

ALASKA LEGISLATURE COMMITTEE FILES 1997-1998 8672

9257 HOUSE LABOR & COMMERCE

Estimated Completion Date: 1-2-95.

7. (formerly item no 9) EXTEND USE OF QUOTATION MARKS (") TO THE VERIFICATION FUNCTION. Currently, the inputter can use a (") mark to copy the information from the line above. This option is not available to the verifier attempting to correct any data or add additional data to the description entered. This becomes time critical when verifying long legals which may not have been completely entered by the inputter due to time constraints or their status as a single staff employee. Expand function to include a PF which will create a batch for big documents so multiple inputters in one or more locations can get them indexed hopefully within the same business day, or the next.

Estimated Completion Date: \_\_\_\_\_

8. (formerly item no. 10) CAPABILITY TO REPEAT ALL OR PART OF A GRANTOR/GRANTEE OR LEGAL DESCRIPTION. Frequently, the recorder's office will receive two to three documents that contain the same grantor, grantee or legal description information. The ability to duplicate all or part of the previous documents indexing information would be extremely valuable, particularly in the case of extensive entries (into the hundreds of lines).

The second part of this request would be to expand the current capability of dealing with legals that refer to all 36 sections. Currently, recorders can type a one line entry and get it blown out into 36 lines that reference each section. Can this be taken one step further to insert as needed asterisk lines for additional detail to each section line as applicable? Another twist on this item (requested by staff after the annual meeting): Can the system fill in a range of information? For example, the grantor/grantee information includes a list of sequential claims like Beluga 1 through Beluga 58. If staff input Beluga 1 on the first line, used a symbol or PF key to trigger the fill function and then input Beluga 58, could the computer expand the data entry to reflect all 58 lines of data? This capability would reduce massive data entry time dramatically, and eliminate the need for the batch indexing large documents between multiple employees.

Estimated Completion Date: \_\_\_\_\_

9. (formerly item no. 11) MANIPULATION OF THE UCC DATABASE TO STANDARDIZE INDEXING. In preparation for cross-training staff between the UCC and recording districts, the manner in which UCC Central indexes TS and AS documents must change effective on a date to be announced. For this to be effective, all TS and AS documents that exist in the UCC database would need to be changed as well. Some impact may occur to the existing UCC search program which would need to be resolved. A preliminary

extraction of AS and TS documents is desired as a tool for comparing the data after data manipulation occurs.

Estimated Completion Date: \_\_\_\_\_

10. (formerly item no. 12) MODIFY CURRENT INDEXING SCREENS TO INCLUDE A RETURN TO FIELD THAT CAN GENERATE ADDRESS LABELS ON REQUEST. The current original document return process is labor intensive. A field or screen is desired that will allow the staff to identify the return to party at the time indexing occurs. When the original documents are ready to return, a report can be requested for a date range to print all appropriate return labels. Additionally, it is desirable that the program only produce one label for repeated return to information. Document sorting will continue to minimize postage costs. MCS will change the existing input and verify functions to include a type 6 line entry which will be dedicated as a return label field. Because a percentage of return to's are one time users, there must be space capability to key in the entire address. A new function screen will be created to request the labels by date range, repeats limited to one printing only. Type 6 information will display on the detail screen for customer assistance purposes. The system will automatically generate the date labels as requested to eliminate the need for a manual log of mailout. Once this capability is established, MCS can either include this additional info on all tapes to the ADC, or he can delete the information before it is downloaded to tape. Additional input from LRIS staff is necessary to make this final determination.

Estimated Completion Date: \_\_\_\_\_ Last projection 8-15-94

11. (formerly item no. 13) FULL AUTOMATION OF THE PLAT INDEX, EDIT FOR BAD PLAT NUMBERS. Currently the on-line system only contains references to plats filed prior to mid-1971 in the form of documents that have been recorded against these parcels from 1971-current, as well as a name/plat number cross reference table. No lot/block detail is available on this cross reference table. Because the primary objective of the recorder's office is to eliminate the need to locate and identify a plat number for each document, the discussion turned toward an option that would enable recording staff to key in alpha information for the subdivision reference rather than look up the plat number. The computer could cross-check against a detailed table that identified each subdivision in lot and block detail. The subdivision name itself would be reflected in a variety of alpha formats to allow the computer to select a plat number to plug into the index with greater flexibility. For example: TERRACE ON THE LAKE SUBDIVISION, ADDITION NO. 5, would report Plat P-277 for an exact alpha match as well as for the following variations:  
TERR. ON THE LAKE SUBD #5; TER ON THE LK SUB ADDN 5; etc.

Estimated Completion Date: This project needs additional research and is also a topic impacted by the conversion to COBOL and will be discussed again as progress is made to complete the above items.

12. (formerly item no. 14) EDIT HISTORICAL AND CURRENT DATABASE FOR TRANSPOSITIONS, SPELLING ERRORS. We have received criticism in the past regarding the quality of our database information. An edit is desired which will specifically target the above problems for a given serial number range. This edit will be run at regular intervals to cross check for errors which get through the input process. Existing edit program will be expanded to include the following items. This item is also one that is likely to be impacted by the conversion to COBOL. Depending on when the conversion will occur, it may be most prudent to complete conversion first before modifying the function. This determination will be made after receiving proposal from MCS regarding the timeline for COBOL conversion:

1. Question unusual input/verify spelling entries;
2. Allow for a supervisory cross check of the above in the weekly edit;
3. Establish an edit flag key to prevent okayed entries from recurring as edit errors.
4. Modify the Function 10 (Requesting Reception Reports) to generate a report and a separate edit. The need to print the report has reduced significantly since an alpha report has become available. The edit as a separate print queue item will be more functional and cost-effective.
5. Establish a batch report specifically to clean up the historical files incrementally with the same capabilities as the existing edit program, plus the above additions. (This last item will be a separate edit controlled by MCS, run as requested.)

Estimated Completion Date: \_\_\_\_\_ Last projection Test run available approximately 7-15-94.

13. (formerly item no. 6) UPDATE TO THE SYSTEM USER MANUAL. The last update I can locate is dated 3/21/89. Colleen at MCS is working on revisions. Bob Motznik will be going over the final product and adding any additional information needed. Existing format is fine, info needs to be reviewed and updated where necessary.

Estimated Completion Date: \_\_\_\_\_ Last Projection 6-15-94

14. (formerly item no. 7) UPDATE USER MANUAL FOR THE KEYFAST/RAPS MULTI-SESSION FUNCTIONS. Anticipated conversion to COBOL will have impact on the accuracy of this manual as well. An update will become a priority to ensure managers are in a position to

respond promptly and effectively to the needs of their regions.

Estimated Completion Date: \_\_\_\_\_ Last projection

The completion dates provided represent my best estimate for each system enhancement as of \_\_\_\_\_.

---

ROBERT L. MOTZNIK, President  
Motznik Computer Services, Inc.

PRIME DOCUMENT	**	THIS DOCUMENT	MESSAGE
SERIAL #	DATE	TIME	** SERIAL # DATE TIME
00000000	0000	0000	MISSING SERIAL NUMBER
000018933	941205	1409	HAS A SUFFIX
000018934	941205	1409	HAS A SUFFIX
000018943	941205	1409	HAS A SUFFIX
000018944	941205	1409	HAS A SUFFIX

\*\* END OF MISSING # EDIT

# STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

## DEPARTMENT OF NATURAL RESOURCES

Support Services Division

State Recorder's Office  
3601 C Street, #1180  
Anchorage, AK 99503

(907) 762-2428

VIA TELEFAX

April 22, 1994

Bob Motznik  
Motznik Computer Services, Inc.  
8301 Briarwood  
Anchorage, AK 99518

RE: Cooperative Agreement Workplan Summary #3

Dear Bob:

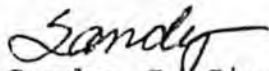
Thank you for meeting with me on Monday, April 17, 1994 to go over the first draft of Workplan Summary #3. I have attempted to summarize our conversation regarding each project and ask that you review the narrative to be sure we are in agreement.

When Jim Davis of the Anchorage recording staff was working on item one of the Workplan Summary, he ran into a problem. The item is currently listed on the printout as an FS document and our intention is to change it to an AM document. Jim reported the system would not allow him to make this change, so he left the document with an index code of FS, but added a reference to AM in the document type description line. Why would the system have refused to allow this change? Doesn't the change still need to be made to avoid having this action incorrectly show as an original filing? Please advise.

A number of the changes proposed will have programmatic impact on the indexing system to alleviate some of the processing problems we are presently experiencing. It is expected that these changes will also require corresponding revision to the state maintained batch reports which are also run from this data. I expect that LRIS staff will be contacting both of us as they evaluate the details of these changes.

I have also been unsuccessful in locating the agreement amendment you referred to which details the additional items recording personnel will key into the index. Can you provide me with a copy of this document? Thanks for your assistance.

Sincerely,



Sandra J. Singer  
Assistant State Recorder

Attachment: Workplan #3, 4 pages

cc: Sharon Young, State Recorder  
Rich McMahon, LRIS  
John Cacy, LRIS  
Chris Rutz, Admin Services

PROPOSED SYSTEM UPGRADES  
IN ORDER OF PRIORITY  
AS OF 4-19-94  
WORKPLAN SUMMARY #3

1. RECORDING DATABASE CODE CONVERSION OF OLD UCC DATA KEYED IN USING FS CODE. Review of the final historic file FS code edit printout (three hundred plus (300+) pages) received from your office on August 20, 1993, revealed eight further codes changes that need to be made. Recording personnel will make these corrections.

ESTIMATED COMPLETION DATE: Friday, April 22, 1994 except for serial number 79-18379, Anchorage. See reference in cover letter.

2. LINK PRODUCTION OF THE UCC MONTHLY STAT REPORT TO THE MONTHLY RECORDING VOLUME/REVENUE REPORT.

ESTIMATED COMPLETION DATE: ~~5-15-94~~ 5-22-94

3. PROVIDE USER MANUAL FOR THE KEYFAST/RAPS MULTI-SESSION FUNCTIONS. Many of the functions are currently not utilized to their full capacity by recording staff. This is an area I want to see all regional managers proficient in to handle the needs of their regions. Revisions to the draft manual received on July 20, 1993 are in progress. Bob Motznik needs to do final check off on them and add the information he is responsible for. Previous draft did not address the full spectrum of keyfast functions, their definitions and how to operate them. Manual should also reflect programming changes, if any, which result from item 2 above.

ESTIMATED COMPLETION DATE: ~~5-15-94~~ 5-22-94

6. UPDATE TO THE SYSTEM USER MANUAL. The last update I can locate is dated 3/21/89. Colleen at MCS is working on revisions. Bob Motznik will be going over the final product and adding any additional information needed. Existing format is fine, info needs to be reviewed and updated where necessary.

ESTIMATED COMPLETION DATE: 6-15-94

7. EDIT HISTORICAL AND CURRENT DATABASE FOR TRANSPOSITIONS, SPELLING ERRORS. We have received criticism in the past regarding the quality of our database information. An edit is desired which will specifically target the above problems for a given serial number range. This edit will be run at regular intervals to cross check for errors which get through the input process. Existing edit program will be expanded to include the following items:

1. Question unusual input/verify spelling entries;
2. Allow for a supervisory cross check of the above in the weekly edit;
3. Establish an edit flag key to prevent okayed entries from recurring as edit errors.
4. Modify the Function 10 (Requesting Reception Reports) to

generate a report and a separate edit. The need to print the report has reduced significantly since an alpha report has become available. The edit as a separate print queue item will be more functional and cost-effective.

5. Establish a batch report specifically to clean up the historical files incrementally with the same capabilities as the existing edit program, plus the above additions. (This last item will be a separate edit controlled by MCS, run as requested.)

ESTIMATED COMPLETION DATE: Test run available approximately 7-15-94.

8. MODIFY CURRENT INDEXING SCREENS TO INCLUDE A RETURN TO FIELD THAT CAN GENERATE ADDRESS LABELS ON REQUEST. The current original document return process is labor intensive. A field or screen is desired that will allow the staff to identify the return to party at the time indexing occurs. When the original documents are ready to return, a report can be requested for a date range to print all appropriate return labels. Additionally, it is desirable that the program only produce one label for repeated return to information. Document sorting will continue to minimize postage costs. MCS will change the existing input and verify functions to include a type 6 line entry which will be dedicated as a return label field. Because a percentage of return to's are one time users, there must be space capability to key in the entire address. A new function screen will be created to request the labels by date range, repeats limited to one printing only. Type 6 information will display on the detail screen for customer assistance purposes. The system will automatically generate the date labels as requested to eliminate the need for a manual log of mailout. Once this capability is established, MCS can either include this additional info on all tapes to the ADC, or he can delete the information before it is downloaded to tape. Additional input from LRIS staff is necessary to make this final determination.

ESTIMATED COMPLETION DATE: 8-15-94

9. FULL AUTOMATION OF THE PLAT INDEX, EDIT FOR BAD PLAT NUMBERS. Currently the on-line system only contains references to plats filed prior to mid-1971 in the form of documents that have been recorded against these parcels from 1971-current, as well as a name/plat number cross reference table. No lot/block detail is available on this cross reference table. Because the primary objective of the recorder's office is to eliminate the need to locate and identify a plat number for each document, the discussion turned toward an option that would enable recording staff to key in alpha information for the subdivision reference rather than look up the plat number. The computer could cross-check against a detailed table that identified each subdivision in lot and block detail. The subdivision name itself would be reflected in a variety of alpha formats to allow the computer to select a plat number to plug into the index with greater flexibility. For example:  
TERRACE ON THE LAKE SUBDIVISION, ADDITION NO. 5, would report Plat

P-277 for an exact alpha match as well as for the following variations:

TERR. ON THE LAKE SUBD #5; TER ON THE LK SUB ADDN 5; etc.

ESTIMATED COMPLETION DATE: This project needs additional research and will be discussed again as progress is made to complete the long term changes described below.

10. DETERMINE WHETHER ELECTRONIC FILING OF IRS TAX LIENS IS FEASIBLE. A data download from the IRS has been contemplated in the past to reduce the amount of time necessary to key in bulk IRS filings that are filed weekly or bi-weekly. Item shelved for the time being. Recorder's/UCC Section management will pursue a conversation with Mary Kay Holland of the IRS at some point in the future when more pressing items have been addressed. This item continues to be on hold. Feasibility and interface problems will change as the index system undergoes changes in field sizes and content.  
ESTIMATED COMPLETION DATE: N/A

The completion dates provided represent my best estimate for each system enhancement as of \_\_\_\_\_, 1994.

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ROBERT L. MOTZNIK

LONG TERM PROJECTS: All of the following items interrelate. Estimated completion date is end of 1994.

1. AUTOMATED RECORDING UCC SEARCH PROGRAM. A discrepancy in document acceptance criteria cannot be resolved until the automated UCC search program is operational for the recording offices. A duplicate of the program that is currently used in UCC Central with the requisite modifications necessary to accommodate the differences between UCC and recording is needed. MCS will modify the existing UCC program to link addresses to proper party on the search printout. Once this change is made, the UCC search program will be further modified to fill the needs of the Recording offices. Prior to completing this task, an associated document maintenance file must be established for a search program to operate against. This associated document maintenance file is also necessary before a monthly lapsed document report can be generated to each office automatically.
2. Expand grantor/grantee alpha list beyond 30 characters to eliminate the inclusion of erroneous filings in official search requests.
3. Establish a book and page search option in addition to the name, serial number, and legal description fields already established.
4. Expand type 2, 3 and 4 line entry length to reduce the number of comments or continuation lines that must be created. Doing so will improve accuracy of search reports and reduce the amount of duplicate entry necessary to link comments lines to their original

type 2, 3 or 4 line.

5. Combine the UCC Central and Recording index files by assigning an office number to UCC and modifying the existing programs as needed to reflect the inclusion of the UCC file as needed. Doing so will reduce the need to create separate programs for the same purpose, as well as ensure the inclusion of UCC data in monthly statistical information.

COMPLETED ITEMS:

1. PROVIDE CAPABILITY FOR DESIGNATED RECORDING STAFF TO CORRECT THE STATISTICAL FILE. This will allow supervisory personnel to correct date, amount, or district errors made to the statewide statistical file without assistance from or coordination with MCS staff. A keyfast function currently exists to update miscellaneous fee information the same day. MCS will add a new keyfast function, or modify the existing one, to correct prior statistical data.  
COMPLETION DATE: For Recording File only, completed approximately August, 1993.
2. Protected the abbreviations list to prevent inadvertent deletion of established abbreviations. Such deletions affect the successful retrieval of documents throughout the entire database.
3. Expanded or reorganized the temporary holding file to respond to a larger number of documents. The need to do so resulted from an ongoing verification backlog of several thousand documents. The prior size of the file caused the system to crash each time data entry reached capacity level in the temporary holding file.
4. Wrote a program to select a range of serial numbers for retransmitting to the ADC information which had been removed from the daily file by the time the request was made.
5. Monthly termination list is completed. Report is automatically generated monthly to each office to verify the accuracy of documents processed as terminations from the active files.

\*\*\*\*\*  
 \* P. 01 \*  
 \* TRANSACTION REPORT \*  
 \* APR-25-94 MON 10:15 \*  
 \* DATE START RECEIVER TX TIME PAGES TYPE NOTE M# DP \*  
 \* APR-25 10:10 93441759 4'29" 5 SEND OK \*  
 \*\*\*\*\*

\*\*\*\*\*  
 F A X T R A N S M I T T A L M E M O

TO: Bob Motznik  
 DEPT: MCS, Inc. FAX #: 344-1759  
 FROM: Sammy Senger PHONE: 762-2428  
 CO: Recorder's Office FAX #: 762-2210  
 Post-It brand fax transmittal memo 7671

NO. OF PAGES
5

P-277 for an exact alpha match as well as for the following variations:

TERR. ON THE LAKE SUBD #5; TER ON THE LK SOB ADDN 5; etc.

ESTIMATED COMPLETION DATE: This project needs additional research and will be discussed again as progress is made to complete the long term changes described below.

10. DETERMINE WHETHER ELECTRONIC FILING OF IRS TAX LIENS IS FEASIBLE. A data download from the IRS has been contemplated in the past to reduce the amount of time necessary to key in bulk IRS filings that are filed weekly or bi-weekly. Item shelved for the time being. Recorder's/UCC Section management will pursue a conversation with Mary Kay Holland of the IRS at some point in the future when more pressing items have been addressed. This item continues to be on hold. Feasibility and interface problems will change as the index system undergoes changes in field sizes and content.  
ESTIMATED COMPLETION DATE: N/A

The completion dates provided represent my best estimate for each system enhancement as of 5/11, 1994.

Robert L. Motznik  
ROBERT L. MOTZNIK

LONG TERM PROJECTS: All of the following items interrelate. Estimated completion date is end of February, 1994.

1. AUTOMATED RECORDING UCC SEARCH PROGRAM. A discrepancy in document acceptance criteria cannot be resolved until the automated UCC search program is operational for the recording offices. A duplicate of the program that is currently used in UCC Central with the requisite modifications necessary to accommodate the differences between UCC and recording is needed. MCS will modify the existing UCC program to link addresses to proper party on the search printout. Once this change is made, the UCC search program will be further modified to fill the needs of the Recording offices. Prior to completing this task, an associated document maintenance file must be established for a search program to operate against. This associated document maintenance file is also necessary before a monthly lapsed document report can be generated to each office automatically.
2. Expand grantor/grantee alpha list beyond 30 characters to eliminate the inclusion of erroneous filings in official search requests.
3. Establish a book and page search option in addition to the name, serial number, and legal description fields already established.
4. Expand type 2, 3 and 4 line entry length to reduce the number of comments or continuation lines that must be created. Doing so will improve accuracy of search reports and reduce the amount of duplicate entry necessary to link comments lines to their original

# MOTZNIK COMPUTER SERVICES, INC.

8301 BRIARWOOD STREET, SUITE 100  
ANCHORAGE, ALASKA 99518-3332  
(907) 344-6254 FAX (907) 344-1759

## FACSIMILE TRANSMITTAL

COMPANY: *Recorders Office*

DATE: *5/5/94*

ATTN: *Sandy*

FROM: *Bob Motznik*

FAXED TO: *907-262-2210*

MESSAGE:

NUMBER OF PAGES TRANSMITTED IS \_\_\_\_\_, INCLUDING THIS COVER SHEET.  
IF ALL PAGES NOT WELL RECEIVED, PLEASE CALL OUR NUMBER ABOVE.

\*\*\* OUR FAX NUMBER IS (907) 344-1759 \*\*\*

# STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

## DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

State Recorder's Office  
3601 C Street, #1180  
Anchorage, AK 99503

(907) 762-2428

VIA TELEFAX

Post-It™ brand fax transmittal memo 7671		# of pages ▶	1
To	Bob Motznik	From	Sandy Singer
Co.	MCS	Co.	REC. OFFICE
Dept.		Phone #	762-2428
Fax #	344-1759	Fax #	762-2484

July 14, 1993

Bob Motznik  
Motznik Computer Services, Inc.  
8301 Briarwood  
Anchorage, AK 99518

RE: Miscellaneous Fee Screen Code Breakdown  
required by item four of Workplan Summary #2

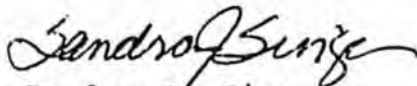
Dear Bob:

Please revise the current miscellaneous fee screen code format for the Recorder's/UCC offices to reflect the following codes:

<u>CODE</u>	<u>DEFINITION</u>
IS	Information Searches
CS	Copy Searches
CC	Conformed Cop(y) (ies)
CCC	Certified Cop(y) (ies)
NR	Nonrefundable
UF	Unapproved Form
O	Other

The format should be capable of taking either a total amount for each code or provide space to put multiple entries in each code. The current program totals all miscellaneous fees entered on each day. We will continue to want this feature. Let me know if you need any further information.

Sincerely,



Sandra J. Singer  
Assistant State Recorder

cc: Sharon Young, State Recorder  
Dianne Lyles, LRIS  
John Cacy, LRIS  
Chris Rutz, Admin Services

# STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

## DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

State Recorder's Office  
3601 C Street, #1180  
Anchorage, AK 99503

(907) 762-2428

VIA TELEFAX

July 9, 1993

Bob Motznik  
Motznik Computer Services, Inc.  
8301 Briarwood  
Anchorage, AK 99518

RE: Updated Cooperative Agreement Workplan Summary #1

Dear Bob:

Attached is the updated workplan which identifies the current status and estimated completion dates of all items as we discussed by telephone today. Please verify that I have summarized each item accurately and provide an estimated completion date for item one within three(3) business days.

To reiterate, I hope to reschedule the annual meeting to take place late July or early August. More information will follow as arrangements proceed.

Sincerely,



Sandra J. Singer  
Assistant State Recorder

Attachment: Updated Workplan #1, 3 pages

cc: Sharon Young, State Recorder  
Dianne Lyles, LRIS  
John Cacy, LRIS  
Chris Rutz, Admin Services

PROPOSED SYSTEM UPGRADES  
IN ORDER OF PRIORITY  
AS OF 7-9-93

WORKPLAN SUMMARY #2

1. RECORDING DATABASE CODE CONVERSION OF OLD UCC DATA KEYED IN USING FS CODE. Conversion of the current file is taken care of. The same conversion criteria was applied to the historic file which generated a printout (300+ pages). The State Recorder's Office received this printout on June 16, 1993. The editing project to verify the code changes was given to Kelly Farmer, Southern Regional Manager. Target completion date for compiling the edit table is July 15, 1993. Any corrections will identified in a second table which will be delivered to MCS via telefax no later than Tuesday, July 20, 1993. MCS will apply the table information to the historic file to finalize the database FS code conversion.

ESTIMATED COMPLETION DATE: Aug 15, 1993 *phone call 7-13-93*

2. AUTOMATED RECORDING UCC SEARCH PROGRAM. Further analysis of this task revealed that a base update of the FS code conversation from item one (1) needs to be completed prior to attempting a pilot of the search program for the recording offices. Assuming the table conversion is available to MCS by July 20, the update will be done immediately after that time and will take approximately two weeks. MCS will then be able to pursue modification of the existing UCC search program to link addresses to the proper party on the search printout, and further modify the program to fill the needs of the recording offices.

ESTIMATED COMPLETION DATE: AUGUST 15, 1993

3. PROVIDE CAPABILITY FOR DESIGNATED RECORDING STAFF TO CORRECT THE STATISTICAL FILE. This will allow supervisory personnel to correct date, amount, or district errors made to the statewide statistical file without assistance from or coordination with MCS staff. A keyfast function currently exists to update miscellaneous fee information the same day. MCS will add a new keyfast function, or modify the existing one, to correct prior statistical data.

ESTIMATED COMPLETION DATE: JULY 15, 1993 /p

4. ALLOW FOR COPY/SEARCH FEES TO BE ENTERED IN SUMMARY FORM. The Recorder's/UCC Section did not meet the June 15, 1993 deadline to provide MCS with the specific miscellaneous code breakdown desired for the fee entry screen. The Recorder's/UCC Section will do so by July 15, 1993 and telefax them to MCS. MCS will then be able to modify existing miscellaneous fee screen program to incorporate the codes; update the monthly statistical report to reflect them as separate revenue

categories; and link production of the UCC monthly stat report to the monthly recording volume/revenue report. Additionally, the existing volume/revenue report will be modified to delete any miscellaneous fee item categories from the monthly recording volume stats.

ESTIMATED COMPLETION DATE: SEPTEMBER 1, 1993

5. PROVIDE USER MANUAL FOR THE KEYFAST/RAPS/FUNCTIONS. Many of the functions are currently not utilized to their full capacity by recording staff. This is an area I want to see all regional managers proficient in to handle the needs of their regions. This task will be assigned to Bob Carlson. Manual will reflect above changes to keyfast screens noted in item 3.

ESTIMATED COMPLETION DATE: Extended to JULY 15, 1993

6. UPDATE TO THE SYSTEM USER MANUAL. The last update I can locate is dated 3/21/89. Colleen at MCS tentatively selected to complete this task. Existing format is fine, info needs to be reviewed and updated where necessary.

ESTIMATED COMPLETION DATE: Extended to AUGUST 1, 1993

7. EDIT HISTORICAL AND CURRENT DATABASE FOR TRANSPOSITIONS, SPELLING ERRORS. We have received criticism in the past regarding the quality of our database information. An edit is desired which will specifically target the above problems for a given serial number range. This edit will be run at regular intervals to cross check for errors which get through the input process. Four things need to change to address this item: Expand the existing input/verify edits to question unusual spelling entries; expand existing weekly edit report to allow for a supervisory cross check of the above; and establish a batch report specifically for this function to clean up the historical files incrementally. An edit flag key will need to be identified to prevent okayed entries from recurring as edit errors. Function 10 (Requesting Reception Reports) will be modified to generate a report and a separate edit. The need to print the report has reduced significantly since an alpha report has become available. The edit as a separate print queue item will be more functional and cost-effective.

ESTIMATED COMPLETION DATE: Begin JULY 15 - AUGUST 15, 1993.

8. MODIFY CURRENT INDEXING SCREENS TO INCLUDE A RETURN TO FIELD THAT CAN GENERATE ADDRESS LABELS ON REQUEST. The current original document return process is labor intensive. A field or screen is desired that will allow the staff to identify the return to party at the time indexing occurs. When the original documents are ready to return, a report can be requested for a date range to print all appropriate return labels. Additionally, it is desirable that the program only produce one label for repeated return to information.

Document sorting will continue to minimize postage costs. MCS will change the existing input and verify functions to include a type 6 line entry which will be dedicated as a return label field. The existing abbreviations list will be expanded to include repeat addresses of banks, title companies, law firms, etc. Because a percentage of return to's are one time users, there must be space capability to key in the entire address. A new function screen will be created to request the labels by date range, repeats limited to one printing only. Type 6 information will display on the detail screen for customer assistance purposes. The system will automatically generate the date labels as requested to eliminate the need for a manual log of mailout.

ESTIMATED COMPLETION DATE: DECEMBER 1, 1993

9. FULL AUTOMATION OF THE PLAT INDEX, EDIT FOR BAD PLAT NUMBERS (deleted from item seven). Currently the on-line system only contains references to plats filed prior to mid-1971 in the form of documents that have been recorded against these parcels from 1971-current. The entire plat card index should be automated so that a variety of reports can be generated as well as changes to internal processing. MCS will generate a preliminary summary of current information on line to compare against the card file for accuracy and completeness. Recording staff will provide missing data as a data entry project afterwards.

ESTIMATED COMPLETION DATE: QUARTERLY PRINTOUT BY AUGUST 15, 1993

10. DETERMINE WHETHER ELECTRONIC FILING OF IRS TAX LIENS ARE FEASIBLE. A data download from the IRS has been contemplated in the past to reduce the amount of time necessary to key in bulk IRS filings that are filed weekly or bi-weekly. Item shelved for the time being. Recorder's/UCC Section management will pursue a conversation with Mary Kay Holland of the IRS (271-6885) at some point in the future when more pressing items have been addressed.

ESTIMATED COMPLETION DATE: N/A

The completion dates provided represent my best estimate for each system enhancement as of 7/13, 1993.

  
ROBERT L. MOTZNIK

PROPOSED SYSTEM UPGRADES  
IN ORDER OF PRIORITY  
AS OF 7-9-93

WORKPLAN SUMMARY #2

1. RECORDING DATABASE CODE CONVERSION OF OLD UCC DATA KEYED IN USING FS CODE. Conversion of the current file is taken care of. The same conversion criteria was applied to the historic file which generated a printout (300+ pages). The State Recorder's Office received this printout on June 16, 1993. The editing project to verify the code changes was given to Kelly Farmer, Southern Regional Manager. Target completion date for compiling the edit table is July 15, 1993. Any corrections will identified in a second table which will be delivered to MCS via telefax no later than Tuesday, July 20, 1993. MCS will apply the table information to the historic file to finalize the database FS code conversion.  
ESTIMATED COMPLETION DATE: AUGUST 15, 1993
2. AUTOMATED RECORDING UCC SEARCH PROGRAM. Further analysis of this task revealed that a base update of the FS code conversion from item one (1) needs to be completed prior to attempting a pilot of the search program for the recording offices. Assuming the table conversion is available to MCS by July 20, the update will be done immediately after that time and will take approximately two weeks. MCS will then be able to pursue modification of the existing UCC search program to link addresses to the proper party on the search printout, and further modify the program to fill the needs of the recording offices.  
ESTIMATED COMPLETION DATE: AUGUST 15, 1993
3. PROVIDE CAPABILITY FOR DESIGNATED RECORDING STAFF TO CORRECT THE STATISTICAL FILE. This will allow supervisory personnel to correct date, amount, or district errors made to the statewide statistical file without assistance from or coordination with MCS staff. A keyfast function currently exists to update miscellaneous fee information the same day. MCS will add a new keyfast function, or modify the existing one, to correct prior statistical data.  
ESTIMATED COMPLETION DATE: JULY 19, 1993
4. ALLOW FOR COPY/SEARCH FEES TO BE ENTERED IN SUMMARY FORM. The Recorder's/UCC Section did not meet the June 15, 1993 deadline to provide MCS with the specific miscellaneous code breakdown desired for the fee entry screen. The Recorder's/UCC Section will do so by July 15, 1993 and telefax them to MCS. MCS will then be able to modify existing miscellaneous fee screen program to incorporate the codes; update the monthly statistical report to reflect them as separate revenue

categories; and link production of the UCC monthly stat report to the monthly recording volume/revenue report. Additionally, the existing volume/revenue report will be modified to delete any miscellaneous fee item categories from the monthly recording volume stats.

ESTIMATED COMPLETION DATE: SEPTEMBER 1, 1993

5. PROVIDE USER MANUAL FOR THE KEYFAST/RAPS/MULTI-SESSION FUNCTIONS. Many of the functions are currently not utilized to their full capacity by recording staff. This is an area I want to see all regional managers proficient in to handle the needs of their regions. This task will be assigned to Bob Carlson. Manual will reflect above changes to keyfast screens noted in item 3.

ESTIMATED COMPLETION DATE: Extended to JULY 19, 1993

6. UPDATE TO THE SYSTEM USER MANUAL. The last update I can locate is dated 3/21/89. Colleen at MCS tentatively selected to complete this task. Existing format is fine, info needs to be reviewed and updated where necessary.

ESTIMATED COMPLETION DATE: Extended to AUGUST 1, 1993

7. EDIT HISTORICAL AND CURRENT DATABASE FOR TRANSPOSITIONS, SPELLING ERRORS. We have received criticism in the past regarding the quality of our database information. An edit is desired which will specifically target the above problems for a given serial number range. This edit will be run at regular intervals to cross check for errors which get through the input process. Four things need to change to address this item: Expand the existing input/verify edits to question unusual spelling entries; expand existing weekly edit report to allow for a supervisory cross check of the above; and establish a batch report specifically for this function to clean up the historical files incrementally. An edit flag key will need to be identified to prevent okayed entries from recurring as edit errors. Function 10 (Requesting Reception Reports) will be modified to generate a report and a separate edit. The need to print the report has reduced significantly since an alpha report has become available. The edit as a separate print queue item will be more functional and cost-effective.

ESTIMATED COMPLETION DATE: Begin JULY 15 - AUGUST 15, 1993.

8. MODIFY CURRENT INDEXING SCREENS TO INCLUDE A RETURN TO FIELD THAT CAN GENERATE ADDRESS LABELS ON REQUEST. The current original document return process is labor intensive. A field or screen is desired that will allow the staff to identify the return to party at the time indexing occurs. When the original documents are ready to return, a report can be requested for a date range to print all appropriate return labels. Additionally, it is desirable that the program only produce one label for repeated return to information.

Document sorting will continue to minimize postage costs. MCS will change the existing input and verify functions to include a type 6 line entry which will be dedicated as a return label field. The existing abbreviations list will be expanded to include repeat addresses of banks, title companies, law firms, etc. Because a percentage of return to's are one time users, there must be space capability to key in the entire address. A new function screen will be created to request the labels by date range, repeats limited to one printing only. Type 6 information will display on the detail screen for customer assistance purposes. The system will automatically generate the date labels as requested to eliminate the need for a manual log of mailout.

ESTIMATED COMPLETION DATE: DECEMBER 1, 1993

9. FULL AUTOMATION OF THE PLAT INDEX, EDIT FOR BAD PLAT NUMBERS (deleted from item seven). Currently the on-line system only contains references to plats filed prior to mid-1971 in the form of documents that have been recorded against these parcels from 1971-current. The entire plat card index should be automated so that a variety of reports can be generated as well as changes to internal processing. MCS will generate a preliminary summary of current information on line to compare against the card file for accuracy and completeness. Recording staff will provide missing data as a data entry project afterwards.

ESTIMATED COMPLETION DATE: SUMMARY PRINTOUT by AUGUST 15, 1993

10. DETERMINE WHETHER ELECTRONIC FILING OF IRS TAX LIENS ARE FEASIBLE. A data download from the IRS has been contemplated in the past to reduce the amount of time necessary to key in bulk IRS filings that are filed weekly or bi-weekly. Item shelved for the time being. Recorder's/UCC Section management will pursue a conversation with Mary Kay Holland of the IRS (271-6885) at some point in the future when more pressing items have been addressed.

ESTIMATED COMPLETION DATE: N/A

The completion dates provided represent my best estimate for each system enhancement as of \_\_\_\_\_, 1993.

---

ROBERT L. MOTZNIK

# STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

## DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

State Recorder's Office  
3601 C Street, #1180  
Anchorage, AK 99503

(907) 762-2428

VIA TELEFAX

May 19, 1993

Bob Motznik  
Motznik Computer Services, Inc.  
8301 Briarwood  
Anchorage, AK 99518

RE: Revised Cooperative Agreement Workplan Summary #1

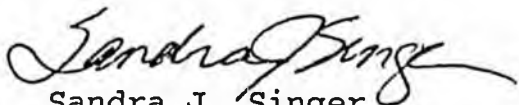
Dear Bob:

Attached is the revised workplan with additional detail and estimated completion dates as we agreed upon in our meeting of Friday, May 14, 1993. Please verify that I have summarized each item accurately and provide an estimated completion date for items one and six based on the additional comments within three(3) business days. I plan to update the list monthly to delete finished projects, reprioritize as needed and add new items that may develop. Look for the next monthly update around June 15, 1993.

As I mentioned to you by phone this morning, the annual meeting is scheduled for Thursday, May 20, 1993 at 10:00 a.m. in suite 814. I will fax a draft agenda to you by tomorrow afternoon.

See you Thursday!

Sincerely,



Sandra J. Singer  
Assistant State Recorder

Attachment: Revised Workplan #1, 3 pages

cc: Sharon Young, State Recorder  
Dianne Lyles, LRIS  
John Cacy, LRIS  
Chris Rutz, Admin Services

Post-It™ brand fax transmittal memo 7671		# of pages ▶ 3
To Bob Motznik	From Sandy Singer	
Co. M.C.S.	Co. RECORDER'S OFF	
Dept.	Phone # 762-2428	
Fax # 344-1759	Fax # 762-2484	

PROPOSED SYSTEM UPGRADES  
IN ORDER OF PRIORITY  
AS OF 5-5-93  
REVISED 5-19-93  
WORKPLAN SUMMARY #1

1. RECORDING DATABASE CODE CONVERSION OF OLD UCC DATA KEYED IN USING FS CODE. A code conversion is necessary for all FS entries keyed in from 1971 through December 1992. All UCC-3's except termination statements were indexed with the FS code which is no longer correct. A printout is desired of each district as the information currently exists and what it has been converted to. The printout will be verified by recording staff to ensure search accuracy once the automated search program is implemented and to confirm what the proper code should be for any entries that do not fit the defined conversion parameters. MCS provided (on 5-17-93) a sample extraction of the statewide database for the month of April 1977, 1988, 1989, 1991 and 1992. The Recorder's/UCC Section will identify the proper information for the conversion table by May 21, 1993. MCS will use this information to perform the database conversion, and produce a secondary printout to identify all documents which were not affected by the preliminary conversion.

ESTIMATED COMPLETION DATE: May 27<sup>th</sup> 1993 *to base update by June 30 1993 print 5-19-93*

2. AUTOMATED RECORDING UCC SEARCH PROGRAM. A discrepancy in document acceptance criteria cannot be resolved until the automated UCC search program is operational for the recording offices. A duplicate of the program that is currently used in UCC Central with the requisite modifications necessary to accommodate the differences between UCC and recording is needed. MCS will modify the existing UCC program to link addresses to proper party on the search printout. Once this change is made, the UCC search program will be further modified to fill the needs of the Recording offices.

ESTIMATED COMPLETION DATE: JUNE 30, 1993

3. PROVIDE CAPABILITY FOR DESIGNATED RECORDING STAFF TO CORRECT THE STATISTICAL FILE. This will allow supervisory personnel to correct date, amount, or district errors made to the statewide statistical file without assistance from or coordination with MCS staff. A keyfast function currently exists to update miscellaneous fee information the same day. *OK* MCS will add a new keyfast function, or modify the existing one, to correct prior statistical data.

ESTIMATED COMPLETION DATE: JULY 15, 1993

4. ALLOW FOR COPY/SEARCH FEES TO BE ENTERED IN SUMMARY FORM. This is a modification to the existing miscellaneous fee screens that already exist. In an effort to streamline the

task and make it possible to update erroneous entries after the fact, the program will be modified to allow recording staff to do so without assistance from MCS staff. The Recorder's/UCC Section will identify the specific misc codes to use for fee entry by June 15, 1993. MCS will modify existing miscellaneous fee screen program to incorporate the above codes; update the monthly statistical report to reflect them as separate revenue categories; and link production of the UCC monthly stat report to the monthly recording volume/revenue report. Additionally, the existing volume/revenue report will be modified to delete any miscellaneous fee item categories from the monthly recording volume stats.

ESTIMATED COMPLETION DATE: AUGUST 1, 1993 9/1/93

5. PROVIDE USER MANUAL FOR THE KEYFAST/RAPS FUNCTIONS. Many of the functions are currently not utilized to their full capacity by recording staff. This is an area I want to see all regional managers proficient in to handle the needs of their regions. This task will be assigned to Bob Carlson. Manual will reflect above changes to keyfast screens noted in item 3.

ESTIMATED COMPLETION DATE: JUNE 30, 1993 July 15, 1993

6. UPDATE TO THE SYSTEM USER MANUAL. The last update I can locate is dated 3/21/89. Colleen at MCS tentatively selected to complete this task. Existing format is fine, info needs to be reviewed and updated where necessary.

ESTIMATED COMPLETION DATE: July 15, 1993 5-19-93

7. EDIT HISTORICAL AND CURRENT DATABASE FOR TRANSPOSITIONS, SPELLING ERRORS. We have received criticism in the past regarding the quality of our database information. An edit is desired which will specifically target the above problems for a given serial number range. This edit will be run at regular intervals to cross check for errors which get through the input process. Four things need to change to address this item: Expand the existing input/verify edits to question unusual spelling entries; expand existing weekly edit report to allow for a supervisory cross check of the above; and establish a batch report specifically for this function to clean up the historical files incrementally. An edit flag key will need to be identified to prevent okayed entries from recurring as edit errors. Function 10 (Requesting Reception Reports) will be modified to generate a report and a separate edit. The need to print the report has reduced significantly since an alpha report has become available. The edit as a separate print queue item will be more functional and cost-effective.

ESTIMATED COMPLETION DATE: Begin JULY 15 - AUGUST 15, 1993.

8. MODIFY CURRENT INDEXING SCREENS TO INCLUDE A RETURN TO FIELD

THAT CAN GENERATE ADDRESS LABELS ON REQUEST. The current original document return process is labor intensive. A field or screen is desired that will allow the staff to identify the return to party at the time indexing occurs. When the original documents are ready to return, a report can be requested for a date range to print all appropriate return labels. Additionally, it is desirable that the program only produce one label for repeated return to information. Document sorting will continue to minimize postage costs. MCS will change the existing input and verify functions to include a type 6 line entry which will be dedicated as a return label field. The existing abbreviations list will be expanded to include repeat addresses of banks, title companies, law firms, etc. Because a percentage of return to's are one time users, there must be space capability to key in the entire address. A new function screen will be created to request the labels by date range, repeats limited to one printing only. Type 6 information will display on the detail screen for customer assistance purposes. The system will automatically generate the date labels as requested to eliminate the need for a manual log of mailout.

ESTIMATED COMPLETION DATE: DECEMBER 1, 1993

9. FULL AUTOMATION OF THE PLAT INDEX, EDIT FOR BAD PLAT NUMBERS (deleted from item seven). Currently the on-line system only contains references to plats filed prior to mid-1971 in the form of documents that have been recorded against these parcels from 1971-current. The entire plat card index should be automated so that a variety of reports can be generated as well as changes to internal processing. MCS will generate a preliminary summary of current information on line to compare against the card file for accuracy and completeness. Recording staff will provide missing data as a data entry project afterwards.

ESTIMATED COMPLETION DATE: SUMMARY PRINTOUT by AUGUST 15, 1993

10. DETERMINE WHETHER ELECTRONIC FILING OF IRS TAX LIENS ARE FEASIBLE. A data download from the IRS has been contemplated in the past to reduce the amount of time necessary to key in bulk IRS filings that are filed weekly or bi-weekly. Item shelved for the time being. Recorder's/UCC Section management will pursue a conversation with Kay Holland of the IRS at some point in the future when more pressing items have been addressed.

ESTIMATED COMPLETION DATE: N/A 271-6885

The completion dates provided represent my best estimate for each system enhancement as of \_\_\_\_\_, 1993.

ROBERT L. MOTZNIK

THAT CAN GENERATE ADDRESS LABELS ON REQUEST. The current original document return process is labor intensive. A field or screen is desired that will allow the staff to identify the return to party at the time indexing occurs. When the original documents are ready to return, a report can be requested for a date range to print all appropriate return labels. Additionally, it is desirable that the program only produce one label for repeated return to information. Document sorting will continue to minimize postage costs. MCS will change the existing input and verify functions to include a type 6 line entry which will be dedicated as a return label field. The existing abbreviations list will be expanded to include repeat addresses of banks, title companies, law firms, etc. Because a percentage of return to's are one time users, there must be space capability to key in the entire address. A new function screen will be created to request the labels by date range, repeats limited to one printing only. Type 6 information will display on the detail screen for customer assistance purposes. The system will automatically generate the date labels as requested to eliminate the need for a manual log of mailout.

ESTIMATED COMPLETION DATE: DECEMBER 1, 1993

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ESTIMATED COMPLETION DATE: SUMMARY PRINTOUT by AUGUST 15, 1993

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ESTIMATED COMPLETION DATE: N/A

The completion dates provided represent my best estimate for each system enhancement as of 5/19, 1993.

Robert L. Motznik  
ROBERT L. MOTZNIK

# MOTZNIK COMPUTER SERVICES, INC.

8301 BRIARWOOD STREET, SUITE 100  
ANCHORAGE, ALASKA 99518-3332  
(907) 344-6254 FAX (907) 344-1759

## F A C S I M I L E T R A N S M I T T A L

COMPANY:

*Records Office*

DATE:

*5/19/93*

ATTN:

*Sandy Singer*

FROM:

*Bob Motznik*

FAXED TO:

*762-2484*

MESSAGE:

NUMBER OF PAGES TRANSMITTED IS *2*, INCLUDING THIS COVER SHEET.  
IF ALL PAGES NOT WELL RECEIVED, PLEASE CALL OUR NUMBER ABOVE.

\*\*\* OUR FAX NUMBER IS (907) 344-1759 \*\*\*

EO

100

EO 100

TONY KNOWLES  
GOVERNOR



P O Box 110001  
Juneau Alaska 99811-0001  
(907) 465-3500  
Fax (907) 465-3532

STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

January 12, 1998

The Honorable Gail Phillips  
Speaker of the House  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801-1182

Dear Speaker Phillips:

I am transmitting an Executive Order to formally transfer the authentic Native handicraft identification seal program, known as the "silver hand" program, from the Department of Commerce and Economic Development to the Alaska State Council on the Arts.

This transfer places the program in an arm of state government more closely allied with the artistic nature of the articles that bear the program's seal. The council's general oversight of other artistic endeavors should allow for smooth integration of the administration of the silver hand program. The transfer will result in better efficiency and more knowledgeable application of the statutory provisions.

I urge your support of this Executive Order to help streamline state government operations.

Sincerely,

A handwritten signature in cursive script that reads "Tony Knowles".

Tony Knowles  
Governor



# Alaska State Legislature

House of Representatives

State Capitol, Rm 216  
Juneau, AK 99801-1182  
(907) 465-3725  
Fax: (907) 465-5334

Official Business

Office of the Chief Clerk

January 12, 1998

## MEMORANDUM

TO: Labor and Commerce Committee

FROM: Suzi Lowell  
Chief Clerk

SUBJECT: Executive Order 100

The Speaker has referred Executive Order 100 to the Community and Regional Affairs Committee and the Labor and Commerce Committee consecutively. Pursuant to AS 24.08.210 the legislature has 60 days to disapprove the order. Unless disapproved by a special concurrent resolution, the order becomes effective. For the Twentieth Legislature, Second Session, the sixtieth legislative day will be March 12, 1998.

Please return all pertinent information to the Chief Clerk's Office on or before that date.



1/21/98 TESTIMONY: Vernor Chimegalrea/Alaska State Council on the Arts

Chairman Ivan and members of the Committee,

*Thank you for this opportunity to address you about the Silver Hand Program.*

The Alaska State Council on the Arts is in support of the Marketing Alaska recommendation to transfer the Silver Hand Program from the Department of Commerce and Economic Development to the Alaska State Council on the Arts.

The economic impact of the arts have been proven on a state and national level. In Alaska the arts are a viable industry with annual economic impact in the non-profit sector alone of over \$23.5 million. The importance of the arts industry is especially evident in rural Alaska where it may be a family's primary source of income.

ASCA has long recognized that communities and artisans need assistance in developing and marketing local and regional cultural opportunities. It provides grant funds, technical assistance and leadership to help develop the arts industry in Alaska. For example:

1. ASCA is in its third year of a partnership with Department of Community and Regional Affairs to support community-based efforts to diversify and strengthen rural economies through arts-related economic development projects. The ASCA Rural Arts Initiative Grant Program has funded three arts cooperatives being developed through the Association of Village Council Presidents in the Yukon Kuskokwim delta, the Tribal Council of St. Paul Island and the Tribal Council of Pt. Hope.
2. ASCA is co-sponsoring a technical assistance workshop February 18-20 for the planning and management of Alaska Native Museums and Culture Centers. The workshop will include sessions on the role of tourism, role of gift shops, collections management and exhibit planning
3. Last fiscal year ASCA made over \$500,000 in grants to organizations and individuals. Every grant we issue supports Alaskan jobs and creates economic impact in the community it was awarded.
4. Master Artist and Apprenticeship program pairs apprentices desiring to pursue serious study of a Native Art with an acknowledged master artist. This program encourages the creation of high quality products by master artists in traditional native art forms.

The Silver Hand Program was established to authenticate Native arts for the retailers and consumers while protecting the work of native artists. The program began with good intentions but has languished due to lack of commitment and resources at the Department of Commerce and Economic Development. The Marketing Alaska task

force identified significant problems with the program calling it "outdated, vague and ineffective". The Silver Hand program has been repeatedly criticized for failing to carry out its obligations.

It is estimated that over 85% of art merchandise sold as native made is not authentic. In addition, native artists lack trust in the program and retailers are not educated on how to market Native art and crafts without misrepresenting the art and its cultural origin.

In response to the Governor's Marketing Alaska findings, it was recommended that the Alaska State Council on the Arts take over management of the Silver Hand Program. This program goes hand in hand with our existing Native Arts Program. As the Native Arts Program Director, I apply my art and language expertise as well as a statewide networking to enhance and build the program. Since the beginning of the fiscal year ASCA has devoted considerable staff resources to revitalizing this important program.

1. We convened a advisory committee of both native artists and retailers
2. We incorporated the Silver Hand program into statewide native arts outreach through exhibitions at major native conferences and gatherings as well as travel to major hub areas of the state.
3. We produced video public service announcements describing the program and the purpose of the silver hand tag.
4. We increased enrollment in the program by 50% to over 600 artists.
5. We contacted Federal Trade Commission to discuss enforcement issues.
6. We are working to make the Silver Hand program locally accessible by developing partnerships with Village Corporations.
7. We placed advertisements in major tourist publications alerting travelers to the importance of the silver Hand Tag when purchasing authentic native arts.

The Council feels strongly that the Silver Hand Program will be best served under the direction of the Alaska State Council on the Arts. We will seek the public and private resources necessary to enhance the economies of rural Alaska through arts-related programs like Silver Hand.



1/21/98

Celebrating Thirty Years of  
Service to Alaska

F A X

Transmittal

To: Kathy @ House Records Office  
Fax #: 907-465-7267  
From: VL Chimegalrea  
Re: Script of Presentation @ S.H. Hearing  
Date: Jan 21, 1998  
Pages: 3 Pages (including cover sheet)

The Alaska State Council on the Arts offers grants and services to advance the practice and appreciation of the arts in Alaska. ASCA grants address a wide range of needs, interests and activities.

Local Arts Council Grants - Arts development for communities  
Season Support Grants - Artistic and administrative support for arts organizations  
Project Grants - Assisting organizations with specific arts projects and programs  
Workshop Grants - Short-term workshops using artists and professionals as instructors  
Career Opportunity Grants - Career advancement grants for individual artists  
Master Artist & Apprentice Grants - Perpetuating the traditional arts of Alaska's Native people  
Community Arts Development Grants - To stimulate grassroots activity and public participation in the arts  
Artists in Schools Grants - Supporting artists' residencies in schools across Alaska  
Arts Education Incentive Grants - To promote and improve teaching of the arts

The Council develops arts policies, programs and proposals in cooperation with artists and arts organizations, State agencies, the Legislature, donors, and the public. ASCA receives major support from Alaska Airlines, Pacific Telecom, Inc., Koniag, Inc. and GCI. Additional contributors include Alaska Village Initiatives, Bernholz & Graham, Calista Corporation, Doyon Limited, and The Nerland Agency.

### Alaska State Council on the Arts

411 West 4th Avenue, Suite 1E, Anchorage, Alaska 99501-2343 (907) 269-6610 Fax: (907) 269-6601

g:\from\ca\fax.doc

**AGENDA**  
**January 16, 1998**

**Good Afternoon**

**This Meeting Of The House Labor & Commerce Committee Is Called To Order  
On January 21, 1997 At 3:15 P.M.**

**For The Record The Committee Members Present or on Teleconference are:**

**Rep. Norman Rokeberg, Chairman**

**Rep. John Cowdery, Vice Chairman**

**Rep. Bill Hudson**

**Rep. Joe Ryan**

**If A Committee Member Arrives Late Announce:**

**Rep. Jerry Sanders**

**Representative (Name) Has (Joined) (Left) The Committee At  
(Time).**

**Rep. Tom Brice**

**Rep. Gene Kubina**

**Committee Secretary, Paula Smedley**

**A Quorum ( Is ) ( Is Not ) Present.**

**On Today's Calendar We Have:**

**1. A public hearing on:**

**HB 247 Regulation of Escrow Accounts**

Anyone Wishing To Testify On HB 247 and Who Has Not Already Done So, Please Sign The Witness Register For The Secretary, Printing Your Name, Address, Telephone Number, Agency Or Business And Title.

**Witness Testimony Will be Limited To 3 to 5 minutes**

**2. EO 100 Moving the "Silver Hand" Program For Native Handicrafts from  
DCED to DOE**

1. Tom Lawson, Dept of Commerce
2. Helen Harwood, Dept of Education, Council on the Arts

**Witness Testimony Will be Limited To 3 to 5 minutes**

Take Testimony In Order, Recognizing Each Witness By Name:

1. Other Legislators (Ask Other Legislators To Join The Committee At The Table)
2. Individuals With Time Constraints
3. Individuals In Order On Witness List.
4. Teleconferenced Testimony Should Be Rotated Between Locations.  
(Teleconference Moderator Will Provide You With A List Of Witnesses  
At The Various Locations)

**THIS COMMITTEE STANDS AJOURNED AT (time)**

01-20-98P12:03 RCVD

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# MARKETING



# ALASKA

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## **The Governor's Economic Development Initiative**

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1996 Summary

*see #15*



### Cultural Resources Work Group Members

#### Co-Chairs

ALICE CROW  
*Native Student Service  
University of Alaska Anchorage*

RICK GOODFELLOW  
*KLEF Radio - Anchorage*

#### Members

SARA JUDAY  
*Alaska Northwest Books*

SUSIE BEVINS  
*IANA Inupiat Fine Artist*

MARY STADUM  
*Southwest Alaska  
Municipal Conference*

PAT PETRIVELLI  
*Alaska Native Heritage Center*

TIM WILSON  
*Alaska State Council on the Arts*

JUDY BITTNER  
*Office of History & Archeology  
Department of Natural Resources*

STEVE LINDBECK  
*Alaska Humanities Forum*

ALDONA JONAITAS  
*University Museum  
University of Alaska Fairbanks*

KATHY MAYO  
*Doyon Foundation Doyon Ltd*

JEANINE KENNEDY  
*RuralCAP*

THE HONORABLE  
GEORGIANNA LINCOLN  
*Alaska State Senate*

THE HONORABLE  
EILEEN MACLEAN (deceased)  
*Alaska House of Representatives*

#### Staff

KATHLEEN METCALFE  
*Department of Community and  
Regional Affairs*

CHUCK MCGEE  
*Department of Commerce and  
Economic Development*

## Marketing Alaska

# Cultural Resources Sector

### Summary

Alaska's cultural resources give the state much vitality. A McDowell Group Report concludes that nonprofit arts activity supports 1,300 Alaska jobs with a payroll of over \$9 million and attracts \$12.6 million in grants and revenue. In one year, arts organizations held 3,000 events attended by more than two million people that generated \$23.5 million in spending in Alaska. The state has 52 active public and private historical societies and museums.

Each year more than one million people visit Alaska. Festivals, celebrations, and historic sites are popular. The Iditarod Sled Dog Race and the spring Inupiaq whale hunt receive national attention. Four of the ten most visited tourist attractions are cultural resources — Ketchikan's totems, Skagway's Historic Gold Rush District, the Anchorage Museum of History and Art, and Sitka's Russian church and dancers.

Alaska's vibrant, dynamic, indigenous people and their art and crafts are significant visitor attractions. In recent years there has been a renaissance of Alaska Native art and crafts, and a growing pride and awareness of Alaska's unique, indigenous art.

Private and public efforts to create a sustainable cultural tourism industry are underway. As the 1995 White House Conference on Travel and Tourism demonstrated, cultural resources development and tourism are growing nationally and in Alaska. Cultural tourism is one of the fastest growing segments of the world travel industry. According to the Division of Tourism, the number of visitors to Alaska between 1992 and 1994 who sought cultural experiences increased by 27 percent. These tourists stay longer and buy art and crafts from local artists and artisans.

The in-state market for cultural tourism also has potential. Alaska's transient population provides an ever-changing group that can be encouraged to learn about Alaska's people, history, and art.

One advantage of cultural tourism is that it can be controlled. Particularly in rural areas, activities can be timed and patterned to minimally disrupt residents' lives and traditional activities.

### Recommendations

#### Top priority

**1** Develop the full potential of Alaska's cultural resources as a viable economic sector. As a first step, prepare a comprehensive strategic plan using the Marketing Alaska recommendations. Allocate an existing DTD position to coordinate this effort.

- Conduct a cultural resources marketing needs assessment and baseline survey.
- Create partnerships between Alaska schools and Alaska businesses and nonprofits to create jobs, emphasize development in under-served rural

areas, promote self-sufficiency, involve youth and elders, and focus resources in the community for appropriate culture-based economic development.

- Evaluate cultural resources marketing programs in Hawaii, New Mexico, the Pacific Northwest, Greenland, Russia, and Canada.
- Coordinate state planning with locally developed plans.
- Establish Internet culture web sites with a calendar and information exchange.

- Create a formal network for regular round table meetings to encourage collaboration and dialogue. Participants should come from government, Native, business, professional, nonprofit, and private sectors.
- Assess and provide support to existing partnerships (i.e., Yupik Cultural Center, Alaska Native Heritage Center, Institute of Alaska Native Arts).

### Immediate Action

- 2 Expand preschool, K-12, and post-secondary curricula in Alaska studies.
- 3 Support community projects to record and preserve language and transfer language skills. Take advantage of the Native American Languages Act of 1992 to develop Native language teaching materials and train Native speakers to use these materials in K-12 schools; encourage media broadcast in Native languages; compile, transcribe, and analyze oral tradition, history, and ethnographies; involve learners of all ages; and train teachers in the use of these materials.
- 4 Train educators to better understand the relationship between art, history, and culture in Alaska, and its tie to Alaska's economy.
- 5 Encourage hands-on experience-based learning in the arts, history, archaeology, and culture of Alaska. Establish cultural resource residency programs for high school students.
- 6 Strengthen existing curricula and develop new cultural resource education and training programs for secondary and post-secondary learners. Priority programs should include marketing, small business management, museum studies, cultural resource management, and nonprofit management and fund raising.
- 7 Develop promotional materials targeting private investment in commercial historic districts.
- 8 Develop cultural resources marketing tools. Elements might include:
  - Targeted kits for cultural resource marketing. Kits could include how-to tips, templates, sample business marketing plans, and contacts.
  - Integrated marketing of Alaska's cultural resources, with special pieces for festivals, performing arts, galleries, historical sites, museums and Alaska Native arts and crafts. Produce these materials in a variety of languages and formats.
  - Demonstrations, shows, exhibits, and publications throughout the state to provide opportunities to display and sell products.
  - Develop an "Alaskan author" logo program to identify books by Alaskans.

**9** Establish a clearinghouse for information about Alaska's cultural resources.

- Maintain a database of Alaskan organizations, events, festivals, artists, gathering places, reputable wholesalers and retailers, and suppliers.
- Maintain a detailed annual calendar and solicit information from across the state.
- Maintain a database of contacts for technical assistance.
- Distribute information through the Internet.
- Obtain private sector underwriting through advertisement.

**10** Develop press strategy and package to promote Alaska's cultural resources.

**11** Recognize cultural resources through awards, publicity, displays, brochures, exhibits.

- Continue "Governor's Award for the Arts."
- Create a "Governor's Award for Literature."
- Create a "Governor's Award for the Humanities."
- Print and distribute artist and artisan profiles.
- Develop a video series on artists, writers, cultural resources organizations, and sites.

**12** Endorse a "give five" campaign to promote donations of time and dollars to Alaska's cultural community. The goal should be to encourage Alaskans to give five percent (time and money) to cultural organizations of their choice.

**13** Promote community workshops for retail buyers, producers, and consumers addressing culture, art forms, practices, history, and laws affecting traditional and other natural materials (e.g., Marine Mammal Protection Act).

Build consumer awareness of the differences between elephant and walrus ivory.

#### **Further Dialogue Needed**

**14** Form a Cultural Resources Commission.

- Advocate stable funding for state cultural resources programs.
- Include representation from public and private sectors, and urban and rural areas with at least 50 percent of the members from the private cultural resources sector. Members should be selected equally by the Governor and the Legislature.
- Develop a vision and plan for a cooperative public and private strategy for the cultural resources sector, with identifiable performance measures and a monitoring plan for state marketing programs and services within a year.
- Identify performance measures and monitor progress toward responsible protection, development, and marketing of cultural resources.

**15** Revamp the Silver Hand program.

- Place under the Alaska State Council on the Arts.
- Staff the program with professionals who are knowledgeable of art and crafts, customs, and Alaska Native cultures to provide adequate advocacy and to determine authenticity.
- Enact legislation to promote authentic art and curtail counterfeit art through education and sanctions.

- Review and enact Department of Commerce and Economic Development's Alaska Native Arts and Crafts Task Force recommendations for legislation and funding. Increase Alaska Native involvement and consumer education.
- Develop a cooperative public/private marketing strategy.

**16** Encourage use of available space in vacant or under-used public buildings for studios. The space can be used to network, train, meet, and pass on tradition and art to the next generations, and to sell arts and crafts.

**17** Move the Alaska State Council on the Arts (ASCA) and the Silver Hand program to a cultural resources entity in the Department of Commerce and Economic Development, or the Governor's Office.

Introduced in the House: 1/12/98  
Referred: Community and Regional Affairs, Labor and Commerce

Introduced in Senate: 1/12/98  
Referred: Labor and Commerce

**EXECUTIVE ORDER NO. 100**

1 Under the authority of art. III, sec. 23, of the Alaska Constitution, and in accordance  
2 with AS 24.08.210, I order the following:

3 \* Section 1. FINDINGS. As governor, I find that it would be in the best interests of  
4 efficient administration to move the responsibility for administration of the authentic Native  
5 handicraft identification seal program, known as the "silver hand" program, from the  
6 Department of Commerce and Economic Development to the Alaska State Council on the Arts  
7 within the Department of Education.

8 \* Sec. 2. AS 44.27.050 is amended to read:

9 Sec. 44.27.050. Duties of council. The duties of the council are

- 10 (1) to stimulate and encourage throughout the state the study and  
11 presentation of the performing, visual, and fine arts and public interest and  
12 participation;
- 13 (2) to make surveys, which are considered advisable, of public and  
14 private institutions engaged in the state in artistic and cultural activities, including but  
15 not limited to music, theatre, dance, painting, sculpture, architecture, and allied arts and  
16 crafts, and to make recommendations concerning appropriate methods to encourage  
17 participation in and appreciation of the arts to meet the legitimate needs and aspirations  
18 of persons in all parts of the state;
- 19 (3) to take steps necessary and appropriate to encourage public interest  
20 in the cultural heritage of the state and to expand the state's cultural resources;
- 21 (4) to encourage and assist freedom of artistic expression essential for  
22 the well being of the arts;
- 23 (5) [REPEALED
- 24 (6)] to manage the art in public places fund;

1                    (6) to administer the provisions of AS 45.65 relating to the  
 2                    identification seal for authentic Native handicrafts made in the state and adopt  
 3                    regulations to carry out those provisions.

4 \* Sec. 3. AS 45.65.020 is amended to read:

5                    Sec. 45.65.020. Administration of chapter [COMMISSIONER TO  
 6                    ADMINISTER]. The commissioner of commerce and economic development is  
 7                    responsible for the administration of the provisions of AS 45.65.010 - 45.65.070  
 8                    relating to the emblem that is authorized under AS 45.65.010(b), including

9                    (1) [SUBJECT TO AS 45.65.030(a), THE DESIGN, METHOD OF  
 10                    AFFIXING, PREPARATION, ISSUANCE, AND CONTROL OF IDENTIFICATION  
 11                    SEALS;

12                    (2) THE ISSUANCE OF PERMITS TO AGENTS TO DISTRIBUTE  
 13                    THE SEALS;

14                    (3)] the supervision of the use of the emblem [SEALS AND  
 15                    EMBLEMS];

16                    (2) [(4)] subject to AS 45.65.030(c), the design, issuance, and control  
 17                    of emblems;

18                    (3) [(5)] the issuance of permits to agents to issue permits to use the  
 19                    emblems; and

20                    (4) [(6)] the enforcement of AS 45.65.010 - 45.65.070 regarding the  
 21                    emblem authorized under AS 45.65.010(b).

22 \* Sec. 4. AS 45.65.020 is amended by adding a new subsection to read:

23                    (b) The Alaska State Council on the Arts (AS 44.27.040) is responsible for the  
 24                    administration of the provisions of AS 45.65.010 - 45.65.070 relating to the  
 25                    identification seal for authentic Native handicrafts made in the state, including

26                    (1) subject to AS 45.65.030(a), the design, method of affixing,  
 27                    preparation, issuance, and control of identification seals;

28                    (2) the issuance of permits to agents to distribute the seals;

29                    (3) the supervision of the use of the seals; and

30                    (4) the enforcement of AS 45.65.010 - 45.65.070 regarding the  
 31                    identification seals.

1 \* Sec. 5. AS 45.65.030(c) is amended to read:

2 (c) The official emblem for an article that is made in the state is a design  
3 approved by the commissioner under AS 45.65.020(a)(2) [AS 45.65.020(4)] that  
4 depicts a mother bear with a cub and states the words "Made in Alaska."

5 \* Sec. 6. AS 45.65.040 is amended to read:

6 **Sec. 45.65.040. Identification seal and identification seal agent permits.** (a)  
7 The identification seal authorized under AS 45.65.010(a) may only be used after  
8 receiving a permit from the council [COMMISSIONER] or from an agent who  
9 possesses a current permit under (b) of this section.

10 (b) A resident of the state may apply to the council [COMMISSIONER] for  
11 a permit as agent to issue permits to use the identification seals described under  
12 AS 45.65.030(a) in the state. The council [COMMISSIONER] may examine or  
13 investigate an applicant to determine whether the applicant has sufficient knowledge  
14 of handicrafts, customs, and populace of the area in which the applicant resides to  
15 identify authentic Native handicraft, and may issue permits to qualified applicants. The  
16 permit may limit the authority of the agent to a certain geographic area or to a  
17 particular type of handicraft.

18 (c) The council [COMMISSIONER] shall establish forms and fees for the  
19 applications and permits to be used or issued under this section, the period for which  
20 the permits are valid, and the procedures for renewing the permits.

21 (d) Before issuing a permit for an article under this section, the council  
22 [COMMISSIONER] or the identification seal agent shall determine that the article is  
23 eligible for the identification seal.

24 (e) An identification seal agent may report alleged violations of  
25 AS 45.65.010 - 45.65.070 regarding identification seals to the council  
26 [COMMISSIONER].

27 \* Sec. 7. AS 45.65.045(b) is amended to read:

28 (b) A resident of the state may apply to the commissioner for a permit to act  
29 as an agent to issue permits to use the emblem. An agent may report alleged  
30 violations of AS 45.65.010 - 45.65.070 regarding emblems to the commissioner.

31 \* Sec. 8. AS 45.65.070 is amended by adding a new paragraph to read:

1 (6) "council" means the Alaska State Council on the Arts  
2 (AS 44.27.040).

3 \* Sec. 9. TRANSITION. (a) Litigation, hearings, investigations, and other proceedings  
4 pending under a law amended by this Order, or in connection with functions transferred by  
5 this Order, continue in effect and may be continued and completed notwithstanding a transfer  
6 or amendment provided for in this Order.

7 (b) Contracts, rights, liabilities, and obligations created by or under a law amended  
8 by this Order, and in effect on March 13, 1998, remain in effect notwithstanding this Order's  
9 taking effect. Records, equipment, appropriations, and other property of an agency of the state  
10 whose functions are transferred under this Order shall be transferred to implement the  
11 provisions of this Order.

12 (c) Regulations adopted by the Department of Commerce and Economic Development  
13 under AS 45.65 that relate to the authentic Native handicraft identification seal remain in  
14 effect and may be implemented and enforced by the Alaska State Council on the Arts until  
15 the council's own regulations take effect.

16 \* Sec. 10. This Order takes effect March 14, 1998.

DATED: \_\_\_\_\_

\_\_\_\_\_  
Tony Knowles  
Governor

**HB**

**10**



# HOUSE COMMITTEE REPORT

(7)

Date Referred to Committee: January 13, 1997

FURTHER REFERRALS:

Judiciary  
Finance

Date of Committee Action: 3/12/97

The LABOR AND COMMERCE Committee considered:

HB 10

HOUSE BILL NO. 10

MANDATORY MEDIATION/DESIGN PROF LAWSUITS

"An Act requiring mediation in a civil action against an architect, engineer, or land surveyor; amending Rule 100, Alaska Rules of Civil Procedure; and providing for an effective date."

recommends it be replaced with the following committee substitute 15 HB 10 (L+C)  the same title  a new title

additional referral to \_\_\_\_\_ Committee  
 attached amendment(s)

ADOPTS: \_\_\_\_\_ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal note(s) \_\_\_\_\_

fiscal note(s) \_\_\_\_\_

zero fiscal note(s) Court

zero fiscal note(s) \_\_\_\_\_

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>John Casadine</i>	✓			
<i>Henry Sanders</i>	✓			
<i>Mark Bine</i>			✓	
<i>Joe Ryan</i>	✓			
<i>Bird Hudson</i>	✓			
<i>Nan Kotelny</i>	✓			

CHAIR'S SIGNATURE Nan Kotelny 3/12/97



Official Business

# Alaska State Legislature

HOUSE OF REPRESENTATIVES

Representative Norman Rokeberg

State Capitol  
Juneau, AK 99801-1182

## JUST THE FAX

Date: 3/12/96

TO: LAA Legal

FAX: 2029 Telephone 2450

FROM: Representative Norman Rokeberg

FAX: (907) 465-2040 Telephone: (907) 465-4968

Number of Pages: 3 (including this page)

(etc)

Comments: ① Please prepare a CS for HB10 (final) deleting Section 4 "effective date" on Page 2 Lines of 0-150092A.

② Please prepare a CS for HB179 (final) (LRC Com) incorporating the attached changes to Version 0-150720A.

Have A Nice Day

AMENDMENT #2

Provided  
by Lutheran  
Brotherhood

OFFERED IN HOUSE LABOR AND COMMERCE COMMITTEE

BY ROKEBERG

TO: HB 179

PAGE 1, Line13 after "body":

INSERT: ", or any intermediate assembly"

Adopted  
No object.

CSHB179(LHC)

# Amendment #1

Div of  
Insurance  
by Kubina

Following Line 7 on Page 18, insert the following:

"(15) AS 21.54;  
(16) AS 21.56;"

Renumber existing (15) through (18) accordingly.

ADOPTED  
NO OBJECT

CSHB 179 (Ltr)

# FISCAL NOTE

**STATE OF ALASKA**  
**1997 LEGISLATIVE SESSION**

**BILL NO. HB 10**

Revision Date: \_\_\_\_\_  
 Title: Civil action against an architect, engineer  
 or land surveyor  
 Sponsor: Rep. Green  
 Requestor: \_\_\_\_\_

Dept. Affected: Alaska Court System  
 BRU: Trial Courts  
 Component: \_\_\_\_\_  
 COMPONENT SERIAL NO. 768

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

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**Fund Source (Thousands of Dollars)**

1003 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY 97) cost: None

**Positions**

Full-Time						
Part-Time						
Temporary						

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

See attached analysis.

Prepared by: C. S. Christensen III, Staff Counsel  
 Agency: Alaska Court System

Phone: 264-8228  
 Date: 03/10/97

Approved by: Stephanie J. Cole, Acting Administrative Director  
 Agency: Alaska Court System

Date: 03/10/97

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

Alaska Court System  
Fiscal Analysis  
HB 10

HB 10 amends the Code of Civil Procedure to require mediation of a civil action alleging professional negligence against an architect, engineer or land surveyor. Mediation must be conducted as provided under the Rules of Civil Procedure.

The court system does not keep statistics on the number of professional negligence claims filed against design professionals each year; based on testimony, it is assumed that only a few dozen such cases are filed each year in superior or district court.

Court rules will specify that the costs of the mediation shall be paid by the parties. However, as long as mediation is mandatory, the state will be required to pay the costs of the mediator for any party who is legally indigent. Because of the small number of claims each year and the relatively low costs of mediation, this note assumes that there will be no costs to the state for indigent mediation. This could change dramatically from year to year, however. Several years ago, a school roof collapsed because of snow load. Because the building was empty, no one was injured and only one plaintiff (the school district) had standing to file a claim. If school had been in session, however, scores of children or their estates might have had grounds for filing a civil action. In such an event, there could be a large number of legally indigent plaintiffs ordered to mediation, and the engineers who designed the roof might not be financially able to pay their share of the costs of hundreds of mediation sessions. While the catastrophic failure of buildings or other structures is fortunately rare, the potential exists that the court system would need to return to the legislature for funding of indigent mediation at some time in the future.



610 L Stroot, Suite 200  
P.O. Box 91139  
Anchorage, AK 99509-1139  
(907) 274-2236  
(907) 274-2520 Fax

March 12, 1997

addclchB10\_397

Representative Joe Green  
Room 118, State Capitol  
Juneau, AK 99801-1182

Re: HB10

Dear Rep. Green:

I am writing to you as a professional engineer and as a representative of the Alaska Professional Design Council, commonly known as APDC. APDC is a consortium of professional societies representing architects, engineers, land surveyors, building code officials, and landscape architects. The ten member-organizations have a combined membership of over 1400 and represent approximately 5000 licensed professionals. APDC is very supportive of tort reform in general and HB10 in particular.

**Our legal system needs modification! Over 90% of civil suits never go to trial.** Most cases are settled, with little to no consideration to actual fault, to avoid the expenses of discovery, trials, the threat of punitive damages (which aren't covered by insurance) and the seemingly capricious decisions of juries. When suits are filed against all possible defendants, regardless of fault, to ensure there are plenty of pockets to chip into the settlement, some defendants end up spending a considerable amount of time and money to extricate themselves from cases in which they shouldn't be involved. In most cases, they get to contribute to the settlement, even though they have no fault, due to pressure from the other parties to the suit. Knowing this, some people use the court system as a means of legal extortion by filing frivolous suits with the hope of a settlement. Millions of dollars are spent in the so called "discovery process" which almost always results in the defendants throwing in their insurance to stop the bleeding and make the case go away.

Existing sanctions against frivolous suits are rarely used because they require that the plaintiff first lose at trial, a trial that rarely happens. Summary judgment is also very rare because appellate courts have almost always overturned such decisions, making trial judges wary of issuing such orders. Many settlements are due to fear of the perceived large down side of going to trial, including the expense involved and the tendency of some juries to ignore common sense and aid the "little guy" plaintiff by dipping into the "deep pocket". All too often we read about large awards being reduced by the trial judge or on appeal or on the second appeal, all of which takes time and money. Some argue that these are rare, but they are not rare enough to take the gamble of a trial.

HB10 will help the situation for design professionals. **It is time to develop a system which identifies patently frivolous and meritorious suits early, so we can get them out of the system.** With this in mind, APDC is urging that alternative dispute resolution be one of the tort reform actions enacted by the legislature. A mandatory mediation system would reduce the number and costs of frivolous suits by letting the plaintiff and their attorney know early on if a case has no merit. They will be less willing to press the case as the likelihood of recovery will be decreased and the likelihood of court sanction for bringing a frivolous suit will be increased. On the other hand, it will encourage defendants to settle valid claims early by giving them an

Dennis L. Berry, PE

Forrest T. Braun, PE

Troy J. Feller, PE


Colin Maynard, PE

independent opinion of the validity of the claim against them. It will reduce the costs of litigation by resolving cases before the lengthy, expensive, discovery process. This may have the added benefit of more money going to the injured, rather than lawyers and expert witnesses. It should slow down the shotgun approach to suits by removing defendants who are obviously not liable.

It is our understanding that approximately 80% of cases sent to mediation in Washington are resolved during or soon after the mediation process. Fewer, smaller, and shorter cases should provide relief to an overtaxed court system. A bill which would have established mandatory mediation in suits against design professionals passed the House last year, 37-3. The trial attorneys, who have generally not been proponents of tort reform, testified on that bill that they support mandatory mediation, although they would prefer it to apply to all suits.

If you have any questions, I can be reached by phone at (907) 274-2236, by fax at (907) 274-2520, or by e-mail at [bbfm@alaska.net](mailto:bbfm@alaska.net).

Respectfully yours,



Colin Maynard, PE

# Alaska State Legislature

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CHAIRMAN, JUDICIARY COMMITTEE  
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& SOCIAL SERVICES COMMITTEE  
MEMBER, RESOURCES COMMITTEE

FINANCE SUBCOMMITTEES  
DEPT. OF COMMERCE & ECONOMIC  
DEVELOPMENT  
ALASKA COURT SYSTEM

Representative Joe Green  
District 10

## Sponsor Statement

### **HB 10 - Mediation Process for Claims Against Design Professionals**

HB 10 attempts to keep frivolous lawsuits out of the courtroom by amending the Code of Civil Procedure to require mediation of a civil action alleging professional negligence against an architect, engineer, or land surveyor.

Currently, mediation is available under Court Rule 100, HB 10 simply makes this process mandatory. After a suit is filed both parties will go through a discovery process, then a mediator will work with each side to help reach a settlement.

Members of both the professional design community and the trial attorneys have offered public testimony in favor of this approach. They have testified, and I agree, that mandatory mediation will help resolve claims of negligence against design professionals *before* they reach the courtroom.

OFFICIAL VERSION

ALASKA  
RULES  
OF  
COURT

1996—97 Main Edition



Book Publishing  
Company

(1) Hearings involving telephonic participation must be scheduled in the same manner as other hearings.

(2) When telephonic participation is requested, the court, before the hearing, shall designate the party responsible for arranging the call and the party or parties responsible for payment of the call pursuant to Administrative Rule 48.

(3) Upon convening a telephonic proceeding, the judge shall:

(i) Recite the date, time, case name, case number, names and locations of parties and counsel, and the type of hearing;

(ii) Ascertain that all statements of all parties are audible to all participants;

(iii) Give instructions on how the hearing is to be conducted, including notice that in order to preserve the record speakers must identify themselves each time they speak.

(4) A verbatim record must be made in accord with Administrative Rule 35.

(c) The right of public access to court proceedings must be preserved in accordance with law.

(Added by SCO 623 effective June 15, 1985; amended by SCO 790 effective March 15, 1987; and by SCO 922 effective January 15, 1989)

#### Annotations

#### Cases

Where father participated telephonically in parental rights termination action, his due process right to confront and cross-examine witnesses was not violated, since his attorney was present in the courtroom and did effectively cross-examine witnesses and since the transcript of the hearing indicated that the father could hear well enough to follow the proceedings. *E.J.S. v. Dept. of Health & Social Serv.*, Op. No. 3318, 754 P2d 749 (Alaska 1988).

Trial judge did not err in accepting telephonic testimony over the objection of a party. *Gregg v. Gregg*, Op. No. 3454, 776 P2d 1041 (Alaska 1989).

Trial judge could administer oath to witness appearing by telephone. *Gregg v. Gregg*, Op. No. 3454, 776 P2d 1041 (Alaska 1989).

Oath administered to witness appearing by telephone was valid even though the witness was not physically present in the state. *Gregg v. Gregg*, Op. No. 3454, 776 P2d 1041 (Alaska 1989).

At telephonic hearing on father's opposition to mother's motion seeking child support arrears, judge's ruling limiting hearing to oral arguments, which preventing father from testifying and his counsel from cross-examining the mother, was error, even though father did not file motion to participate telephonically in the hearing. *Carvalho v. Carvalho*, Op. No. 3881, 838 P2d 259 (Alaska 1992).

### Rule 100. Mediation.

(a) **Application.** At any time after a complaint is filed, a party may file a motion with the court requesting mediation for the purpose of achieving a

mutually agreeable settlement. The motion must address how the mediation should be conducted as specified in paragraph (b), including the names of any acceptable mediators. The court may order mediation in response to such a motion, or on its own motion, whenever it determines that mediation may result in an equitable settlement. In making this determination, the court may consider whether there is a history of domestic violence between the parties which could be expected to affect the fairness of the mediation process or the physical safety of the domestic violence victim. Mediation may not be ordered in a case filed under AS 25.35.010 or .020 and conduct which constitutes domestic violence under these statutes may not be the subject of mediation under this rule.

(b) **Order.** A order of mediation must state:

(1) the name of the mediator, or how the mediator will be decided upon;

(2) any changes in the procedures specified in paragraphs (c) and (e), or any additional procedures;

(3) that the costs of mediation are to be borne equally by the parties unless the court apportions the costs differently between the parties; and

(4) a date by which the initial mediation conference must commence.

(c) **Challenge of Mediator.** Each party has the right once to challenge peremptorily any mediator appointed by the court if the "Notice of Challenge of Mediator" is timely filed pursuant to Civil Rule 42(c).

(d) **Mediation Briefs.** Any party may provide a confidential brief to the mediator explaining its view of the dispute. If a party elects to provide a brief, the brief may not exceed five pages in length and must be provided to the mediator not less than three days prior to the mediation. A party's mediation brief may not be disclosed to anyone without the party's consent and is not admissible in evidence.

(e) **Conferences.** Mediation will be conducted in informal conferences at a location agreed to by the parties or, if they do not agree, at a location designated by the mediator. All parties shall attend the initial conference at which the mediator shall first meet with all parties. Thereafter the mediator may meet with the parties separately. Counsel for a party may attend all conferences attended by that party.

(f) **Termination.** After the initial joint conference and the first round of separate conferences if separate conferences are required by the mediator, a party may withdraw from mediation, or the mediator may terminate the process if the mediator determines that mediation efforts are likely to be unsuccessful. Upon withdrawal by a party or termination by the

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mediator, the mediator shall notify the court that mediation efforts have been terminated.

(g) Mediation proceedings shall be held in private and are confidential. The mediator shall not testify as to any aspect of the mediation proceedings. This rule does not relieve any person of a duty imposed by statute.

(h) If the mediation is successful, the party requesting mediation shall prepare a stipulation for dismissal which dismisses all or such portions of the action as have been concluded by mediation as agreed upon at the mediation.

(Added by SCO 1116 effective July 15, 1993; amended by SCO 1130 effective July 15, 1993)

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# Alaska State Legislature

WHILE IN SESSION  
CAPITOL BUILDING  
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CHAIRMAN, JUDICIARY COMMITTEE  
VICE CHAIRMAN, HEALTH, EDUCATION  
& SOCIAL SERVICES COMMITTEE  
MEMBER, RESOURCES COMMITTEE  
FINANCE SUBCOMMITTEES  
DEPT. OF COMMERCE & ECONOMIC  
DEVELOPMENT  
ALASKA COURT SYSTEM

Representative Joe Green  
District 10

TO: Representative Norman Rokeberg, Chairman  
House Labor & Commerce Committee

FR: Representative Joe Green *Joe Green*

RE: HB 10 - An Act requiring mediation in a civil action  
against a design professional

DATE: March 6, 1997

---

Please schedule HB 10 for a hearing in the House Labor & Commerce Committee.

HB 10 attempts to keep frivolous lawsuits out of the courtroom by amending the Code of Civil Procedure to require mediation of a civil action alleging professional negligence against an architect, engineer, or land surveyor. Both the Alaska Professional Design Council and the trial attorneys have publically supported this idea.

This same language, in the form of HB 414, was passed last year by the House, 37-3.

I would appreciate a Labor & Commerce hearing at the earliest opportunity.

# Alaska State Legislature



House of Representatives  
House Judiciary Committee

State Capitol, Room 120  
Juneau, Alaska 99801-1182  
(907) 465-4990

## MEMORANDUM

**Date:** March 5, 1997  
**To:** Committee Members  
**From:** Joe Green, House Judiciary Committee Chairman  
**Re:** Fraternal Benefit Societies Bill

---

The House Judiciary Committee has been asked to introduce the attached bill. It is based on the Model Fraternal Code and designed to eliminate some of the problems associated with the existing Alaska statutes that govern fraternal benefit societies in the Alaska Insurance Code, Title 21, Chapter 84. Many of the changes are designed to eliminate conflicts with other laws such as the Internal Revenue Code and regulations of the Securities Exchange Commission.

Please let me know immediately if you have any objection to the introduction of this bill by the House Judiciary committee. Please note that introduction of the bill by the committee does not imply that committee or its individual members endorse the bill.

**Because it is desirable to read this bill across the floor tomorrow, I request your response no later than 3:30 p.m. this afternoon.**

0-LS0671\A  
Crawford  
2/27/97

SENATE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - FIRST SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Introduced:  
Referred:

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to fraternal benefit societies; and providing for an effective  
2 date."

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

4 \* Section 1. AS 21.84 is amended by adding new sections to read:

5 Article 1. Structure and Purpose.

6 Sec. 21.84.005. Representative form of government. (a) A society has a  
7 representative form of government if

8 (1 ) the society has a supreme governing body constituted as described  
9 in (b) or (c) of this section;

10 (2) officers of the society are elected either by the supreme governing  
11 body or by the board of directors;

12 (3) only benefit members are eligible for election to the supreme  
13 governing body or to the board of directors; and

14 (4) a voting member has one vote, and a vote may not be cast by proxy.

1 (b) The supreme governing body may be constituted in an assembly. The  
2 assembly is composed of delegates elected directly by the members or at intermediate  
3 assemblies or conventions of members or their representatives, together with other  
4 delegates prescribed in the society's laws. A society may provide for election of  
5 delegates by mail. The elected delegates shall constitute a majority of the delegates  
6 entitled to vote, and they shall have neither less than two-thirds of the total votes cast,  
7 nor less than the number of votes required to amend the society's laws. The assembly  
8 shall be elected, shall meet at least once every four years, and shall elect a board of  
9 directors to conduct the business of the society between meetings of the assembly.  
10 Vacancies on the board of directors between elections may be filled in the manner  
11 prescribed by the society's laws.

12 (c) The supreme governing body may be constituted in a board. The board  
13 is composed of persons elected by the members, either directly or by their  
14 representatives in intermediate assemblies, together with other persons prescribed in  
15 the society's laws. A society may provide for election of the board by mail. A term  
16 of a board member may not exceed four years. Vacancies on the board between  
17 elections may be filled in the manner prescribed by the society's laws. The elected  
18 board members shall constitute a majority of the number of directors entitled to vote,  
19 and they shall have not less than the number of votes required to amend the society's  
20 laws. A person filling the unexpired term of an elected board member shall be  
21 considered to be an elected member. The board shall meet at least quarterly to  
22 conduct the business of the society.

23 **Sec. 21.84.015. Purposes and powers.** (a) A society shall operate for the  
24 benefit of members and their beneficiaries by (1) providing benefits as specified in  
25 AS 21.84.201, and (2) operating for a social, intellectual, educational, charitable,  
26 benevolent, moral, fraternal, patriotic, or religious purpose for the benefit of its  
27 members, which benefits may also be extended to others. A purpose may be carried  
28 out directly by the society or indirectly through subsidiary corporations or affiliated  
29 organizations.

30 (b) A society may adopt and amend laws and rules for the government of the  
31 society, the admission of its members, and the management of its affairs and may have

1 other powers necessary to carrying into effect the objects and purposes of the society.

2 \* Sec. 2. AS 21.84 is amended by adding a new section to read:

3 **Article 2. Membership.**

4 **Sec. 21.84.025. Qualifications for membership.** (a) A society shall specify  
5 in its laws or rules

6 (1) eligibility standards for each class of membership, but, if benefits  
7 are provided on the lives of children, the minimum age for adult membership shall be  
8 set at not less than 15 years of age and not more than 21 years of age:

9 (2) the process for admission to membership for each membership  
10 class; and

11 (3) the rights and privileges of each membership class; however, only  
12 benefit members may vote on the management of the insurance affairs of the society.

13 (b) A society may also admit social members, but the social members may not  
14 have a voice or vote in the management of the insurance affairs of the society.

15 (c) A society may organize and operate lodges for children under the minimum  
16 age for adult membership. Membership and initiation in local lodges may not be  
17 required of children, nor may children have a voice or vote in the management of the  
18 society.

19 (d) Membership rights in the society are personal to the member and are not  
20 assignable.

21 \* Sec. 3. AS 21.84 is amended by adding a new section to read:

22 **Sec. 21.84.035. Location of office; meetings; communications to members;**  
23 **grievance procedures.** (a) The principal office of a domestic society must be located  
24 in this state. The meetings of the supreme governing body of a society may be held  
25 in a state, district, province, or territory in which the society has at least one  
26 subordinate lodge or in another location as determined by the supreme governing body.  
27 All business transacted at the meetings is as valid in all respects as if the meetings  
28 were held in this state. The minutes of the proceedings of the supreme governing  
29 body and of the board of directors must conform to language requirements for  
30 documents filed under AS 21.84.070.

31 (b) A society may provide in its laws for an official publication in which any

1 notice, report, or statement required by law to be given to members, including notice  
2 of election, may be published. If published in the official publication, required reports,  
3 notices, and statements shall be printed conspicuously. If the records of a society  
4 show that two or more members have the same mailing address, an official publication  
5 mailed to one member is considered to be mailed to all members at the same address  
6 unless a member requests a separate copy.

7 (c) A synopsis of the society's annual statement providing an explanation of  
8 the facts concerning the condition of the society shall be printed not later than June  
9 1 of each year and mailed to each benefit member of the society or published in the  
10 society's official publication.

11 (d) A society may provide in its laws or rules for grievance or complaint  
12 procedures for members.

13 \* Sec. 4. AS 21.84 is amended by adding a new section to read:

14 **Sec. 21.84.045. No personal liability; indemnity.** (a) The officers and  
15 members of the supreme governing body or a subordinate body of a society are not  
16 personally liable for benefits provided by a society.

17 (b) A society shall indemnify and reimburse a person for expenses reasonably  
18 incurred by, and liabilities imposed upon, that person in connection with an action,  
19 suit, or proceeding, or threat of an action, suit, or proceeding, whether civil, criminal,  
20 administrative, or investigative, in which the person is involved by reason of the fact  
21 of service in the capacity of a director, officer, employee, or agent of the society or  
22 service in any capacity in a firm, corporation, or organization at the request of the  
23 society. However, a society may not indemnify or reimburse a person in connection  
24 with a matter in an action, suit, or proceeding, or threat of an action, suit, or  
25 proceeding, that has been made the subject of a compromise settlement, or in which  
26 the person is adjudged to be guilty of breach of a duty as a director, officer, employee,  
27 or agent of the society, unless the person acted in good faith for a purpose the person  
28 reasonably believed to be in or not opposed to the best interests of the society, and,  
29 in a criminal action or proceeding, in addition, had no reasonable cause to believe that  
30 the person's conduct constituted a violation of a criminal law of this state or another  
31 jurisdiction. The determination of whether the conduct of the person meets the

1 standard required to justify indemnification and reimbursement may be made by the  
2 supreme governing body or the board of directors through a majority vote of a quorum  
3 consisting of persons who were not parties to the action, suit, or proceeding or by a  
4 court of competent jurisdiction. The termination of an action, suit, or proceeding by  
5 judgment, order, settlement, conviction, or plea of no contest as to the person does not  
6 in itself create a conclusive presumption that the person did not meet the standard of  
7 conduct required to justify indemnification and reimbursement. The right of  
8 indemnification and reimbursement is not exclusive of other rights to which a person  
9 may be entitled as a matter of law and inures to the benefit of the person's heirs,  
10 executors, and administrators.

11 (c) A society may purchase and maintain insurance on behalf of a person who  
12 is or was a director, officer, employee, or agent of the society, or who is or was  
13 serving at the request of the society as a director, officer, employee, or agent of a firm,  
14 corporation, or organization, against a liability asserted against the person and incurred  
15 by the person arising out of that capacity, whether or not the society would have the  
16 power to indemnify the person against that liability under this section.

17 (d) A director, officer, employee, member, or volunteer of a society serving  
18 without compensation is not liable, and no cause of action may be brought against the  
19 person for damages resulting from the exercise of judgment or discretion in connection  
20 with the duties or responsibilities of the person for the society unless the act or  
21 omission involved reckless or intentional misconduct.

22 \* Sec. 5. AS 21.84.055 is amended by adding new sections to read:

23 Sec. 21.84.055. Waiver. The laws of the society may provide that a  
24 subordinate body or its subordinate officers or members may not waive any provision  
25 of the laws of the society. The provision is binding on the society and every member  
26 and beneficiary of a member.

27 **Article 3. Governance.**

28 Sec. 21.84.059. Amendments to laws. (a) A domestic society may amend  
29 its law in accordance with its provisions by action of its supreme governing body at  
30 a regular or special meeting or, if its laws provide, by referendum. The referendum  
31 may be held in accordance with the provisions of its laws by the vote of the voting

1 members of the society, by the vote of delegates or representatives of voting members,  
2 or by the vote of local lodges. A society may provide for voting by mail. An  
3 amendment submitted for adoption by referendum may not be adopted unless, within  
4 six months from the date of submission of the amendment, at least two-thirds of the  
5 members voting signify consent to the amendment by one of the methods specified  
6 under this subsection.

7 (b) An amendment to the laws of a domestic society may not take effect unless  
8 approved by the director. The director shall approve the amendment if the director  
9 finds that it has been legally adopted and is not inconsistent with the requirements of  
10 the laws of this state or with the character, objects, and purposes of the society.  
11 Unless the director disapproves the amendment within 60 days after it is filed, the  
12 amendment is considered approved. The approval or disapproval of the director shall  
13 be in writing and mailed to the secretary or corresponding officer of the society at its  
14 principal office. If the director disapproves the amendment, the reason for the  
15 disapproval shall be stated in the written notice.

16 (c) Within 90 days from the approval of the amendments by the director, all  
17 amendments, or a synopsis of them, shall be furnished to all members of the society,  
18 either by mail or by publication in full in the official publication of the society. The  
19 affidavit of an officer of the society or of a person authorized by the society to mail  
20 amendments, or a synopsis of them, stating facts that show that the amendments have  
21 been addressed and mailed, is prima facie evidence that the amendments, or a synopsis  
22 of them, have been furnished to the addressee.

23 (d) A foreign or alien society authorized to do business in this state shall file  
24 with the director a certified copy of all amendments of, or additions to, its laws within  
25 90 days after the enactment of them.

26 (e) Printed copies of the laws, as amended, certified by the secretary or  
27 corresponding officer of the society are prima facie evidence of the legal adoption of  
28 those laws.

29 \* Sec. 6. AS 21.84.060 is amended to read:

30 Sec. 21.84.060. Organization. The organization of a domestic society  
31 organized on or after the effective date of this Act shall be formed [GOVERNED]

1 as follows: Seven or more citizens of the United States, a majority of whom are  
2 citizens of this state, who desire to form a fraternal benefit society, may make, sign,  
3 and acknowledge before some officer, competent to take acknowledgment of deeds,  
4 articles of incorporation, in which shall be stated

5 (1) the proposed corporate name of the society, which may not so  
6 closely resemble the name of any society or insurance company as to be misleading  
7 or confusing;

8 (2) the purposes for which it is being formed and the mode in which  
9 its corporate powers are to be exercised; the purposes may not include more liberal  
10 powers than are granted by this chapter [, PROVIDED THAT ANY LAWFUL  
11 SOCIAL, INTELLECTUAL, EDUCATIONAL, CHARITABLE, BENEVOLENT,  
12 MORAL, FRATERNAL, OR RELIGIOUS ADVANTAGES MAY BE SET OUT  
13 AMONG THE PURPOSES OF THE SOCIETY];

14 (3) the names and residences of the incorporators and the names,  
15 residences, and official titles of all the officers, trustees, directors, or other persons  
16 who are to have and exercise the general control of the management of the affairs and  
17 funds of the society for the first year or until the ensuing election at which all the  
18 officers shall be elected by the supreme [LEGISLATIVE OR] governing body, which  
19 election shall be held no later than one year from the date of the issuance of the  
20 permanent certificate of authority.

21 \* Sec. 7. AS 21.84.070 is amended to read:

22 Sec. 21.84.070. **Filing articles and documents.** The articles of incorporation,  
23 certified copies of the domestic society's [CONSTITUTION,] laws and rules, copies  
24 of all proposed forms of certificates, applications, and circulars to be issued by the  
25 society, and a bond conditioned upon the return to applicants of the advanced  
26 payments if the organization is not completed within one year, shall be filed with the  
27 director, who may require further information considered necessary. The bond with  
28 sureties approved by the director shall be in an amount, not less than \$300,000  
29 [\$5,000] or more than \$1,500,000 [\$25,000], required by the director. All documents  
30 filed are to be in the English language. If the purposes of the society conform to the  
31 requirements of this chapter and all provisions of the law have been complied with,

1 the director shall so certify, retain, and file the articles of incorporation [,] and furnish  
2 the incorporators a preliminary certificate of authority authorizing the society to solicit  
3 members as hereinafter provided.

4 \* Sec. 8. AS 21.84.080 is amended to read:

5 Sec. 21.84.080. **Time for completing organization.** A preliminary certificate  
6 of authority [GRANTED UNDER THIS SECTION] is not valid after one year from  
7 its date or after such further period, not exceeding one year, as may be authorized by  
8 the director upon cause shown, unless the 500 applicants hereinafter required have  
9 been secured and the organization has been completed as herein provided. The articles  
10 of incorporation and all other proceedings thereunder shall become null and void in  
11 one year from the date of the preliminary certificate of authority, or at the expiration  
12 of the extended period, unless the domestic society has completed its organization and  
13 received a certificate of authority to do business as hereinafter provided.

14 \* Sec. 9. AS 21.84.090 is amended to read:

15 Sec. 21.84.090. **Initial solicitations and qualifications.** Upon receipt of a  
16 preliminary certificate of authority from the director, the domestic society may solicit  
17 members for the purpose of completing its organization, shall collect from each  
18 applicant the amount of not less than one regular monthly premium in accordance with  
19 its table of rates [AS PROVIDED BY ITS CONSTITUTION AND LAWS], and shall  
20 issue to each applicant a receipt for the amount collected. A domestic society may  
21 not incur any liability other than for the return of the advance premium, or issue any  
22 certificate, or pay, allow, or offer or promise to pay or allow, a death or health care  
23 benefit to any person until

24 (1) actual bona fide applications for [DEATH] benefits have been  
25 secured on 500 applicants and any necessary evidence of insurability has been  
26 furnished to and approved by the society [AGGREGATING AT LEAST \$500,000  
27 ON AT LEAST 500 LIVES;

28 (2) ALL APPLICANTS FOR DEATH BENEFITS HAVE  
29 FURNISHED EVIDENCE OF INSURABILITY SATISFACTORY TO THE  
30 SOCIETY];

31 (2) [(3)] certificates of examinations or acceptable declarations of

1 insurability have been filed and approved by the chief medical examiner of the society;

2 (3) [(4)] 10 subordinate lodges or branches have been established into  
3 which the 500 applicants have been admitted;

4 (4) [(5)] there has been submitted to the director, under oath of the  
5 president or secretary, or corresponding officer of the society, a list of the applicants,  
6 giving their names, addresses, date each was admitted, name and number of the  
7 subordinate branch of which each applicant is a member, amount of benefits to be  
8 granted, and premiums for them;

9 (5) [(6)] it has been shown to the director, by sworn statement of the  
10 treasurer, or corresponding officer of the society, that at least 500 applicants have each  
11 paid in cash at least one regular monthly premium, which premiums in the aggregate  
12 shall amount to at least \$150,000 [\$2,500. ALL OF WHICH SHALL BE CREDITED  
13 TO THE FUND OR FUNDS FROM WHICH BENEFITS ARE TO BE PAID AND  
14 NO PART OF WHICH MAY BE USED FOR EXPENSES]; the advance premiums  
15 shall be held in trust during the period of organization, and, if the society has not  
16 qualified for a certificate of authority within one year, the premiums shall be returned  
17 to the applicants.

18 \* Sec. 10. AS 21.84.100 is amended to read:

19 Sec. 21.84.100. Certificate of authority [COMPLIANCE]. The director may  
20 make the examination and require further information the director considers advisable.  
21 Upon presentation of satisfactory evidence that the domestic society has complied with  
22 all the provisions of law, the director shall issue to the society a certificate of  
23 authority to that effect and that the society is authorized to transact business under  
24 this chapter. The certificate of authority shall be prima facie evidence of the  
25 existence of the society at the date of the certificate. The director shall cause a record  
26 of the certificate of authority to be made. A certified copy of the record may be  
27 given in evidence with like effect as the original certificate of authority.

28 \* Sec. 11. AS 21.84.120 is amended to read:

29 Sec. 21.84.120. Corporate powers retained. An incorporated society  
30 authorized to transact business in this state on the effective date of this Act [JULY 1,  
31 1966, MAY THEREAFTER EXERCISE ALL THE RIGHTS, POWERS, AND

1 PRIVILEGES PRESCRIBED IN THIS CHAPTER AND IN ITS CHARTER OR  
2 ARTICLES OF INCORPORATION NOT INCONSISTENT WITH THIS CHAPTER.  
3 A DOMESTIC SOCIETY] may not be required to reincorporate.

4 \* Sec. 12. AS 21.84.170(a) is amended to read:

5 (a) It is lawful for a society to create, maintain, and operate organizations to  
6 operate not for profit institutions to further the purposes permitted by  
7 AS 21.84.015(a)(2). The institutions may provide services free or at a reasonable  
8 charge. Real or personal [CHARITABLE, BENEVOLENT, OR EDUCATIONAL  
9 INSTITUTIONS FOR THE BENEFIT OF ITS MEMBERS AND THEIR FAMILIES  
10 AND DEPENDENTS AND FOR THE BENEFIT OF CHILDREN INSURED BY THE  
11 SOCIETY. FOR THAT PURPOSE IT MAY OWN, HOLD, OR LEASE PERSONAL  
12 PROPERTY OR REAL PROPERTY LOCATED INSIDE OR OUTSIDE THIS  
13 STATE, WITH NECESSARY BUILDINGS THEREON. THE] property owned, held,  
14 or leased by the society for this purpose shall be reported in every annual statement  
15 but may not be allowed as an admitted asset of the society.

16 \* Sec. 13. AS 21.84 is amended by adding a new section to read:

17 Sec. 21.84.175. **Reinsurance.** (a) A domestic society may, by a reinsurance  
18 agreement, cede an individual risk or risks in whole or in part to an insurer, other than  
19 another fraternal benefit society, that has the power to make reinsurance and that is  
20 authorized to do business in this state or, if not authorized, that is approved by the  
21 director. However, a society may not reinsure substantially all of its insurance in force  
22 without the written permission of the director. A society may take credit for the  
23 reserves on the ceded risks to the extent reinsured, but a credit may not be allowed as  
24 an admitted asset or a deduction from liability to a ceding society for reinsurance  
25 made, ceded, renewed, or otherwise becoming effective after the effective date of this  
26 Act unless the reinsurance is payable by the assuming insurer on the basis of the  
27 liability of the ceding society under the contract or contracts reinsured without  
28 diminution because of the insolvency of the ceding society.

29 (b) Notwithstanding the limitation in (a) of this section, a society may reinsure  
30 the risks of another society in a consolidation or merger approved by the director under  
31 AS 21.84.185.

1 \* **Sec. 14.** AS 21.84 is amended by adding a new section to read:

2 **Sec. 21.84.185. Consolidations and mergers.** (a) A domestic society may  
3 consolidate or merge with another society by complying with the provisions of this  
4 section. It shall file with the director

5 (1) a certified copy of the written contract containing in full the terms  
6 and conditions of the consolidation or merger;

7 (2) a sworn statement by the president and secretary or corresponding  
8 officers of each society showing the financial condition of the society on a date fixed  
9 by the director but not earlier than December 31 immediately preceding the date of the  
10 contract;

11 (3) a certificate of the president and secretary or corresponding officers  
12 of each society, verified by their respective oaths, that the consolidation or merger has  
13 been approved by a two-thirds vote of the supreme governing body of each society,  
14 the vote being conducted at a regular or special meeting of each body or, if the  
15 society's laws so permit, by mail; and

16 (4) evidence that, at least 60 days prior to the action of the supreme  
17 governing body of each society, the text of the contract has been furnished to all  
18 members of each society either by mail or by publication in full in the official  
19 publication of each society.

20 (b) If the director finds that the contract is in conformity with the provisions  
21 of this section, that the financial statements are correct, and that the consolidation or  
22 merger is just and equitable to the members of each society, the director shall approve  
23 the contract and issue a certificate to that effect. On approval, the contract is in full  
24 force and effect unless a society that is a party to the contract is incorporated under  
25 the laws of another state or territory. In that event, the consolidation or merger may  
26 not become effective unless it has been approved as provided by the laws of that state  
27 or territory and a certificate of that approval has been filed with the director. If the  
28 laws of that state or territory contain no such provision, the consolidation or merger  
29 may not become effective unless it has been approved by the director of that state or  
30 territory and a certificate of that approval has been filed with the director.

31 (c) When the consolidation or merger becomes effective under this section, all

1 the rights, franchises, interests, and things in action of the consolidated or merged  
2 societies in every type of property, real, personal, or mixed, belonging to the  
3 consolidated or merged societies are vested in the society resulting from or remaining  
4 after the consolidation or merger without another instrument, except that conveyances  
5 of real property may be evidenced by proper deeds, and the title to any real estate or  
6 interest in it, vested under the laws of this state in any of the societies consolidated or  
7 merged, shall not revert or be in any way impaired by reason of the consolidation or  
8 merger, but shall vest absolutely in the society resulting from or remaining after the  
9 consolidation or merger.

10 (d) The affidavit of an officer of the society or of a person authorized by the  
11 society to mail a notice or document stating that a notice or document has been  
12 addressed and mailed is prima facie evidence that such notice or document has been  
13 furnished to the addressees.

14 \* Sec. 15. AS 21.84 is amended by adding a new section to read:

15 **Sec. 21.84.195. Conversion to a mutual life insurance company.** A  
16 domestic fraternal benefit society may be converted and licensed as a mutual life  
17 insurance company by compliance with the applicable requirements of AS 21.69 if the  
18 plan of conversion has been approved by the director. A plan of conversion shall be  
19 prepared in writing by the board of directors setting out the terms and conditions of  
20 conversion. The affirmative vote of two-thirds of the members of the supreme  
21 governing body at a regular or special meeting is necessary for approval of the plan.  
22 A conversion may not take effect unless and until approved by the director, who may  
23 give the approval if the director finds that the proposed change is in conformity with  
24 the requirements of law and not prejudicial to the certificate holders of the society.

25 \* Sec. 16. AS 21.84 is amended by adding a new section to read:

26 **Article 4. Contractual Benefits.**

27 **Sec. 21.84.201. Benefits.** (a) A society may provide the following contractual  
28 benefits in any form:

- 29 (1) death benefits;  
30 (2) endowment benefits;  
31 (3) annuity benefits;

- 1 (4) temporary or permanent health care benefits;  
2 (5) hospital, medical, or nursing benefits;  
3 (6) monument or tombstone benefits to the memory of deceased  
4 members; and  
5 (7) other benefits authorized for life and health insurers that are not  
6 inconsistent with this chapter.

7 (b) A society shall specify in its rules those persons who may be issued, or  
8 covered by the contractual benefits described in (a) of this section consistent with  
9 providing benefits to members and the members' dependents. A society may provide  
10 benefits on the lives of children under the minimum age for adult membership upon  
11 application of an adult person.

12 \* Sec. 17. AS 21.84.230(a) is amended to read:

13 (a) The owner of a benefit contract [MEMBER] shall have the right at all  
14 times to change the beneficiary or beneficiaries in accordance with the  
15 [CONSTITUTION,] laws [,] or rules of the society unless the owner waives this  
16 right by specifically requesting in writing that the beneficiary designation be  
17 irrevocable. A [. EVERY] society, by [ITS CONSTITUTION,] laws [,] or rules, may  
18 limit the scope of beneficiaries and shall provide that a beneficiary may not have or  
19 obtain a vested interest in the proceeds of a certificate until the certificate has become  
20 due and payable in conformity with the provisions of the benefit [INSURANCE]  
21 contract.

22 \* Sec. 18. AS 21.84.230(c) is amended to read:

23 (c) If, at the death of a person insured under a benefit contract [MEMBER],  
24 there is no lawful beneficiary to whom the proceeds [INSURANCE BENEFITS] are  
25 payable, the amount of the benefits, except to the extent that funeral benefits may be  
26 paid as provided in (b) of this section, shall be payable to the estate of the deceased  
27 insured the same as other property not exempt, but, if the owner of the certificate  
28 is not the insured, the amount of the benefits shall be payable to the owner  
29 [PERSONAL REPRESENTATIVE OF THE DECEASED MEMBER].

30 \* Sec. 19. AS 21.84 is amended by adding a new section to read:

31 Sec. 21.84.255. **The benefit contract.** (a) A society authorized to do business

1 in this state shall issue to each owner of a benefit contract a certificate specifying the  
2 amount of benefits provided under the contract. The certificate, together with any  
3 riders or endorsements attached to it, the laws of the society, the application for  
4 membership, the application for insurance, and the declaration of insurability, if any,  
5 signed by the applicant, and all amendments to each constitute the benefit contract, as  
6 of the date of issuance, between the society and the owner, and the certificate must so  
7 state. A copy of the application for insurance and declaration of insurability, if any,  
8 shall be endorsed upon or attached to the certificate. All statements on the application  
9 shall be representations and not warranties. A waiver of this provision is void.

10 (b) Except as provided in AS 21.84.320(d)(3), changes, additions, or  
11 amendments to the laws of the society enacted subsequent to the issuance of the  
12 certificate shall bind the owner and the beneficiaries and shall govern and control the  
13 benefit contract in all respects as though the changes, additions, or amendments were  
14 made before and were in force at the time of the application for insurance, except that  
15 a change, addition, or amendment may not destroy or diminish benefits that the society  
16 contracted to give the owner as of the date of issuance.

17 (c) A person upon whose life a benefit contract is issued before the person  
18 attains the age of majority is bound by the terms of the application and certificate and  
19 by all the laws and rules of the society to the same extent as though the age of  
20 majority were attained at the time of application.

21 (d) Except as provided in AS 21.84.320(d)(3), a society shall provide in its  
22 laws that if the society's reserves as to a class of certificates become impaired, the  
23 society's board of directors or corresponding body may require that the owner shall  
24 pay to the society the amount of the owner's equitable proportion of the deficiency as  
25 determined by its board and that, if the payment is not made, (1) the amount shall  
26 stand as an indebtedness against the certificate and shall draw interest not to exceed  
27 the rate specified for certificate loans under the certificates, or (2) in place of or in  
28 combination with the provisions of (1) this subsection, the owner may accept a  
29 proportionate reduction in benefits under the certificate. The society may specify the  
30 manner of the election and the alternative that is to be presumed if no election is  
31 made.

1 (e) Copies of the documents mentioned in this section, certified by the  
2 secretary or corresponding officer of the society, shall be received in evidence of the  
3 terms and conditions of the document.

4 (f) A certificate may not be delivered or issued for delivery in this state unless  
5 a copy of the form has been filed with the director in the manner provided for similar  
6 policies issued by life and health insurers in this state. A filing is considered approved  
7 unless disapproved within 60 days after the date of filing. A life, accident, health, or  
8 disability insurance certificate and an annuity certificate issued on or after one year  
9 after the effective date of this Act must meet the standard contract provision  
10 requirements not inconsistent with this chapter for similar policies issued by life and  
11 health insurers in this state, except that a society may provide in a certificate for a  
12 grace period for payment of premiums of one full month. The certificate must also  
13 contain a provision stating the amount of premiums that are payable under the  
14 certificate and a provision reciting or setting out the substance of sections of the  
15 society's laws or rules in force at the time of issuance of the certificate that, if  
16 violated, will result in the termination or reduction of benefits payable under the  
17 certificate. If the laws of the society provide for expulsion or suspension of a member,  
18 the certificate must also contain a provision that any member expelled or suspended,  
19 except for nonpayment of a premium or within the contestable period for material  
20 misrepresentation in the application for membership or insurance, is entitled to  
21 maintain the certificate in force by continuing payment of the required premium.

22 (g) A benefit contract issued on the life of a person below the society's  
23 minimum age for adult membership may provide for transfer of control of ownership  
24 to the insured at an age specified in the certificate. A society may require approval  
25 of an application for membership in order to effect this transfer and may provide in  
26 all other respects for the regulation, government, and control of those certificates and  
27 all rights, obligations, and liabilities incident to and connected with those certificates.  
28 Ownership rights before transfer shall be specified in the certificate.

29 (h) A society may specify the terms and conditions on which benefit contracts  
30 may be assigned.

31 \* Sec. 20. AS 21.84 is amended by adding a new section to read:

1           **Sec. 21.84.265. Nonforfeiture benefits, cash surrender values, certificate**  
2 **loans, and other options.** (a) For certificates issued before one year after the  
3 effective date of this Act, the value of a paid-up nonforfeiture benefit and the amount  
4 of a cash surrender value, loan, or other option granted shall comply with the  
5 provisions of law applicable on the day before the effective date of this Act.

6           (b) For certificates issued on or after one year after the effective date of this  
7 Act for which reserves are computed on the Commissioner's 1941 Standard Ordinary  
8 Mortality Table, the Commissioner's 1941 Standard Industrial Table, the  
9 Commissioner's 1958 Standard Ordinary Mortality Table, the Commissioner's 1980  
10 Standard Mortality Table, or a more recent table made applicable to life insurers, a  
11 paid-up nonforfeiture benefit and the amount of a cash surrender value, loan, or other  
12 option granted may not be less than the corresponding amount based on the interest  
13 rate and mortality tables authorized by the laws of this state for the calculation of those  
14 benefits by life and health insurers issuing policies containing similar benefits based  
15 upon these tables.

16 \* **Sec. 21.** AS 21.84 is amended by adding a new section to read:

17                           **Article 5. Financial.**

18           **Sec. 21.81.275. Investments.** A society shall invest its funds only in  
19 investments authorized by the laws of this state for the investment of assets of life  
20 insurers and subject to the limitations on the investment of assets of life insurers. A  
21 foreign or alien society permitted or seeking to do business in this state that invests  
22 its funds in accordance with the laws of the state, district, territory, country, or  
23 province in which it is incorporated shall meet the requirements of this section for the  
24 investment of funds.

25 \* **Sec. 22.** AS 21.84.320(a) is amended to read:

26           (a) All assets shall be held, invested, and disbursed for the use and benefit of  
27 the society, and a member or beneficiary may not have or acquire individual rights or  
28 become entitled to an apportionment or the surrender of a part of the assets, except as  
29 provided in the benefit contract.

30 \* **Sec. 23.** AS 21.84.320 is amended by adding a new subsection to read:

31           (d) A society may, under a resolution of its supreme governing body, establish

1 and operate one or more separate accounts and issue contracts on a variable basis,  
2 subject to laws regulating life and health insurers establishing those accounts and  
3 issuing those contracts. To the extent the society considers it necessary in order to  
4 comply with applicable federal or state law, or any rule made under applicable federal  
5 or state law, the society may

6 (1) adopt special procedures for the conduct of the business and affairs  
7 of a separate account;

8 (2) for persons having beneficial interests in the account, provide  
9 special voting and other rights including special rights and procedures relating to  
10 investment policy, investment advisory services, selection of certified public  
11 accountants, and selection of a committee to manage the business and affairs of the  
12 account; and

13 (3) issue contracts on a variable basis to which AS 21.84.255(b) and  
14 (d) do not apply.

15 \* **Sec. 24.** AS 21.84 is amended by adding a new section to read:

16 **Sec. 21.84.335. Applicability of other code provisions.** (a) Except as  
17 provided in this section, societies are governed by this chapter and are exempt from  
18 all other provisions of the insurance laws of this state for all purposes, including  
19 governmental relations with the state.

20 (b) In addition to the provisions of this chapter, the following provisions of  
21 this title apply to fraternal benefit societies to the extent applicable and not in conflict  
22 with the express provisions of this chapter and the reasonable implications of this  
23 chapter:

24 (1) AS 21.03;

25 (2) AS 21.06;

26 (3) AS 21.09.050;

27 (4) AS 21.09.100;

28 (5) AS 21.09.200;

29 (6) AS 21.09.205;

30 (7) AS 21.18;

31 (8) AS 21.21;

- 1 (9) AS 21.27;  
2 (10) AS 21.33;  
3 (11) AS 21.36;  
4 (12) AS 21.42.290;  
5 (13) AS 21.42.355;  
6 (14) AS 21.53;  
7 (15) AS 21.69.370;  
8 (16) AS 21.69.640;  
9 (17) AS 21.78; and  
10 (18) AS 21.89.060.

11 \* Sec. 25. AS 21.84 is amended by adding a new section to read:

12 **Article 6. Regulation.**

13 **Sec. 21.84.455. Valuation.** (a) Standards of valuation for certificates issued  
14 before one year after the effective date of this Act shall be those provided by the laws  
15 applicable immediately before the effective date of this Act.

16 (b) The minimum standards of valuation for certificates issued on or after one  
17 year after the effective date of this Act shall be based on the following tables, which  
18 shall be under valuation methods and standards, including interest assumptions, in  
19 accordance with the laws of this state applicable to life and health insurers issuing  
20 policies containing similar benefits:

21 (1) for certificates of life insurance, the Commissioner's 1941 Standard  
22 Ordinary Mortality Table, the Commissioner's 1941 Standard Industrial Mortality  
23 Table, the Commissioner's 1958 Standard Ordinary Mortality Table, the  
24 Commissioner's 1980 Standard Ordinary Mortality Table, or a more recent table made  
25 applicable to life insurers;

26 (2) for annuity and pure endowment certificates, for total and  
27 permanent disability benefits, for accidental death benefits, and for noncancellable  
28 accident and health benefits, the tables authorized for use by life and health insurers  
29 in this state.

30 (c) The director may, in the director's discretion, accept other standards for  
31 valuation if the director finds that the reserves produced under those standards will not

1 be less in the aggregate than reserves computed in accordance with the minimum  
2 valuation standard presented in this section. The director may, in the director's  
3 discretion, vary the standards of mortality applicable to benefit contracts on  
4 substandard lives or other extrahazardous lives by any society authorized to do  
5 business in this state.

6 (d) A society, with the consent of the insurance supervisory official of the state  
7 of domicile of the society and under conditions that the director may impose, may  
8 establish and maintain reserves on its certificates in excess of the reserves required, but  
9 the contractual rights of any benefit member shall not be affected.

10 \* Sec. 26. AS 21.84 is amended by adding a new section to read:

11 Sec. 21.84.465. Reports. (a) Reports shall be filed in accordance with the  
12 provisions of this section.

13 (b) A society transacting business in this state shall annually, on or before  
14 March 2, unless the time has been extended by the director for cause shown, file with  
15 the director a true statement of the society's financial conditions transactions, and  
16 affairs for the preceding calendar year and pay the applicable fee under AS 21.06.250.  
17 The statement shall be in the general form and content approved by the National  
18 Association of Insurance Commissioners for fraternal benefit societies and  
19 supplemented by additional information required by the director.

20 (c) As a part of the annual statement required by this section, each society  
21 shall, on or before March 1, file with the director a valuation of the society's  
22 certificates in force on the preceding December 31, but the director may, in the  
23 director's discretion, for cause shown, extend the time for filing the valuation for not  
24 more than two calendar months. The valuation shall be done in accordance with the  
25 standards specified in AS 21.84.455. The valuation and underlying data shall be  
26 certified by a qualified actuary or, at the expense of the society, verified by the actuary  
27 of the insurance regulatory agency of the state of domicile of the society.

28 (d) If a society fails to file the annual statement in the form and within the  
29 time provided by this section, the society shall forfeit \$100 for each day that the  
30 neglect continues, and, upon notice by the director to that effect, the society's authority  
31 to do business in this state shall cease while the default continues.

1 (e) A synopsis of its annual statement providing an explanation of the facts  
2 concerning the condition of the society shall be either printed and mailed to each  
3 benefit member of the society not later than June 1 of each year or published in the  
4 society's official publication.

5 (f) The director may require a society to file quarterly financial statements.  
6 If quarterly financial statements are required, the statements must follow for a given  
7 quarter the reporting specified in the quarterly financial statement blank form and  
8 instructions most recently approved by the National Association of Insurance  
9 Commissioners.

10 \* Sec. 27. AS 21.84 is amended by adding a new section to read:

11 **Sec. 21.84.475. License.** Societies that are authorized to transact business in  
12 this state on the effective date of this Act, and societies licensed after the effective date  
13 of this Act and before July 1 immediately following the effective date of this Act, may  
14 continue the business through June 30 immediately following the effective date of this  
15 Act. The authority of those societies and all other societies licensed after the effective  
16 date of this Act may be renewed annually, but, in all cases, terminates on the first day  
17 of the succeeding July. However, a license issued continues in full force and effect  
18 until the new license is issued or specifically refused. For each license or renewal, the  
19 society shall pay a fee set under AS 21.06.250. A certified copy or duplicate of the  
20 license shall be prima facie evidence that the licensee is a fraternal benefit society  
21 under this chapter.

22 \* Sec. 28. AS 21.84 is amended by adding a new section to read:

23 **Sec. 21.84.485. Examination of societies.** The director may examine a society  
24 in the manner authorized for an insurer under AS 21.06.120 - 21.06.230. The  
25 requirements, procedures, authorization, and process for examinations authorized under  
26 this section shall be the same as for an insurer.

27 \* Sec. 29. AS 21.84 is amended by adding a new section to read:

28 **Sec. 21.84.495. Foreign or alien society; admission.** A foreign or alien  
29 society may not transact business in this state without a license issued by the director.  
30 A foreign or alien society desiring admission to this state shall comply with the  
31 requirements and limitations of this chapter applicable to domestic societies. The