designate the chairman by a motion.

2. The power to appoint a committee carries with it, if there is no rule to the contrary, the inherent power to appoint the chairman of the committee, and a chairman is usually designated by the appointing power.

Sec. 609. Acting Chairman

See also Sec 608, Calls for Committee Meetings

1. When no chairman has been designated, the committee has the right to select one of its members to be chairman, but the first member appointed should in every case call the committee together and act until a chairman has been elected by the committee. He continues to act as chairman unless the committee chooses a different chairman. When the chairman is not designated by the appointing power, if the first person named fails or refuses to call the committee together, the second member appointed should act, and each member in succession may act in the absence, or refusal to act, of those appointed before.

Sec. 610. Resignation of Chairman

1. The chairman of a committee may resign his chair-

Section 608—

Jefferson, Sec 21, 22; Hughes, Sec 761, N Y Manual, p 223; Cushing, Sec 272; Shugart, p 177; Cushing's Legislative Assembly, Sec 1910

Section 609—

Jefferson, Sec 21; Hughes, Sec 762, Reed, Sec 71

manship with the consent of the body and still retain his membership in the committee. When the chairman resigns, the presiding officer, if he appointed the committee, may appoint another chairman, or the committee may make its own selection and notify the body of its action.

Sec. 611. Duties of Committee Chairmen

1. The principal duties of the chairman of a committee are:

- (a) To call the committee together at the regular time and place of meetings if a regular time and place are provided, otherwise at such reasonable times and places as to enable the committee to properly perform its functions.
- (b) To preside over meetings of the committee and to put all questions.
- (c) To maintain order and decide all questions of order subject to appeal to the committee.
- (d) To supervise and direct the clerical and other employees of the committee.
- (e) To prepare, or supervise the preparation, of reports of the committee and submit the same to the body.
- (f) To have custody of all papers referred to the committee, and to transmit them to the chief clerical officer of the house when the committee is through with them.

Section 610—

Hughes, Secs 835, 840

Section 611—

Paragraph 1—

(a) Reed, Sec. 73

(b) Jefferson, Sec. XI; Hughes, Sec. 704; Reed, Sec. 73

(c) Hughes, Sec. 704

(d) Reed, Sec. 73

(e) Jefferson, Sec. XI

(f) Reed, Sec. 73

Tim,

On a practical level, the bunk house rule has been on the books since at least 1922 to cover employees when they are at a location which is mandated by their employment.

However, it also protects the employer from lawsuits which could be filed for injuries on the employers property. By repealing the bunk house rule, you expose the employers to lawsuits for many times the amount that would be paid out in workers' comp for injuries on their property.

Both labor and management on the Ad Hoc Committee considered this issue and felt the bunk house rule should not be removed. That it was an important protection for both the employer and employee. (I was told by Kevin Dougherty, for instance, that BP is a big supporter of the Bunk House Rule).

As to being injured during recreation at a remote site, when people are away from their families and in a camp situation, they will be participating in some type of recreational activity off duty. Their terms of employment require them to be there rather than allowing them to go home to be with their families, and they will pass the time. When they get hurt playing softball on the field, or fall walking through the camp, they are at the camp location strictly for the benefit of the employer and should be covered. The alternative would be lawsuits against the property owner, i.e. the employer.

Another concern, repealing the bunk rule could impact employees in helicopters enroute to the remote work site. When crashes occur they may not be covered under workers comp if the bunk house rule is repealed, because they would not be on-site.

(I know this isn't a hell of a lot, but its all I can rustle up.)

MEMORANDUM

State of Alaska

Department of Law

TO Dwight Perkins
Special Assistant
Department of Labor

DATE May 13, 1995

FILE NO


TEL NO

465-3600

SUBJECT

Alaska Workers'
Compensation Board
Access to Medical and
Rehabilitation Records
under CSHB 237(JUD)am

FROM


Deborah E. Behr
Regulations/Legislation
Department of Law

You have asked whether the Alaska Workers' Compensation Board (board) will continue to have access to medical and rehabilitation information for injured workers making claims if CSHB 237(JUD)am is enacted into law. The short answer is "yes."

The pertinent part of CSHB 237 (JUD)am states as follows:

*Sec. 5. AS 23.30.107 is amended to read:

Sec. 23.30.107. RELEASE OF INFORMATION. Upon request, an employee shall provide written authority to the employer, carrier, rehabilitation provider, or rehabilitation administrator to obtain medical and rehabilitation information relative to the employee's injury. The medical and rehabilitation information is otherwise confidential and is not a public record under AS 09.25.

We understand that the goal of the proposed amendment is to prohibit persons unrelated to the workers' compensation proceeding from having access to medical and rehabilitation information through a request for public records under AS 09.25. We believe that the proposed amendment accomplishes this goal without denying the board access to information essential for the appropriate action on the claim by the board.

We reach this conclusion because the board has broad powers under the Act. See AS 23.30.005. Denial of access to this essential information would frustrate the board's operations and in turn deny "quick, efficient, fair, and predictable delivery of indemnity and medical benefits" to eligible injured workers as the legislature intended. See sec. 1, ch. 79, SLA 1988.

If the proposed amendment is enacted into law, we would urge the board to consider adopting regulations to clarify its practices and procedures regarding use and access of this information. For example, the board will need to consider whether portions of its hearing will need to be in closed session to avoid

Dwight Perkins
Special Assistant
CSHB 237(JUD)am

May 13, 1995
Page 2

"medical and rehabilitation information" being discussed in a public. Additionally, the board and the Workers' Compensation Division will need to develop procedures for the handling of injured workers records to be sure that confidential medical or rehabilitation information is not inadvertently disclosed. The board and the division may also wish to consider masking confidential medical or rehabilitation information while still allowing the public access to other information (i.e., dates of employment) that would not be confidential under this proposed amendment.

In short, while the board will continue to have access to the information it needs to take action under the Act, we can see that the confidentiality amendment will increase the board and the division's workload.

DEB/bap

cc: Rat Pourchot
Legislative Director

Paul Grossi, Director
Workers' Compensation Division

Toby Steinberger
Kristen Bomengen
Assistant Attorneys General

DIVISION OF LEGAL SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

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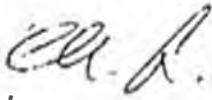
130 Seward Street, Suite 409
Juneau, Alaska 99901-2105

MEMORANDUM

May 8, 1995

SUBJECT: Workers' compensation (HB 237)

TO: Representative Brian Porter
Attn: Daniella

FROM: Michael F. Ford 
Legislative Counsel

You have asked for an explanation of the differences between SCS CSHB 237(L&C) and SCS CSHB 237(JUD). The differences are as follows:

1. In sec. 9, of the L&C version, AS 23.30.220(a)(7) contains a requirement that an employer have knowledge of an employees dual employment, in order for all employment earnings be combined for purposes of determining compensation. This provision was deleted in the Judiciary version;
2. In the Judiciary version, a provision was added amending the definition of "arising out of and in the course of employment". (See sec 13) This provision does not exist in the L&C version. This provision also constitutes a violation of the title of SCS CSHB 237(JUD);
3. In the Judiciary version, a delayed effective date was added for death benefits. (See sec. 16) This provision does not exist in the L&C version.

Please contact me if you have further questions.

MFF:glc
95-343 glc

DIVISION OF LEGAL SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2150
FAX (907) 465-2029
Mail Stop 3101

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

MEMORANDUM

May 1, 1995

SUBJECT: Workers' compensation - CSHB 237(JUD), am

TO: Senator Tim Kelly
Attn: Josh Fink

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

You have asked if the adoption of amendment 9-LS0778\G 3, to CSHB 237(JUD) am creates a title problem. We believe it does. If the amendment were adopted, this would result in the addition of a provision of law that is not described in the title of the bill. Under Article II, section 13 of the Alaska Constitution, the subject of a bill is required to be expressed in the bill title. In that the title of CSHB 237(JUD) am does not describe the provisions of law contained in amendment 9-LS0778\G 3, the adoption of the amendment creates a constitutionally defective title. As you are probably aware, any change to the bill's title would require suspension of the Uniform Rules since the bill is in the second house.

Please contact me if you have further questions

MFF:kib
95-318:kib

SENATE COMMITTEE REPORT

DATE: 5/1/95

FURTHER: Judiciary

DATE TURNED INTO OFFICE: 5/2/95

Labor and Commerce Committee considered CS FOR HOUSE BILL NO. 237(JUD) am Workers' compensation; efd.

and recommends:

- be replaced with ~~Senate~~ CS CS HB 237 (Jud) Am (L.C.)
- 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 DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Mike Miller</i>	<input checked="" type="checkbox"/>	<i>J. Du</i>	<input checked="" type="checkbox"/>		
<i>John Ferguson</i>	<input checked="" type="checkbox"/>	<i>Judith E. Salo</i>	<input checked="" type="checkbox"/>		
<i>[Signature]</i>					
CHAIR: <i>T. Kelly</i>	<input checked="" type="checkbox"/>				

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

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. HB 237

Revision Date: _____
Title: An Act relating to workers' compensation insurance rate
filings to second independent medical evaluations...
Sponsor: Mulder
Requestor: (H) L&C

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

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
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
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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						
1003 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)

There is no fiscal impact to the Division of Risk Management.

Prepared by: J. Brad Thompson, Director Phone: 465-5723
Division: Risk Management Date: _____

Approved by Commissioner: Mark Boyer Date: 3/13/95
Agency: Department of Administration

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

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FISCAL NOTE

STATE OF ALASKA
75 LEGISLATIVE SESSION

BILL NO. HB 237

Revision Date: _____
 Title: Workers' Compensation
Amendments
 Sponsor: Representative Mulder
 Requestor: House Labor & Commerce

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

EXPENDITURES/REVENUES:

(Thousands of Dollars)

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

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

CHANGE IN REVENUE						
FUND SOURCE #						

FUNDING:

(Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

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

ANALYSIS: (Attach a separate page if necessary) Two sections of HB237 would fiscally impact the Workers' Compensation Division. Section 4, AS 23.30.095 (k) "... board may require that a second independent medical evaluation (SHALL) be conducted..." Having the board determine when an IME is necessary would reduce current work load of the adjudication unit. However, the workload reduction of Section 4 would be offset by Section 8, AS 23.30.250 (b) "If the board after a hearing, finds that a person has obtained..." This section requires additional hearings that would be complex in nature and require an increase in staff time. The combined effect of these two sections of HB 237 is a zero fiscal impact for the Division.

Prepared by: Paul Grossi, Director Phone: 465-2790
 Division: Workers' Compensation Date: 3/10/95

Approved by Commissioner: Tom Cashen, Commissioner
 Agency: Department of Labor Date: 3/10/95

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FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. HB 237

Effective Date: Workers' Compensation Amendments

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

Sponsor: Representatives Mulder, Porter
Requestor: _____

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						
TOTAL OPERATING	00	00	00	00	00	00

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						
TOTAL	00	00	00	00	00	00

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	0	0	0	0
PART-TIME						
TEMPORARY						

Net Fiscal Impact: (Attach a separate page if necessary)
No fiscal impact

Prepared by	Joan Brown, Administrative Officer <i>[Signature]</i>	Phone: 465-2597
Division	Insurance	Date: 3/8/95
Approved by Commissioner	William L. Hensley <i>[Signature]</i>	Date: 3/8/95
Agency	Commerce and Economic Development	

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HB

284



SPONSOR STATEMENT

HB 284

"An Act relating to the Alaska Commercial Fishing and Agriculture Bank."

House Bill 284 enacts changes to AS 44.81 and AS 16.43. These statutes contain the enabling language of the Alaska Commercial Fishing and Agriculture Bank (CFAB) and set forth the operating procedures, structure and authorities of the bank.

Most of the changes contained in HB 284 are for purposes of clarification. It has become increasingly apparent that the statutes which established CFAB require some adjustment to meet the needs of evolving commercial law and fishing economies of 1990's. Since CFAB's inception in 1978, there has been little modification or refitting of the statutes.

Most of the significant changes contained in HB 284 appear in Section 20. This section broadens the purposes and circumstances under which a fisherman may use a limited entry permit as collateral for securing a CFAB loan. CFAB is the only private commercial lender with the authority to accept a consensus lien on a limited entry permit. The changes in Section 20 reflect the needs of new economic pressures on resident fishermen, for example, allowing loans for the purchase or lease of individual fishing quotas.

The state's initial investment in CFAB was \$32 million in stock. This stock was to be retired by the year 2000. At present, CFAB is paying at a rate of \$250,000 per month into Alaska's treasury and has retired nearly \$25 million of the state's stock to date.

Over the interim, by request of a House Finance Committee member, an audit was performed on CFAB. This audit has been released to the public and speaks favorably for this organization.

House Bill 284 will help the Alaska seafood industry compete more effectively in the world market as it proceeds to the twenty-first century. The state will benefit through more revenue and more jobs through industry diversification. We respectfully request your support.

CFAB SUMMARY - HR 284

Sec. 1

thru

Sec. 7

These are not substantive changes. The only purpose of these sections is to conform references in the Limited Entry Act to AS 44.81 as renumbered by this legislation.

Sec. 8 AS 44.81.010(a) This is essentially a restatement, but also clarifies and makes more comprehensive the exemptions from the banking code and cooperative code. The third (new) sentence establishes that CFAB is an agent of the state for certain and limited purposes related to the state's sovereign authority to manage its fisheries.

Sec. 9 AS 44.81.010(b) This addresses the technical difference between "operating funds" and "capital funds"; it eliminates the irresolvable conflict between the existing statute as a whole and its Sec. 44.81.220; it identifies the department of revenue as the nominal owner of the state's stock (a reflection of the existing reality); and it expresses a means for the state to take control and assure repurchase of its stock, if necessary, without resorting to a process which would place it in conflict with CFAB's individual member-owners. Finally, it makes clear that in liquidation all other owners' interests are subordinate to that of the state.

Sec. 10 AS 44.81.020(a) This clarifies that the board's role is one of governance rather than of active management of CFAB. It provides for limited expansion of the board, to accommodate practical necessities as may be determined by the board, while permanently retaining a state presence through two gubernatorial appointments.

(d) thru (e) These paragraphs are intended to group board-related matters in this section, and they incorporate -- with minor changes -- the substance and provisions of existing Secs. 44.81.020(a), 44.81.090, 44.81.100, and 44.81.190.

(f) This paragraph re-states existing Sec. 44.81.110. It also provides for recognition of the need for directors to commit time for travel to and from meetings and/or to occasionally (1) represent the bank for business, ceremonial, or promotional purposes; (2) provide testimony in litigation to which the bank is a party; or (3) attend business-related seminars, conferences, and training sessions.

Sec. 11 AS 44.81.031(a)

thru (c) This covers essentially the same matters as in existing Sec. 44.81.070(a)-(c). The principal differences are to provide more flexibility in official titles; to make clear that active officers may not be directors; to remove the requirement for the board to prescribe the duties of employees (which the board is not competent to do); and to leave the matter of professional services engagements to be addressed as policy.

Sec. 12 AS 44.81.041(a)

thru (c) This establishes that CPAB is structured, and operates, as a cooperative -- a matter which has heretofore been addressed only by inference in existing Sec. 44.81.060 and by legislative history.

Sec. 13 AS 44.81.051. This parallels existing Sec. 44.81.040.

Sec. 14 AS 44.81.061. This is a revision of existing Sec. 44.81.210(a)(21), which is 15-year-old language, and makes available to CPAB the same indemnity provisions as are available to private corporations generally and as were expressed in 1989 amendments to the state's Corporation Code.

Sec. 15 AS 44.81.101(a) This is a revision of existing Sec. 44.81.160. It eliminates cumbersome language, it recognizes that CPAB has access to a range of potential lenders, and it clarifies that the state's "pledge" is a simple non-disturbance provision.

(b) This emphasizes that the state's "pledge" does not relieve CPAB of sole responsibility for its obligations.

Sec. 16 AS 44.81.200. This is changed little from existing Sec. 44.81.200. The primary difference is elimination of a somewhat presumptuous and unrealistic requirement for a discourse on the macro-effects of CPAB's activities.

Sec. 17 AS 44.81.210. (1) Existing Sec. 44.81.210(a)(5).
(2) Existing Sec. 44.81.210(a)(6).
(3) Existing Sec. 44.81.210(a)(15).
(4) Existing Sec. 44.81.210(a)(16).
(5) Existing Sec. 44.81.210(a)(18).
(6) A new paragraph which confirms CPAB's ability to actively and/or financially support the efforts of individual fishermen or farmers, or groups

thereof, to pursue such things as new products, alternative markets, new harvesting techniques, etc.

- (7) Existing Sec. 44.81.210(a)(11).
- (8) Existing Sec. 44.81.210(a)(17).
- (9) Existing Sec. 44.81.210(a)(13).
- (10) Existing Sec. 44.81.210(a)(14).
- (11) Existing Sec. 44.81.210(a)(9).
- (12) Existing Sec. 44.81.210(a)(12).
- (13) Existing Sec. 44.81.210(a)(8).
- (14) A new paragraph which will permit CPAB to accomplish necessary or desirable purposes through activities which may be burdened with inherent potential liabilities or other exposures which are inappropriate to its basic function as a lender or to the interests of its members. An example might be a situation in which CPAB has acquired a fish processing plant through foreclosure and cannot find a buyer but encounters an operator willing to lease and operate the plant for a season. Fear of jeopardizing CPAB's total assets through ownership of an operating facility has caused CPAB to consider transferring ownership to a subsidiary in the past; this paragraph clearly establishes the right to do so. Another application of this authority would be creation of an entity whereby CPAB might offer its expertise and capacity in vessel and marine mortgage documentation as a service to fishermen and other lenders.
- (15) A new paragraph which would permit CPAB to function as a venture capitalist in certain

situations related to commercial fishing or agriculture.

- (16) A slight broadening of the provisions of existing Sec. 44.81.210(a)(4).
- (17) Existing Sec. 44.81.210(a)(19).

Sec. 18 AS 44.81.215.

- (1) A revision to the first part of existing Sec. 44.81.210(a)(1); the inserted reference to married couples and the somewhat different approach to membership are to confirm CPAB's ability to deal with instances where, purely for credit purposes, CPAB requires a non-fishing spouse or other person to be a co-borrower on a loan.
- (2) The second part of existing Sec. 44.81.210(a)(1) with slight revision.
- (3) Existing Sec. 44.81.210(a)(20), except that a two-year residency requirement is removed in response to litigation which has occurred since enactment of the original statute.
- (4) Existing Sec. 44.81.210(c).
- (5) Existing Sec. 44.81.210(a)(23), except for removal of a limitation which can place CPAB in conflict with the Uniform Commercial Code and work to the disadvantage of the original borrower and CPAB's member-owners.
- (6) Existing Sec. 44.81.210(a)(17), except for a language change to permit CPAB to subordinate its position to other kinds of creditors than "a private lending institution."
- (7) Existing Sec. 44.81.210(a)(22).

- (8) A revision of existing Sec. 44.81.210(a)(10). The revision permits CPAB to participate in loans to qualified applicants for eligible purposes while eliminating the sometimes insurmountable complications of coordinating CPAB's cooperative features with the more basic requirements of other lenders. (The potential volume of such participations is limited by Federal tax law and IRS Code treatment of CPAB as a cooperative.)
- (9) A new subparagraph which extends CPAB's authority under the preceding subparagraph to situations where another lender has a loan in place and subsequently seeks a participant.
- (10) Existing Sec. 44.81.210(a)(24).

Sec. 19 AS 44.81.231

and

Sec. 20 AS 44.81.236.

These are revisions to existing Secs. 44.81.230 and 44.81.235. Although the legislative intents and philosophical/political inferences of the current sections have been maintained, there are both technical or procedural adjustments as well as changes to substance incorporated into the revisions. An example of a technical adjustment appears in the substitution of "boat(s)" for "vessel" in Sec. 236. "Boat" is used throughout other sections of the proposed versions of AS 44.81. and is a generic term. "Vessel" has a particular meaning under some Federal law, a meaning which would arguably exclude certain kinds of "boats" used by many Alaska fishermen. This

change, therefore, is simply to eliminate the potential for costly legal contentiousness.

Another such adjustment appears in the elimination of language in existing Sec. 44.81.230(a) which addresses a certification by the Limited Entry Commission. This is an unnecessary step since the effect is achieved "automatically" -- the Commission will not transfer a permit to a purchaser who is not qualified under AS 16.43 and under its regulations.

The substantive changes, all of which appear in Sec. 44.81.236, are more meaningful and may be summed up as broadening the circumstances or purposes for which a permit may be used as loan collateral. They reflect (1) developments affecting both commercial law and fishermen's operating practices since CPAD's statute was originally enacted; (2) the fact that investments in permits have become, and continue to be, an increasingly significant portion of most fishermen's capital bases; and (3) the difficulty of distinguishing the "total lifestyle" requirements from the "commercial fishing" requirements of a resident Alaska fisherman who is wholly, or nearly wholly, dependent upon commercial fishing income.

The most significant substantive changes in Sec. 44.81.236 are:

Par. (2). This reflects the current and potential imposition of new schemes for the allocation or limitation of harvesting rights, which tend to

represent opportunities or requirements for increased participation, diversification, and/or stability for resident fishermen.

EXCISED BY
HOUSE FINANCE COMMITTEE
3.13.96

Par. (5). Many resident fishermen have by choice or necessity committed most of their families' financial resources to their commercial fishing operations. Under the existing statute, CPAB may not make a loan to a resident fisherman -- secured by a permit pledge -- to pay for cancer treatment for his/her spouse, for example. But the fisherman could sell the permit, use the proceeds to pay the medical expense, and then borrow from CPAB to buy another permit! The latter approach is not only cumbersome and burdened with direct costs and risks, but its timing could quite easily result in unnecessary and costly tax consequences for the fisherman. Under the proposed revision, CPAB could accept a pledge of the permit to secure a loan to pay for the cancer treatment.

EXCISED BY
HOUSE FINANCE COMMITTEE
3.13.96

Par. (6). On numerous occasions, CPAB has been approached by individual resident fishermen, or groups of such fishermen, for loans to finance involvement in enterprises such as added value processing, new market development, chartering or tendering, diversification into new fisheries, etc. Many, but not all, such proposals appear to be commercially feasible and bankable but are nymied by the fact that there is little or no collateral available to be offered other than a pledge of permits. This provision would allow fishermen in such situations to build upon their established capital bases.

EXCISED BY
HOUSE FINANCE COMMITTEE
3.13.96

Par. (7). There is a popular perception, supported in part by historical fact, that fishermen's permits are totally insulated from the intrusions or predations of creditors. However, evolving case law -- as well as acts of the Alaska state legislature itself -- has resulted in an increasingly broad range of vulnerability. This paragraph gives creditworthy resident fishermen an opportunity to avoid a permit loss through seizure by borrowing to meet the offending obligation. Potential seizure is not the only threat addressed, however. A not uncommon circumstance is for a Court in a divorce proceeding to order that a permit be sold so that proceeds might be split; this paragraph offers an alternative source of cash proceeds.

Par. (8). As with any lender, there are costs associated with borrowing from CPAB (including an investment required by its cooperative structure). This paragraph confirms that payment of those costs and investments is an appropriate use of proceeds of a loan secured by the pledge of a permit.

Sec. 21 AS 44.81.241
thru
AS 44.81.249.

These sections address CPAB's formal response to a default on a loan secured by pledge of a permit as well as the foreclosure process which must be followed and constitute a revision to existing Sec. 44.81.240. Again the original legislative intents and philosophies have been maintained. The procedures have been restructured, however, to reflect changes in CPAB's status since the original statute was enacted; to

permit CPAB to proceed against other collateral prior to resorting to foreclosure of the permit pledge; to provide more time (120 days rather than 90 days) for the borrower to respond to initiation of the process; and to allow CPAB to suspend the foreclosure process in the event of promising "last-minute" actions by the borrower to develop an alternative. The revision does not change the circumstances under which CPAB may declare a default or proceed against a permit pledge.

The language of this part of CPAB's original statute paralleled that of the law governing the state's own commercial fishing loan program. Elsewhere in its statute, CPAB was then identified as "an instrumentality of the state." For reasons unrelated to this issue, CPAB's statute was almost immediately amended to establish its current status as a private commercial lender.

Under applicable law, and as the issuer of a limited entry permit, the state may reserve to itself certain rights and privileges related to that permit; this principle effectively gives the state's commercial fishing loan program a "special" status with regard to foreclosure of a permit pledge. As a private commercial lender, however, CPAB is held to somewhat different standards under both case law and relevant statutes. As reflected in this section, CPAB must follow a more complex and more precise foreclosure procedure than is contemplated by existing Sec. 44.31.240.

Sec. 22 AS 44.81.250. This section deals primarily with the disposition of a limited entry permit following the foreclosure of its pledge. No aspect of the ultimate outcome, as it affects the original borrower, is changed by this revision, but some disordered or illogical steps in the process have been changed or eliminated.

The nomination feature, a somewhat odd concept (odd in the sense that it is almost impossible to imagine a commercial lender ignoring the potential for a viable assumption whether or not there is a statutory right of nomination), has been changed. Under the existing statute, it is only after a minimum of 30 days following foreclosure that the borrower is given a 30-day right of nomination. Furthermore, it is not clear that CPAB presently has the right to require creditworthiness on the part of a proposed assumptor in all cases.

This revised section establishes the borrower's right to propose an assumptor at any time prior to foreclosure and during a 30-day period immediately following foreclosure. It also establishes that CPAB may require a finding of the proposed assumptor's creditworthiness.

This revised section also eliminates the existing discussion of assumption of the loan by a person chosen by lottery from a list maintained by the entry commission. The commission does not maintain such a list. Moreover, this process could only work to the disadvantage of the (former) borrower. An aspiring

assumptor, chosen by lottery, would presumably assume the loan only if his or her perception were that the permit's value exceeded the total indebtedness. If that perception were valid, the excess value would accrue to the benefit of the assumptor rather than becoming excess proceeds to be paid to the original borrower upon sale of the permit, by the bank, for an amount equal to or close to the perceived value.

Sec. 23 AS 44.81.270. This incorporates the provisions of existing Secs. 44.81.270 and 44.81.280, and provides a more logical and structured treatment of the three kinds of audits and examinations to which CPAB is subject. It retains and confirms accountability to the state, primarily through reports to the legislature. A significant addition appears in the third sentence of paragraph (c), which statutorily memorializes an existing policy under which CPAB's auditors are responsible to the board of directors rather than to management.

Sec. 24 AS 44.81.300. This is a totally new subject and section, occasioned by CPAB's existence as a cooperative, and its language is taken from the Alaska Cooperative Corporation Act. It addresses unclaimed property which arises from a member's participation as a cooperative member, and provides for such property to revert to the benefit of all other existing and future members. All other forms of unclaimed property would remain subject to forfeiture to the state under the general unclaimed property statute.

Sec. 25 AS 44.81.350(3) This revises the definition of "member of the bank" and is intended to recognize that members and patrons may, and usually do, own residual interests in the bank other than retained patronage earnings.

Sec. 26 AS 44.81.350. This defines "commercial agriculture" to provide context within which CPAB can resolve questions which have repeatedly arisen throughout its history. There are also three new definitions, added for the purpose of clarity.

DIVISION OF LEGAL SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

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130 Seward Street, Suite 409
Juneau, Alaska 99901-2105

MEMORANDUM

February 22, 1995

SUBJECT: Sectional Summary of CFAB Bill Draft
(Work Order No. 9-LS0584\F, 2-14-95)

TO: Representative Alan Austerman
Attn: Amy Daugherty

FROM: *THB*
Theresa Bannister
Legislative Counsel

You have requested a sectional summary of the above-described bill draft. Please use this summary rather than the summary of February 17, 1995. This summary corrects a misstatement made in Section 9 of the earlier summary and rewrites the section.

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

Section 1 corrects the CFAB cross-references to conform to the new CFAB provisions.

Section 2 corrects the CFAB cross-references to conform to the new CFAB provisions.

Section 3 corrects the CFAB cross-references to conform to the new CFAB provisions.

Section 4 corrects the CFAB cross-reference to conform to the new CFAB provisions.

Section 5 corrects the CFAB cross-reference to conform to the new CFAB provisions.

Section 6 corrects a CFAB cross-reference to conform to the new CFAB provisions.

Section 7 corrects a CFAB cross-reference to conform to the new CFAB provisions.

Section 8 establishes the Alaska Commercial Fishing and Agriculture Bank. Provides that the exercise of bank powers is considered to be for a public purpose. Exempts the bank from the Alaska Banking Code and the Alaska Cooperative Corporation Act in the bank's structure, operations, and exercise of its powers.

Section 9 authorizes the bank to issue certain shares of stock in order to acquire and accumulate capital. Allows the state through the Department of Revenue, to purchase the stock shares. Requires the bank to repurchase the state's shares in the bank that exceed \$1,000,000. Sets a time for the repurchase. Authorizes the commissioner of commerce to appoint a receiver to manage the bank until the shares are repurchased, if the bank fails to make the repurchase within the set time. Gives the nonvoting, preferred stock shares of the state priority for redemption if there is a liquidation of the bank, after payment of all legal obligations of the bank.

Section 10 establishes a board of directors to govern the bank. Establishes the number of directors, the method of appointment and election, the duration of the terms, the staggering of the terms, the bases for removal from the board, the method of removal, the quorum for transacting business, the election of officers for the board, and the compensation the members will receive. Prohibits a board member from voting on a bank transaction under this chapter if the member is a party to the transaction.

Section 11 contains provisions about the officers and employees of the bank. Requires the board to employ a president. Restricts who can be president. States that the president serves at the pleasure of the board. Requires the board to appoint those officers provided for in the bylaws and as the board determines necessary for the bank. Limits who can be an officer. Authorizes the president to hire employees for the bank. Gives approval of salaries to the board. States that employees are not state employees and exempts them from the public employees retirement system chapter.

Section 12 states that the bank is to be structured and run as a cooperative corporation. Directs the board to issue membership stock shares. States that the membership stock may be issued to persons eligible to transact business with the bank. Allows the board to establish one or more mechanisms by which certain persons are required to provide or establish capital ownership in the bank.

Section 13 authorizes the board to adopt, alter, amend, or repeal bylaws for running the bank.

Section 14 allows the bank to indemnify its directors, officers, and employees. Allows the bank to maintain insurance on their behalf. Requires the indemnification and insurance to comply with an indemnification and insurance provision in the corporations code.

Section 15 states that the state pledges to and agrees with a lender to the bank that the state will not change the bank's powers and rights under this chapter to fulfill the terms of a contract made by the bank with the lender, or otherwise impair the lender's rights and remedies with regard to the bank. Indicates the limitations of the pledge.

Section 16 requires the board to publish an annual report to the bank's members and make the report available to the governor, legislature and the public. Indicates what the report must contain. Authorizes the board to publish other appropriate reports.

Representative Alan Austerman

February 22, 1995

Page 3

Section 17 lists the general powers of the bank.

Section 18 describes the lending powers of the bank, including to whom and for what purposes the bank may lend. The powers include making loans for limited entry permits and obtaining the pledge of a limited entry permit as security for a loan.

Section 19 allows a limited entry permit to be pledged as security for a loan. Requires the bank, after the loan has been paid, to certify the repayment to the Commercial Fisheries Entry Commission, so that the Commission can amend the permit certificate to list the equitable owner as the holder. Requires the annual permit cards to be in the name of the equitable owner, who remains responsible for compliance with permit requirements. States that co-borrowers and guarantors on the loan have no right in the pledged permit. Allows the equitable owner of a pledged permit to nominate a person to whom the permit may be transferred if the pledge is foreclosed.

Section 20 lists the purposes for which a permit may be pledged as security for a loan from the bank.

Section 21 adds five sections.

Sec. 44 81 241 requires the bank to notify the borrowers and guarantors (on a loan for which a limited entry permit is pledged) if there is a default on the loan. Lists what information must be included in the notice. This information includes a statement that the default may be cured under certain conditions.

Sec. 44 81 243 provides that if the borrowers and guarantors (on a loan for which a limited entry permit is pledged) fail to cure a default, the entire loan indebtedness becomes due and the bank can take any legal action to collect the loan. If the bank forecloses on the permit pledge, the section allows the bank to proceed with the foreclosure and its other remedies in any order the bank selects.

Sec. 44 81 245 allows the bank to foreclose on a permit pledge by sending a notice of foreclosure. Specifies how the notice is to be sent and what the notice must include.

Sec. 44 81 247 states that the equitable interest in the pledged permit terminates automatically without further notice after the foreclosure notice if the loan is not paid in full within the time allowed. Directs the Commercial Fisheries Entry Commission to cancel the entry permit card of the equitable owner of the permit when the commission receives a certificate of termination containing a copy of the required notices.

Sec. 44 81 249 authorizes the bank to cancel its initial notice of default and a foreclosure notice. Authorizes the bank to extend the time for curing the default. Allows the bank to personally deliver the notices rather than using certified mail.

Section 22 directs the bank, after foreclosing an entry permit pledge, to determine if the permit is subject to the buy-back program. If it is, directs the bank to offer the permit to the commission for the price of the outstanding indebtedness on the loan.

Directs the bank to sell the permit to an eligible person if the permit is not subject to the buy-back program or if the commission fails to buy back the permit within a certain time. Requires the bank to give preference to a state resident under certain circumstances. Requires the bank to pay the borrower the sale proceeds that exceed the indebtedness.

Allows the equitable owner or former equitable owner to nominate a qualified person to assume the loan at any time before foreclosure or within 30 days after foreclosure. Requires transfer of the permit to the nominee when the nominee assumes the loan.

States that the section doesn't affect certain other remedies of the bank.

Section 23 provides for the legislative auditor to cause the bank to be audited. Gives the legislative audit division access to the bank's records. Gives the division specific powers to carry out the audit.

Prohibits the legislative auditor and the auditor's employees from disclosing information acquired during an audit, unless required by law or court order.

Requires the bank to be audited annually by independent outside auditors. Allows the legislative auditor to confer with the outside auditors and to review the audit work papers. Directs the bank board to engage the auditors. Requires the bank to submit copies of the audit to the legislative auditor.

Requires state bank examiners to perform an annual qualitative examination and evaluation of the banks. Provides for payment of a fee for the examination. Directs the examiners to report to the board on the examination. Requires the examiners to prepare a summary report evaluating the bank's loan portfolio quality and addressing bank policies, practices, and management. Directs the examiners to distribute copies of the summary report to the bank, the legislature, and the governor. Subjects the other records related to the examination to a confidentiality and retainage provision in the state banking code.

Section 24 allows the bank to revoke certain distributions, redemptions, and payments if the distribution, redemption, or payment remains unclaimed for a specified period of time. Indicates that the revoked amount may revert to an unallocated capital account of the bank under certain conditions. Provides that the distribution, redemption, or payment is not subject to the state's unclaimed property provisions.

Section 25 amends the definition of "member of the bank" for the CFAB chapter.

Section 26 adds new definitions to the CFAB chapter.

Representative Alan Austerman
February 22, 1995
Page 5

Section 27 repeals certain present CFAB provisions.

Section 28 provides transition guidelines for the new provisions.

If I may be of further assistance, please advise.

TLB.lmb pl
95-127.lmb

NOTE:

The attached amendment to HB 284 was considered and adopted by the House Finance Committee on March 11, 1996. Inadvertently, this amendment was not incorporated into the version of HB 284 passed by the House, and it must be addressed in the Senate. The "CPAB Summary" of HB 284 addresses the affected Sections (8 & 9) as though this amendment were in effect.

A M E N D M E N T

OFFERED IN THE HOUSE

BY REPRESENTATIVE AUSTERMAN

TO: HB 284

1 Page 3, line 31, following "purpose":

2 Insert "In the exercise of its powers under AS 44.81.215(7), the bank is acting as
3 an agent under the express authority and reservations of the state as the issuer of
4 limited entry permits under AS 16.43."

5 Page 4, lines 8 - 9:

6 Delete "If the cumulative value of the shares [SHARES]"

7 Insert "Shares"

8 Page 4, lines 9 - 10:

9 Delete "exceeds \$1,000,000, the shares representing the excess"

10 Page 4, line 11:

11 Delete "representing the excess"

12 Page 4, line 14:

13 Delete "representing the excess"

SECTIONAL REFERENCES TO HB 284

§ 44.81.010

ALASKA STATUTES

§ 44.81.010

Chapter 81. Commercial Fishing and Agriculture Bank.

Section	Section
10 Alaska Commercial Fishing and Agriculture Bank	220 Transition
20 Board of directors	225 Small loans to nonmembers
40 Bylaws	230 Loans for purchase of Alaska limited entry permits
60 Membership meetings	235 Limitations on pledge of permits
65 Membership stock	240 Default and foreclosure of certain loans secured by limited entry permits
70 President, officers and employees	250 Deficiencies and transfer of entry permits after foreclosure
90 Term of office and removal	260 Confidentiality of records
100 Officers	270 Audit of bank
110 Composition of board members	280 Prohibition on disclosure
120 Pledge of the state	290 Definitions
130 Conflicts of interest	
200 Reports and publications	
210 Powers of the bank	

Cross references. — For legislative findings and purpose in connection with the enactment of this chapter, see 44-1 and 2, ch. 169, SLA 1978 in the Temporary and Special Acts

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Sec. 44.81.010, Alaska Commercial Fishing and Agriculture Bank. (a) There is established the Alaska Commercial Fishing and Agriculture Bank. The exercise by the bank of the powers conferred by this chapter is considered to be for a public purpose. The bank is exempt from the provisions of AS 06.05 (Alaska Banking Code) and AS 10.15 (Alaska Cooperative Corporation Act) in the exercise of powers granted by this chapter.

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(b) For the purpose of the funding of the bank's operations, the board of directors may issue nonvoting, preferred shares of stock in the bank and determine the value of each share. The state, through appropriate agencies, may purchase the nonvoting, preferred shares issued by the bank. Shares purchased by the state shall be repurchased by the bank within 20 years after their purchase. If the bank fails to repurchase the shares within 20 years, the commissioner of commerce and economic development may dissolve the bank.

(c) *Repealed, § 43 ch 85 SLA 1988 [§ 3 ch 169 SLA 1978, am § 1 ch 63 SLA 1979, am § 12 ch 122 SLA 1980, am § 1 ch 109 SLA 1981, am § 65 ch 21 SLA 1985, am § 1 ch 49 SLA 1987, am § 43 ch 85 SLA 1988]*

Revisor's notes. — Formerly AS 44.81.010. Renumbered in 1980.
Cross references. — For legislative findings in connection with the 1981 amendments to this section, see 1-9, ch. 107, SLA 1981 in the Temporary and Special Acts

§ 44.81.020

STATE GOVERNMENT

§ 44.81.050

NOTES TO DECISIONS

Status for maritime foreclosure proceedings. — The Alaska Commercial Fishing & Agric Bank is not a state agency for purposes of maritime lien foreclosure proceedings. *Alaska Com. Fishing & Agric Bank v. OBE Alaska Coast*, 716 P.2d 707 (Alaska 1986).

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Sec. 44.81.020, Board of directors. (a) The bank shall be managed by a board of directors consisting of seven members. Five board members shall be elected by the members of the bank, with at least one of the elected board members being an Alaska farmer, and two board members shall be appointed by the governor until the repurchase of all the nonvoting, preferred shares initially issued by the bank and purchased by agencies of the state. After repurchase is completed, all board members shall be elected by the members of the bank. The board members shall annually elect a chairman from among themselves. The purpose of the board is to manage the assets of the bank.

(b) The governor shall designate the two members whose position on the board will remain appointive for the period set out in (a) of this section. (§ 3 ch 169 SLA 1978; am § 2 ch 63 SLA 1979; am § 3 ch 1 SLA 1980; am § 2 ch 49 SLA 1987)

Revisor's notes. — Formerly AS 44.64.020. Renumbered in 1980.

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Sec. 44.81.030 *Articles of incorporation [Repealed, § 66 ch SLA 1985]*

Sec. 44.81.040, Bylaws. The board of directors shall adopt the initial bylaws of the bank. The power to alter, amend, or repeal the bylaws is vested in the board of directors. The bylaws may contain provisions for the regulation and management of the affairs of the bank not inconsistent with this chapter or other provisions of law. (§ ch 169 SLA 1978)

Revisor's notes. — Formerly AS 44.64.040. Renumbered in 1980.

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Sec. 44.81.050, Membership meetings. Upon filing the articles of incorporation, the board of directors, with the assistance of the commissioner of commerce and economic development or the commissioner's designee, may hold public meetings throughout the state for the purpose of explaining to members of the commercial fishing and farming industries the functions of the bank and to encourage membership in the bank. (§ 3 ch 169 SLA 1978)

Revisor's notes. — Formerly AS 44.64.050. Renumbered in 1980.

Sec. 44.81.060. Membership stock. (a) The board of directors shall issue shares of membership stock in the bank in the amounts and with the value determined by the board and stated in the articles of incorporation.

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(b) Loans made to members of the bank under the provisions of this chapter shall be in accordance with a schedule of maximum amounts adopted by the board of directors based upon proportional ownership of shares of capital stock. (§ 3 ch 169 SLA 1978; am § 4 ch 61 SLA 1980)

Revisor's notes. — Formerly AS 44.64.060. Renumbered in 1980.

Sec. 44.81.070. President; officers and employees. (a) The board of directors shall employ a president. The president may not be a member of the board of directors. The president serves at the pleasure of the board of directors. The president is the chief executive officer of the bank.

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(b) The board of directors shall appoint one or more vice presidents, as prescribed in the bylaws of the bank, a secretary, a treasurer, and other officers as the board of directors considers necessary. The board of directors may appoint one person to more than one of the positions described in this subsection. The officers described in this subsection are not required to be members of the board of directors.

(c) The president may hire employees of the bank reasonably necessary for the efficient performance of the functions of the bank. Subject to the approval of the board of directors, the president may also contract for and engage the services of professional and technical advisors. The board of directors shall prescribe the duties and compensation of employees of the bank. Employees of the bank are not employees of the state and are not considered to be employees of a public organization for the purposes of AS 39.30.150 — 39.30.180 or AS 39.35. (§ 3 ch 169 SLA 1978; am § 5 ch 61 SLA 1980, am § 2 ch 109 SLA 1981)

Revisor's notes. — Formerly AS 44.64.070. Renumbered in 1980.

Sec. 44.81.080. Exempt status. [Repealed, § 10 ch 109 SLA 1981. For current law see AS 44.81.070(c).]

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Sec. 44.81.090. Term of office and removal. The members of the board shall serve for terms of three years, and they may serve successive terms. Terms shall be staggered. An elected member of the board who releases confidential information in violation of AS 44.81.260, commits serious ethical misconduct that relates to the member's fitness to serve as a member of the board, or maintains a chronically and irredeemably substandard borrowing relationship with the bank may be removed from the board by affirmative vote of a majority of the members of the board. (§ 3 ch 169 SLA 1978; am § 3 ch 63 SLA 1979, am § 3 ch 49 SLA 1987)

Revisor's notes. — Formerly AS 44.64.080. Renumbered in 1980.

Sec. 44.81.100. Quorum. A majority of the members of the board constitutes a quorum for the transaction of business and the exercise of the powers and duties of the board. (§ 3 ch 169 SLA 1978)

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Revisor's notes. — Formerly AS 44.64.100. Renumbered in 1980.

Sec. 44.81.110. Compensation of board members. Members of the board receive compensation not to exceed \$250 as determined by the board for each day the board meets if they attend the meeting. (§ 3 ch 169 SLA 1978; am § 3 ch 109 SLA 1981)

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Revisor's notes. — Formerly AS 44.64.110. Renumbered in 1980.

NOTES TO DECISIONS

Cited in Alaska Com. Fishing & Agric. Bank v. O/S Alaska Coast, 715 P.2d 707 (Alaska 1986).

Secs. 44.81.120 — 44.81.150. Bonds of the bank; trust indentures and trust agreements; validity of pledges; nonliability on bonds. [Repealed, § 10 ch 109 SLA 1981.]

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Sec. 44.81.160. Pledge of the state. The state pledges to and agrees with any lender to the bank and with the federal agency or regional institution of the federal farm credit system that loans or contributes funds in respect of a project, that the state will not limit or alter the rights and powers vested in the bank by this chapter to fulfill the terms of any contract made by the bank with the lender to the

bank or federal agency or regional institution of the federal farm credit system, or in any way impair the rights and remedies of the lender to the bank or federal agency or regional institution of the federal farm credit system. The bank is authorized to include this pledge and agreement of the state, insofar as it refers to a lender to the bank in a contract with the maker of a loan, and insofar as it relates to a federal agency or regional institution of the federal farm credit system, in a contract with a federal agency or regional institution of the federal farm credit system. (§ 3 ch 169 SLA 1978; am § 4 ch 109 SLA 1981)

Revisor's notes -- Formerly AS 44.54.160. Renumbered in 1980.

NOTES TO DECISIONS

Cited in Alaska Com. Fishing & Agric. Bank v. US Alaska Coast, 716 P.2d 707 (Alaska 1986)

Secs. 44.81.170 — 44.81.180 Exemption from taxation; bonds legal investments for fiduciaries. (Repealed, § 10 ch 109 SLA 1981)

Sec. 44.81.190. Conflicts of interest. A member of the board of directors may not vote on a transaction of the bank under this chapter if the member is a party to the transaction. (§ 3 ch 169 SLA 1978)

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Revisor's notes -- Formerly AS 44.54.190. Renumbered in 1980.

Sec. 44.81.200. Reports and publications. The board of directors shall publish an annual report to the bank's members. The report shall be made available to the public and must include financial statements audited by independent outside auditors, a statement of the bank's investments, a description of the bank's loan activity during the period covered by the report, an analysis of economic and other effects of loan decisions on the state's commercial fishing and agriculture industries, and any other information that the board believes would be of interest to the governor, the legislature, and the public, or that the legislature requests the board to include. The board may also publish other reports if considered desirable to carry out its purposes. (§ 3 ch 169 SLA 1978; am § 6 ch 109 SLA 1981)

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Revisor's notes -- Formerly AS 44.54.200. Renumbered in 1980.

NOTES TO DECISIONS

Cited in Alaska Com. Fishing & Agric. Bank v. US Alaska Coast, 716 P.2d 707 (Alaska 1986).

Sec. 44.81.210. Powers of the bank. (a) The bank may

(1) make variable rate or fixed rate loans to individuals who are residents and who are engaged in commercial agriculture or fishing, including harvesters, processors, suppliers, and marketers, or to corporations, partnerships or joint ventures engaged in commercial agriculture or fishing, the majority interest of which is beneficially owned by residents of the state and a majority of the owners of which are residents of the state, if the recipient of the loan is a member of the bank; however, the bank may make a loan under this paragraph to a corporation, partnership, or joint venture for the purchase of a new or existing fishing vessel or for the repair or renovation of an existing fishing vessel, the primary purpose of which is to commercially harvest fishery resources, only if the corporation, partnership, or joint venture is wholly owned and controlled by residents of the state and if the recipient of the loan is a member of the bank;

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(2) make and alter bylaws necessary or desirable to carry out its corporate functions;

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(3) establish amortization plans for repayment of loans, which may include extensions for poor fishing or farming seasons, or for adverse market conditions for Alaskan products;

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(4) enter into agreements with regional institutions of the federal farm credit system, private lending institutions, and other state agencies or agencies of the federal government, to carry out the purposes of this chapter;

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(5) adopt, alter, and use a corporate seal;

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(6) sue and be sued in the name of the bank;

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(7) issue bonds to carry out any of its corporate purposes and powers;

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(8) sell, lease as lessor or lessee, exchange, donate, convey, or encumber in any manner by mortgage or by creation of any other security interest, real or personal property owned by it, or in which it has an interest, when, in the judgment of the board of directors, the action is in furtherance of its corporate purposes;

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(9) incur secondary liability by guaranty or endorsement of the obligations of another corporation or legal entity when, in the judgment of the board of directors, the action is in furtherance of its corporate purposes;

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(10) make loans as provided in (1) of this subsection in participation with financial institutions, and establish and regulate the terms of the loans;

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- 17 (11) make contracts and execute instruments necessary or convenient in the exercise of its corporate powers;
- 17 (12) acquire by purchase, lease, bequest, devise, gift, the satisfaction of debts, or the foreclosure of mortgages, and hold, maintain, use, operate, and convey real or personal property;
- 17 (13) borrow money and issue secured and unsecured evidence of indebtedness for a corporate purpose or to fund, refund, pay, or discharge outstanding obligations, and enter agreements and contracts concerning these obligations;
- 17 (14) secure the payment of its obligations by pledge or mortgage or other lien on its contracts, revenues, income, or property;
- 17 (15) appoint officers, employees, trustees for certificate holders, and agents, and prescribe their powers and duties;
- 17 (16) provide technical services to members of the bank; for the purpose of this paragraph, "technical services" includes services that will enhance the ability of the member to obtain financial assistance from the bank;
- 18 (17) make loans, as provided in (1) of this subsection, secured by liens subordinate to valid first liens and security agreements granted to a private lending institution;
- 17 (18) participate with state departments and agencies in formulating policy and in planning for the development of commercial fishing and agriculture in the state;
- 17 (19) do what is necessary or desirable to carry out the corporate purposes and powers expressed or implied in this chapter;
- 18 (20) make loans to individual commercial fishermen for limited entry permits; a loan under this paragraph may be made only to an individual commercial fisherman who has been a state resident for a continuous period of two years immediately preceding the date of application for the loan; loans made under this paragraph are subject to AS 44.81.230;
- 14 (21) indemnify directors, officers, or employees of the bank and their heirs, executors, and administrators against all liabilities and related expenses including, but not limited to, court costs and attorney fees, judgments, and the cost of reasonable settlements, incurred by them in connection with or arising out of an action or proceeding brought against them because of an act or omission in the performance of their official duties as directors, officers, or employees of the bank regardless of whether they were directors, officers, or employees at the time the expenses or liabilities are incurred;
- 18 (22) accept the pledge of a limited entry permit as security for a loan made under this chapter subject to the conditions set out in AS 44.81.230 — 44.81.250 on pledges of limited entry permits;
- 18 (23) make a loan to a person, regardless of residency, if the board of directors of the bank determines that the loan is necessary to preserve

- the value of property held by the bank as security for a loan that was made under (1) of this subsection and that is in default;
- 18 (24) issue certificates of loan participation to members and to other individuals, corporations, partnerships, and joint ventures, but the bank may not issue a certificate of loan participation if the certificate would allow participation by the member, individual, corporation, partnership, or joint venture in loans that individually or cumulatively involve more than 20 percent of the commercial fishery entry permits issued for one type of gear in a specific fishery resource administrative area.
- 14 (b) The provisions of (a)(21) of this section do not authorize the bank to indemnify a director, officer, or employee of the bank who is adjudged liable for negligence or misconduct in the performance of official duties.
- 18 (c) Notwithstanding (a)(1) of this section, the bank may make a variable or fixed rate loan to a shore-based fish processor, a timber processor, or an agricultural processor or harvester that does not meet the resident ownership requirements of (a)(1) of this section for capital investment or operating capital if a facility of the processor or harvester is located in the state and the majority interest in the processor or harvester is beneficially owned by residents of the United States (6 3 ch 159 SLA 1978; am § 4 ch 53 SLA 1979; am § 7 — 10 ch 51 SLA 1980; am § 6 ch 109 SLA 1981; am § 52 ch 113 SLA 1982; am § 17 ch 67 SLA 1983; am § 20 ch 79 SLA 1985; am § 4, 5 ch 49 SLA 1987; am § 2 ch 52 SLA 1987; am § 2 ch 70 SLA 1989)

Reviser's notes — Formerly AS 44.81.210. Renumbered in 1989.
 Cross references. — For legislative findings in connection with the enactment of (c) of this section, see § 1, ch 52, SLA 1987 in the Temporary and Special Acts; for legislative purpose in connection with the enactment of (b)(24) of this section see § 1, ch 70, SLA 1989 in the Temporary and Special Acts.
 Effect of amendments — The 1989 amendment, effective May 31, 1989, added paragraph (24) in subsection (a).

NOTES TO DECISIONS

Cited in Alaska Com. Fishing & Agric. Bank v. US Alaska Coast, 715 P.2d 707 (Alaska 1986).

27 See. 44.81.220. Transition. Notwithstanding the provisions of AS 10.15.005, upon the repurchase of all the nonvoting, preferred shares initially issued by the bank and purchased by agencies of the state, the provisions of this chapter lapse and the bank may proceed to operate solely as a private cooperative corporation under the terms of its bylaws and the provisions of AS 10.15.010 — 10.16.000. (6 3 ch 159 SLA 1978; am § 7 ch 109 SLA 1981)

Revisor's notes. — Formerly AS 44.81.220. Renumbered in 1980.

NOTES TO DECISIONS

Cited in Alaska Com. Fishing & Agric. Bank v. USG Alaska Coast, 715 P.2d 707 (Alaska 1986).

Sec. 44.81.225. Small loans to nonmembers. (a) To facilitate the development of commercial fisheries in geographic areas in which factors such as geographic considerations, uncertainties of communication, or limited demands do not encourage normal lending activities, the bank may make small loans to qualified borrowers who are not members of the bank.

(b) The provisions of this chapter apply to loans authorized by this section except that:

(1) the borrower is not required to be a member of the bank at the time the loan is approved; and

(2) the principal amount of the portion of the loan made by the bank may not exceed \$25,000.

(c) The total amount of money that may be loaned under this section may not exceed eight percent of the total capital of the bank.

(d) In service loans made under this section, the bank may contract or make other arrangements with a public agency or with a legal entity that the bank determines to be responsible and competent to administer the loan. (5-2 ch 39 SLA 1991)

Sec. 44.81.230. Loans for purchase of Alaska limited entry permits. (a) A loan under AS 44.81.210(a)(20) or 44.81.225 for the purchase of a limited entry permit may be made only upon certification by the commission that the fisherman is a person who qualifies as a transferee for the permit under AS 16.43 and the regulations adopted by the commission.

(b) Upon approval by the bank, a permit may be pledged as security for a loan made under (a) of this section, AS 44.81.225, or 44.81.235 if:

(1) the certificate for the pledged permit lists the bank as the legal owner of the permit;

(2) the certificate for the pledged permit lists the debtor as the equitable owner of the permit;

(3) all annual permit cards issued under the pledged permit list the name of the debtor;

(4) all obligations and responsibilities of a permit owner are assumed by the debtor;

(5) no signs or other surties for performance under the note are not vested with any rights in the pledged permit and their obligation is limited to satisfaction of the note and payment of costs directly incurred by the bank in administering the loan.

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(c) Upon satisfaction of the note by the debtor, the bank shall certify to the commission that the note has been satisfied.

(d) Upon certification as provided in (c) of this section, the commission shall amend the permit certificate to list the debtor as the legal owner.

(e) In addition to the permit of the debtor pledged as security for a loan under (a) of this section, the debtor may pledge another limited entry permit as security for that loan if the bank approves and the permit to be pledged meets the requirements of (b) of this section.

(f) In anticipation of possible foreclosure on an entry permit under AS 44.81.250, the debtor may nominate a person to assume a note for a loan made under AS 44.81.210(a)(20), 44.81.225, or 44.81.235. If the person nominated qualifies under (a) of this section at the time of the foreclosure, the person may assume all rights and liabilities of the debtor in the event the bank forecloses on the entry permit. (5-5 ch 54 SLA 1979; am 55-11-13 ch 61 SLA 1980; am 5-3 ch 70 SLA 1989; am 55-3-6 ch 39 SLA 1991)

Revisor's notes. — Formerly AS 44.81.230. Renumbered in 1980.

Cross references. — For reassignment or sale of entry permits pledged as security after revocation of the permit by the commission, see AS 16.43(9500), for legislative purpose in connection with the enactment of (c) and (f) of this section, see 4-1, ch 70, SLA 1989 in the Temporary and Special Acts.

Effect of amendments. — The 1989 amendment, effective May 31, 1989, added subsections (e) and (f).

The 1991 amendment, effective June 13, 1991, in subsection (a), inserted "or 44.81.225"; in subsection (b), substituted "a permit may be pledged" for "the permit to be purchased may be pledged," inserted "made" and "AS 44.81.225, or 44.81.235," and made a punctuation change; and, in subsection (f), substituted "a note for a loan made" for "a note given" and added "44.81.225, or 44.81.235" to the end of the first sentence.

NOTES TO DECISIONS

Cited in Anderson v. Anderson, 730 P.2d 320 (Alaska 1987).

Sec. 44.81.235. Limitations on pledge of permits. (a) The bank may issue a loan secured by a limited entry permit for:

(1) purchase, repair, restoration, or improvement of a commercial fishing vessel or commercial fishing gear;

(2) construction of a commercial fishing vessel;

(3) working capital, including insurance premiums, fuel, bait, and boat storage and launching expenses, or

(4) purchase and improvement of net net sites and associated equipment.

(b) A limited entry permit may be used as security for more than one loan if each loan meets the requirements of AS 44.81.210(a)(20) or (a) of this section.

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(c) A limited entry permit may be used as security for a loan to refinance existing debts if the proceeds of each original loan were used in accordance with AS 44.81.210(a)(20) or (a) of this section. (6 G.S. 49 S.L.A. 1987, am. §§ 4, 5 ch 70 S.L.A. 1989)

Cross references. — For legislative purpose in connection with the 1989 amendments to (c) and (f) of this section, see 4 G.S. ch. 70, S.L.A. 1989 in the Temporary and Special Acts.

Effect of amendments. — The 1989 amendment, effective May 31, 1989, inserted "AS 44.81.210(a)(20) or" in subsection (b) and (c).

Sec. 44.81.240. Default and foreclosure of certain loans secured by limited entry permits. (a) If the debtor defaults upon a note for which a limited entry permit has been pledged as security under AS 44.81.230, the bank shall provide the debtor, by registered or certified mail sent to the debtor's last known address on file with the bank, with a notice of default that includes:

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- (1) a description of the security given for the note including the number assigned to the pledged permit by the commission;
- (2) the date upon which the default occurred;
- (3) the amount of arrearages as of the date of the notice, the total amount remaining on the note less unearned interest, and the amount of daily interest;
- (4) a statement that the debtor may, within 15 days of the postmark date of the notice, request a hearing at which the debtor may submit evidence showing the debtor has not defaulted;
- (5) a statement that the note may be reinstated if brought current within 60 days from the postmark date of the notice;
- (6) a statement that the note may be paid in full less unearned interest within 90 days from the postmark date of the notice;
- (7) the place where reinstatement or payment in full may be made; and
- (8) a notice in at least 10 point bold type stating: "IMPORTANT: YOUR FAILURE TO REINSTATE OR PAY THIS NOTE IN FULL BY THE DATE SPECIFIED WILL RESULT IN A FORFEITURE OF ALL RIGHTS TO THE PERMIT AND THE POSSIBILITY OF LEGAL ACTION BEING INSTITUTED AGAINST YOU."

(b) Upon the debtor's failure to reinstate or satisfy the note within the time specified in (a) of this section, the debtor's equitable interest is terminated by operation of law without further notice. Any entry permit cards issued to the debtor under the permit shall be canceled immediately upon receipt by the commission of a certificate of termination containing a copy of the notice required by (a) of this section issued by the bank. (6 G.S. ch 63 S.L.A. 1979; am. § 14 ch 61 S.L.A. 1980)

Revisor's notes. — Formerly AS 44.81.240. Renumbered in 1989.

Sec. 44.81.250. Deficiencies and transfer of entry permits after foreclosure. (a) Upon a foreclosure on an entry permit as provided in AS 44.81.240, the bank shall offer the commission a right of first refusal if the permit is subject to a buy-back program under AS 16.43.290 — 16.43.330 at a price equal to the amount outstanding on the note plus any costs the bank directly incurred in administering the loan.

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(b) If the commission does not exercise its right of first refusal within 30 days after it receives the offer, or if the permit is not subject to a buy-back program under AS 16.43.290 — 16.43.330, the bank shall promptly notify the debtor of this fact. If the debtor has not previously nominated a qualified person to assume the note under AS 44.81.230(d), the debtor has 30 days from the postmark date of the notice to nominate a person qualified to assume the note. The person nominated must qualify under the requirements of AS 44.81.230(a). If qualified, the person nominated may assume all rights and liabilities of the original debtor.

(c) If the debtor is unable to nominate a qualified person to assume the note under (b) of this section, the permit must be made available to a qualified person, chosen as provided in this section, who shall assume the note subject to all rights and liabilities of the original debtor. The commission shall provide the bank with a list of persons chosen by lottery who qualify as transferees of entry permits under AS 16.43 and regulations adopted by the commission and who have met the residency requirements of AS 44.81.210(a)(20). The bank shall then determine, in order of presentation, any remaining qualifications. The bank shall allow the first applicant meeting all qualifications to assume the note.

(d) Nothing in this section affects the right of the bank to institute legal action for a deficiency resulting from a default on a note for a loan made under AS 44.81.210(a)(20), 44.81.225, 44.81.230, or 44.81.235. In addition to any deficiency, the debtor is liable for the costs of administering the note and for costs and attorney fees.

(e) If the commission is unable to provide a list of one or more qualified persons as provided in (c) of this section within 15 days, or if no person listed is determined by the bank to be qualified to assume the note, the bank may sell the permit to an individual commercial fisherman who has been a state resident for two years immediately preceding the date of the sale. If the proceeds of the sale of a permit exceed the amount necessary to pay the note in full, plus interest to date of sale, penalties, costs, and attorney fees, the bank shall remit the excess to the original debtor. (6 G.S. ch 63 S.L.A. 1979; am. §§ 15 — 17

ch 51 SLA 1980, am § 6 — R ch 70 SLA 1989; am § 6 ch 39 SLA 1991, am § 37 ch 30 SLA 1992)

History's notes. — Formerly AS 44.81.250, renumbered in 1980.

Cross references. — For legislative purpose in connection with the 1989 amendments to (b) and (d) of this section, and the enactment of (a), see § 4, ch 70, SLA 1989 in the Temporary and Special Acts.

Effect of amendments. — The 1989 amendment, effective May 31, 1989, added "if the debtor has not previously nominated a qualified person to assume the note under AS 44.81.208(f)" at the beginning of the second sentence in subsection (d).

Then (d) inserted the reference to "44.81.210(a)(2)" in the first sentence in subsection (d); and added subsection (e).

The 1991 amendment, effective June 13, 1991, in subsection (d), substituted "note for a loan made under" for "note given under" and inserted "44.81.225," and "or 44.81.235," and made a stylistic change.

The 1992 amendment, effective May 16, 1992, deleted "and commercial listing participation" following "not the real debtor" in the second sentence of subsection (e).

Sec. 44.81.260. Confidentiality of records. (a) The records of the bank that are identified with, or identifiable as being derived from the records of, a specific borrower, member of the bank, or applicant for a loan are confidential and may not be disclosed by the bank or by its directors, officers, employees, or agents to a person other than the directors, officers, employees, or agents of the bank, except

- (1) when required by a federal or state statute;
- (2) under AS 44.81.270;
- (3) under a search warrant issued under federal law or the law of this state;
- (4) under a subpoena or court order issued in a civil action under federal law or the law of this state;
- (5) under a subpoena or court order issued in connection with a proceeding before a federal grand jury or grand jury of this state;
- (6) under a summons or subpoena issued by an agency or a department of the United States or this state, or an officer, employee, or agent of the agency or department;
- (7) under a request by a financial institution, if the request is solely for the stated written purpose of determining the credit worthiness of a member or borrower or an applicant for credit, and if the information disclosed by the bank pertains only to the payment history of the member or borrower;
- (8) under a request by a lender that has extended or is considering extending credit to the bank if the credit is or may be secured by the pledge of a loan by the bank;

(9) when disclosed to the attorney general of the United States or to a law enforcement agency of this state if the records may be relevant to a report or investigation of a possible violation of federal law or a law of this state.

(b) The records of the bank that are not subject to (a) of this section may be kept confidential by the bank, subject to the exceptions listed in (a)(1) — (5) of this section.

(c) Notwithstanding (a) — (b) of this section, a borrower, a member of the bank, or an applicant for a loan may authorize the bank in writing to disclose records provided to the bank by the borrower, member, or applicant.

(d) In this section,

(1) "member" includes past and present members;

(2) "records" means financial and other records, including information known to have been derived from the records, in any form, including original documents and copies. (§ R ch 109 SLA 1981; am § 4 ch 16 SLA 1991)

Effect of amendments. — The 1991 amendment, effective June 6, 1991, re-wrote the section.

Sec. 44.81.270. Audit of bank. (a) At the direction of the Legislative Budget and Audit Committee under AS 24.20.271, the legislative auditor may conduct an audit of the bank. The legislative audit division has free access to all books and papers of the bank that relate to its business and books and papers kept by a director, officer, or employee relating to or upon which a record of its business is kept, and may summon witnesses and administer oaths or affirmations in the examination of the directors, officers, or employees of the bank or any other person in relation to its affairs, transactions, and conditions, and may require and compel the production of records, books, papers, contracts, or other documents by court order if not voluntarily produced.

(b) The bank shall be audited annually by independent outside auditors. The legislative auditor may confer with the outside auditors and review the workpapers of the audit.

(c) The state bank examiners shall perform an annual qualitative examination and evaluation of the bank. The commissioner of commerce and economic development shall assess the bank a fee established under AS 06.01.010(h) for the actual expenses incurred by the Department of Commerce and Economic Development in connection with the examination. The examiners shall report to the board of directors on the examination. The examiners shall prepare a summary report evaluating the bank's loan portfolio quality on a statistical basis and addressing the appropriateness and effectiveness of the bank's policies, practices, and management within the context of the bank's statutory purposes. The examiners shall distribute copies of the summary report to the bank, the legislature, and the governor. (§ R ch 109 SLA 1981; am § 7 ch 49 SLA 1987; am §§ 40, 41 ch 85 SLA 1988)

UNCHANGED

23

NOTES TO DECISIONS

Cited in Alaska Com. Fishing & Agric. Bank v. 199 Alaska Cases, 716 P.2d 207 (Alaska 1986)

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Sec. 4181.280. **Prohibition on disclosure.** The legislative auditor and the auditor's employees may not disclose information acquired by them in the course of an audit of the bank concerning the particulars of the business or affairs of a borrower of the bank or another person, unless the information is required to be disclosed by law or under a court order. (AS ch 109 SLA 1981)

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Sec. 4181.350. **Definitions.** In this chapter (1) "bank" means the Alaska Commercial Fishing and Agriculture Bank.

(2) "commission" means the Alaska Commercial Fisheries Entry Commission under AS 16.43.020.

(3) "member of the bank" includes a holder of a share of membership stock of the bank or a patron of the bank with retained patronage earnings of \$2,500 or more to the patron's credit;

(4) "supplier" means a person whose main source of income is from providing goods or services that are directly related to commercial fishing or agriculture to individuals, corporations, partnerships, or joint ventures engaged in commercial fishing or agriculture. (AS ch 51 SLA 1980)

Reviser's notes. Formerly AS 41.54.240. Renumbered in 1980

Chapter 82 Alaska Gas Pipeline Financing Authority.

Sections	Sections
10 Creation of authority	115 Suspension of a member of the board
20 Membership	120 Term, indemnities and trust agreements
30 Officers and quorum	130 Vacancies on board
40 Compensation	140 Powers of the state
50 Staff	150 Exemption from taxation
60 Legal counsel	160 Bonds legal investments fiduciary
70 Purposes of authority	170 Regulations
80 General powers	180 Annual audit
90 Bonds of the authority	190 Annual report
100 Submission of financial and Alaska impact plan	
110 Bonding approval	

Findings in connection with the enactment of the Temporary and Special Acts of this chapter, see § 1, ch 90, SLA 1978.

Sec. 44.82.010. **Creation of authority.** There is created the Alaska Gas Pipeline Financing Authority. The authority is a public corporation of the state. It is an instrumentality of the state within the Department of Revenue, but has a legal existence independent of and separate from the state. Exercise by the authority of the powers conferred by this chapter is an essential governmental function of the state. (AS 2 ch 90 SLA 1978)

Reviser's notes. Formerly AS 44.55.010. Renumbered in 1980

Sec. 44.82.020. **Membership.** The membership of the authority consists of the commissioner of revenue, the commissioner of commerce and economic development, and the commissioner of natural resources. The commissioner of revenue is chairman of the authority. If a member is unable for any reason to attend a meeting of the authority, the member may, by a written instrument filed with the authority, designate a person within the member's department to act in the member's place at the meeting. For all purposes of this chapter, the designee is a member of the authority at the meeting. (AS 2 ch 90 SLA 1978)

Reviser's notes. Formerly AS 44.55.020. Renumbered in 1980

Sec. 44.82.030. **Officers and quorum.** The members of the authority may elect other officers. Two members constitute a quorum. Action may be taken and motions and resolutions adopted by the authority at a meeting by the affirmative vote of at least two members. (AS 2 ch 90 SLA 1978)

Reviser's notes. Formerly AS 44.55.030. Renumbered in 1980

Sec. 44.82.040. **Compensation.** The members of the authority serve without compensation but are entitled to the same travel pay and per diem as provided by law for board members who are state employees. (AS 2 ch 90 SLA 1978)

Reviser's notes. Formerly AS 44.55.040. Renumbered in 1980. Former references to travel expenses, see AS 37.20.180

FISCAL NOTE

No. 3
 Bill Version: CSHB 284(FIN)
 (H) Publish Date: 3/18/96

STATE OF ALASKA
 1996 LEGISLATIVE SESSION

Revision Date: 2/8/96 Dept. Affected: Fish and Game
 Title: An Act relating to the Commercial Fishing and Aquaculture Bank BRU: Commercial Fisheries Limited Entry Commission
 Sponsor: House Special Committee on Fisheries Component: Limited Entry Program Administration
 Requester: House Finance Committee COMPONENT SERIAL NO. 3471

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						
TOTAL OPERATING	1.0	1.0	1.0	1.0	1.0	1.0

CAPITAL EXPENDITURES

--	--	--	--	--	--	--

CHANGE IN REVENUES:

--	--	--	--	--	--	--

FUND SOURCE	(Thousands of Dollars)					
002 Federal Receipts						
003 GF Match						
004 GF						
005 GF Program Receipts	1.0	1.0	1.0	1.0	1.0	1.0
006 GF MHTA						
Other						
TOTAL	1.0	1.0	1.0	1.0	1.0	1.0

Estimate of any current year (FY98) cost: 1.0

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)
 House Bill 284 is a housekeeping bill which streamlines, clarifies and improves many of the operations of CFAB and is not expected to have a fiscal impact on this agency.

Prepared By: Roger Koiden Phone: 789-6160
 Agency: Commercial Fisheries Limited Entry Commission Date: 2/8/96

Approved by Commissioner: Frank Hoffman Date: 2/8/96
 Agency: Commercial Fisheries Limited Entry Commission

PREPARED TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For use by the Commission on the Alaska Governor's Legislative Office

Revision Date: March 8, 1996 Dept. Affected: Revenue
 Title: An Act relating to the Alaska Commercial Fishing BRU: Revenue Operations
and Agriculture Bank (CFAB) Component: Treasury Division
 Sponsor: House Special Committee on Fisheries
 Requester: Erica COMPONENT SERIAL NO. 121

Expenditures/Revenues: (Thousands of Dollars)

	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
OPERATING EXPENDITURES						
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES (CFAB)		-1,000.0				

FUND SOURCE (Thousands of Dollars)

	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
002 Federal Receipts						
003 GF Match						
004 GF						
005 GF/Program Receipts						
007 GF/Mental Health						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

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

POSITIONS:

	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

CFAB is currently repurchasing non-voting, preferred shares of stock originally sold to the State in 1980 for \$32 million. The repurchase, which is required to be complete by the year 2000, is currently scheduled to be completed by FY 1998. The effect of this bill, which establishes a \$1 million minimum level of capital of the bank, will be to reduce the total final payment to the State by \$1 million.

Prepared by: Betty Martin, Counsel Phone: 465-2350
 Division: Treasury Date: 3/8/96
 Approved by Commissioner: Wilson L. Benson, Commissioner Date: 3/8/96
 Agency: Department of Revenue

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HB

288

Alaska State Legislature

REPRESENTATIVE
JEANNETTE JAMES

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



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

House of Representatives

House District 34

SPONSOR STATEMENT **HB 288 PROCUREMENT PROCEDURES** **/DISABLED PERSONS**

May 2, 1995

This Bill will allow 100% disabled owned corporations and partnerships to be eligible for disabled bidder preferences

Current law allows disabled owned sole proprietorships to take advantage of the disabled bidder preference.

Equal protection under the law requires all like situations to be treated fairly and equally. Current law discriminates against disabled owned corporations and partnerships, it does allow sole proprietorships

The Bill passed out of Committee with a zero fiscal note.

The Bill is supported by the Departments of Education and Administration.

The intent of this legislation is to create fairness.

CSHB288 Amendment by Rep. Hanley

[Sec. 3 of CSHB 288 (L.C.)Am]

Authorizing certain state real property lease extensions

- This language is similar to that in SB129 three years ago.
- Adding this language will create a temporary act which allows:
 - maximum extensions of 8 years (last time it was 5)
 - a window of five years to re negotiate (last time it was 2)
- We have worked with the Department of Administration, Director of General Services. He is supportive of this language.
- The previous two year effort in re negotiating leases resulted in:
 - 39 successful re negotiations
 - total saving of over \$19 million dollars
- While the Department tells us that we cannot expect the same level of savings under this new effort, it could still be in the millions of dollars.
- This is a long-term cost savings amendment which should receive the support of the body.
- The title change is simply to allow this new language.

FISCAL NOTE

No. 1
 Bill Version: CSHB 288 (L&C)
 (H) Publish Date: 5/2/95

STATE OF ALASKA
 1995 LEGISLATIVE SESSION

Revision Date: _____ Dept. Affected: Administration
 Title: "An Act relating to procurement preferences for corporations and partnerships owned by persons with disabilities." BRU: General Services
 Component: Purchasing
 Sponsor: Rep. James
 Requestor: (H)L&C COMPONENT SERIAL NO. 60

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

CAPITAL EXPENDITURES	0	0	0	0	0	0
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CHANGE IN REVENUES ()	0	0	0	0	0	0
------------------------	---	---	---	---	---	---

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

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

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (attach a separate page if necessary.)

Fiscal impacts to a state agency will depend upon the number of bidders who qualify for the preference and if their bids are sufficiently low to win awards after application of the preference. There has been little impact to date from application of the current disabled bidder preference.

This bill will have a negligible fiscal impact to the division's purchasing activities.

Prepared By: Dugan Petty, Director Phone: 465-2250
 Division: General Services Date: _____

Approved by Commissioner: Mark Boyer Date: 3/31/95
 Agency: Department of Administration

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COMMITTEE COPY

HB

291

★ WAIVED 5/8/95

SPONSOR STATEMENT HOUSE BILL 291

CSHB 291 (JUD) was introduced at the request of the Municipality of Anchorage.

The municipality would like to create a skateboard park so skateboarders will have a place to ride, rather than using other areas designed for pedestrians. Anchorage and Fairbanks are willing to develop areas suitable for skateboard riding if they can be insulated from liability for claims arising from hazards inherent in skateboarding.

Our intent with this bill is to encourage the municipalities to proceed with development of areas for outdoor recreation without increasing their liability unnecessarily. The bill applies only to municipal skateboard parks.

This bill is patterned after the legislation passed providing this limited protection to ski areas. The protection from liability relates to inherent dangers and risks of skateboarding. The municipality is required to post signs warning that there are inherent risks and the liability rests with the skateboarder. It was amended in the Judiciary Committee to make it certain that the parks are not required to have on-site supervision provided by the municipality.

**DIVISION OF LEGAL SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA**

907) 465-3867 or 465-2450

✓ 907) 465-2029

Mail Stop 3101

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

MEMORANDUM

April 28, 1995

SUBJECT: Sectional Summary of CSHB 291(JUD)

TO: Representative Eldon Mulder
Attn: Dennis DeWitt

FROM: Michael F. Ford *M.F.*
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. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1

Sec. 05.50.010. - Prohibits a person from bringing a lawsuit against a municipality, for an injury resulting from an inherent danger and risk of skateboarding at a municipal skateboarding facility.

Sec. 05.50.020. - Describes the effect of a violation of AS 05.50. A municipality or other person who violates AS 05.50 is negligent and civilly liable to the extent the violation causes injury or property damage. Provides that if an injury occurs and an inherent danger and risk of skateboarding was a contributory factor or the injured person violated a provision of AS 05.50, that a municipality is not liable unless the municipality also violated a provision of AS 05.50.

Sec. 05.50.030. - Sets out the duties of a person who uses a municipal skateboarding facility.

Sec. 05.50.040. - Requires that municipalities maintain a sign system for protection and instruction of skateboarders.

Sec. 05.50.050. - Sets out the duties and responsibilities of a skateboarder who uses a municipal skateboarding facility.

Representative Eldon Mulder

April 28, 1995

Page 2

Sec. 05.50.060. - Requires that a municipality must allow a person participating in a skateboard competition to visually inspect the course or area. Provides that a person participating in a skateboard competition assumes certain risks and cannot hold the municipality liable for the assumed risks.

Sec. 05.50.100. - Definitions.

Section 2. Applicability section

Section 3. Effective date.

MFF.klb

95-309.klb

Municipality
of
Anchorage



P.O. Box 196650
Anchorage, Alaska 99519-6650
Telephone: (907) 343-4431
Fax: (907) 343-4991

Rick Mystrom, Mayor

OFFICE OF THE MAYOR

April 7, 1995

Representative Eldon Mulder
Alaska State Legislature
Juneau, Alaska 99801-1182

Re: House Bill No. 291

Dear Representative Mulder:

There is significant community interest in the construction of a municipal skateboarding park. Like alpine skiing, skateboarding is an active sport that includes numerous inherent risks of injury. Prior to construction of a municipal skateboarding park, the Municipality of Anchorage desires adoption of a statute that would insulate it from claims arising from Hazards inherent in skateboarding.

House Bill No. 291 fulfills that need.

Thank you for your assistance with this legislation.

Sincerely,

Rick Mystrom
Mayor



Fairbanks North Star Borough

809 Pioneer Road

P.O. Box 71267

Fairbanks, Alaska 99707-1267

907-459-1000

April 24, 1995

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

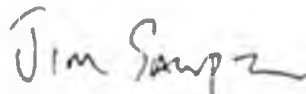
Dear Representative Mulder,

Thank you for introducing HB 291. The Fairbanks North Star Borough is considering the construction of a skateboard park and your legislation will make it possible to do so without the constant worry of claims arising from hazards associated with the sport.

We would like to know if you could amend your bill to include a requirement for the posting of a sign by the municipality which would explain the need for certain safety equipment to be used by skateboarders. It is my understanding that California has a law providing for immunity when a municipality posts a sign requiring the use of safety equipment. Also, I have been told that when the sign is posted, no on-site supervision by the municipality is required.

The Fairbanks North Star Borough Assembly will be considering an appropriation in June, 1995 to fund the construction of a skateboard park. We do not plan to provide continuous on-site supervision. If your bill could address this issue, it would help the assembly in deciding to support this most worthwhile project. Thank you again for your help on this legislation.

Sincerely,


Jim Sampson
Mayor

JS:rlf

cc: Rick Mystrom, Mayor, Municipality of Anchorage
Hank Hove, Fairbanks North Star Borough Assembly
Earl Wiese, FNSB Parks and Recreation Director
Linda Anderson, Governmental Affairs, FNSB

Re: HB 291
 by Rep. Mulder

Christopher Beck
 & Associates

land use & tourism planning
 public spaces urban design
 community development

May 4, 1995

Eldon Mulder
 Alaska State House of Representatives
 Juneau, Alaska

By FAX
 465 3518

Subject: HB 291 - Skateboard Park Liability Release

Dear Representative Mulder,

In these last days of the session I've just learned of a seemingly minor bill that I believe is extremely important. As you know, HB 291 would exempt cities like Anchorage from certain liabilities, and thereby allow construction and operation of public skateboard parks. The bill is modeled on a successful law passed in California. The passage of this bill would, at no cost, make a major contribution to keeping Anchorage teens out of trouble and headed towards useful lives. I realize this is a lot to claim for a technical change in insurance policy, but let me explain.

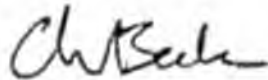
Teens everywhere are restless, often frustrated, and frequently on the edge of mischief or worse. At present a number of these kids can find a decent outlet for this teenage energy by hanging out and skateboarding at Anchorage's town square. Predictably, this motley group irritates members of the public. The Municipal Assembly, under growing public pressure, is poised to ban town square skateboarding. To the great credit of Connie Jones and other city staffmembers, all the pieces have come together to acquire land and build an alternative teen skateboard park. This eminently sensible action is stalled, however, out of city liability fears. This bill could clear away this last barrier.

Rudely kicking these kids out of their current hangout is a great way to push teens into cynicism, vandalism and perhaps more serious crimes. Grungy or not, these kids need public places where they can be with friends and enjoy themselves. In such locations, while the kids will perpetually test adult patience, they are, in effect, under supervision and thereby tend to stay out of trouble. Closing towncenter to skateboarding, without providing a good alternative, sends these kids off, mad as hell, to unsupervised locations, and to less benign activities.

It is not often that government can so directly deal with tough issues like crime and do something good for kids, all at little or no cost, as is possible through the passage of this bill. As a parent (two sons, 5 and 10), and a resident concerned about our community's future, I strongly urge you to explain the merits of this simple action to your colleagues, and get the bill approved. The whole community would thank you. Please contact me if I might be of assistance.

Sincerely

Chris Beck



cc Mayor Rick Mystrom
 Connie Jones, Director - Department of Cultural and Recreational Services
 Howard Weaver, Editor Anchorage Daily News

1847 Sunrise Drive Anchorage, Alaska 99508
 Telephone (907) 272 6365 FAX (907) 272 6391



Skateboarders put plan into motion

By KRISTEN SEINE
Of The Star Staff

They aren't the kind of people to just sit around and let things happen. Or not happen.

For a group of Eagle River area youths, a craving to get out and move around has resulted in a movement to get the thing they crave: a place to skateboard. Tired of being shooed away from local parking lots, they are asking for a place of their own.

At a task force meeting on youth drug and alcohol use held at Chugiak High School Tuesday evening, several local skateboarders happened to sit across a table from the governor's community relations assistant, Marilyn Stewart. After listening to their complaints for a while, Stewart decided to lend a hand.

The skateboarders, who maintain that they have just as much right to wheel around on local blacktop as bicyclists and roller-bladers, ask only for a place to do their thing. Local businesses and residents — some of whom have had their car doors allegedly dinged by the youths — say that's fine ... as long as it's someplace else.

So the skateboarders, led by their recently appointed "spokesperson" Rich Canut and guided by Stewart and other adult volunteers, are taking their grievance straight to City Hall. They plan to make several presentations to local government and civic groups asking for support for an Eagle River skate park.

They aren't asking for anything fancy, they say. Just a flat place with maybe a fence around it, and they'll build their own half- and quarter-pipes (ramps, to most of us).

"We just want a place to do what we want," said skateboarder Jason Farmer, a senior at Chugiak High School. "We heard about the meeting (April



Never ones to sit still for long, local skateboarders are putting their plans in motion.

PHOTO FOR THE STAR BY JASON FARMER

18) and decided it was the best thing to do."

Farmer said the skateboarders are more organized than they've ever been, and people are finally beginning to listen to them.

Their first presentation is scheduled for the next Parent Student Teacher Association meeting at the high school on May 9. Also on the agenda are the Parks & Rec board meeting and community councils.

Already, folks are standing up and taking notice. Mike Graham, student services principal, said Tuesday that he was extremely impressed with the attitude and initiative displayed by the youths.

"This is really great. I think you're definitely going about this in the right way," he told the youths.

HB

319

HOUSE LABOR AND COMMERCE COMMITTEE

SPONSOR STATEMENT CS HB 319 (FIN)

Alaska's Small Loan Act (AS 6.20) was initially adopted in 1955 and has not significantly been amended since 1982. Our Retail Installment Sales Act was adopted even earlier, and its last significant amendment occurred in 1980.

Over the years, practices within the credit industry have undergone immense changes. However, Alaska's law has not kept pace, thereby unfairly burdening this industry *vis a vis* outside competitors. As a consequence of our archaic approach to credit and lending transactions, Alaskan businesses suffer a competitive disadvantage. CS HB 319 (FIN) is intended to remedy this situation by updating certain provisions that are no longer relevant to contemporary business practices. Among other things, this bill would accomplish the following:

Small Loan Act

It increases application and annual fees requirements applicable to licensed lending institutions.

It increases the liquid asset requirements that lending institutions must satisfy to do business from \$20,000 to \$25,000.

It increases the bonding requirements imposed on lending institutions from \$5000 to \$25,000 and makes it clear that only one bond is required for multiple office bonds.

It allows licensees to maintain books and records consistent with contemporary data processing and accounting methods.

It authorizes irregular payments when borrowers have a seasonal incomes.

It authorizes lending institutions to operate several branches under a single license, provided that the licensee maintains liquid assets in the amount of \$25,000 for each office it operates.

It broadens the scope of non-interest fees that lenders may charge borrowers and increases the amount of late payment fees that may be charged.

Retail Installment Sales Act

CS HB 319 (FIN) clarifies and broadens the scope of fees and charges that may be imposed in connection with transactions, including late payment fees, which currently is not allowed.

It eliminates service charge ceilings, permitting this term to be subject to the agreement of the parties. In so doing, it removes the present cumbersome system based on graduated rates.

It respectfully is submitted that CS HB 319 (FIN) removes several anachronisms in Alaska law and serves to make Alaska credit businesses more competitive with outside firms.

LEGAL SERVICES

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LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

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FAX (907) 465-2029
Mail Stop 3101

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

MEMORANDUM

February 28, 1996

SUBJECT: Sectional Summary of CSHB 319(FIN)
(Work Order No. 9-LS1095\F)

TO: Representative Pete Kott, Chair
House Labor and Commerce Committee
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. Increases to \$1,000 (from \$400) the amount that an applicant is to pay with the application to the Department of Commerce and Economic Development as part payment for the department's expenses of investigating an application for a license under the Alaska Small Loans Act. Deletes a refund requirement.

Section 2. Increases the annual license fee to be paid to the department for a license under the Alaska Small Loans Act. Establishes a higher fee for a multiple office license.

Section 3. Increases to \$25,000 from \$20,000 the value of the liquid assets that a person applying for a license under the Alaska Small Loans Act must have available to operate the business. A person having multiple offices must demonstrate that an equivalent amount is available to each office from a central account maintained by the applicant.

Section 4. Increases to \$25,000 from \$5,000 the amount of the bond required for an applicant for a license under the Alaska Small Loans Act to file with the department. Provides that only one bond is required for a multiple office license application.

Section 5. Conforms the language in the license issuance section to the new liquid assets requirements established in sec. 3 of the bill. Also requires the department to determine that allowing the applicant to engage in business at the location will provide accessibility and convenience for borrowers.

Section 6. Allows a licensee to maintain one place of business under a single office license or up to 10 places of business under a multiple office license. Directs the department to issue an amended license to a licensee after approving a change of location for the licensee's place of business within the same municipality.

Section 7. States that a licensee is not required to maintain separate books and records for another business operated on the premises and authorized by the department. States that the licensee is to determine the method of tracking and numbering the loans as long as the system enables the department to perform the department's obligations under AS 06.

Section 8. Prohibits a licensee from inducing or permitting a borrower to split up or divide a loan or become obligated under more than one loan contract at the same time, if the purpose or result is to obtain a higher rate of interest than otherwise allowed by AS 06.20.230. Allows a licensee to enter into new or different loan transactions with a borrower or the borrower's spouse at a different time if the purpose of the new transaction does not violate this section.

Section 9. Adds certain requirements for the loan contracts. The contracts must provide for substantially equal payments, payments due at least monthly, and a first payment not later than 45 days from when the loan is made. Allows a loan contract to provide for irregular payments and a later first payment if certain listed conditions are met ("first payment loan extensions" should read "first payment extensions").

Section 10. Allows a fee to be charged for certain insurance premiums under certain conditions in place of perfecting a security interest. Allows for loans of \$10,000 or less secured by a real estate interest, a charge for reasonable costs and fees for appraisals, surveys, and title insurance or reports. Allows for loans over \$10,000, whether or not secured by a real estate interest, a charge for reasonable costs and fees for appraisals, surveys, title insurance or reports, and credit reports. Changes the late payment fee that can be charged. Allows a fee not to exceed \$25 per check to be charged for dishonored checks. Allows a charge for reasonable attorney fees, actual expenses, and costs incurred in connection with the collection of a delinquent debt or a foreclosure under certain conditions. Allows a charge for the actual expenses and costs of a repossession.

Section 11. Allows a licensee to obtain credit loss of income insurance on open-end loans under this chapter. Requires the licensee to comply with the provisions of two insurance statutes during all transactions with borrowers involving credit loss of income insurance. Specifies how the licensee is to calculate the charge for credit loss of income insurance. Prohibits the licensee from cancelling the credit loss of income insurance under certain circumstances.

Representative Pete Kott

February 28, 1990

Page 3

Section 12. Establishes an exception for calculating refund credits according to the "rule of 78ths." The exception is when the service charge is computed on an add-on or simple interest basis.

Section 13. Authorizes the holder of a retail installment contract or retail charge agreement to collect certain delinquency, collection or dishonored check charges, attorney fees, court costs, and disbursements, if the contract or agreement allows this. Makes a technical change in the second sentence.

Section 14. Requires that the service charge be at the rate agreed upon by the parties. States that this section does not limit or restrict the method of computing the service charge as long as the method is disclosed in the contract and agreed to by the parties.

Section 15. Includes certain insurance premiums in the definition of "official fees."

Section 16. Gives the Act an immediate effective date.

If I may be of further assistance, please advise.

TLB:klb

96-136.klb

F

FISCAL NOTE

STATE OF ALASKA

BILL NO. CSHB 319 (FIN)

1996 LEGISLATIVE SESSION

Revision Date: February 22 1996

Department: Commerce and Economic Development

Title: Regulation of Small Loan and Retail Installment Transactions

BRU: Banking, Securities and Corporations

Component: Banking, Securities and Corporations

Sponsor: House Labor and Commerce

Requestor: _____ COMPONENT SERIAL NO. 1233

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						
TOTAL OPERATING	00	00	00	00	00	00

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 General Fund						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	00	00	00	00	00	00

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

POSITIONS

FULL-TIME	
PART-TIME	
TEMPORARY	

ANALYSIS: (Attach a separate page if necessary)

Sec. 1 - provides for a \$600 increase in revenue incurred by the applicant for the investigation of their application. While the past two years have indicated an expansion of this industry in Alaska, there is no evidence at this time that this expansion will continue.

Sec. 2 - provides for multiple offices on a single license. The increase for the multiple office license will be offset to some degree by the loss of revenue for currently individually licensed offices. Over a period of time, it will be anticipated that the GF will be positively impacted by these changes, but we are unable to forecast at this time. Therefore, the department reports a 0 fiscal note.

Prepared by: Willis F. Kirkpatrick, Director

Phone: 465-2521

Division: Banking, Securities and Corporations

Date: 2-22-96

Approved by Commissioner: William L. Hensley

Date: 2-22-96

Agency: Commerce and Economic Development

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Page 1 of 1

HB

328

HOUSE LABOR AND COMMERCE COMMITTEE

HB 328 SPONSOR STATEMENT

Historically, the Alaska State Museum regularly negotiated agreements providing for reduced admission fees and group discounts. This has generated a benefit to both the State of Alaska, through increased admissions, and to many museum visitors, by according them an opportunity to learn about our unique state.

Recently, the Department of Law advised the Department of Education, which administers the museum, that it lacked authority to negotiate reduced or discount rates with organizations. HB 328 is intended to correct this problem by granting specific statutory authority to the Department to negotiate or offer group discounts or reduced rates.

I urge your support.

MEMORANDUM

State of Alaska

Department of Law

Karen Crane, Director
Libraries, Archives & Museums
Department of Education

DATE October 20, 1994
FILE NO 663-94-0603 and
993-95-0057
TEL NO 465-3603
SUBJECT Change in Museum Fees

Jan Levy
FROM Janice Gregg Levy
Assistant Attorney General
Human Services-Juneau

I spoke with Bruce Kato the last week in September regarding the proposed changes to the regulation addressing museum fees. As you know, the State Board approved the regulatory changes to go out to public comment. Bruce familiarized me with the museum practices and sent me a copy of a fee schedule that the museum has apparently used for some time. After doing additional research and speaking with Regulations Attorney Deborah E. Behr, I believe the agency must revise the proposed language and provide a newer version to go before the Board at the next meeting, scheduled for November 28-30 in Anchorage.

The amendments to subsection (a) increasing the maximum admission fee from \$2 to \$3 per visit would probably be approvable, except that the information from Bruce on the museum's practice suggests that more specificity is advisable. Deborah Behr stated that if the agency knows it intends to charge a different fee at one museum than another, it should so state in the regulation. If your agency knows that it intends to charge \$2.00 per visit to Sheldon Jackson and \$3.00 per visit to the Alaska State Museum, the most direct approach would be to simply state those fees in the regulation.

Bruce explained that the museum wanted the flexibility to be able to set group rates, resulting in a lower per person admission. It also wanted to continue its practice of not charging for students and offering certain free admission days. These policy decisions are supportable and well within the department's statutory authority, but should be made specific in the regulation. The regulation could provide, for example, that no admission fees will be charged for students under the age of 18, and that during the months of (specify months), no admission will be charged on Saturday. As to group rates, the regulation could provide that admission fees may be discounted for group rates, but the museum must specify some basis for determining the discount. It cannot simply negotiate with a company.

Subsection (b) increases the maximum rate per hour for staff time to \$40. This amendment poses no problems, so long as the fee actually charged does "not exceed the estimated actual costs of the state agency in administering the activity or providing the service[.]" AS 37.10.050(a). In other words, notwithstanding the \$40 cap, if an employee who is paid at the rate of \$10 per hour performs the service, the museum may not charge \$40 per hour staff time. You may wish to consider deleting the word "extraordinary" from the regulation as well. I'm not sure how that is meant to be distinguished from other professional services. There is clear statutory authority for charging "for services provided by the department under this chapter." AS 14.57.010(c). The services need not be "extraordinary."

Proposed subsection (c) presents another problem. While there is authority to establish reasonable user fees and other fees for services, the museum does not have statutory authority to negotiate different fees for different parties. The statutes authorizing fees and the Administrative Procedures Act require consistency, and an opportunity for notice and comment on the department's fee structure. The department could, however, set a fee rental schedule in regulation that is based upon length of loan and perhaps the numbers of people expected to use education learning kits. This would seem to be defensible because presumably the more "users" of the kits, the more wear and tear on the kits, thus increasing material costs. If that assumption is not correct, then perhaps those factors are not proper considerations. As noted above, however, the fee actually charged may "not exceed the estimated actual costs of the state agency in administering the activity or providing the service[.]" AS 37.10.050(a).

I am attaching two pages of a fee schedule recently adopted by the Board of Education setting fees that may be charged by ARMS, the state archives and records management services. As you can see, it is fairly detailed. While there is considerable effort necessary to provide for each of these different types of charges, the advantages outweigh that initial effort. When the process is completed it is clear that the agency has the authority to charge the fees, there has been notice to the public and opportunity to comment, and little effort is required to administer the fee schedule. The museum's photographic fee schedule and photographic policy which you forwarded to me should be provided for in regulation, and, again, the fees may not exceed actual costs in administering the activity or providing the service. The fee schedule cannot be "subject to change without notice."

I would be happy to review a draft regulation that specifies the fees policies the division seeks. Please do not

Karen Crane, Director
Libraries, Archives & Museums
663-94-0603/993-95-0057

October 20, 1994
Page 3

hesitate to contact me regarding any other aspect of this
regulation project.

JGL/bap

Attachment

cc: Bruce Kato
Harry Gamble

Chapter 57. Museums.

item #1

Article

1. The State Museum (§§ 14.57.010 — 14.57.080)
2. Use of Net Income of Alaska Heritage Endowment Fund (§§ 14.57.100 — 14.57.199)

Collateral references. — *1A C.J.S. States, § 147.

Article 1. The State Museum.

Section

10. The state museum
20. Museum Collections Advisory Committee
30. Officers; meetings, rules of procedure, quorum
40. Compensation; per diem, travel expenses

Section

50. Collections management: acquisitions and dispositions
60. Advisory duties
70. Conflict of interest
80. Definition

Sec. 14.57.010. The state museum. (a) The department shall manage and have complete charge of all of the property contained in the institution known as the state museum. The museum shall be maintained in the state capital. Branch museums may be established and maintained in other localities in the state.

(b) The department shall

(1) acquire artifacts, natural history specimens, art objects, etc., that pertain to the human and natural history of Alaska by purchase and by gift;

(2) identify, catalog, preserve, and display these acquisitions;

(3) acquire and catalog Alaskan photographs and maintain a card catalog of this collection;

(4) accept endowments, grants, and gifts in accordance with AS 37.07 (the Executive Budget Act);

(5) collect and maintain books, periodicals, pamphlets, and other materials pertinent to museum administration, techniques, and collections;

(6) assist and advise in the development of local museums;

(7) collect and keep current information concerning museum activities throughout the state;

(8) coordinate the museum activities of the state with those of other agencies;

(9) keep the museum open at reasonable hours for the convenience of visitors;

(10) provide museum services and administer state and other grants-in-aid to museums in the state to supplement and improve their services, the grants to be paid from money appropriated for that purpose, or from other money available for that purpose.

A
(c) The department may establish by regulation, and collect, reasonable user fees and other fees for services provided by the department under this chapter. (E.O. No. 34 (1974); am § 27 ch 138 SLA 1986; am § 17 ch 36 SLA 1990)

Effect of amendments. — The 1990 amendment, effective May 12, 1990, added subsection (c).

Sec. 14.57.015. Accounting and disposition of receipts. [Repealed. § 92 ch 36 SLA 1990.]

Sec. 14.57.020. Museum Collections Advisory Committee.
(a) There is created in the department the State Museum Collections Advisory Committee consisting of five members appointed by the board to serve at the board's pleasure for staggered three-year terms. The appointees shall be broadly representative of the public's interest in the preservation of the human, cultural, natural, archeological, and anthropological history of Alaska. When possible, some of the committee members shall be known for, or possess, special expertise or a culturally relevant background in these aspects of the art and history of the state.

(b) A member appointed to fill a vacancy serves for the unexpired term of the member succeeded. (§ 1 ch 80 SLA 1974; am § 61 ch 6 SLA 1984)

Sec. 14.57.030. Officers; meetings, rules of procedure, quorum. (a) The committee shall elect a chairman from among its members.

(b) The committee shall meet at least once every six months and at the call of its chairman, on petition of a majority of its members, or at the call of the commissioner, or the director of the museum, at a mutually convenient time and place both for the members of the committee and for interested members of the public.

(c) The committee shall adopt rules of procedure to govern its meetings. A majority of the members of the committee constitutes a quorum. (§ 1 ch 80 SLA 1974)

Sec. 14.57.040. Compensation; per diem, travel expenses. The members of the committee serve without compensation, but they are entitled to per diem and travel expenses as authorized by law for boards and commissions. (§ 1 ch 80 SLA 1974)

others necessary to provide public library services, but does not include construction;

(8) "public library nonprofit corporation" means an organization which has developed bylaws, elected officers, and filed articles of incorporation and current annual reports under AS 10.20.005 — 10.20.275 for the purpose of establishing and operating a public library;

(9) "public library outlet" means the headquarters, branch, bookmobile, or other facility of a public library which provides library services to the general public;

(10) "director" means the director of the division of state libraries in the Department of Education;

(11) "division" means the division of state libraries of the Department of Education. (Eff. 5/25/79, Register 70; am 3/27/82, Register 81; am 2/24/88, Register 105; am 2/11/89, Register 109)

Authority: AS 14.07.060
AS 14.56.230
AS 14.56.350

Editor's notes. — As of Register 81 (April, 1988) 4 AAC 57.900 was relocated (April, 1982) 4 AAC 57.090 was relocated to 4 AAC 57.990. to 4 AAC 57.900 and as of Register 105

CHAPTER 58. MUSEUM SERVICES

*Current
Regs
item # 2*

Article

- 1. Fees (4 AAC 58.010)
- 2. Museum Assistance Grants (4 AAC 58.200 — 4 AAC 58.270)
- 3. General Provisions (4 AAC 58.900)

Article 1. Fees

Section 10. Fees

4 AAC 58.010. FEES. (a) The Alaska State Museum may impose admission fees of no more than \$2 per visit to any branch of the museum, and \$5 for a yearly pass to all branches of the museum.

(b) The Alaska State Museum and any branch museum may impose a fee of no more than \$25 per staff hour and all actual material costs, for extraordinary professional services rendered by museum staff. (Eff. 2/20/87, Register 101; am 10.21.89, Register 112)

Authority: AS 14.07.060
AS 14.57.010

SENATE LABOR & COMMERCE COMMITTEE AGENDA

Tuesday, May 9, 1995

1:30 p.m.

Fahrenkamp Room

1. *Call Meeting to Order*
2. *Note time/day/year*
3. *Note members present*
4. *Remind Witnesses to Sign In*
5. *Announce Order of Bills to Be Heard:*

HB 328 "Relating to reduced fees and group discounts for visits to the state museum and its branches."

6. *Adjournment*

