

ALASKA LEGISLATURE COMMITTEE FILES 1997-1998 00/2

9342 HOUSE LABOR & COMMERCE

1 payments over a period of years. The commissioner shall request an appropriation to  
2 the fund of proceeds from disposal of property under this section.

3 **Sec. 44.33.780. Definitions.** In AS 44.33.740 - 44.33.780,

4 (1) "commissioner" means the commissioner of commerce and rural  
5 development;

6 (2) "department" means the Department of Commerce and Rural  
7 Development.

8 **Article 8B. Planning Assistance.**

9 **Sec. 44.33.781. Planning assistance for development and maintenance of**  
10 **district coastal management programs.** (a) The department shall conduct a program  
11 of research, training, and technical assistance to coastal resource districts necessary for  
12 the development and implementation of district coastal management programs under  
13 AS 46.40. The technical assistance shall include the direct granting to the coastal  
14 resource districts of a portion of any funds received by the state from the federal  
15 coastal zone management program, in amounts to be individually determined for each  
16 coastal resource district by the commissioner of commerce and rural development.  
17 State agencies shall assist the department in carrying out the purposes of this section.

18 **Sec. 44.33.782. Planning assistance to platting authorities.** To facilitate  
19 planning in municipalities that exercise planning and zoning authority, the department  
20 may provide planning assistance, including but not limited to surveys, land use studies,  
21 urban renewal plans, technical services, model acts that include regulations designed  
22 to encourage development and use of energy systems not dependent on oil or gas, and  
23 other planning work to a city, borough, or other platting authority. In an area under  
24 the jurisdiction, for planning purposes, of a city, borough, or other platting authority,  
25 the department may not perform the planning work except at the request or with the  
26 consent of the local authority.

27 **Sec. 44.33.784. Assistance by cities and platting authorities.** A city or  
28 platting authority may make funds under its control available to the department for the  
29 purposes of obtaining planning work or planning assistance, or both, for its area. The  
30 department may contract for, accept, and expend the funds for urban planning for the  
31 local jurisdiction.

1           **Sec. 44.33.786. Land use planning and state facility procurement plan.**

2           The department shall make recommendations to the Department of Transportation and  
3           Public Facilities and to appropriate program agencies concerning the effect upon the  
4           comprehensive plan or other land use plans or proposals of municipalities and  
5           unincorporated communities with respect to the facility procurement plan required to  
6           be prepared in accordance with AS 35.10.170 and AS 44.42.055.

7           **Sec. 44.33.788. Other planning powers.** The department may accept and  
8           expend grants from the federal government and other public or private sources, may  
9           contract with reference to them, and may enter into contracts and exercise all other  
10          powers necessary to carry out AS 44.33.781 - 44.33.788.

11          **Sec. 44.33.790. Definition.** In AS 44.33.782 - 44.33.790, "department" means  
12          the Department of Commerce and Rural Development.

13          \* **Sec. 74.** AS 44.33 is amended by adding new sections to read:

14                   **Article 9A. Local Boundary Commission.**

15          **Sec. 44.33.810. Local boundary commission.** There is in the Department of  
16          Commerce and Rural Development a local boundary commission. The local boundary  
17          commission consists of five members appointed by the governor for overlapping five-  
18          year terms. One member shall be appointed from each of the four judicial districts  
19          described in AS 22.10.010 and one member shall be appointed from the state at large.  
20          The member appointed from the state at large is the chair of the commission.

21          **Sec. 44.33.812. Powers and duties.** (a) The local boundary commission shall

22                   (1) make studies of local government boundary problems;

23                   (2) adopt regulations providing standards and procedures for municipal  
24          incorporation, annexation, detachment, merger, consolidation, reclassification, and  
25          dissolution;

26                   (3) consider a local government boundary change requested of it by the  
27          legislature, the commissioner of commerce and rural development, or a political  
28          subdivision of the state; and

29                   (4) develop standards and procedures for the extension of services and  
30          ordinances of incorporated cities into contiguous areas for limited purposes upon  
31          majority approval of the voters of the contiguous area to be annexed and prepare

1 transition schedules and prorated tax mill levies as well as standards for participation  
2 by voters of these contiguous areas in the affairs of the incorporated cities furnishing  
3 services.

4 (b) The local boundary commission may

5 (1) conduct meetings and hearings to consider local government  
6 boundary changes and other matters related to local government boundary changes,  
7 including extensions of services by incorporated cities into contiguous areas and  
8 matters related to extension of services; and

9 (2) present to the legislature during the first 10 days of a regular  
10 session proposed local government boundary changes, including gradual extension of  
11 services of incorporated cities into contiguous areas upon a majority approval of the  
12 voters of the contiguous area to be annexed and transition schedules providing for total  
13 assimilation of the contiguous area and its full participation in the affairs of the  
14 incorporated city within a period not to exceed five years.

15 **Sec. 44.33.814. Meetings and hearings.** The chair of the commission or the  
16 commissioner of commerce and rural development with the consent of the chair may  
17 call a meeting or hearing of the local boundary commission. All meetings and  
18 hearings shall be public.

19 **Sec. 44.33.816. Minutes and records.** The local boundary commission shall  
20 keep minutes of all meetings and hearings. If the proceedings are transcribed, minutes  
21 shall be made from the transcription. The minutes are a public record. All votes taken  
22 by the commission shall be entered in the minutes.

23 **Sec. 44.33.818. Notice of public hearings.** Public notice of a hearing of the  
24 local boundary commission shall be given in the area in which the hearing is to be  
25 held at least 15 days before the date of the hearing. The notice of the hearing must  
26 include the time, date, place, and subject of the hearing. The commissioner of  
27 commerce and rural development shall give notice of the hearing at least three times  
28 in the press, through other news media, or by posting in a public place, whichever is  
29 most feasible.

30 **Sec. 44.33.820. Quorum.** Three members of the commission constitute a  
31 quorum for the conduct of business at a meeting. Two members constitute a quorum

1 for the conduct of business at a hearing.

2 **Sec. 44.33.822. Boundary change.** A majority of the membership of the local  
3 boundary commission must vote in favor of a proposed boundary change before it may  
4 be presented to the legislature.

5 **Sec. 44.33.824. Expenses.** Members of the local boundary commission receive  
6 no pay but are entitled to the travel expenses and per diem authorized for members of  
7 boards and commissions under AS 39.20.180.

8 **Sec. 44.33.826. Hearings on boundary changes.** A local government  
9 boundary change may not be proposed to the legislature unless a hearing on the change  
10 has been held in or in the near vicinity of the area affected by the change.

11 **Sec. 44.33.828. When boundary change takes effect.** When a local  
12 government boundary change is proposed to the legislature during the first 10 days of  
13 any regular session, the change becomes effective 45 days after presentation or at the  
14 end of the session, whichever is earlier, unless disapproved by a resolution concurred  
15 in by a majority of the members of each house.

16 **Article 9B. Borough Feasibility Studies.**

17 **Sec. 44.33.840. Borough feasibility studies.** The commissioner may contract  
18 for studies of the feasibility of establishing boroughs in the unorganized borough. A  
19 study may be conducted under this section only if

20 (1) appropriations are available for that purpose; and

21 (2) the study is requested by a person residing in the area to be studied  
22 or by a city located in the area to be studied.

23 **Sec. 44.33.842. Requests for studies.** A request for a study of the feasibility  
24 of establishing a borough in the unorganized borough shall be submitted to the  
25 commissioner in writing and must include

26 (1) a description of the boundaries of the area of the proposed study;

27 and

28 (2) an indication of local interest in the proposed study consisting of  
29 either

30 (A) a petition requesting the study containing the signatures and  
31 addresses of five percent of the voters residing in the area of the proposed

1 study based on the number of voters who voted in the area in the last statewide  
2 election; or

3 (B) resolutions requesting the study adopted by the governing  
4 bodies of at least five percent of the cities within the area of the proposed  
5 study.

6 **Sec. 44.33.844. Boundaries.** The boundaries of an area studied shall conform  
7 to the boundaries indicated in the request for the study under AS 44.33.842 unless the  
8 commissioner, after a public hearing held in the area of the proposed study, determines  
9 that the boundaries should be altered. In determining the boundaries of an area to be  
10 studied, the commissioner shall consider

11 (1) the standards applicable to the incorporation of boroughs under  
12 AS 29.05.031;

13 (2) boundaries of regional corporations established under 43 U.S.C.  
14 1606;

15 (3) census divisions of the state used for the 1980 census;

16 (4) boundaries of the regional educational attendance areas established  
17 under AS 14.08.031; and

18 (5) boundaries of coastal resource service areas organized under  
19 AS 46.40.110 - 46.40.210.

20 **Sec. 44.33.846. Contracts.** (a) The commissioner shall contract for a study  
21 of the feasibility of establishing a borough in the unorganized borough by following  
22 the procedures under AS 36.30 (State Procurement Code). The commissioner shall  
23 include terms in the contract that provide for

24 (1) public participation in the preparation of the study;

25 (2) completion of the study not later than June 30 of the third year after  
26 the year the contract is executed.

27 (b) A study under this section must include

28 (1) a recommendation for or against incorporation of a borough  
29 containing all or part of the area studied;

30 (2) an evaluation of the economic development potential of the area  
31 studied;

- 1 (3) an evaluation of capital facility needs of the area studied;
- 2 (4) an evaluation of demographic, social, and environmental factors
- 3 affecting the area studied;
- 4 (5) an evaluation of the relationships among regional educational
- 5 attendance areas, coastal resource service areas, and other regional entities responsible
- 6 for providing services in the area studied;
- 7 (6) an evaluation of the relationships between the existing cities within
- 8 the area studied and regional entities responsible for providing services in the area; and
- 9 (7) specific recommendations for
- 10 (A) organization of a home rule or general law borough
- 11 government if one is recommended;
- 12 (B) changes in organization of cities in the area studied; or
- 13 (C) the improvement of the delivery of services to the public
- 14 by the state in the area studied.

15 **Sec. 44.33.849. Definition.** In AS 44.33.840 - 44.33.849, "commissioner"

16 means the commissioner of commerce and rural development.

17 **Article 9C. Alaska Regional Economic Assistance Program.**

18 **Sec. 44.33.895. Alaska regional economic assistance program.** (a) The

19 department shall

20 (1) encourage the formation of regional development organizations by

21 providing assistance in forming organizations to interested individuals, including

22 information on how to qualify and apply for regional development grants and federal

23 funding under 42 U.S.C. 3121 - 3246 (Public Works and Economic Development Act

24 of 1965), as amended;

25 (2) assist an interested individual in establishing boundaries for a

26 proposed organization to ensure that the region

27 (A) is of sufficient geographic size and contains a large enough

28 population to form an economically viable unit with shared interests, resources,

29 traditions, and goals;

30 (B) contains at least one municipality that serves as a regional

31 center; and

1 (C) contains the entire area of each municipality included in the  
2 region;

3 (3) gather information about regional economic issues, international  
4 trade, and tourism from organizations;

5 (4) serve as liaison between organizations and other state agencies and  
6 encourage other agencies to make resources available to help accomplish goals of the  
7 organizations;

8 (5) assist each organization to

9 (A) provide services designed to encourage economic  
10 development to local communities and businesses;

11 (B) collect and distribute economic information relevant to the  
12 region;

13 (C) participate in state marketing campaigns and join state trade  
14 missions that are relevant to the region; and

15 (D) develop and implement strategies to attract new industry,  
16 expand international trade opportunities, and encourage tourism within the  
17 region.

18 (b) Subject to (c) of this section, the department may make regional  
19 development grants to organizations for projects the department determines will be of  
20 value in encouraging economic development. During a fiscal year, the department may  
21 make no more than 15 grants and may only make grants to one organization from a  
22 particular region. An organization that is designated an economic development district  
23 under 42 U.S.C. 3171 qualifies for grants under this subsection. The department shall  
24 by regulation adopt procedures for applying for regional development grants, including  
25 application deadlines. The department may by regulation establish additional grant  
26 eligibility requirements.

27 (c) To qualify for a grant, a regional development organization must match the  
28 grant by providing an amount of money from nonstate sources. The department shall  
29 establish by regulation a formula that determines the amount of the match required  
30 under this subsection based on the capability of each organization to generate money  
31 from nonstate sources. The amount of match required may not exceed the amount of

1 grant money and may not be less than 20 percent of the grant. The total amount of  
2 grant money provided to an organization during a fiscal year may not exceed  
3 \$100,000.

4 (d) There is established in the department the regional development fund  
5 consisting of appropriations to the fund. Money from the fund may be used only for  
6 regional development grants.

7 (e) In this section,

8 (1) "department" means the Department of Commerce and Rural  
9 Development;

10 (2) "regional development organization" or "organization" means a  
11 nonprofit organization or nonprofit corporation formed to encourage economic  
12 development within a particular region of the state that includes the entire area of each  
13 municipality within that region and that has a board of directors that represents the  
14 region's economic, political, and social interests.

15 \* Sec. 75. AS 44 85.03J is amended to read:

16 Sec. 44.85.030. Membership and vacancies. The bond bank authority  
17 consists of the following five directors: the commissioner of revenue, the commissioner  
18 of commerce and rural development [COMMUNITY AND REGIONAL AFFAIRS],  
19 who shall each be a director ex officio with voting privileges, and three directors  
20 appointed by the governor. The appointment of each director other than the  
21 commissioner of revenue and the commissioner of commerce and rural development  
22 [COMMUNITY AND REGIONAL AFFAIRS] is subject to confirmation by the  
23 legislature. The three directors appointed by the governor serve at the governor's  
24 pleasure for four-year terms. They must be residents of the state and qualified voters  
25 at the time of appointment and shall comply with the requirements of AS 39.50  
26 (conflict of interest). Each director shall hold office for the term of appointment and  
27 until a successor has been appointed and qualified. A director is eligible for  
28 reappointment. A vacancy in a directorship occurring other than by expiration of term  
29 shall be filled in the same manner as the original appointment but for the unexpired  
30 term only. Each director before entering upon the duties of office shall take and  
31 subscribe to an oath to perform the duties faithfully, impartially, and justly to the best

1 of the director's ability. A record of the oath shall be filed in the office of the  
2 governor.

3 \* Sec. 76. AS 44.85.320(b) is amended to read:

4 (b) Before declaring the principal of notes or bonds due and payable, the  
5 trustee must first give 30 days' notice in writing to the governor, the bond bank  
6 authority, the commissioner of commerce and rural development [COMMUNITY  
7 AND REGIONAL AFFAIRS], and the attorney general of the state.

8 \* Sec. 77. AS 46.03.900(32) is amended to read:

9 (32) "village" means a place within the unorganized borough or within  
10 a borough as to a power, function, or service that is not exercised or provided by the  
11 borough on an areawide or nonareawide basis that

12 (A) has irrevocably waived, in a form approved by the  
13 Department of Law, any claim of sovereign immunity that might arise under  
14 this chapter; and

15 (B) has

16 (i) a council organized under 25 U.S.C. 476 (sec. 16 of  
17 the Indian Reorganization Act);

18 (ii) a traditional village council recognized by the United  
19 States as eligible for federal aid to Indians; or

20 (iii) a council recognized by the commissioner of  
21 commerce and rural development [COMMUNITY AND REGIONAL  
22 AFFAIRS] under regulations adopted by the Department of Commerce  
23 and Rural Development [COMMUNITY AND REGIONAL  
24 AFFAIRS] to determine and give official recognition of village entities  
25 under AS 44.33.755(b) [AS 44.47.150(b)];

26 \* Sec. 78. AS 46.04.900(22) is amended to read:

27 (22) "village" means a place within the unorganized borough or within  
28 a borough as to a power, function, or service that is not exercised or provided by the  
29 borough on an areawide or nonareawide basis that

30 (A) has irrevocably waived, in a form approved by the  
31 Department of Law, any claim of sovereign immunity that might arise under

1 this chapter; and

2 (B) has

3 (i) a council organized under 25 U.S.C. 476 (sec. 16 of  
4 the Indian Reorganization Act);

5 (ii) a traditional village council recognized by the United  
6 States as eligible for federal aid to Indians; or

7 (iii) a council recognized by the commissioner of  
8 commerce and rural development [COMMUNITY AND REGIONAL  
9 AFFAIRS] under regulations adopted by the Department of Commerce  
10 and Rural Development [COMMUNITY AND REGIONAL  
11 AFFAIRS] to determine and give official recognition of village entities  
12 under AS 44.33.755(b) [AS 44.47.150(b)];

13 \* Sec. 79. AS 46.08.040(a) is amended to read:

14 (a) In addition to money in the response account of the fund that is transferred  
15 to the commissioner of commerce and rural development [COMMUNITY AND  
16 REGIONAL AFFAIRS] to make grants under AS 29.60.510 and to pay for impact  
17 assessments under AS 29.60.560, the commissioner of environmental conservation may  
18 use money

19 (1) from the response account in the fund

20 (A) when authorized by AS 46.08.045, to investigate and  
21 evaluate the release or threatened release of oil or a hazardous substance, and  
22 contain, clean up, and take other necessary action, such as monitoring and  
23 assessing, to address a release or threatened release of oil or a hazardous  
24 substance that poses an imminent and substantial threat to the public health or  
25 welfare, or to the environment;

26 (B) to provide matching funds in the event of a release of oil  
27 or a hazardous substance for which use of the response account is authorized  
28 by AS 46.08.045 for participation

29 (i) in federal oil discharge cleanup activities; and

30 (ii) under 42 U.S.C. 9601 - 9657 (Comprehensive  
31 Environmental Response, Compensation, and Liability Act of 1980);

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31

and

(C) to recover the costs to the state, a municipality, a village, or a school district of a containment and cleanup resulting from the release or the threatened release of oil or a hazardous substance for which money was expended from the response account;

(2) from the prevention account in the fund to

(A) investigate and evaluate the release or threatened release of oil or a hazardous substance, except a release described in AS 46.08.045(a), and contain, clean up, and take other necessary action, such as monitoring and assessing, to address a release or threatened release of oil or a hazardous substance, except a release described in AS 46.08.045(a);

(B) pay all costs incurred

(i) to establish and maintain the oil and hazardous substance response office;

(ii) under agreements entered into under AS 46.04.090 or AS 46.09.040;

(iii) to review oil discharge prevention and contingency plans submitted under AS 46.04.030;

(iv) to conduct training, response exercises, inspections, and tests, in order to verify equipment inventories and ability to prevent and respond to oil and hazardous substance release emergencies, and to undertake other activities intended to verify or establish the preparedness of the state, a municipality, or a party required by AS 46.04.030 to have an approved contingency plan to act in accordance with that plan; and

(v) to verify or establish proof of financial responsibility required by AS 46.04.040;

(C) pay, when presented with appropriate documentation by the Department of Military and Veterans' Affairs, the expenses incurred by the Department of Military and Veterans' Affairs for Alaska State Emergency Response Commission activities, including staff support, when the activities

1 and staff support relate to oil or hazardous substances, and for the costs of  
2 being prepared for responding to a request by the department for support in  
3 response and restoration, but not including the costs of maintaining the  
4 response corps and the emergency response depots under AS 26.23.045;

5 (D) pay all costs incurred to acquire, repair, or improve an asset  
6 having an anticipated life of more than one year and that is acquired, repaired,  
7 or improved as a preparedness measure by which the state may respond to,  
8 recover from, reduce, or eliminate the effects of a release or threatened release  
9 of oil or a hazardous substance;

10 (E) pay the costs, if approved by the commissioner, that were  
11 incurred by local emergency planning committees to carry out the duties  
12 assigned them by AS 46.13.080;

13 (F) provide matching funds in the event of the release of oil or  
14 a hazardous substance, except a release of oil for the containment and cleanup  
15 of which use of the response account is authorized by AS 46.08.045, for  
16 participation

17 (i) in federal oil discharge cleanup activities; and

18 (ii) under 42 U.S.C. 9601 - 9657 (Comprehensive  
19 Environmental Response, Compensation, and Liability Act of 1980);

20 (G) pay or reimburse the storage tank assistance fund  
21 established in AS 46.03.410 for expenditures from that fund authorized by  
22 AS 46.03.410(b);

23 (H) transfer to the Department of Commerce and Rural  
24 Development [COMMUNITY AND REGIONAL AFFAIRS] for payment by  
25 the commissioner of commerce and rural development [COMMUNITY AND  
26 REGIONAL AFFAIRS] of

27 (i) municipal impact grants when authorized under  
28 AS 29.60.510(b)(2);

29 (ii) assessments of the social and economic effects of the  
30 release of oil or hazardous substances as required by AS 29.60.560  
31 when, in the judgment of the commissioner, the release of oil or a

1 hazardous substance is not one that is described in AS 46.08.045; and  
2 (iii) grants to repair, improve, or replace fuel storage  
3 facilities under the bulk fuel system emergency repair and upgrade  
4 program;

5 (I) recover the costs to the state, a municipality, a village, or a  
6 school district of a containment and cleanup resulting from the release or  
7 threatened release of oil or a hazardous substance for which money was  
8 expended from the prevention account;

9 (J) prepare, review, and revise

10 (i) the state's master oil and hazardous substance  
11 discharge prevention and contingency plan required by AS 46.04.200;  
12 and

13 (ii) a regional master oil and hazardous substance  
14 discharge prevention and contingency plan required by AS 46.04.210;  
15 and

16 (K) restore the environment by addressing the effects of an oil  
17 or hazardous substance release.

18 \* Sec. 80. AS 46.08.900(16) is amended to read:

19 (16) "village" means a place within the unorganized borough or within  
20 a borough if the power, function, or service for which a grant application under  
21 AS 29.60.510 is submitted is not exercised or provided by the borough on an areawide  
22 or nonareawide basis at the time the grant application is submitted that

23 (A) has irrevocably waived, in a form approved by the  
24 Department of Law, any claim of sovereign immunity that might arise in  
25 connection with the use of grant money under this chapter; and

26 (B) has

27 (i) a council organized under 25 U.S.C. 476 (sec. 16 of  
28 the Indian Reorganization Act);

29 (ii) a traditional village council recognized by the United  
30 States as eligible for federal aid to Indians; or

31 (iii) a council recognized by the commissioner of

# CORRECTION

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



Rev. 6/98

Central Microfilm Services  
Department of Education  
State of Alaska

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31

hazardous substance is not one that is described in AS 46.08.045; and

(iii) grants to repair, improve, or replace fuel storage facilities under the bulk fuel system emergency repair and upgrade program;

(I) recover the costs to the state, a municipality, a village, or a school district of a containment and cleanup resulting from the release or threatened release of oil or a hazardous substance for which money was expended from the prevention account;

(J) prepare, review, and revise

(i) the state's master oil and hazardous substance discharge prevention and contingency plan required by AS 46.04.200; and

(ii) a regional master oil and hazardous substance discharge prevention and contingency plan required by AS 46.04.210; and

(K) restore the environment by addressing the effects of an oil or hazardous substance release.

\* Sec. 80. AS 46.08.900(16) is amended to read:

(16) "village" means a place within the unorganized borough or within a borough if the power, function, or service for which a grant application under AS 29.60.510 is submitted is not exercised or provided by the borough on an areawide or nonareawide basis at the time the grant application is submitted that

(A) has irrevocably waived, in a form approved by the Department of Law, any claim of sovereign immunity that might arise in connection with the use of grant money under this chapter; and

(B) has

(i) a council organized under 25 U.S.C. 476 (sec. 16 of the Indian Reorganization Act);

(ii) a traditional village council recognized by the United States as eligible for federal aid to Indians; or

(iii) a council recognized by the commissioner of

1 commerce and rural development [COMMUNITY AND REGIONAL  
2 AFFAIRS] under regulations adopted by the Department of Commerce  
3 and Rural Development [COMMUNITY AND REGIONAL  
4 AFFAIRS] to determine and give official recognition of village entities  
5 under AS 44.33.755(b) [AS 44.47.150(b)].

6 \* Sec. 81. AS 46.40.120(b) is amended to read:

7 (b) The commissioner of commerce and rural development [THE  
8 DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] may, after public  
9 hearings held in the area affected, consolidate two or more regional educational  
10 attendance areas as a single coastal resource service area

11 (1) if a substantial portion of the coastal area contains land and water  
12 area owned by the federal government over which it exercises exclusive jurisdiction  
13 or land held in trust by the federal government for Alaska Natives over which the state  
14 would not exercise control as to use; or

15 (2) if, after giving due consideration to the standards applicable to  
16 incorporation of borough governments and the likelihood that a borough will be  
17 incorporated within the area, the commissioner determines that the functions to be  
18 performed under this chapter could be undertaken more efficiently through the  
19 combination of two or more regional educational attendance areas as a single coastal  
20 resource service area.

21 \* Sec. 82. AS 46.40.120(d) is amended to read:

22 (d) For purposes of coastal zone management only, the commissioner of  
23 commerce and rural development [COMMUNITY AND REGIONAL AFFAIRS]  
24 may, after public hearings held in the regional educational attendance area affected,  
25 divide an existing regional educational attendance area into no more than three coastal  
26 resource service areas according to geographic, cultural, economic, environmental, or  
27 other features relevant to coastal management planning. However,

28 (1) each coastal resource service area formed by dividing an existing  
29 regional educational attendance area must contain at least one first class city or home  
30 rule city;

31 (2) a city within a coastal resource service area formed by dividing an

1 existing regional educational attendance area may not elect to exclude itself from the  
2 coastal resource service area; and

3 (3) a coastal resource service area formed before June 1, 1980, may not  
4 be divided for coastal management planning purposes.

5 \* Sec. 83. AS 46.40.140(c) is amended to read:

6 (c) The commissioner of commerce and rural development [COMMUNITY  
7 AND REGIONAL AFFAIRS], after consultation with residents of a coastal resource  
8 service area, may divide a service area into sections only for the purpose of  
9 nominating and electing board members. Division of a service area into sections for  
10 the purpose of nomination and election shall be in accordance with the provisions of  
11 AS 14.08.051(a). Division may be proposed in the petition submitted under  
12 AS 46.40.130(a)(1), in the resolution submitted under AS 46.40.130(a)(2), at the  
13 direction of the council under AS 46.40.130(a)(3), or may be proposed at any time by  
14 the members of the coastal resource service area board. If proposed by the board, the  
15 division of the service area into sections is subject to approval of a majority of the  
16 qualified voters voting on the question in the coastal resource service area at the next  
17 regular election or at a special election called for that purpose and, if approved, takes  
18 effect at the next regular election of members of the coastal resource service area  
19 board.

20 \* Sec. 84. AS 46.40.170(a) is amended to read:

21 (a) If residents of a coastal resource service area reject organization of the  
22 service area at an election called for the purpose and the council finds, after public  
23 hearing, that major economic development activity has occurred or will occur within  
24 the service area, the council may direct the Department of Commerce and Rural  
25 Development [COMMUNITY AND REGIONAL AFFAIRS] to prepare and  
26 recommend for consideration by the council and for submission to the legislature a  
27 district coastal management program for the service area.

28 \* Sec. 85. AS 46.40.170(b) is amended to read:

29 (b) At the request of the council, the Department of Commerce and Rural  
30 Development [COMMUNITY AND REGIONAL AFFAIRS] shall complete the  
31 district coastal management program in accordance with this chapter and the guidelines

1 and standards adopted by the council for a coastal resource service area that [WHICH]  
2 has been organized but that [WHICH] has failed to make substantial progress in the  
3 preparation of an approvable district coastal management program within 18 months  
4 of certification of the results of an organization election or that [WHICH] has not  
5 submitted for approval to the council a program within 30 months of certification of  
6 the results of its organization election. Preparation of the program shall be conducted  
7 in consultation with the coastal resource service area and shall, to the maximum extent  
8 consistent with this chapter, reflect the expressed concerns of the residents of the  
9 service area.

10 \* Sec. 86. AS 46.40.180(a) is amended to read:

11 (a) Before adoption by a coastal resource service area board, or by the  
12 Department of Commerce and Rural Development [COMMUNITY AND  
13 REGIONAL AFFAIRS] under AS 46.40.170, a district coastal management program  
14 shall be submitted for review to each city or village within the coastal resource service  
15 area. The council of a city or traditional village council shall consider the program  
16 submitted for review. Within 60 days of submission, the council of a city or  
17 traditional village council shall either approve the program or enter objections to all  
18 or any portion of the program.

19 \* Sec. 87. AS 46.40.180(d) is amended to read:

20 (d) For purposes of this section, "village" means an unincorporated community  
21 where at least 25 persons reside as a social unit as determined by the Department of  
22 Commerce and Rural Development [COMMUNITY AND REGIONAL AFFAIRS].

23 \* Sec. 88. AS 46.40.190(a) is amended to read:

24 (a) A city within the coastal area that [WHICH] is not part of a coastal  
25 resource service area shall be included for purposes of this chapter within an adjacent  
26 coastal resource service area unless its governing body, by resolution adopted by a  
27 majority of its membership, chooses to exclude the city from an adjacent coastal  
28 resource service area and a copy of the resolution is filed with the commissioner of  
29 commerce and rural development [COMMUNITY AND REGIONAL AFFAIRS].

30 \* Sec. 89. AS 46.40.210(2) is amended to read:

31 (2) "coastal resource district" means each of the following that

1 [WHICH] contains a portion of the coastal area of the state:

2 (A) unified municipalities;

3 (B) organized boroughs of any class that [WHICH] exercise  
4 planning and zoning authority;

5 (C) home rule and first class cities of the unorganized borough  
6 or within boroughs that [WHICH] do not exercise planning and zoning  
7 authority;

8 (D) second class cities of the unorganized borough, or within  
9 boroughs that [WHICH] do not exercise planning and zoning authority, that  
10 [WHICH] have established a planning commission, and that [WHICH], in the  
11 opinion of the commissioner of commerce and rural development  
12 [COMMUNITY AND REGIONAL AFFAIRS], have the capability of preparing  
13 and implementing a comprehensive district coastal management program under  
14 AS 46.40.030;

15 (E) coastal resource service areas established and organized  
16 under AS 29.03.020 and AS 46.40.110 - 46.40.180;

17 \* Sec. 90. AS 46.40.210(5) is amended to read:

18 (5) "department" means the Department of Commerce and Rural  
19 Development [COMMUNITY AND REGIONAL AFFAIRS];

20 \* Sec. 91. AS 47.05.030(a) is amended to read:

21 (a) Except as provided in (b) of this section and for purposes directly  
22 connected with the administration of general assistance, adult public assistance, the day  
23 care assistance program authorized under AS 44.29.300 - 44.29.339 [AS 44.47.250 -  
24 44.47.310], or the Alaska temporary assistance program, and in accordance with the  
25 regulations of the department, a person may not solicit, disclose, receive, make use of,  
26 or authorize, knowingly permit, participate in, or acquiesce in the use of, a list of or  
27 names of, or information concerning, persons applying for or receiving the assistance  
28 directly or indirectly derived from the records, papers, files, or communications of the  
29 department or subdivisions or agencies of the department, or acquired in the course of  
30 the performance of official duties.

31 \* Sec. 92. AS 47.18.010(c) is amended to read:

1 (c) The Department of Education, the Department of Commerce and Rural  
2 Development [COMMUNITY AND REGIONAL AFFAIRS], and the Department of  
3 Labor shall assist the department in developing the plan required under (a) of this  
4 section. In addition, through appropriate means, the department shall solicit advice  
5 from teens, parents, educators, school administrators, taxpayers, civic groups,  
6 community organizations, Native organizations, officials of local governments,  
7 religious institutions, and other concerned persons about how state programs can be  
8 coordinated and operated in a manner that will enhance their effectiveness and  
9 efficiency in addressing the many needs associated with adolescent parenting, the  
10 prevention of adolescent pregnancies, and the provision of adolescent peer counseling.

11 \* **Sec. 93.** AS 47.27.060 is amended to read:

12 **Sec. 47.27.060. Job development.** The department may establish cooperative  
13 agreements with the Department of Labor, [DEPARTMENT OF COMMUNITY AND  
14 REGIONAL AFFAIRS,] Department of Education, and Department of Commerce  
15 [COMMUNITY] and Rural [ECONOMIC] Development, and with other public or  
16 private sector organizations for the purpose of developing job, training, and educational  
17 opportunities for families eligible for assistance under this chapter.

18 \* **Sec. 94.** AS 47.27.900(2) is amended to read:

19 (2) "child care assistance" means payments made by the Department  
20 of Health and Social Services [OR THE DEPARTMENT OF COMMUNITY AND  
21 REGIONAL AFFAIRS] to Alaska temporary assistance program participant families  
22 or to providers for the care of children of the participant families;

23 \* **Sec. 95.** AS 47.80.090 is amended to read:

24 **Sec. 47.80.090. Responsibilities.** The council shall

25 (1) serve as a forum by which issues and benefits regarding current and  
26 potential services to disabled and gifted persons may be discussed by consumer, public,  
27 private, professional, and lay interests;

28 (2) advocate the needs of disabled and gifted persons before the  
29 executive and legislative branches of the state government and before the public;

30 (3) advise the executive and legislative branches of the state  
31 government and the private sector on programs and policies pertaining to current and

1 potential services to disabled or gifted persons and their families;

2 (4) submit periodic reports to the commissioner of health and social  
3 services, the commissioner of education, and to other appropriate departments, on the  
4 effects of current federal and state programs regarding services to disabled or gifted  
5 persons; these reports must include program performance reports to the governor, the  
6 federal government, and to state agencies as required under 20 U.S.C. 1482 and 42  
7 U.S.C. 6024;

8 (5) in conjunction with the Departments of Health and Social Services  
9 and Education, develop, prepare, adopt, periodically review, and revise as necessary  
10 an annual state plan prescribing programs that meet the needs of persons with  
11 developmental disabilities as required under 42 U.S.C. 6022;

12 (6) review and comment to commissioners of state departments on all  
13 state plans and proposed regulations relating to programs for persons who are  
14 experiencing disabilities before the adoption of a plan or regulation; for this purpose,  
15 the appropriate departments shall submit the plans and proposed regulations to the  
16 council;

17 (7) recommend the priorities and specifications for the use of funds  
18 received by the state under 20 U.S.C. 1471 - 1485 and 42 U.S.C. 6000 - 6083;

19 (8) submit annually to the commissioner of health and social services,  
20 the commissioner of education, and the commissioner of commerce and rural  
21 development [COMMUNITY AND REGIONAL AFFAIRS] a proposed  
22 interdepartmental program budget for services to disabled or gifted persons that  
23 includes, insofar as possible, projected revenues and expenditures for programs  
24 implemented by state agencies, local governmental agencies, and private organizations;  
25 the interdepartmental program budget is an informational supplement to the regular  
26 annual budgetary submissions of the departments to the Office of the Governor;

27 (9) provide information and guidance for the development of  
28 appropriate special educational programs and services for exceptional children as  
29 defined in AS 14.30.350;

30 (10) monitor and evaluate budgets or other implementation plans and  
31 programs for disabled and gifted persons to assure nonduplication of services and

1 encourage efficient and coordinated use of federal, state, and private resources in the  
2 provision of services; members of the council, with the approval of the council, have  
3 access to information in the possession of state agencies subject to disclosure  
4 restrictions imposed by state or federal confidentiality or privacy laws;

5 (11) perform other duties required under applicable federal laws or  
6 AS 14.30.231 and as the governor may assign; [AND]

7 (12) govern the special education service agency and may hire  
8 personnel necessary to operate the agency; and [.]

9 (13) provide to the Alaska Mental Health Trust Authority for its review  
10 and consideration recommendations concerning the integrated comprehensive mental  
11 health program for the people of the state who are described in AS 47.30.056(b)(2) and  
12 the use of the money in the mental health trust income account in a manner consistent  
13 with regulations adopted under AS 47.30.031.

14 \* Sec. 96. AS 47.90.040 is amended to read:

15 **Sec. 47.90.040. Consultation and coordination.** The commissioner shall  
16 consult and cooperate with the Department of Health and Social Services; the  
17 Department of Education, including the division of vocational rehabilitation; the  
18 University of Alaska, community colleges, and other colleges as appropriate; [THE  
19 DEPARTMENT OF LABOR, INCLUDING THE DIVISION OF EMPLOYMENT  
20 SECURITY;] and other persons or agencies that the commissioner considers  
21 appropriate in the implementation of this chapter.

22 \* Sec. 97. AS 47.90.070(1) is amended to read:

23 (1) "commissioner" means the commissioner of labor [COMMUNITY  
24 AND REGIONAL AFFAIRS];

25 \* Sec. 98. REPEALER. AS 39.25.120(c)(21); AS 44.17.005(17); AS 44.33.240, 44.33.242,  
26 44.33.245, 44.33.255, 44.33.260, 44.33.270, 44.33.272, 44.33.275, 44.33.800; and AS 44.47  
27 are repealed.

28 \* Sec. 99. REPEALER. AS 44.33.895, added by sec. 74 of this Act, is repealed July 1,  
29 2000.

30 \* Sec. 100. TRANSITIONAL PROVISIONS. (a) Litigation, hearings, investigations, and  
31 other proceedings pending under a law repealed or amended by this Act, or in connection with

1 functions transferred by this Act, continue in effect and may be completed notwithstanding  
2 a transfer or repeal provided for in this Act.

3 (b) Regulations in effect on June 30, 1998, that were adopted to implement a function  
4 that is transferred by this Act remain in effect and shall be enforced by the agency to which  
5 the function is transferred under this Act until amended by the agency to which the function  
6 is transferred.

7 (c) Wherever in Alaska Statutes affected by this Act there is a reference to regulations  
8 adopted under a section of law and there are no regulations adopted under that section because  
9 previous regulations adopted under another section are being enforced under (b) of this  
10 section, the reference shall be construed to refer to the previously adopted regulations until  
11 they are amended by the new agency.

12 (d) Contracts, rights, liabilities, and obligations created by or under a law repealed or  
13 amended by this Act, and in effect on June 30, 1998, remain in effect notwithstanding this  
14 Act's taking effect.

15 (e) Records, equipment, appropriations, and other property of an agency of the state  
16 whose functions are transferred under this Act shall be transferred to implement the provisions  
17 of this Act.

18 (f) Notwithstanding other provisions of this section,

19 (1) the only staff positions that may be moved out of Juneau to implement this  
20 Act are the three Juneau-based positions that, on June 30, 1998, have the responsibility to  
21 administer the head start program and the seven Juneau-based positions that, on June 30, 1998,  
22 have the responsibility to administer the statewide services delivery program;

23 (2) Anchorage-based staff positions for functions that are transferred under this  
24 Act to the Department of Labor or the Department of Health and Social Services may not be  
25 physically relocated until the lease for the office where they are located on June 30, 1998,  
26 expires; after a lease expires, positions described in this paragraph may be physically relocated  
27 to the appropriate department location, or the lease may be renewed until space is available  
28 for the positions in the Robert B. Atwood Building in Anchorage;

29 (3) a contractor may not be used nor may a new state employee be hired to  
30 perform tasks associated with planning the relocation of staff positions in order to implement  
31 this Act;

1 (4) staff positions in the Department of Commerce and Economic Development  
2 and the Department of Community and Regional Affairs that are transferred to the Department  
3 of Commerce and Rural Development under this Act may not be relocated until July 1, 2000,  
4 unless the commissioner of commerce and rural development issues a written finding that cost  
5 savings will be achieved by the relocation.

6 \* **Sec. 101. DIVISION OF TOURISM CONVERTED TO OFFICE.** The duties of the  
7 division of tourism, Department of Commerce and Economic Development, and the duties of  
8 the director of that division, are transferred, respectively, to the office of tourism, in the  
9 Department of Commerce and Rural Development, and to the manager of that office. This  
10 section applies to duties existing on June 30, 1998, and to duties that are created after June  
11 30, 1998, under legislation passed during the Twentieth Alaska State Legislature that becomes  
12 law.

13 \* **Sec. 102. REVISOR'S INSTRUCTION.** (a) Wherever in the Alaska Statutes and the  
14 Alaska Administrative Code the terms "Department of Commerce and Economic  
15 Development" and "commissioner of commerce and economic development" are used, they  
16 shall be read, respectively, as "Department of Commerce and Rural Development" and  
17 "commissioner of commerce and rural development" when to do so would be consistent with  
18 the changes made by this Act.

19 (b) Wherever in the Alaska Statutes and the Alaska Administrative Code the terms  
20 "division of tourism" and "director of tourism" are used, they shall be read, respectively, as  
21 "office of tourism" and "manager of tourism" when to do so would be consistent with sec. 101  
22 of this Act.

23 (c) Wherever in the Alaska Statutes and the Alaska Administrative Code the terms  
24 "division of international trade" and "director of international trade" are used, they shall be  
25 read, respectively, as "office of international trade" and "manager of international trade" when  
26 to do so would be consistent with secs. 63 and 98 of this Act.

27 (d) Under AS 01.05.031, the revisor of statutes shall implement this section in the  
28 statutes and, under AS 44.62.125(b)(6), the regulations attorney shall implement this section  
29 in the administrative code.

30 \* **Sec. 103.** This Act takes effect July 1, 1998.

## **House Labor & Commerce Committee**

### **Substitute House Bill 400**

Revisions have been made to House Bill 400 which appear in the committee substitute bill. The changes are contained in sections 63, 65, 67, 68, 69, and 100, as follows:

**Section 63:** The Division of International Trade has been changed to the Office of International Trade in the committee substitute bill. The Division was located within the Department of Commerce and Economic Development. In the committee substitute bill, the Office of International Trade has been placed under the auspices of the Governor's Office.

(Note to Committee members: The Division of International Trade is not a separate division within the Department of Commerce and Economic Development. It is contained within the Trade and Development sub-component in the Division of Trade and Tourism. Only those positions associated with the International Trade Office will be moved to the Governor's Office. Funding will be moved during the Finance Subcommittee work.)

**Section 65:** Clarifies the original intent of HB 400 to move all child care programs in the Department of Community and Regional Affairs to the Department of Health and Social Services. This section specifies that the Head Start program will transfer to the Department of Health and Social Services.

**Section 67:** Amends the duties of the Department of Labor to include administering the Job Training Partnership Act.

**Section 68:** Provides the new Department of Commerce and Rural Development's Commissioner to designate another person to represent the Commissioner on boards, commissions, etc.

**Section 69:** This section defines the seven specific divisions for the new department. (The statute prohibits other divisions from being created.) It includes three specific new divisions and four existing divisions:

- Rural Affairs
- Statewide Development
- Administration
- Occupational Licensing
- Investments
- Insurance
- Banking, Securities, and Corporations

Section 100: Transitional Provisions: Item (f) has been added to limit the Administration's authority to relocate a vast number of staff positions until cost savings justification can be shown.

Section 101: Converts the existing Division of Tourism to the Office of Tourism. The director becomes a manager.

*moved by  
Cowdery  
HB 400  
Boice  
objected*

0-LS1375F

**CS FOR HOUSE BILL NO. 400(L&C)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTIETH LEGISLATURE - SECOND SESSION**

**BY THE HOUSE LABOR AND COMMERCE COMMITTEE**

**Offered: 3/31/98**

**Referred: Finance**

**Sponsor(s): REPRESENTATIVES KOHRING, Austerman, Barnes, Cowdery, Hodgins, Kelly, Mulder, Ogan, Ryan, Therriault, Vezey**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act combining parts of the Department of Commerce and Economic  
2 Development and parts of the Department of Community and Regional Affairs by  
3 transferring some of their duties to a new Department of Commerce and Rural  
4 Development; transferring some of the duties of the Department of Commerce and  
5 Economic Development and the Department of Community and Regional Affairs  
6 to other existing agencies; eliminating the Department of Commerce and Economic  
7 Development and the Department of Community and Regional Affairs; relating to  
8 the Department of Commerce and Rural Development and the commissioner of  
9 commerce and rural development; adjusting the membership of certain multi-  
10 member bodies to reflect the transfer of duties among departments and the  
11 elimination of departments; creating the office of international trade and relating  
12 to its duties; and providing for an effective date."

**1 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

2 \* **Section 1.** AS 08.40.190(b) is amended to read:

3 (b) AS 08.40.005 - 08.40.200 do not apply to a person engaged in

4 (1) the manufacture, maintenance, or repair of electrical apparatus or  
5 equipment;

6 (2) electrical work, the cost of which does not exceed \$5,000, involving  
7 residences or small commercial establishments in communities that

8 (A) have a population of under 500 according to the latest  
9 available federal or state census or other census approved by the Department  
10 of Commerce and Rural Development [COMMUNITY AND REGIONAL  
11 AFFAIRS]; or

12 (B) are over 50 miles by air or water transportation from the  
13 business place of an electrical administrator licensed under AS 08.40.010 -  
14 08.40.200;

15 (3) electrical installation on residential property that is owned by the  
16 installer or a member of the installer's immediate family and not intended for sale at  
17 the time of making the installation;

18 (4) the operation, maintenance, or repair of a television or radio  
19 broadcasting system and the installation of a radio broadcasting system under 500  
20 watts input power except for A.C. power supply and wiring;

21 (5) the installation, maintenance, and repair of elevators so long as the  
22 work is performed by an agent or employee of the elevator industry and is confined  
23 to the elevator control system, which system does not include the power supply,  
24 wiring, and motor connection;

25 (6) the operation, maintenance, and repair of telephone, telegraph, and  
26 intercommunication facilities;

27 (7) the installation, maintenance, and repair of fire alarm, intrusion  
28 alarm, or other low voltage signaling systems of 48 volts to ground or less;

29 (8) the maintenance or repair of diesel electric engines installed on  
30 heavy construction equipment, either in a shop or on a job site;

31 (9) the installation in a commercial water well of the submersible pump

**HB**

**411**

Revision Date: \_\_\_\_\_ Dept. Affected: Revenue  
 Title: Local Option for Winery License BRU: Alcoholic Beverage Control Board  
 Component: Alcoholic Beverage Control Board  
 Sponsor: Representative Austerman  
 Requestor: (H) L & C COMPONENT SERIAL NO. 100

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )						

FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
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 (FY96) cost \$ \_\_\_\_\_

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

HB411 allows a community to vote on an additional choice under a local option vote. If this bill is enacted communities would be able to prohibit sales of alcoholic beverages, except by a winery. This option was available prior to 1995. However, when the local option law was clarified and streamlined options not commonly used, like the winery only choice, were deleted. It is not clear why that option was eliminated in 1995.

Prepared by: Douglas B. Griffin  
 Division: Alcoholic Beverage Control Board  
 Approved by Commissioner: Wilson L. Condon *x Ross A. Kinney*  
 Agency: Department of Revenue

Phone: 277-8638  
 Date: March 4, 1998  
 Date: March 4, 1998

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

For further distribution information call the Governor's Legislative Office

# HOUSE COMMITTEE REPORT

(7)

Date Referred to Committee: February 16, 1998

FURTHER REFERRALS:

Finance

Date of Committee Action: 3/11/98

The LABOR AND COMMERCE Committee considered:

HB 411

HOUSE BILL NO. 411

LOCAL OPTION FOR WINERY LICENSE

"An Act relating to issuance of a winery license in a local option area."

recommends it be replaced [ ] the same title  
 with the following committee substitute \_\_\_\_\_ [ ] 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) \_\_\_\_\_  
 [X] zero fiscal note(s) DOR [ ] zero fiscal note(s) \_\_\_\_\_

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>W. R. Rieley</i>			✓	
<i>John K. Kelly</i>	✓			
<i>Bill Hudson</i>	✓			
<i>Gene Kubera</i>	✓			
<i>Gary Sanders</i>	✓			

CHAIR'S SIGNATURE *W. R. Rieley* 3/11/98



**REPRESENTATIVE ALAN AUSTERMAN** Alaska State Legislature


P.O. Box 2368, Kodiak, Alaska 99615 (907) 486-5930 • Session: State Capitol, Juneau, Alaska 99801 465-2487

MEMORANDUM

02-27-98 08:54 RC D

**DATE:** February 23, 1998

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

**FROM:** Representative Alan Austerman  
Chairman, House Special Committee on Fisheries 

**SUBJ:** Request for Scheduling - House Bill 411

---

I respectfully request that the House Labor & Commerce Committee schedule a hearing on HB 411 at your earliest convenience.

This bill adds the additional language of winery licensee under AS 04.11.491(a)(2) and (b)(2). A copy of the bill, sponsor statement, the present statutes and correspondence are attached for the committee. A fiscal note has also been requested from the Department of Revenue.

Please contact Cliff Stone of my staff at 6588 as needed.

Thank you for your consideration.



**REPRESENTATIVE ALAN AUSTERMAN** Alaska State Legislature

P.O. Box 2368, Kodiak, Alaska 99615 (907) 486-5930 • Session: State Capitol, Juneau, Alaska 99801 465-2487

**SPONSOR STATEMENT - HB 411**

This legislation adds a winery licensee under AS 04.11.491(a)(2) and (b)(2).

By adding this language, an individual could seek a local-option election in any city to ban liquor licenses except a winery, as would be allowed under this amended statute.

When the statute is amended and a local-option election held, the individual would then apply for their winery license and agree to have the Alaska Alcoholic Beverage Control Board (ABC Board) ban retail sales under the license in that particular city. The ABC Board has the authority to impose limitations on licenses as per AS 04.11.395.

The individual would then have the privilege of selling to persons/entities holding a valid Alaska liquor license. This small change will create many business opportunities, while preserving the integrity of alcohol control.

Continued economic development is essential in our village communities if they are to further their goals of self-sufficiency. The State of Alaska needs to persist in expanding opportunities for the establishment of production and marketing cooperatives.

**Effect of amendments.** — The 1995 amendment, effective July 1, 1995, rewrote subsection (a).

#### NOTES TO DECISIONS

**Protest upheld.** — City's protest that a proposed liquor store location was too close to a senior citizens housing complex and was in an area which already contained a high concentration of bars was not arbitrary, capricious, and unreasonable. *Stoltz v. City of Fairbanks*, 703 P.2d 1155 (Alaska 1985).

**Former law construed.** — See *In re Alaska Labor Trades Ass'n*, 10 Alaska 472 (1945); *In re Wakefield*, 10 Alaska 599 (1945); *In re Kaye*, 11 Alaska 556 (1948); *In re Martin's Retail Liquor License No. 1517*, 15 Alaska 225 (1954).

*Sec. 04.11.490. Prohibition of the sale of alcoholic beverages. [Repealed, § 69 ch 101 SLA 1995.]*

**Sec. 04.11.491. Local options.** (a) If a majority of the persons voting on the question vote to approve the option, a municipality shall adopt a local option to prohibit

(1) the sale of alcoholic beverages;  
(2) the sale of alcoholic beverages except by one or more of the following listed on the ballot:

(A) a restaurant or eating place licensee;  
(B) a beverage dispensary licensee;  
(C) a package store licensee; or  
(D) a caterer holding a permit under AS 04.11.230 to sell alcoholic beverages at a site within the municipality who is also licensed under a beverage dispensary license for premises outside of the municipality;

(3) the sale of alcoholic beverages except on premises operated by the municipality and under a type of licensed premises listed on the ballot, that may include one or more of the following:

(A) a restaurant or eating place license;  
(B) a beverage dispensary license; or  
(C) a package store license;  
(4) the sale and importation of alcoholic beverages; or  
(5) the sale, importation, and possession of alcoholic beverages.

(b) If a majority of the persons voting on the question vote to approve the option, an established village shall exercise a local option to prohibit

(1) the sale of alcoholic beverages;  
(2) the sale of alcoholic beverages except by one or more of the following listed on the ballot:

(A) a restaurant or eating place licensee;  
(B) a beverage dispensary licensee;  
(C) a package store licensee; or  
(D) a caterer holding a permit under AS 04.11.230 to sell alcoholic beverages at a site within the established village who is also licensed under a beverage dispensary license for premises outside of the established village;

(3) the sale and importation of alcoholic beverages; or  
(4) the sale, importation, and possession of alcoholic beverages.

(c) A ballot question to adopt a local option under this section must at least contain language substantially similar to: "Shall (name of municipality or village) adopt a local option to prohibit (local option under (a) or (b) of this section)? (yes or no)."

(d) The ballot for an election on the option set out in (a)(2)(A), (a)(3)(A), or (b)(2)(A) of this section must include a summary explanation of the authority to sell alcoholic beverages given to a restaurant or eating place under AS 04.11.100(a). The ballot for an election on the option set out in (a)(2)(B) or (D), (a)(3)(B), or (b)(2)(B) or (D) of this section must include a statement that a beverage dispensary license is commonly known as a

"bar" and a summary explanation of the authority to sell alcoholic beverages given to a beverage dispensary licensee under AS 04.11.090(a). The ballot for an election on the option set out in (a)(2)(C), (a)(3)(C), or (b)(2)(C) of this section must include a statement that a package store license is commonly known as a "liquor store" and a summary explanation of the authority to sell alcoholic beverages given to a package store licensee under AS 04.11.150(a).

(e) If a municipality dissolves under AS 29.06.450(a) or (b), a local option adopted by the municipality under (a) of this section shall continue in effect as the corresponding local option under (b) of this section for an established village having the same perimeter as the previous boundaries of the municipality. A license for premises operated by the municipality under AS 04.11.505 expires when the municipality dissolves.

(f) A municipality or established village that has adopted a local option under (a)(1), (2), or (3) or (b)(1) or (2) of this section may designate a site for the delivery of alcoholic beverages to individuals in the area or a site for a person to bring alcoholic beverages if the alcoholic beverages are imported into the area. This subsection does not apply to the delivery or importation of

(1) one liter or less of distilled spirits, two liters or less of wine, or one gallon or less of malt beverages; or

(2) alcoholic beverages to a premises licensed under (a)(2) — (3) or (b)(2) of this section. (§ 21 ch 101 SLA 1995)

**Cross references.** — For provisions relating to the continuation of local options adopted under former AS 04.11.490, 04.11.492, 04.11.496, 04.11.498, and 04.11.500, see § 70, ch. 101, SLA 1995 in the Temporary and Special Acts; for provisions relating to local

option petitions on file on July 1, 1995, see § 71, ch. 101, SLA 1995 in the Temporary and Special Acts.

**Effective dates.** — Section 79, ch. 101, SLA 1995 makes this section effective July 1, 1995.

*Sec. 04.11.492. Community liquor license; complete prohibition on sales. [Repealed, § 69 ch 101 SLA 1995.]*

**Sec. 04.11.493. Change of local option.** (a) If a majority of persons voting on the question vote to approve a different local option, a municipality or established village shall change a local option previously adopted under AS 04.11.491 to the different approved option.

(b) A ballot question to change a local option under this section must at least contain language substantially similar to: "Shall (name of municipality or village) change the local option currently in effect, that prohibits (current local option under AS 04.11.491), and adopt in its place a local option to prohibit (proposed local option under AS 04.11.491)? (yes or no)." (§ 22 ch 101 SLA 1995)

**Effective dates.** — Section 79, ch. 101, SLA 1995 makes this section effective July 1, 1995.

**Sec. 04.11.495. Removal of local option.** (a) If a majority of the persons voting on the question vote to remove the option, a municipality or established village shall remove a local option previously adopted under AS 04.11.491. The option is repealed effective the first day of the month following certification of the results of the election.

(b) A ballot question to remove a local option under this section must at least contain language substantially similar to: "Shall (name of municipality or village) remove the local option currently in effect, that prohibits (current local option under AS 04.11.491), so that there is no longer any local option in effect? (yes or no)."

(c) When issuing a license in the area that has removed a local option, the board shall give priority to an applicant who was formerly licensed and whose license was not renewed because of the results of the previous local option election. However, an

**Collateral references.** — 45 Am. Jur. 2d, Intoxicating Liquors, § 148.  
48 C.J.S., Intoxicating Liquors, § 106.

**Sec. 04.11.395. Board imposed conditions or restrictions.** The board may, in the best interests of the public, impose conditions or restrictions on a license or permit issued under this chapter. (§ 18 ch 101 SLA 1995)

**Effective dates.** — Section 79, ch. 101, SLA 1995 makes this section effective July 1, 1995.

**Sec. 04.11.400. Population limitations.** (a) Except as provided in (d) — (h) of this section, a new license may not be issued and the board may prohibit relocation of an existing license

(1) outside an established village, incorporated city, unified municipality, or organized borough if after the issuance or relocation there would be (A) more than one restaurant or eating place license for each 1,500 population or fraction of that population, or (B) more than one license of each other type, including licenses that have been issued under (d) or (e) of this section, for each 3,000 population or fraction of that population, in a radius of five miles of the licensed premises, excluding the populations of established villages, incorporated cities, unified municipalities, and organized boroughs that are wholly or partly included within the radius;

(2) inside an established village, incorporated city, or unified municipality if after the issuance or relocation there would be inside the established village, incorporated city, or unified municipality

(A) more than one restaurant or eating place license for each 1,500 population or fraction of that population; or

(B) more than one license of each other type, including licenses that have been issued under (d) or (e) of this section, for each 3,000 population or fraction of that population;

(3) inside an organized borough but outside an established village or incorporated city located within the borough, if after the issuance or relocation there would be inside the borough, but outside the established villages and incorporated cities located within the borough,

(A) more than one restaurant or eating place license for each 1,500 population or fraction of that population; or

(B) more than one license of each other type, including licenses that have been issued under (d) or (e) of this section, for each 3,000 population or fraction of that population excluding the population of those established villages that have adopted a local option under AS 04.11.491(b)(1), (3), or (4), and excluding the population of incorporated cities located within the organized borough.

(b) If the radius described in (a)(1) of this section encompasses all of an established village, incorporated city, or unified municipality and the population resident inside and outside the established village, incorporated city, or unified municipality but inside the radius described in (a)(1) of the section is less than 3,000, the board may deny the issuance or relocation of the license.

(c) *[Repealed, § 88 ch 74 SLA 1985.]*

(d) The board may approve the issuance or transfer of ownership of a beverage dispensary or restaurant or eating place license without regard to (a) of this section if it appears that the issuance or transfer will encourage the tourist trade by encouraging the construction or improvement of

(1) a hotel, motel, resort, or similar business relating to the tourist trade with a dining facility or having kitchen facilities in a majority of its rental rooms and at least a minimum number of rental rooms required according to the population of the established village, incorporated city, unified municipality, or population area established under (a) of this section in which the facility will be located, as follows:

(A) 10 rental rooms if the population is less than 1,501;

ion or ordinance has  
s or ordinances that  
i SLA 1980)

limitations. Queen of N.,  
4 (Alaska 1978), decided

ct of intoxicating liquors.  
5.

issued to a specific  
partnership, or to a  
tered agent of the

on a common carrier,  
ensed premises, the  
ermit. The mailing  
the registered office  
of the board. (§ 2 ch

her than a licensee  
which a license is

ss, brewery, winery,  
others, a beverage  
ore license. A holder  
se, subject to the  
restaurant or eating  
rant or eating place  
lace license issued  
oved on or before

corporation.  
ited or percentage  
e does not hold a

malt beverage and  
e of the holder of a

holding a legal or  
le. However, credit  
redit extended by a  
ved from a person  
a business licensed  
am § 4 ch 136 SLA

Revisor's notes. — Subsection (f) was formerly (c) and subsections (c)-(e) were formerly (d)-(f). Relettered in 1994.

Effect of amendments. — The 1996 amendment,

effective October 1, 1996, in subsection (b), inserted ", a restaurant or eating place license," in the first sentence and added the last sentence.

NOTES TO DECISIONS

Editor's notes. — The cases cited in the notes below were decided under former AS 04.10.180 and earlier statutes.

The purpose of financial interest statute was to prevent evasion of the liquor control statutes and regulations through the creation of hidden financial interests in liquor businesses unknown to the regulatory authorities or to the public. It helped insure that all persons with any financial interest in such businesses were answerable to the ABC Board. Barton v. Lund, 563 P.2d 875 (Alaska 1977).

Interest, "direct or indirect," in a thing is held to embrace a legal or equitable interest. In re Martin's Retail Liquor License No. 1517, 15 Alaska 225 (1954).

Application to clubs. — The provisions of former section applied to clubs as well as to all other persons who might have or apply for any of the numerous types of licenses authorized to be issued by law. In re Alaska Labor Trades Ass'n, 10 Alaska 472 (1945).

Interest of manager in business prohibited. — Where the business affairs of the club, including the purchase and keeping and sale to members of liquor,

are so inextricably intermingled with those of the manager of the club, the manager has an interest in the business and a license may not be lawfully issued. In re Alaska Labor Trades Ass'n, 10 Alaska 472 (1945).

This section was not controlling where the party had a security interest, as opposed to a financial interest, in the license. Gibson v. Alaska ABC Bd., 377 F. Supp. 151 (D. Alaska 1974).

Statement of financial interest required. — A statement regarding financial interest of any other person in the business was required to be made by former AS 04.10.190, concerning the filing, form, and contents of an application, under the doctrine of "contemporaneous construction of the law." In re Martin's Retail Liquor License No. 1517, 15 Alaska 171 (1954).

Revocation of license for false statement. — A false statement in an application for a liquor license that the applicant was the only person interested was held so material to its issuance as to warrant revocation. In re Martin's Retail Liquor License No. 1517, 15 Alaska 171 (1954).

Collateral references. — 45 Am. Jur. 2d, Intoxicating Liquors. § 123.

Sec. 04.11.460. Prior public approval. (a) A new license or the transfer of location of an existing license may not be approved by the board in an area outside but within 50 miles of the boundaries of a municipality unless a petition asking that the license be issued or transferred within the area containing signatures of a majority of the permanent residents residing within one mile of the proposed premises is filed with the board.

(b) A license may not be issued in an area that is 50 miles or more from the boundaries of a municipality unless a petition asking that the license be issued within the area containing the signatures of two-thirds of the permanent residents residing within a radius of five miles of the United States post office station nearest to the proposed licensed premises, is filed with the board. If there are two or more United States post office stations in the vicinity of the proposed licensed premises, the nearest to the premises constitutes the point of beginning under this subsection. If there is no United States post office station within a radius of five miles of the proposed licensed premises, the applicant must obtain the signatures of two-thirds of the permanent residents residing within a five mile radius of the proposed licensed premises. A petition is not required for the renewal of a license issued in accordance with this subsection unless specifically required by the board.

(c) In this section, "permanent resident" means a person 21 years of age or older who has established a permanent place of abode. (§ 2 ch 131 SLA 1980; am § 3 ch 109 SLA 1983)

Revisor's notes. — In 1980, (b) of this section was rearranged for clarity

Collateral references. — 45 Am. Jur. 2d, Intoxicating Liquors. § 155.

Author: SLTHOMSEN@aol.com at CC2MHS1  
Date: 2/13/98 6:36 AM  
Priority: Normal  
TO: Representative Alan Austerman at LAA\_TRANS  
CC: Cliff Stone at LAA\_TRANS  
Subject: Re: Winery License-AS04.11.491  
Dear Representative Austerman,

As you know, my wife and I want to start a winery, Alaskan Wilderness Wines, here in Port Lions. Our goal is to create employment for ourselves and income opportunities for others. With low salmon prices, a depressed timber market, and limited alternate job opportunities within the community, new economic development is needed. We propose to produce both berry and agricultural wines using raw materials purchased from local pickers and growers. Developing an organic berry supply has great potential, as Seldovia Tribal Cache has shown. Utilizing renewable natural resources makes good sense.

All of the businesses we've contacted in Kodiak and the mainland are eager to retail the product when it becomes available. Interested establishments include: Alyeska Prince Hotel, O'Malley's on the Green, Kodiak Inn, Buskin River Inn, and the Shelikoff Lodge, just to name a few. We believe that the tourist industry here in Alaska would benefit from such a product. A "bush" facility would also fulfill the "Alaskan mystique" tourists are looking for.

In order to produce the wine here in Port Lions, as well as other similar communities, the proposed addition to Alaska Statutes is needed. Out of concern for our community, we have requested that the State Alcohol Board limit our winery license, if granted, to sale of alcoholic beverages to licensed holders only. We want to provide economic support without liquor sales, which would alleviate the concerns of some community members.

Thank you for your continued support and consideration.

Sincerely,

Steve & Lisa Thomsen

**HB**

**417**

Revision Date: \_\_\_\_\_ Dept. Affected: Revenue  
 Title: Unclaimed Intestate Property BRU: Revenue Operations  
 Component: Income and Excise Audit  
 Sponsor: Representative Davis  
 Requestor: (H) L&C COMPONENT SERIAL NO. 113

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
PERSONAL SERVICES	0.0	0.0	0.0	0.0	45.5	45.5
TRAVEL	0.0	0.0	0.0	0.0	2.0	2.5
CONTRACTUAL	0.0	0.0	0.0	0.0	15.0	20.0
SUPPLIES	0.0	0.0	0.0	0.0	1.5	1.5
EQUIPMENT	0.0	0.0	0.0	0.0	4.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>68.0</b>	<b>69.5</b>

CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )					(50.0)	(50.0)

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1001 CBRF						
1048 University of AK receipts						
Other - Program Receipts					68.0	69.5
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>68.0</b>	<b>69.5</b>

Estimate of any current year cost \$ 0.0

POSITIONS:

FULL-TIME					1	1
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

See Attached

Prepared by: Rachel Lewis  
 Division: Income and Excise Audit  
 Approved by Commissioner: Wilson L. Condon  
 Agency: Revenue

Phone: 465-5885  
 Date: March 18, 1998  
 Date: March 18, 1998

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE  
 For further distribution information call the Governor's Legislative Office

**Alaska Department of Revenue**  
*Income and Excise Audit Division*

HB 417  
Intestate Property  
March 18, 1998  
Page 2 of 2

**BILL ANALYSIS**

This bill repeals and reenacts AS 13.12.105.

Currently intestate personal property is subject to AS 34.45.280 - 34.45.780 the unclaimed property act and is administered by the Department of Revenue. Intestate personal property is held in perpetuity for the owner.

Intestate real property is subject to AS 38.95.200 - 38.95.270 and is administered by the Department of Natural Resources. Intestate real property escheats to the state if the owner does not claim within 7 years.

**Section 1.** This section combines real property and personal property into one category "property". This section would eliminate most real property escheatment to the state

This section would also change personal property under AS 34.45.280 - 34.45.780. Intestate personal property would no longer be held in perpetuity for an owner. The intestate personal property if not claimed within 5 years after being delivered to the Department of Revenue would be available for distribution to a community organization where descendant resided at the time of death.

Department of Revenue would publish in a community newspaper where the descendant resided at the time of death, a notice that intestate property is available for distribution. The department would administer the application, determination and distribution process. Except, if multiple community organizations do not agree to share property the city, borough or unified municipality where the descendant resided at the time of death would make the final determination and notify the department for distribution.

**Operating Costs**

Department of Revenue anticipates one Accounting Technician II, range 14 would be needed to administer intestate property. Position would process complex real estate transactions, title searches, escrow and earnest money agreements, as well as interpreting intestacy, estate and trust statutes. Travel maybe required for research, court ordered hearings or to administer the sale of property. Contractual costs will include appraisals, title searches, loan fees, advertising costs and legal fees. Supplies and equipment would cover computer station and annual office supplies.

**Revenue**

It is very hard to predict how much revenue the state will lose. The department estimates \$50,000 in property during FY 2002 and \$75,000 during FY 2003 would be disbursed to community organizations. The majority of property distributed would be real property, which incurs the largest cost of administration.

# ALASKA STATE LEGISLATURE

## House of Representatives

**COMMITTEE MEMBERS:**

REPRESENTATIVE NORMAN ROKEBERG, CHAIRMAN  
REPRESENTATIVE JOHN COWDERY, VICE CHAIRMAN  
REPRESENTATIVE BILL HUDSON  
REPRESENTATIVE JOE RYAN  
REPRESENTATIVE JERRY SANDERS  
REPRESENTATIVE TOM BRICE  
REPRESENTATIVE GENE KUBINA  
COMMITTEE AIDE, SHIRLEY ARMSTRONG  
COMMITTEE SECRETARY, CATHY WOOD  
COMMITTEE HEARING ROOM 17 STATE CAPITOL



INTERIM:  
716 WEST 4TH AVENUE, SUITE 640  
ANCHORAGE, AK 99501  
PHONE: (907) 258-8191  
FAX: (907) 258-2916

SESSION:  
STATE CAPITOL, ROOM 24  
JUNEAU, AK 99801-1182  
PHONE: (907) 465-4954  
FAX: (907) 465-2040

### Labor and Commerce Committee

## No Fiscal Note

Received By Labor and Commerce Committee



# The Homer Foundation

3665 Ben Walters Lane, Suite A  
Homer, Alaska 99603-7738

---

Telephone (907) 235-5255

Fax (907) 235-8126

March 2, 1998

Representative Gary L. Davis  
Alaska State Legislature  
State Capitol  
Juneau, Alaska 99801

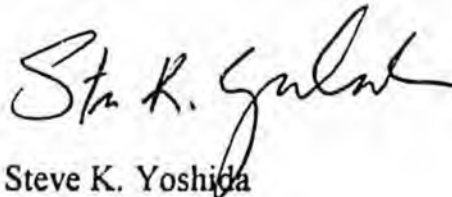
Dear Representative Davis:

On behalf of the first community foundation in Alaska, I would like to thank you for recently taking the initiative to introduce a bill regarding intestate estates, an act relating to unclaimed property of persons dying intestate. We strongly support its general concept and purpose and believe it will provide greatly needed relief to communities experiencing a continual decline in funds for local charitable and non-profit services.

In our review of your bill, it appears there may be some issues and questions requiring clarification. It is not clear what is meant by "qualified community organization." We recommend the term "community foundation" be used, which describes an organization representing the entire non-profit community.

I would be glad to testify in favor of the bill. Please let me know when you schedule the teleconference.

Very truly yours,



Steve K. Yoshida

SKY:dh

cc: Jerry Near

# Alaska State Legislature

*Interim:*

145 Main St. Lp., 223  
Kenai, Alaska 99611  
907/283-7095  
907/283-3075 fx  
907/262-7574 hm

*Session:*

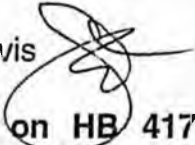
State Capitol  
Juneau, AK 99801  
907/465-2693  
fx 907/465-3835  
800/463-2693

## Representative Gary Davis

### MEMORANDUM

DATE: March 4, 1998

TO: Representative Norm Rokeberg, Co-Chair  
House Labor and Commerce Committee

FROM: Representative Gary Davis 

RE: Request for Hearing on HB 417 "An Act relating to the  
unclaimed property of persons dying intestate"

This is to request that a hearing be scheduled on House Bill 417 "An Act relating to the unclaimed property of persons dying intestate." If possible, I would like this hearing teleconferenced to Kenai and Homer. Attached are the following items for inclusion in the committee files.

- Sponsor Statement;
- Sectional Analysis; and
- current Alaska statutes that will be modified by HB 383;

It is my understanding that your office will be requesting the necessary fiscal notes.

Thank you for considering this request. Please contact Deb Davidson of my staff if you have any questions.

GLD/dld

Attachments

03-05-98 12:00 RCVD

*Representing House District 8  
Cooper Landing, Funny River, Hope, Moose Pass, Seward, Sterling, Soldotna*

Representative\_Gary\_Davis@legis.state.ak.us

# Alaska State Legislature

## Interim:

145 Main St. Lp., 223  
Kenai, Alaska 99611  
907/283-7095  
907/283-3075 fx  
907/262-7574 hm

## Session:

State Capitol  
Juneau, AK 99801  
907/465-2693  
fx 907/465-3835  
800/463-2693

## Representative Gary Davis

### SPONSOR STATEMENT

#### HOUSE BILL 417

“An Act relating to the unclaimed property of persons dying intestate.”

Under current law, when there are assets from an estate for which there was no will and there are no known heirs, the state has certain responsibilities and procedures for determining whether there are heirs to the estate. If no living heirs are located, the assets pass to the state. House Bill 417 provides that certain community organizations in the municipality in which the decedent last lived may apply for these assets if the state has had possession of them for a period of five years and no one has come forward to claim them. If no community organization applies for the assets, they become the property of the state.

If only one organization applies, the Department of Revenue will give the estate to that organization. If there is more than one organization that qualifies and applies, they may agree to share the property. If the organizations do not agree to share, then the appropriate local government—either the city or borough—will identify the applicant that provides its services the most broadly throughout the municipality.

In order to qualify, a community organization must be located in the city in which the decedent lived, or in the borough if the decedent didn't live in a city. It must also be a nonprofit corporation exempt from federal taxation, be operated exclusively to provide services promoting the well being of the residents of the municipality, and have been in existence for at least three years.

Under HB 417, the state's only additional responsibility will be to publish a notice in the municipality in which the decedent lived stating that the decedent died intestate and that no heirs have been identified. It is the responsibility of the community organization to investigate whether it may be qualified to receive the estate and to apply for it.

Generally, when an individual dies intestate with no heirs, the size of the estate is not large from the state's perspective. However, the funds from the estate could be used by a community organization to greatly benefit the community at large. House Bill 417 provides a mechanism by which these organizations can apply for an estate, without causing the state undue expense or administrative time.

HB417ss:3/2/98

*Representing House District 8  
Cooper Landing, Funny River, Hope, Moose Pass, Seward, Sterling, Soldotna*

Representative\_Gary\_Davis@legis.state.ak.us

# Alaska State Legislature

## Interim:

145 Main St. Lp., 223  
Kenai, Alaska 99611  
907/283-7095  
907/283-3075 fx  
907/262-7574 hm

## Session:

State Capitol  
Juneau, AK 99801  
907/465-2693  
fx 907/465-3835  
800/463-2693

## Representative Gary Davis

### SECTIONAL ANALYSIS

#### HOUSE BILL 417

#### **"An Act relating to the unclaimed property of persons dying intestate"**

Section 1: Repeals and reenacts AS 13.12.105 to provide that property that is part of an intestate estate and has no taker under Chapter 13.12, Intestacy, Wills and Donative Transfers, is subject to AS 34.45.280 – 34.45.780, (Reporting and Disposition of Personal Property, Administration of Abandoned Property, Enforcement and Penalties, and General Provisions)

If the property is not claimed under the above statutes within five years, it is distributed as follows: 1) to a qualified community organization located in the city where the decedent resided at the time of death; 2) to a qualified community organization located in the borough or unified municipality where the decedent resided at the time or death; and 3) to the state if a community organization does not apply for the property or if the decedent did not reside in a municipality at the time of death.

When property is subject to distribution, the department of Revenue shall place a notice in a newspaper distributed in the municipality stating that there is property to be distribution and qualified community organizations in the municipality may apply to receive the property. The property shall be distributed by the department as follows: 1) to the sole applicant that applies; 2) to the applicants who apply and agree to share the property if more than one apply; 3) to the applicant identified by the appropriate local government as providing its services the most broadly throughout the municipality if more than one qualified organization applies and the applicants cannot agree to share the property.

In order to qualify, a community organization must be exempt from federal taxation, be operated exclusively to provide services that promote the well being of the residents of the municipality, and have been operating in the municipality for at least three years.

HB417SA:3/02/98

*Representing House District 8*

*Cooper Landing, Funny River, Hope, Moose Pass, Seward, Sterling, Soldotna*

Representative\_Gary\_Davis@legis.state.ak.us

## Jerome A. Near and Associates

Jerome A. Near

Telephone 907-262-4461  
Fax 907-262-1584

Drawer 448  
161 N. Binkley Suite 201  
Soldotna, Alaska 99669

To: Rep. Gary Davis  
Juneau, Alaska

Dear Gary:

Thank you for your efforts in crafting the Bill on Intestate Estates. We as a community do not know what amount of money this special circumstance would provide. We do feel that should a person which lived in a community die intestate and no heir be found, that the community which supported this person should be considered before the State.

As funding availability become more restricted from State levels, communities will need to develop resources from within. This is one means available. So far two Communities have set up their own Charitable Foundations with the specific purpose of maintaining a Healthy Community. Because of favorable tax laws many communities across this Nation also have Foundations. These special organizations encourage Charitable giving and provide a vehicle by which citizens can endow the future by providing resources for subsequent generations.

This bill would encourage other communities to set up their own Charitable Foundations as the possibilities of Intestacy are spread through out the State. As stated above, if more responsibility is to befall communities, we will need all the resources we can muster.

Jerome A. Near  
Tom Ackerly  
Mike McLane  
Sue Davis  
Becky Hultberg

Board of Directors  
Community Care Foundation  
Soldotna, Alaska

**HB**

**424**

# FISCAL NOTE

STATE OF ALASKA  
1998 LEGISLATIVE SESSION

BILL NO. HB 424 | \_\_\_\_\_

Revision Date (Note if correction) \_\_\_\_\_ Dept. Affected Law  
 Title An Act relating to civil liability for activities of BRU Civil Division  
volunteer school crossing guards; ... Component Special Litigation  
 Sponsor Representative Mulder  
 Requester House Labor and Commerce Committee Component Serial No. 2213

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

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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

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

**FUND SOURCE** (Thousands of Dollars)

FUND SOURCE	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<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 (FY98) cost: \_\_\_\_\_

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

HB 424 provides that volunteer school crossing guards assisting students to reach or depart from a public school and the school district in which the school is located may not be held civilly liable for damages resulting from an act or omission in performing crossing guard duties, unless the act or omission constitutes gross negligence, recklessness, or intentional misconduct.

This bill relates to school district liability, rather than state liability, and will have no fiscal impact on the Department of Law.

Prepared by Joan M. Kasson *[Signature]*  
 Division Attorney General's Office  
 Approved by Commissioner Bruce M. Botelho, Attorney General  
 Agency Department of Law

Phone 465-5370  
 Date 3/25/98  
 Date 3/25/98

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

For further distribution information, call the Governor's Legislative Office

# ALASKA STATE LEGISLATURE

## House of Representatives

COMMITTEE MEMBERS:

REPRESENTATIVE NORMAN ROKEBERG, CHAIRMAN  
REPRESENTATIVE JOHN COWDERY, VICE CHAIRMAN  
REPRESENTATIVE BILL HUDSON  
REPRESENTATIVE JOE RYAN  
REPRESENTATIVE JERRY SANDERS  
REPRESENTATIVE TOM BRICE  
REPRESENTATIVE GENE KUBINA  
COMMITTEE HEARING ROOM 17 STATE CAPITOL



INTERIM:  
716 WEST 4TH AVENUE, SUITE 640  
ANCHORAGE, AK 99501  
PHONE: (907) 258-8191  
FAX: (907) 258-2916

SESSION:  
STATE CAPITOL, ROOM 24  
JUNEAU, AK 99801-1182  
PHONE: (907) 465-4954  
FAX: (907) 465-2040

### Labor and Commerce Committee

**L&C Has Not Received A Fiscal Note  
From The Effected Departments**

March 24, 1998

Norman:

This is what I gave Shirley as backup for HB 319.

There are three amendments coming from Legal:

- a. definition of "employer". Insertion of a definition of "employer" was suggested by an attorney on the Anchorage Chamber of Commerce legislative committee;
- b. insertion of "written" wherever "agreement" is mentioned so it is plain that the agreement is to be in writing; and
- c. definition of "premises" to exclude any living quarters provided by an employer to an employee (i.e., construction camps, logging camps, ferry system all provide residential quarters for workers).

Janet

cc: Shirley

**Municipality  
of  
Anchorage**



P.O. Box 196650  
Anchorage, Alaska 99519-6650  
Telephone: (907) 343-4431  
Fax: (907) 343-4499  
<http://www.ci.anchorage.ak.us>

*Rick Mystrom, Mayor*

OFFICE OF THE MAYOR

March 19, 1998

**Representative Eldon Mulder  
Room 501  
State Capitol  
Juneau, Alaska 99801-1182  
VIA FACSIMILE #907-465-3518**

Dear Eldon,

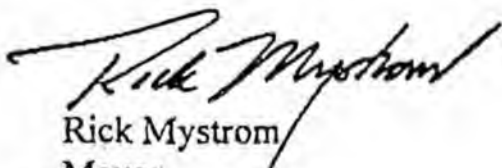
The Anchorage School District hires crossing guards to help protect the safety of children on their way to school at identified hazardous crossings. However, parents often request crossing guards at many more locations than the Anchorage School District can fund.

Parents are willing to serve as volunteer crossing guards at some of these locations but cannot afford to take on any personal liability which could result from this volunteer effort.

HB 24 which is currently pending in the House and is part of our 1998 Legislative program would modify existing volunteer aid statutes to protect volunteer crossing guards. The Municipality of Anchorage believes that volunteerism should be commended and supported, particularly in this context.

The Municipality of Anchorage fully supports HB 24 and hopes it will be successfully passed this legislative session.

Sincerely,

  
Rick Mystrom  
Mayor

*"City of Lights and Flowers"*

# Municipality of Anchorage



P.O. Box 196650  
Anchorage, Alaska 99519-6650  
Telephone: (907) 943-4311

February 13, 1998

ANCHORAGE ASSEMBLY

Members of the Anchorage Caucus  
Alaska State Legislature  
State Capitol  
Juneau, Alaska 99801

Dear Caucus Members:

Due to concerns regarding liability, the Anchorage School District does not permit volunteers to act as crossing guards at neighborhood schools. The majority of elementary schools in Anchorage are not located on major transportation corridors, but within neighborhoods. Relatively low traffic counts near these schools, coupled with the District's budget constraints, does not justify the cost of hiring crossing guards.

Many of Anchorage's elementary schools are located in older neighborhoods and many do not have sidewalks for students to walk. Although School Crossing signs are posted, flashing lights are generally not used at schools unless speed limits in the area are 35 m.p.h. greater (Residential streets have a speed limit of 25 m.p.h. See attachment.) A case in point is Muldoon Elementary School, which is located along a residential street with no sidewalks. Drivers travel down a hill toward the school, and it is common for them to exceed the posted 20 m.p.h. as children are walking to school. Small children often forget to look before crossing the street, or overestimate their ability to cross before the car gets to their location. Parents have volunteered to act as crossing guards, but the District has requested that they stop. Crossing guards act in a capacity that is associated with their school, and therefore carry an associated risk for that school and the District. This represents the major reason why immunity for volunteers who act as crossing guards is in the best interest of the School District and the students.

The Assembly Office has recently conducted research to determine if there were other cities within the United States that have dealt with immunity for volunteer school crossing guards. During this research, it was discovered that the City of Westminster, Colorado has legislation in place to cover this issue, and have provided copies of the legislation, and other relevant materials which are available upon request.

Your support in introducing legislation to provide immunity for volunteer school crossing guards is encouraged and appreciated.

Sincerely,

  
Cheryl Clementson  
Assemblymember

Post-It® Fax Note	7671	Date	2-13	# of pages	1
To	MATT GILL	From	TIM ROBERS		
Co./Dept		Co	343-4417		
Phone #		Phone #			
Fax #	465-2518	Fax #			



**REPRESENTATIVE ELDON MULDER**  
DISTRICT 23 MULDOON-Ft. RICHARDSON



ALASKA STATE LEGISLATURE  
HOUSE OF REPRESENTATIVES

# MEMORANDUM

---

---

DATE: March 12, 1998

TO: Representative Norm Rokeberg, Chair  
House Labor & Commerce Committee

FROM: Representative Eldon Mulder

RE: House Bill 424

---

---

Please schedule House Bill 424 for a hearing in the House Labor and Commerce Committee. I have enclosed a copy of the bill, sponsor statement and letter of support.

HB 424 was introduced at the request of the Municipality of Anchorage to provide limited liability for volunteer school crossing guards.

Thank you.

# ALASKA STATE LEGISLATURE

## House of Representatives

COMMITTEE MEMBERS:

REPRESENTATIVE NORMAN ROKEBERG, CHAIRMAN  
REPRESENTATIVE JOHN COWDERY, VICE CHAIRMAN  
REPRESENTATIVE BILL HUDSON  
REPRESENTATIVE JOE RYAN  
REPRESENTATIVE JERRY SANDERS  
REPRESENTATIVE TOM BRICE  
REPRESENTATIVE GENE KUBINA  
COMMITTEE HEARING ROOM 17 STATE CAPITOL



INTERIM:  
716 WEST 4TH AVENUE, SUITE 640  
ANCHORAGE, AK 99501  
PHONE: (907) 258-8191  
FAX: (907) 258-2916

SESSION:  
STATE CAPITOL ROOM 24  
JUNEAU, AK 99801-1182  
PHONE: (907) 465-4954  
FAX: (907) 465-2040

### Labor and Commerce Committee

**L&C Has Not Received A Fiscal Note**

**From The Effected Departments**



**REPRESENTATIVE ELDON MULDER**  
DISTRICT 23 MULDOON-Ft. RICHARDSON



ALASKA STATE LEGISLATURE  
HOUSE OF REPRESENTATIVES

## House Bill 424 by Representative Eldon Mulder Sponsor Statement

House Bill 424 was introduced at the request of the Municipality of Anchorage.

HB 424 is necessary to allow safe passage for our children to and from school, particularly in many of Anchorage's older neighborhoods that don't have sidewalks. Hiring crossing guards for all schools is cost prohibitive and volunteers are a needed resource in many areas.

Parents and others are willing to volunteer to be crossing guards for Anchorage schools. The Municipality of Anchorage would like to have parents serve as volunteer school crossing guards but does not allow them because of concerns of liability faced by the volunteers.

The intent of HB 424 is to allow those parents that want to participate in their children's school experience to be able to do so. This bill will allow parents to act as volunteer crossing guards without the risk of civil liability.

March 25, 1998

Norman:

I talked with Terry Cramer regarding amendments to HB 319. She is working on them now.

Also, Wendy Redman mentioned that UA wanted "reasonable" references out of the proposal. This is not a good idea and I have told Wendy this. According to Cramer, the "reasonable" language needs to remain in the bill in order to provide sufficient coverage for the proposal under Alaska's privacy clause. Without this language ("reasonable"), the legislation could have constitutional problems.

Janet

Shirley -  
FYI  
not for distribution  
Janet

**HB**

**433**

# HOUSE COMMITTEE REPORT

(7)

Date Referred to Committee: February 18, 1998

FURTHER REFERRALS:

Judiciary

Date of Committee Action: 4/22/98

The LABOR AND COMMERCE Committee considered:

HB 433

HOUSE BILL NO. 433

TAX CREDIT FOR HIRING STATE RESIDENTS

“An Act establishing a tax credit for taxpayers engaged in a trade or business who employ certain persons who are state residents; and providing for an effective date.”

recommends it be replaced with the following committee substitute RS HB 433(LYC)  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) REV \_\_\_\_\_

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

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>John Caudrey</i>			<input checked="" type="checkbox"/>	
<i>Steve Kuter</i>			<input checked="" type="checkbox"/>	
<i>Tom Bruce</i>			<input checked="" type="checkbox"/>	
<i>Joe Ryan</i>			<input checked="" type="checkbox"/>	
<i>Bill Hudson</i>	<input checked="" type="checkbox"/>			
<i>Ken Kotely</i>	<input checked="" type="checkbox"/>			

CHAIR'S SIGNATURE *Ken Kotely*

4-22-98

# FISCAL NOTE

STATE OF ALASKA  
1998 LEGISLATIVE SESSION

NO. \_\_\_\_\_  
BILL VERSION: HB 433  
PUBLISH DATE: 4/22/98

Revision Date: \_\_\_\_\_  
Title: Tax Credit For Hiring State Residents

Department Affected: Revenue  
BRU: \_\_\_\_\_

Sponsor: House Labor & Commerce  
Requestor: \_\_\_\_\_

Component: \_\_\_\_\_

COMPONENT SERIAL NO:

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0	0	0	0	0	0

<b>CAPITAL</b>	0	0	0	0	0	0
----------------	---	---	---	---	---	---

<b>REVENUE FUND SOURCE</b>	0	0	0	0	0	0
----------------------------	---	---	---	---	---	---

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER FUND SOURCE						
<b>TOTAL</b>	0	0	0	0	0	0

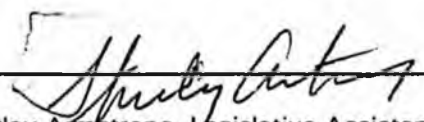
POSITIONS:

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

Estimate of current year impact: NONE

ANALYSIS: (Attach a separate page if necessary)

Zero fiscal impact.



Prepared By: Shirley Armstrong, Legislative Assistant

Phone: 465-4968

Division: House Labor & Commerce Committee

Date: 4/22/98

Approved By: Rep. Norman Rokeberg, Chairman

Agency: Alaska State Legislature

Date: 4/22/98

Distribution (by preparer):

0-LS0656\F  
Glover  
3/4/98

CS FOR HOUSE BILL NO. 433( )  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTIETH LEGISLATURE - SECOND SESSION

BY

Offered:  
Referred:

Sponsor(s): REPRESENTATIVE ROKEBERG

A BILL

FOR AN ACT ENTITLED

1 "An Act establishing a tax credit for taxpayers engaged in a trade or business  
2 who employ certain persons who are state residents; specifying penalties for  
3 fraudulent claim of certain tax credits; and providing for an effective date."

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

5 \* Section 1. LEGISLATIVE FINDINGS. The legislature finds that

6 (1) it is in the best interest of the state to have a steady work force and to have  
7 its residents gainfully employed;

8 (2) during 1995, private industry and state and local governments employed  
9 more than 78,000 nonresidents;

10 (3) nonresidents made up 22.6 percent of all wage and salary workers in the  
11 private sector and in state and local government in 1995;

12 (4) in 1995, nonresidents earned more than \$923,000,000, a nearly \$9,000,000  
13 increase over 1994;

14 (5) more than 27,000 nonresidents were newly hired in the third quarter of

1 1995 alone;

2 (6) nonresident hire is not a new phenomenon in Alaska; since inception of  
3 territorial status, seasonal employment, particularly in fishing and forestry, has been common;  
4 there is a continual flow of population between Alaska and other states, but, with regard to  
5 transient employment, the traffic is virtually "one way"; a small percentage of Alaska residents  
6 earn wages in other states, while one in eight dollars of wages paid in Alaska are paid to  
7 nonresidents;

8 (7) many residents of Alaska could have filled the positions that went to  
9 nonresidents; maximizing the employment of Alaskans not only ensures that maximum benefit  
10 accrues to the state from economic development activity, but also reduces demands upon state  
11 "safety net" programs, such as unemployment insurance and public assistance;

12 (8) Alaska's jobless rate was 9.4 percent in January 1997; the unemployment  
13 figures ranged from a high of 20.4 percent in the Yukon-Kuskokwim census area to 4.6  
14 percent in the North Slope area; even in areas of Alaska with large amounts of commercial  
15 activity, the unemployment figures varied; Anchorage, the state's largest city, had a January  
16 unemployment rate of 6.1 percent, Fairbanks had a rate of 9.4 percent, while Juneau's rate was  
17 8.1 percent; the Matanuska-Susitna Borough's unemployment rate for that same time period  
18 was 12.8 percent and the Kenai Peninsula Borough's rate was 19 percent; the average for the  
19 nation at the same time was 5.9 percent;

20 (9) the seasonally adjusted unemployment rate in January 1997 for Alaska was  
21 7.5 percent, while it was 5.4 percent for the United States;

22 (10) more than 29,000 Alaskans were unemployed in January 1997, an increase  
23 of 3,000 from December 1996.

24 \* Sec. 2. AS 43.20 is amended by adding a new section to read:

25 **Sec. 43.20.023. Credit for taxpayer employing state resident.** (a) Subject  
26 to (b) of this section, a taxpayer engaged in a trade or business is entitled to a credit  
27 against the taxpayer's tax liability under this chapter for employing a person who, at  
28 the time of the person's employment by the taxpayer, was

29 (1) a resident of the state;

30 (2) a graduate of or had been a student at a qualifying postsecondary  
31 educational institution located in the state; and

1 (3) not previously employed by the taxpayer.

2 (b) Subject to (1) of this subsection, the credit claimed by a taxpayer under (a)  
3 of this section is \$500 for each employee described in (a) of this section. The amount  
4 of a credit under this section

5 (1) may be claimed only during the taxpayer's tax year in which the  
6 taxpayer first employed the state resident, and the total amount of all credits claimed  
7 by a taxpayer under (a) of this section for a tax year may not exceed \$75,000;

8 (2) may not

9 (A) be claimed as a credit under another provision of this title;

10 (B) also be allowed as a deduction under 26 U.S.C. 170 against  
11 the tax imposed by this chapter; or

12 (C) be claimed by a taxpayer found to have committed civil tax  
13 credit fraud under AS 43.05.220(c)(2).

14 (c) In this section,

15 (1) "postsecondary educational institution" has the meaning given in  
16 AS 14.48.210;

17 (2) "qualifying postsecondary educational institution" means a  
18 postsecondary educational institution that, for educational services rendered during the  
19 period the person was a student at the institution, received state funds, grants, or other  
20 aid; in this paragraph, "state funds, grants, or other aid" does not include student loans,  
21 grants, or scholarships;

22 (3) "resident" means an individual who is physically present in the state  
23 with the intent to remain permanently in the state under the requirements of  
24 AS 01.10.055 and has been physically present in the state for at least one year at the  
25 time of the person's first employment by the taxpayer.

26 \* Sec. 3. AS 43.05.220(c) is amended to read:

27 (c) If a tax deficiency or part of a tax deficiency is due to

28 (1) fraud, in addition to penalties determined under (a) or (b) of this  
29 section, a civil fraud penalty equal to 50 percent of the tax due or \$500, whichever is  
30 greater, shall be added to the tax;

31 (2) a fraudulent claim of credit under AS 43.20.023, [ THIS

1 PENALTY IS] in addition to penalties determined under (a) or (b) of this section, a  
2 civil tax credit fraud penalty equal to five times the credit fraudulently claimed  
3 under AS 43.20.023 shall be added to the tax.

4 \* Sec. 4. This Act takes effect January 1, 1999, and applies to persons employed and  
5 expenses incurred after December 31, 1998, for which the credit authorized by sec. 2 of this  
6 Act may be claimed.

04-20-98A10:2A RCVD

# ALASKA STATE LEGISLATURE

## House of Representatives

COMMITTEE ASSIGNMENTS:

LABOR & COMMERCE COMMITTEE, CHAIRMAN  
SPECIAL COMMITTEE ON OIL & GAS, MEMBER  
JUDICIARY COMMITTEE, MEMBER  
CORRECTIONS BUDGET SUBCOMMITTEE, MEMBER  
ADMINISTRATION BUDGET SUBCOMMITTEE, MEMBER  
HESS BUDGET SUBCOMMITTEE, MEMBER



INTERIM:  
716 WEST 4TH AVENUE, SUITE 640  
ANCHORAGE, AK 99501  
PHONE: (907) 258-8191  
FAX: (907) 258-2916

SESSION:  
STATE CAPITOL  
JUNEAU, AK 99801-1182  
PHONE: (907) 465-4968  
FAX: (907) 465-2040

## Representative Norman Rokeberg


### MEMORANDUM

TO: House Labor & Commerce Committee Members

FROM: Representative Norman Rokeberg

DATE: April 20, 1998

RE: HB 433 Packet



Attached are the following for your review:

- a. HB 433
- b. Sponsor Statement
- c. Sectional Analysis
- d. Draft CS, LS0656/F, 3/4/98/Glover. The changes in the CS are:
  - i. page 3, line 1 of the CS is added to make it clear that a credit is to be given for new employees;
  - ii. page 3, line 3 of the CS is changed so the credit is \$500 instead of \$1,000;
  - iii. page 3, lines 6-7, after "resident," adds language limiting the credit to \$75,000 per taxpayer;
  - iv. page 3, lines 12-13, taxpayers who have committed civil tax credit fraud are not allowed to participate in the program; and
  - v. Page 3, beginning line 26, new Section 1 is added to provide that false filings under this program are punishable by a fine equal to five times the credit fraudulently claimed.
- e. Copies of following statutes:
  - i. AS 43.05.220
  - ii. AS 14.48.210
  - iii. AS 01.10.055
- f. "Labor tallies nonresident toll", *Anchorage Daily News*, April 16, 1998.
- g. "House Update" by Rep. Eric Croft, *Westside Pulse*, March 1998
- h. Department of Labor News Release:
  - i. April 17, 1998
  - ii. January 16, 1998
  - iii. December 19, 1997

## University of Alaska State Wide Cost Analysis '98

Resident Tuition	(Lower Division) \$71.00 per credit hour (Upper Division) \$79.00 per credit hour
<b>Total</b>	<b>(Lower Division) \$1,065.00 (15 Credits)</b> <b>(Upper Division) \$1,185.00 (15 Credits)</b>

Non Resident Tuition	(Lower Division) \$221.00 per credit hour (Upper Division) \$229.00 per credit hour
<b>Total</b>	<b>(Lower Division) \$3,315.00 (15 Credits)</b> <b>(Upper Division) \$3,435.00 (15 Credits)</b>

Resident Graduate Tuition	\$158.00 per credit hour
<b>Total</b>	<b>\$2,370.00 (15 Credits)</b>

Non Resident Graduate	\$308.00 per credit hour
<b>Total</b>	<b>\$4,620.00 (15 Credits)</b>

<b>Housing</b>	
Per Academic Semester	\$1,500.00
Meals per Semester	\$1,500.00
<b>Total</b>	<b>\$3,000.00</b>

<b>Student Government</b> (See Attachment for breakdown) (Specific to UAA Campus)	
<b>Total USUAA Budget for Legislative Affairs</b>	<b>\$4,094.00</b>

<b>Student Fees</b> (Specific to UAA Campus)	
Athletic Fee	\$13.00
PE Facility Use Fee	\$15.00
Student Government Fee	\$11.00
Student Media Fee	\$9.50
Student Activities Fee	\$8.00
Student Health Center Fee	\$20 -25.00
Plus a Technology Fee	\$5 a credit for a max of \$60.00
<b>Total</b>	<b>\$81.50 to \$136.50</b>

FY 1998 USUAA Budget Request  
Legislative Affairs

Expenditures

Personnel Services - 1000

NO LINE ITEMS

Total - Personnel Services \$0.00

Travel - 2000

Board of Regents

Fairbanks (President/2 Days)

Transportation \$200.00

Accommodations \$140.00

Per Diem \$60.00

Sub-total \$400.00

Valdez (2 Persons/2 Days)

Transportation \$250.00

Accommodations \$150.00

Per Diem \$120.00

Sub-total \$520.00

Lobbying Efforts

Juneau - Trip One (2 Persons/6 Days)

Airfare \$600.00

Accommodations \$480.00

Transportation \$60.00

Per Diem \$360.00

Sub-total \$1,500.00

Juneau - Trip Two (2 Persons/5 Days)

Airfare \$600.00

Accommodations \$400.00

Transportation \$40.00

Per Diem \$300.00

Accommodations (Contingency) \$134.00

Sub-total \$1,474.00

Total - Travel \$3,894.00

Contractual Services - 3000

NO LINE ITEMS

Total - Contractual Services \$0.00

Commodities - 4000

Supplies \$200.00

Total - Commodities \$200.00

Equipment - 5000

NO LINE ITEMS

Total - Equipment \$0.00

Total \$4,094

## University of Alaska State Wide Cost Analysis '98

Resident Tuition	(Lower Division) \$71.00 per credit hour (Upper Division) \$79.00 per credit hour
<b>Total</b>	<b>(Lower Division) \$1,065.00 (15 Credits)</b> <b>(Upper Division) \$1,185.00 (15 Credits)</b>

Non Resident Tuition	(Lower Division) \$221.00 per credit hour (Upper Division) \$229.00 per credit hour
<b>Total</b>	<b>(Lower Division) \$3,315.00 (15 Credits)</b> <b>(Upper Division) \$3,435.00 (15 Credits)</b>

Resident Graduate Tuition	\$158.00 per credit hour
<b>Total</b>	<b>\$2,370.00 (15 Credits)</b>

Non Resident Graduate	\$308.00 per credit hour
<b>Total</b>	<b>\$4,620.00 (15 Credits)</b>

<b>Housing</b>	
Per Academic Semester	\$1,500.00
Meals per Semester	\$1,500.00
<b>Total</b>	<b>\$3,000.00</b>

<b>Student Government (See Attachment for breakdown) (Specific to UAA Campus)</b>	
<b>Total USUAA Budget for Legislative Affairs</b>	<b>\$4,094.00</b>

<b>Student Fees (Specific to UAA Campus)</b>	
Athletic Fee	\$13.00
PE Facility Use Fee	\$15.00
Student Government Fee	\$11.00
Student Media Fee	\$9.50
Student Activities Fee	\$8.00
Student Health Center Fee	\$20 -25.00
Plus a Technology Fee	\$5 a credit for a max of \$60.00
<b>Total</b>	<b>\$81.50 to \$136.50</b>

FY 1998 USUAA Budget Request  
Legislative Affairs

Expenditures

Personnel Services - 1000

NO LINE ITEMS

Total - Personnel Services \$0.00

Travel - 2000

Board of Regents

Fairbanks (President/2 Days)

Transportation	\$200.00	
Accommodations	\$140.00	
Per Diem	\$60.00	
Sub-total		\$400.00

Valdez (2 Persons/2 Days)

Transportation	\$250.00	
Accommodations	\$150.00	
Per Diem	\$120.00	
Sub-total		\$520.00

Lobbying Efforts

Juneau - Trip One (2 Persons/6 Days)

Airfare	\$600.00	
Accommodations	\$480.00	
Transportation	\$60.00	
Per Diem	\$360.00	
Sub-total		\$1,500.00

Juneau - Trip Two (2 Persons/5 Days)

Airfare	\$600.00	
Accommodations	\$400.00	
Transportation	\$40.00	
Per Diem	\$300.00	
Accommodations (Contingency)	\$134.00	
Sub-total		\$1,474.00

Total - Travel \$3,894.00

Contractual Services - 3000

NO LINE ITEMS

Total - Contractual Services \$0.00

Commodities - 4000

Supplies

Supplies	\$200.00	
Total - Commodities		\$200.00

Equipment - 5000

NO LINE ITEMS

Total - Equipment \$0.00

Total \$4,094

# ALASKA STATE LEGISLATURE

## House of Representatives

### COMMITTEE ASSIGNMENTS:

LABOR & COMMERCE COMMITTEE, CHAIRMAN  
SPECIAL COMMITTEE ON OIL & GAS, MEMBER  
JUDICIARY COMMITTEE, MEMBER  
CORRECTIONS BUDGET SUBCOMMITTEE, MEMBER  
ADMINISTRATION BUDGET SUBCOMMITTEE, MEMBER  
HESS BUDGET SUBCOMMITTEE, MEMBER



INTERIM:  
716 WEST 4TH AVENUE, SUITE 640  
ANCHORAGE, AK 99501  
PHONE: (907) 258-8191  
FAX: (907) 258-2916

SESSION:  
STATE CAPITOL  
JUNEAU, AK 99801-1182  
PHONE: (907) 465-4668  
FAX: (907) 465-2040

## Representative Norman Rokeberg

### SPONSOR STATEMENT House Bill 433 By Representative Norman Rokeberg

House Bill 433, An Act establishing a tax credit for taxpayers engaged in a trade or business who employ certain persons who are state residents, is a fairly straight-forward proposal. Taxpayers (i.e., businesses operating in Alaska) who employ Alaskan residents who meet certain requirements are eligible for a \$1,000 tax credit.

In order for an employee to qualify for this tax credit, the employee must be a resident of the state, physically present in the state for at least one year with the intent to remain, a graduate of or has been a student at a qualifying postsecondary educational institution located in the state, and employed after December 31, 1998. In order to be a "qualifying postsecondary educational institution", the facility must be one which received, during the time period the employee attended, state funds, grants, or other aid (not including student loans, grants or scholarships).

Alaska has always had a problem in keeping Alaskans employed. Nonresident employees earned nearly \$866 million in 1994, a \$20 million increase over 1993. The oil industry leads the pack in dollar amounts paid to nonresidents during 1994 (\$159.6 million) while the seafood processing industry had the largest number and largest percent of nonresident workers (77% of all workers). During that same time period that these nonresidents were employed, anywhere from 18,000 to 29,000 Alaskan residents were **unemployed**. HB 433 is introduced as an incentive to get employers to employ Alaskans.

In December of 1997, 26,500 Alaskans were unemployed.

ED1:3/6/98

# ALASKA STATE LEGISLATURE

## House of Representatives

### COMMITTEE ASSIGNMENTS:

LABOR & COMMERCE COMMITTEE, CHAIRMAN  
SPECIAL COMMITTEE ON OIL & GAS, MEMBER  
JUDICIARY COMMITTEE, MEMBER  
CORRECTIONS BUDGET SUBCOMMITTEE, MEMBER  
ADMINISTRATION BUDGET SUBCOMMITTEE, MEMBER  
HESS BUDGET SUBCOMMITTEE, MEMBER



INTERIM:  
716 WEST 4TH AVENUE, SUITE 640  
ANCHORAGE, AK 99501  
PHONE: (907) 258-8191  
FAX: (907) 258-2916

SESSION:  
STATE CAPITOL  
JUNEAU, AK 99801-1182  
PHONE: (907) 465-4968  
FAX: (907) 485-2040

## Representative Norman Rokeberg

### SECTIONAL ANALYSIS House Bill 433

**An Act establishing a tax credit for taxpayers engaged in a trade or business who employ certain persons who are state residents; and providing for an effective date.**

**By Representative Norman Rokeberg**

Section 1. Legislative findings. Sets forth reasons for the legislation.

Section 2. Adds new section to 43.20 providing for a credit for taxpayer employing a state resident. The credit claimed by a taxpayer is \$1,000 for each employee who meets the criteria. For an employee to be qualified, the employee, at the time of first employment by the taxpayer/employer, must be a resident of the state and a graduate of or had been a student at a qualifying postsecondary educational institution located in Alaska.

For the purposes of this legislation, a resident is defined as a person who is physically present in the state with the intent to remain permanently and has been physically present in the state for at least one year at the time of the person's first employment by the taxpayer/employer.

A qualifying postsecondary education would include academic, vocational, technical, home study, business, professional, or other school, college, or university who during the period the employee attended such facility received state fund, grants or other aid (not including student loans, grants, or scholarships).

Section 3. Effective date is January 1, 1999, and applies to persons employed after December 31, 1998.

ED1:3/6/98

Sec. 43.05.220. Civil penalties.

(a) Five percent shall be added to a tax for each 30-day period or fraction of the period during which the taxpayer fails to file at the time or times required by law or regulation a return or report, or pay the full amount of the tax, or a portion or a deficiency of the tax, as finally determined by the department and required by this title, unless it is shown that the failure is due to a reasonable cause and not to wilful neglect. The penalty may not exceed 25 percent in the aggregate. The penalty is computed only on the unpaid balance of the tax liability as determined by the department. The department shall prescribe by regulation circumstances which constitute reasonable cause for purposes of this section.

(b) If a tax deficiency or part of a tax deficiency is due to negligence or intentional disregard of law or regulation without intent to defraud, five percent of the total amount of the tax deficiency shall be assessed, collected, and paid in the same manner as a tax deficiency.

(c) If a tax deficiency or part of a tax deficiency is due to fraud, a civil fraud penalty equal to 50 percent of the tax due or \$500, whichever is greater, shall be added to the tax. This penalty is in addition to penalties determined under (a) or (b) of this section.

(d) A person required to collect or account for a tax imposed by this title who wilfully fails to collect the tax or to truthfully account for and pay over the tax, or wilfully attempts to evade payment of the tax is, in addition to other penalties provided by law, liable for a civil penalty equal to the total amount of the tax not collected, not accounted for, not paid over, or evaded. The penalty imposed by this subsection is in place of the tax not paid to the state. This penalty shall be paid upon demand by the commissioner or a designee of the commissioner, and shall be assessed and collected in the same manner as taxes are assessed and collected under this title.

(e) A penalty imposed by this section shall be collected at the same time, in the same manner, and as a part of the original tax. However, if the original tax is paid before neglect or fraud is discovered, the penalty shall be collected in the same manner as the original tax. Interest may not be collected on a penalty imposed by this section.

History -

(Sec. 2 ch 166 SLA 1976; am Sec. 1 ch 113 SLA 1980; am Sec. 1 ch 39 SLA 1982)

Collateral Refs -

What constitutes "reasonable cause" under state statutes imposing penalty on taxpayer for failure to file timely tax return unless such failure was due to "reasonable cause." 29 ALR4th 413.

Article Notes -

Cross References. For additional appeal procedures, see AS 43.05.400 - 43.05.499.

Sec. 14.48.210. Definitions.

In this chapter

(1) "agent" or "agents" mean persons owning an interest in, employed by, or representing for remuneration, a postsecondary educational institution in or outside the state who, by solicitation made in the state, enroll or seek to enroll residents of the state for education offered by the institution, or offer to award educational credentials for remuneration, on behalf of the institution, or who hold themselves out to residents of the state as representing a postsecondary educational institution for any purpose;

(2) "agent's permit" means a nontransferable written authorization issued to a natural person by the commission which allows that person to solicit or enroll a resident of the state for education in a postsecondary educational institution;

(3) "authorization to operate" means approval of the commission to operate or to contract to operate a postsecondary educational institution that provides education or grants educational credentials in the state;

(4) "commission" means the Alaska Commission on Postsecondary Education;

(5) "education," "educational program or services," "instruction," or "instructional program" includes any class, course, or program of training, instruction, or study;

(6) "educational credentials" means degrees, diplomas, certificates, transcripts, reports, documents, or letters of designation, marks, appellations, series of letters, numbers, or words which signify, purport, or are generally taken to signify enrollment, attendance, progress, or satisfactory completion of the requirements or prerequisites for education at a postsecondary educational institution;

(7) "owner"

(A) means

(i) a person having at least a 10 per cent interest in the stock of a postsecondary educational institution that is a corporation;

(ii) a partner of a postsecondary educational institution that is a partnership; or

(iii) a person having a direct financial interest in, or title to, at least 10 per cent of the assets of a postsecondary educational institution which is neither a partnership nor a corporation;

(B) does not include a financial institution holding a mortgage on some or all of the real property or a security interest in some or all of the personal property of a postsecondary educational institution;

(8) "postsecondary educational institution" means academic, vocational, technical, home study, business, professional, or other school, college, or university offering education primarily to persons who have completed or terminated their secondary education, or who are beyond the age of compulsory high school attendance, for attainment of educational, professional, or vocational objectives;

(9) "to grant" includes awarding, selling, conferring, or giving;

(10) "to offer" includes, in addition to its usual meanings, advertising, publicizing, soliciting, or encouraging persons directly or indirectly to perform the act described;

(11) "to operate a postsecondary institution" means to establish or maintain a facility or location where education is provided or postsecondary educational credentials are granted to persons in the state and includes contracting with any person, group, or entity to operate such an educational institution.

History -

(Sec. 1 ch 25 SLA 1976; am Sec. 7 - 10 ch 112 SLA 1997)

Revisors Notes -

In 1992, in paragraph (7), former paragraphs (A)-(C) were relettered as (A)(i)-(iii) and former paragraph (D) was relettered as (B). To accommodate that change, "however," was deleted from the end of (A)(iii) and "owner" was deleted from the beginning of (B).

Amendment Notes -

AS 14.48.210

Education, Libraries, & Museums  
Regulation of Postsecondary  
Educational Institutions

The 1997 amendment, effective July 3, 1997, inserted "that provides education or grants educational credentials" near the end of paragraph (3); and rewrote paragraphs (5), (8), and (11).

Sec. 01.10.055. Residency.

(a) A person establishes residency in the state by being physically present in the state with the intent to remain in the state indefinitely and to make a home in the state.

(b) A person demonstrates the intent required under (a) of this section

(1) by maintaining a principal place of abode in the state for at least 30 days or for a longer period if a longer period is required by law or regulation; and

(2) by providing other proof of intent as may be required by law or regulation, which may include proof that the person is not claiming residency outside the state or obtaining benefits under a claim of residency outside the state.

(c) A person who establishes residency in the state remains a resident during an absence from the state unless during the absence the person establishes or claims residency in another state, territory or country, or performs other acts or is absent under circumstances that are inconsistent with the intent required under (a) of this section to remain a resident of this state.

History -

(Sec. 1 ch 67 SLA 1983)

Decisions -

Jurisdiction over divorce action. - This section does not affect the common-law rule that Alaska courts have jurisdiction over a divorce action when one of the parties is domiciled in Alaska, where "domicile" is defined as physical presence plus an intent to remain permanently. *Perito v. Perito*, 756 P.2d 895 (Alaska 1988).

# BUSINESS

APRIL 16, 1998

ALASKA  
DAILY NEWS  
1998

ANCHORAGE DAILY NEWS

SECTION F

## Labor tallies nonresident toll

### Workers put \$902 million hit on economy

By MIKE HINMAN  
Daily News reporter

More than one in every five people who held a job in Alaska for 1996 were nonresidents, according to a new report from the state Department of Labor.

Most of those workers were in seasonal industries, such as cannery and fisheries work, wood products and tourism.

Hiring of nonresidents results in a \$902 million drain in Alaska's economy, plus the loss of the economic multiplying effect if that money was spent in-state. The multiplying effect results in an additional loss of up to \$720 million, according to the report.

The state defines nonresident broadly to include any-

*Most of those workers were in seasonal industries.*

one working in Alaska who has not applied for an Alaska Permanent Fund dividend. But that could include a resident who is too new to the state to qualify for a dividend.

The state's definition includes Becky and Pat O'Neal as nonresidents. They moved to Anchorage from Washington six months ago when Becky O'Neal got a job as a speech therapist. Pat O'Neal found work as an assistant brewmaster at a downtown eatery.

"We love it," Becky O'Neal said. "That's why we can't ever see moving." The couple will not be able to apply for the dividend until next year.

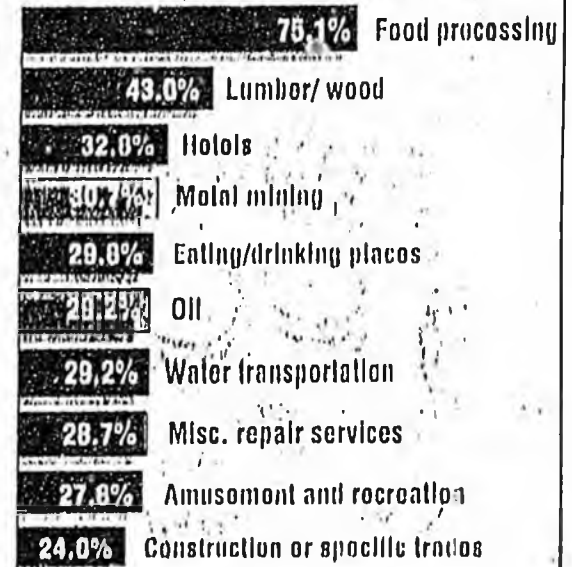
The state found that few working nonresidents stick around long enough to collect a dividend payment. Of all nonresident workers in 1995, just 14 percent applied for the state dividend paid in the following year.

Jeff Hadland, a state economist and author of the report, said the dividend applications are "the only major ID that's an indicator of residency." Other databases — driver's licenses, voter registrations and the like — are less perfect because they're not updated as often and

Please see Page F-4, WORKERS

### Nonresident workers in Alaska

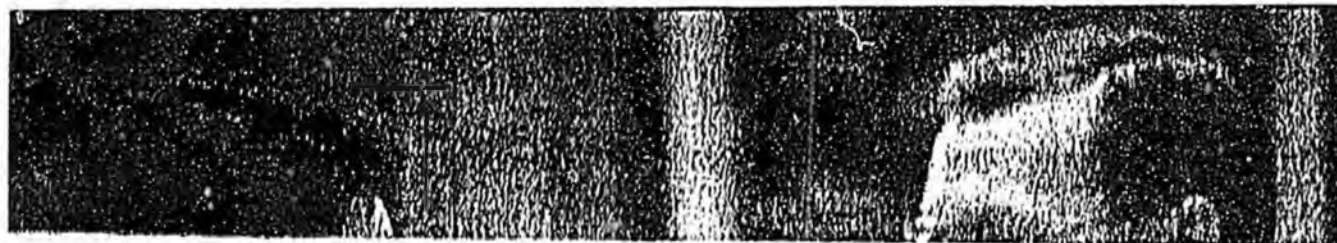
Percentage of Outside workers in each of 10 private industries in 1996



Source: Alaska Department of Labor

NON RESIDENT / Anchorage Daily News

### A taxing day



## Net traffic swells

r bond  
) Invest-  
ock and  
to F-6.

s Inc.  
Road,  
nd fax  
ry fo-  
ssian

## Commerce growing by leaps and bounds

im established web  
's familiar with:  
usually feel pretty  
able with it," Soren  
d. "I'm a terrible  
, anyway. I hate to  
y house. And with  
- it takes like three  
days to get here  
und-mortar) book  
re badly stocked."  
ight a cigar humidor  
internet and a print  
ure I saw at a muse-  
in both cases I used  
lit card," said Peter  
f Washington, D.C.  
s comfortable doing  
do giving it over the  
aybe even more be-  
of the encryption  
ogy (retailers) say-  
using."  
key findings of the

Internet is growing  
han all other tech-  
that have preceded,  
existed for 38 years

before it had 50 million lis-  
teners, and television took  
13 years to reach that mark.  
The Internet crossed the  
line in just four years.

• In 1994, a mere 3 million  
people were connected to the  
Internet. By the end of last  
year, more than 100 million  
worldwide were using it, in-  
cluding 62 million Ameri-  
cans. Other estimates have  
put that number slightly low-  
er, at 49 million Americans.

• The information tech-  
nology industry is growing  
twice as fast as the overall  
economy. Without informa-  
tion technology, inflation in  
1997 would have been 3.1  
percent, more than a full  
percentage point higher  
than the 2 percent it was.

• Workers in the informa-  
tion technology industry  
earn an average of almost  
\$46,000 annually, compared  
to an average of \$28,000 in  
the private sector. Workers

in the software and service  
industries are the highest  
wage earners, at almost  
\$56,000 annually.

"Information technology  
is truly driving the U.S.  
economy — more than pre-  
vious estimates had re-  
vealed," said Rhett Dawson,  
president of the Information  
Technology Industry Coun-  
cil, a Washington-based  
trade group of U.S. informa-  
tion technology companies.

The report recommended  
that governments stay out  
of the growing industry,  
saying electronic commerce  
shouldn't be "burdened with  
extensive regulation, taxa-  
tion or censorship."

Government instead  
should help provide legal  
frameworks for business on  
the Internet, and rules  
should result from "private  
collective action, not govern-  
ment regulation" whenever  
possible, the report said.

## WORKERS: Labor tallies nonresidents

Continued from Page F-1.

could be years out of date, he  
said.

The seasonality of nonresi-  
dent jobs is shown in the av-  
erage income of those work-  
ers, Hadland said.

Nonresident workers aver-  
aged \$12,065 a year com-  
pared with the average earn-  
ings for resident workers of  
\$24,494.

The percentage of nonresi-  
dent workers in 1996  
dropped 1.1 percentage  
points from the year before.  
In all, 75,000 of the state's  
348,000 workers were non-  
residents in 1996, the state  
report said.

Hadland said about one-  
third of new hires in Alaska  
are nonresidents. A person is  
defined as a new hire if he or  
she is replacing someone who  
quit, or if the job is just open-  
ing, according to the report.

## 100 bugs

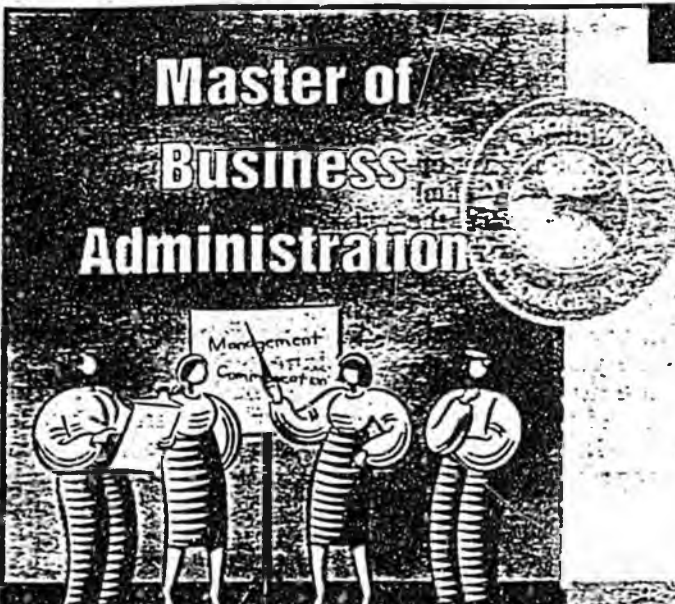
iting years with four  
but not everyone  
member to do that.

Professional Edi-  
tions 4.0-4.3, a suite  
ess software that in-  
Access 2.0, has the  
digit year problem.  
soft recommends  
those programs up-  
later editions. For  
oducts with minor  
ice issues, it will of-  
software patches to  
roblems.

is New Years Day  
me other dates to  
out are Sept. 9, 1998,  
1999, and Feb. 29,  
and Matusow said.

ago, programmers  
up software to recog-  
3" or "9999" in a file's  
l as conveying a spe-  
age, such as the need  
ntly retain the doc-  
data, said Rob Cor-  
sociate director for  
0 practice manage-  
DMR Consulting

# Master of Business Administration



**A highly-respected MBA Program** featuring:

- Evening classes for working adults.
- Faculty with theoretical knowledge and real-world experience.
- A curriculum focused on modern business practices and principles.

Summer classes begin June 9.

Please address questions to:  
The Office of Admissions  
564-8248 or 800-252-7528  
e-mail: [apu@corpcom.net](mailto:apu@corpcom.net)  
homepage: [www.corpcom.net/apu](http://www.corpcom.net/apu)

**ALASKA PACIFIC**  
UNIVERSITY



## House Update

Rep. Eric Croft (D)  
House District 15

Alaskans see job opportunities in large construction projects. The NorthStar oil field, proposed gas pipeline, and expansion of Anchorage International Airport all should mean paychecks for Alaskans.

But a subtler economic engine, our university, has been generating jobs for us for decades, and will — with adequate funding — continue to build our economic base.

Estimates show that the \$5 million spent on work force development at the University of Alaska Anchorage — classes geared toward meeting industry's needs — is worth \$2 million to the state.

By forging partnerships with local businesses, the University of Alaska has created a symbiosis that profits commerce, the university and job-seeking Alaskans.

Long-time nurse, Ruthann Campbell, got her foot in the door at Providence Alaska Medical Center thanks to such a partnership. Campbell first encountered Providence as a student, fulfilling her hands-on training to earn a nursing degree in Alaska. Now, 16 years later, she helps train the nurses of tomorrow.

Providence, like other Alaska businesses, provides learning opportunities to UA students in exchange for their hard work and

time. Recruiting health care professionals in Alaska is difficult, but providing training facilities for students allows Providence to scout a potential labor pool, while the university benefits by offering students a hands-on curriculum. Having students around helps keep Providence staff up-to-date.

At AT&T Alascom, university interns benefit the company by increasing productivity and bringing new skills.

Employers enjoy interns' flexibility, and appreciate having someone they can mold. Though they needn't commit to a permanent employee if they're experimenting with a position, many employers seek interns they can train to work in the company and then keep after the internship.

Cooperation with the business sector is one of the tangible benefits of the university. Looked upon by industries across the state as a valuable resource from which to obtain employees, UA is critical to the economic development of the state.

As Republican budget cuts continue, the university faces a larger challenge to promote commerce in Alaska. To weaken the university is to weaken our state's businesses. I and my Democratic colleagues are committed to strengthening our university system and bolstering its ability to create jobs for Alaskans.

# News Release

FOR IMMEDIATE RELEASE

DATE: April 17, 1998  
NO: 98-40

CONTACT: Neal Fried  
John Boucher

**Embargoed Until April 17, 1998**

## March Unemployment Rate 7.0%

Alaska's statewide unemployment rate began its seasonal decline in earnest in March, dropping a full percentage point to 7.0%. According to John Boucher, a labor economist with the Alaska Department of Labor, 21,700 Alaskans were jobless in March. Last March, the unemployment rate was 9.6% and there were nearly 29,900 unemployed Alaskans. The comparable national unemployment rate (civilian not seasonally adjusted) in March was 5.0%.

At 7.0%, Alaska posted its lowest statewide unemployment rate for March since at least 1978. The rate was over half a percentage point lower than the next lowest rates recorded in 1989 and 1990. The low March rate continues the recent unemployment trend. Throughout the first quarter of 1998, the statewide unemployment rate ran about two and a half percentage points below year-ago levels. A strong national economy and this year's stronger employment growth in Alaska have influenced the decline.

Driven partly by revival in the oil industry, the largest improvements in the unemployment rate came in the Anchorage/Mat-Su, Gulf Coast, Interior and Northern regions. All but four areas showed an over-the-year drop in unemployment in March. The largest exceptions showed in the Skagway-Hoonah-Angoon census area and the Yakutat Borough, which appear to be suffering from a downturn in logging related to the Asian economic crisis.

In over-the-month changes, in March, the unemployment rate fell in all areas of the state except the Aleutians West Census Area and the Lake and Peninsula Borough. Both of these areas are in Southwest Alaska, one of two regions where employment fell in March. For the second month in a row, Yakutat Borough had the highest unemployment rate and Aleutians East Borough, the lowest.

An increase of 2,600 wage and salary jobs accompanied the lower unemployment rate in March. All major industries added jobs except mining, which held steady. Seasonal gains in lumber and wood



products and seafood processing drove the increase in manufacturing employment, but other manufacturers also added jobs. Services' growth was broad based, while trade's depended largely on new jobs in eating and drinking places.

In over-the-year comparisons, all industries added jobs with services continuing to provide the largest chunk of Alaska's new jobs. Trade, transportation, and mining also showed hefty job gains. In government, gains at the local level offset over-the-year losses in both state and federal government employment.

## Labor Force by Region and Census Area

	Labor Force			Unemployment			Rate			Employment	
	3/98	2/98	3/97	3/98	2/98	3/97	3/98	2/98	3/97	3/98	2/98
<b>Alaska Statewide</b>	312,118	312,662	311,287	21,716	24,876	29,868	7.0	8.0	9.6	290,402	287,786
<b>Anchorage/Mat-Su Region</b>	167,286	167,105	164,833	9,168	10,278	13,155	5.5	6.2	8.0	158,118	156,827
Municipality of Anchorage	139,315	139,199	137,171	6,761	7,455	9,359	4.9	5.4	6.8	132,554	131,744
Mat-Su Borough	27,971	27,906	27,662	2,407	2,823	3,796	8.6	10.1	13.7	25,564	25,083
<b>Gulf Coast Region</b>	32,632	32,923	33,803	3,587	4,168	5,020	11.0	12.7	14.9	29,045	28,755
Kenai Peninsula Borough	20,770	21,029	21,786	2,653	3,093	3,832	12.8	14.7	17.6	18,117	17,936
Kodiak Island Borough	6,807	6,774	6,763	399	430	413	5.9	6.3	6.1	6,408	6,344
Valdez-Cordova	5,055	5,120	5,255	535	645	775	10.6	12.6	14.7	4,520	4,475
<b>Interior Region</b>	47,602	47,866	48,072	3,657	4,183	5,191	7.7	8.7	10.8	43,945	43,683
Denali Borough	1,248	1,271	1,274	159	189	212	12.7	14.9	16.6	1,089	1,082
Fairbanks North Star Borough	41,871	42,025	42,169	2,855	3,242	4,098	6.8	7.7	9.7	39,016	38,783
Southeast Fairbanks	2,477	2,535	2,544	316	387	435	12.8	15.3	17.1	2,161	2,148
Yukon-Koyukuk	2,007	2,035	2,085	327	365	446	16.3	17.9	21.4	1,680	1,670
<b>Northern Region</b>	8,917	9,044	8,841	687	766	1,046	7.7	8.5	11.8	8,230	8,278
Nome	3,386	3,444	3,377	285	325	440	8.4	9.4	13.0	3,101	3,119
North Slope Borough	3,373	3,409	3,212	169	186	177	5.0	5.5	5.5	3,204	3,223
Northwest Arctic Borough	2,157	2,190	2,252	232	254	429	10.8	11.6	19.0	1,925	1,936
<b>Southeast Region</b>	38,897	38,663	39,635	3,476	4,237	4,209	8.9	11.0	10.6	35,421	34,426
Haines Borough	1,180	1,156	1,201	182	186	203	15.4	16.1	16.9	998	970
Juneau Borough	16,248	15,950	16,610	1,043	1,173	1,403	6.4	7.4	8.4	15,205	14,777
Ketchikan Gateway Borough	7,541	7,534	7,679	661	848	798	8.8	11.3	10.4	6,880	6,686
Pr. of Wales-Outer Ketchikan	3,342	3,424	3,466	513	675	637	15.4	19.7	18.4	2,829	2,749
Sitka Borough	4,314	4,251	4,445	286	336	416	6.6	7.9	9.4	4,028	3,915
Skagway-Hoonah-Angoon	2,327	2,390	2,242	270	391	185	11.6	16.4	8.3	2,057	1,999
Wrangell-Petersburg	3,602	3,612	3,685	458	556	541	12.7	15.4	14.7	3,144	3,056
Yakutat Borough	345	344	306	64	71	25	18.6	20.6	8.2	281	273