

ALASKA LEGISLATURE COMMITTEE FILES 1997-1998 8672

9613 SENATE LABOR & COMMERCE

1 (9) a person who is employed by a postsecondary educational
2 institution to teach engineering, architectural, [OR] land surveying, or landscape
3 architectural courses; in this paragraph, "postsecondary educational institution" has
4 the meaning given in AS 14.48.210;

5 (10) an officer or employee of an individual, firm, partnership,
6 association, utility, or corporation, who practices engineering involved in the operation
7 of the employer's business only, and further provided that neither the employee nor
8 the employer offers engineering services to the public; exclusions under this paragraph
9 do not apply to buildings or structures whose primary use is public occupancy.

10 * Sec. 28. AS 08.48.331 is amended by adding a new subsection to read:

11 (b) The requirement to be registered as a landscape architect under this chapter
12 does not apply to a person who practices only an aspect of landscape architecture that
13 the board has determined does not affect the public health, safety, or welfare.

14 * Sec. 29. AS 08.48.341(2) is amended to read:

15 (2) "board" means the State Board of Registration for Architects,
16 Engineers, [AND] Land Surveyors, and Landscape Architects;

17 * Sec. 30. AS 08.48.341(4) is amended to read:

18 (4) "certificate of authorization" means a certificate issued by the board
19 authorizing a corporation to provide professional services in architecture, engineering,
20 [OR] land surveying, or landscape architecture through individuals legally registered
21 by the board;

22 * Sec. 31. AS 08.48.341 is amended by adding new paragraphs to read:

23 (16) "landscape architect" means a professional landscape architect;

24 (17) "practice of landscape architecture" means consultative,
25 investigative, reconnaissance, research, planning, design, and preparation services
26 relating to drawings and construction documents, observation of construction, and
27 location, arrangement, and design of incidental and necessary tangible objects and
28 features for the purpose of

29 (A) preservation and enhancement of land uses and natural land
30 features;

31 (B) location and construction of aesthetically pleasing and

1 functional approaches for structures, roadways, and walkways;

2 (C) establishing or maintaining trails, plantings, landscape
3 irrigation, landscape lighting, and landscape grading; or

4 (D) generalized planning of the development of land areas in
5 a manner that is sensitive to the area's natural and cultural resources;

6 (18) "professional landscape architect" means a person registered as a
7 professional landscape architect by the board.

8 * Sec. 32. AS 08.48.351 is amended to read:

9 Sec. 08.48.351. Short title. This chapter may be cited as the Architects,
10 Engineers, [AND] Land Surveyors, and Landscape Architects Registration Act.

11 * Sec. 33. AS 14.43.310(b) is amended to read:

12 (b) To assist the administering authority in selecting eligible applicants for
13 award of each of the memorial scholarship loans under AS 14.43.250 - 14.43.325 and
14 in reviewing the memorial scholarship loan program, the following advisory
15 committees are established:

16 (1) three Alaska state troopers, each one to be selected from and to
17 represent a state trooper region of the state by the regional commander to serve for
18 three years, for the Michael Murphy memorial scholarship;

19 (2) three members of the Governor's Commission on the
20 Administration of Justice selected annually by the commission from among its
21 membership, for the Carroll L. "Butch" Swartz memorial scholarship;

22 (3) three members of the state Board of Registration for Architects,
23 Engineers, [AND] Land Surveyors, and Landscape Architects selected annually by
24 the board from among its engineer members, for the Harvey Golub memorial
25 scholarship; and

26 (4) three members of the state Board of Education, or of the staff of
27 the Department of Education, or any combination of these, selected annually by the
28 board, for the Robert L. Thomas memorial scholarship.

29 * Sec. 34. AS 44.62.330(a)(4) is amended to read:

30 (4) State Board of Registration for Architects, Engineers, [AND] Land
31 Surveyors, and Landscape Architects;

1 * Sec. 35. TRANSITION. Notwithstanding this Act, a person may practice landscape
2 architecture without a certificate of registration issued under AS 08.48 until 60 days after the
3 first examination for landscape architects administered in the state under AS 08.48.181, as
4 amended by this Act, has been graded.

5 * Sec. 36. TEMPORARY BOARD MEMBER. After considering recommendations made
6 by the Alaska chapter of the American Society of Landscape Architects, the governor shall
7 appoint a landscape architect to the Board of Registration for Architects, Engineers, Land
8 Surveyors, and Landscape Architects. The person appointed under this section

9 (1) must have been a resident in the state for three consecutive years
10 immediately preceding appointment;

11 (2) serves in an advisory, nonvoting capacity on the board;

12 (3) is not entitled to receive state money for per diem or travel expenses for
13 work as a board member;

14 (4) serves a term that expires June 30, 2001; and

15 (5) must be registered as a landscape architect under AS 08.48 by the date
16 determined under sec. 35 of this Act.

SENATOR JERRY MACKIE

ALASKA STATE LEGISLATURE

SPONSOR STATEMENT

SB 110 - "AN ACT RELATING TO LICENSURE OF LANDSCAPE ARCHITECTS."

SB 110 proposes to amend AS 08.48.011(a) by adding landscape architects to the current State Board of Registration for Architects, Engineers, and Land Surveyors; landscape architects work professionally side by side with these other state registered design disciplines on a daily basis.

Although 45 states currently require such licensing, there are no licensure requirements in the State of Alaska. Similar to architects and engineers, landscape architects must attend accredited universities which are accredited by their national organization (American Society of Landscape Architects) which has rigid accreditation criteria.

Landscape architects provide for the design for improvements of major public facilities, in all types of site development, commercial development and housing. Licensed landscape architects require minimum standards for the protection of public health and safety in the design of playgrounds where safety of children must be guaranteed, the design of bike trails that recognize frozen soil considerations that meet codes for accessibility and safety, the design of landscapes along roadways where roadside safety of motorists must be assured in the advent of an accident and also the design of wetland treatments of storm water runoff.

In order for Alaskan landscape architects to secure federal projects, the state must provide landscape architect licensing capabilities. Alaskan landscape architects are currently excluded from participating in securing these federal jobs and these moneys are going to companies located outside of the state. SB 110 would level the playing field for Alaskans competing for federal work performed in this state, thus helping to ensure that moneys spent for design of Alaskan facilities will be utilized by businesses and professionals who reside in our state.

Licensing requirements would ensure that individuals providing these professional services are licensed by the State of Alaska and would give landscape architects their due recognition as qualified professionals for the design and development of the outdoor environment. By combining development projects with health, safety, and environmental design, landscape architecture is instrumental in eliminating the negative aspects of potential development projects.

Municipality
of
Anchorage



P.O. Box 196650
Anchorage, Alaska 99519-6650

AK

Rick Mystrom, Mayor

PARKS AND RECREATION

April 7, 1997

APR 10 1997

Senator Loren Leman, Chair
Alaska State Legislature
Labor and Commerce Committee
State Capital, Room 113
Juneau, Alaska 99801-1182

Subject: Letter of Support for SB 110 (Landscape Architects Licensing Bill)

Dear Senator Leman:

I am writing you to express my support for the Landscape Architects Licensing Bill, SB 110. Landscape architects at the Municipality are hired both as staff and as consultants. They work in key positions of responsibility that involve the safety and welfare of the public. These areas of practice typically involve the design and construction inspection of outdoor facilities including children's playgrounds.

Note that most other states do already license landscape architects. This unfortunately gives out of state professionals some advantage when competing for work here locally. Licensing landscape architects in Alaska would place them on an even footing with out of state consultants and provide the same uniform guarantee of competency that outside professionals now enjoy.

The regulation of this profession is needed now to ensure that minimum standards are set and maintained for landscape architects practicing in Alaska. To protect the safety of our citizens and to help our state's economy, I urge you at this time to support this bill (SB 110), which would provide for the licensing of landscape architects in Alaska.

Sincerely,

David H. Gardner, Supervisor
Parks & Recreation Division
Design & Development Section

DG/vg

cc: Constance R. Jones, Director, Cultural & Recreational Services
Bill Lindsey, Manager, Parks & Recreation Division
Tim Rogers, Executive Assistant, Municipal Manager's Office



3/26/97

Senator Loren Leman,
State Senate, State Capitol,
Juneau, Alaska 99801-1182.

APR 03 1997

Dear Senator Leman:

I am writing in regard to the landscape architecture licensing legislation sponsored by Senator Mackie and is soon to be considered by your committee. As the national organization representing landscape architects, we work closely with the other design professions and from that perspective we believe there are national trends that have bearing on the issues before you.

First is the impact of design technology on public safety. The digitization of design information in the form of CAD, GIS, and GPS puts us into a situation where the work of the engineer, architect, landscape architect, and land surveyor is fluid in the sense that each profession adds value in a far more integrated fashion. That the devil is in the details now means our old nemesis is a cyber-lord. The public safety implications of this fluid exchange of information requires greater integration in our licensing perspectives. The legislation before you advances that very notion.

Second is the human side of the equation. We are very aware of the few remaining states where relations among the four design professions still have – how shall we say it – misunderstandings. It is clear that in states where the licensing boards are as integrated as the technology is becoming, with all parties at the table, harmony becomes a design feature. (If I might add a personal note, I spent eighteen years of my career as a licensing advocate for professional engineers before joining the staff of ASLA and can say with conviction that harmony among the design professions is an attribute of public safety.)

We believe Alaska is moving in precisely the right direction. In addition to improved systems safety and professional relations, the per-unit cost of regulation is made more efficient by the changes you are considering. Thank you for this opportunity to comment.

Sincerely,

A handwritten signature in black ink, appearing to read "JGD", written over a light blue circular stamp.

James G. Dalton,
Executive Director

cc: Senator Mackie

AMERICAN
SOCIETY OF
LANDSCAPE
ARCHITECTS
4401 CONNECTICUT
AVENUE, NW
FIFTH FLOOR
WASHINGTON, DC
20008-2099
202 686 2742
FAX 202 686 1005

Barth Hamberg
Landscape Architect
P.O. Box 233 Sitka, Alaska 99835
hamberg@ptialaska.net
(907) 747-4809

March 26, 1997

RE: Landscape Architects Licensing Bill (SB 110)

The Honorable Jerry Mackie
The State Capitol
Juneau, AK 99801-1182

Dear Senator Mackie:

I am writing to ask your support for the Landscape Architects Licensing Bill (SB110). Perhaps by giving you a bit of background on myself as a landscape architect, you will see the value of passing this bill.

Landscape architects are the design discipline (along with architects and engineers) responsible for the professional design of our outdoor spaces. We are especially trained to design recreational facilities, parks, commercial developments, housing, trails, (all types of site developments) in a manner that is both attractive and functional. We work closely with engineers and architects.

I have practiced professional landscape architecture in Southeast Alaska for nearly 15 years; as an employee of the US Forest Service I have designed more than thirty projects from Prince of Wales Island to Cordova. Perhaps you are familiar with the trails and shelters at Starrigavan, near Sitka, or the Eagle's Nest Campground, near Thorne Bay. They represent how a landscape architect designs, by integrating people with the environment. Our designs create a positive image for Alaska.

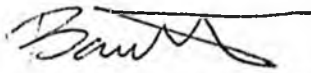
To become a landscape architect, I studied seven years of college, including a Master of Landscape Architecture degree from Harvard University. Forty-five of the 50 states have licensure for landscape architects, yet in Alaska, where the designs for our parks and open spaces are so important to our growing tourist industry, we have no licensure.

I have recently begun a small private practice firm to serve Southeast Alaska from Sitka. I would like to expand this practice to a full time business, to do this I need licensure. Without licensure, it is very difficult to compete for work, because landscape architects are not considered a professional discipline, as they are in most of the rest of the country. I only wish to have equal

footing to practice my profession, similar to a lawyer, engineer, architect or any other professional.

Please support this bill if it passes by your desk. If you have any questions regarding landscape architects and what we do, don't hesitate to call me. Thank you for your support.

Best Regards,

A handwritten signature in black ink, appearing to read 'Barth Hamberg', with a long horizontal flourish extending to the right.

Barth Hamberg



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

April 14, 1997

APDCLLC\MACKIE

Senator Jerry Mackle
State Capitol
Juneau, Alaska 99801-1182

Dear Senator Mackle,

I would like to thank you for introducing SB110, "An Act Relating to Licensure of Landscape Architecture." I work with professional landscape architects and believe that they should be licensed in the same manner, and for the same reasons, as architects and engineers. Licensure of their profession would ensure that minimum standards of competence are maintained. There are too many cases of landscape architects unfamiliar with Alaskan conditions producing poor designs which are either dangerous or expensive for their clients to fix.

Most people are familiar with the all too common case of plants along roadways which don't last through the first winter. While this is an expensive, and unsightly, problem for the owners and users of the roadways, it alone might not necessitate licensure for landscape architects. However, their involvement in the design of pedestrian and play spaces warrants licensure to assure that the health and safety of the users of these spaces is provided for in design projects. This is particularly true given the effects of winter conditions on walks, trails, and other pedestrian areas. On one local project, an Outside consultant specified a smooth trowel finish on a sidewalk, rather than a rough finish. This resulted in a slipping hazard when the sidewalk was covered in snow and ice and caused one lady to fall and break her hip. Licensure will ensure that landscape architects would have a knowledge of arctic conditions before practicing in the state.

A couple of fringe benefits of licensure may be that more work on projects in Alaska, especially Federal projects, would be done by landscape architects who reside here and that those designs still done by Outside landscape architects will be more responsive to local conditions. A majority of Federal projects are designed Outside, partly because Federal agencies require licensure for designers on their projects. This is not available to Alaskan landscape architects, unless they get one from one of the 45 states that do license landscape architects, so they are put at a competitive disadvantage. This will be lessened by an Alaskan licensure law but not eliminated, since some Outside landscape architects will get licensed in Alaska so they can continue to practice here. While their selection to work on a project may still come down to the fact that they live in the same town as the bureaucracy in charge of the facility, Alaskans will be assured that these designers have met some minimum competency requirements.

Again, thank you for your work with this legislation and if I can be of any assistance in moving this bill along, please do not hesitate to call me at (907) 274-2236.

Sincerely,

A handwritten signature in black ink, appearing to read "Colin Maynard".

Colin Maynard, PE

cc: Senator Loren Laman, Representative Ethan Berkowitz

14 Apr 97

Senator Jerry Mackie
State Capitol
Juneau, AK 99801-1182

Dear Senator Mackie,

I would like to voice my support for SB118, "An Act Relating to Licensure of Landscape Architecture." I frequently work with professional landscape architects and feel that licensure of their profession would ensure that minimum standards of practice are maintained. Their unique background of engineering, biology, and design enables the profession to add value to important projects that otherwise may not occur if a landscape architect is not working the project. This is particularly true in northern climates like Minnesota, Maine and Alaska.

Licensure is not a new concept to the profession. Alaska would be the 46th state to have such a law on the books. In fact, the American Society of Landscape Architects is pushing for Licensure themselves; their Alaska chapter is active in this movement.

In closing, I believe SB118 is good for Alaska and that should be the final measure on all legislation.

Thank you for your time and consideration.

Sincerely,

Dave C. Casey
Dave C. Casey
4318 E. 5th Ave
Anchorage, AK 99508-2221

Tamás Deak
915 W 15th Avenue, Apt. A
Anchorage, AK, 99501

April 14, 1997

Senator Jerry Mackie

State Capitol

Juneau, Alaska 99801-1182

Dear Senator Mackie,

I write in support of the bill "SB 110 An Act Relating to Licensure of Landscape Architecture." As a practicing landscape architect, I see on a daily basis, that licensure of landscape architecture would ensure and improve the standards of the profession. Similarly to other design professions landscape architecture needs licensing to maintain the minimum standards of the profession.

I design walkways, trails, public outdoor spaces for the projects I work on, and licensure of landscape architecture would assure that the health and safety of the pedestrians is provided for on all projects by maintaining the standards I live up to when I do my design work. Thank you for supporting licensure of landscape architecture.

Sincerely

Tamás Deak

April 14, 1997

Senator Jerry Mackie
Alaska State Senate
State Capitol Building
Juneau, Alaska 99801

I understand there is currently under consideration a bill that will require those who practice landscape architecture to obtain a professional license from the State of Alaska and that the State of Alaska administer the issuing of such licenses.

It is my understanding that this bill will allow local professionals recognition of their talents. These locals, when licensed as professional landscape architects, will be able to satisfy requirements written into Federal contracts requiring the services of registered professional architects. Currently, work on federal contracts is being assigned to those in other states where landscape architecture is regulated as a professional occupation.

This bill will also bring credibility to an occupation that is often misunderstood. Many times have I have approached intersections where landscaping was improperly designed and visibility was restricted or that signs were obscured due to plant growth not considered in landscape design. Such conditions are unsafe. Properly trained landscape architects will assist in the development and maintenance of safer streets.

Generally I do not promote the addition of regulations that restrict business and business opportunities. I have been told, however, that this bill does not require the services of registered professional landscape architects in one specific situation or another. This bill, I was told, stipulates that those who call themselves landscape architects meet certain standard criteria. Then when a person hires a landscape architect, he is, in fact, hiring a professional.

I believe the bill to require those who practice landscape architecture to obtain a professional license from the State of Alaska and to require the State of Alaska to administer the issuing of such licenses is a positive step and should be passed.

Sincerely,



Chris Gianotti, P.E.

Registered Professional Civil Engineer

03/19/97

Public Opinion Message System

POMS100

08:25:02

Member Office MAK Mackie

LSNCMAK

From: Gretchen A. Harteis
PO Box 35454

Telephone: 790-4880

Juneau, AK 99803

NON Constituent Registered Voter: Y

Bill# SB 110

Title: LICENSING OF LANDSCAPE ARCHITECTS

Supports

Message: AS A LICENSED PROFESSIONAL MYSELF, I FULLY SUPPORT AND SEE THE NEED TO ALLOW LANDSCAPE ARCHITECTS TO BE RECOGNIZED FOR THEIR QUALITY WORK WHICH IMPACTS PUBLIC SAFETY AND WELL BEING FOR OUR NATURAL AND BUILT ENVIRONMENT.

Entered in JNU on 03/18/97 POMID: 6048

Distribution: 60

MSG: 127 Selected Messages - 121 Actually Viewed

Mail Menu

Big Waste

WasteBasket

Prev POM

Next POM

03/19/97

Public Opinion Message System

POMS100

08:22:04

Member Office MAK Mackie

LSNCKMK

From: William B Hoffman

Telephone: 243-4470

4020 Wispen Cir

Anchorage , AK 99517

NON Constituent

Registered Voter: U

Bill# SB 110

Title: LICENSING OF LANDSCAPE ARCHITECTS

Supports

Message: I STRONGLY SUPPORT THE LICENSING OF LANDSCAPE ARCHITECTS IN ALASKA.

Entered in ANC on 03/18/97 POMID: 5978

Distribution: 60

MSG: 127 Selected Messages - 93 Actually Viewed

Main Menu

Big Waste

WasteBasket

Prev POM

Next POM

03/19/97

Public Opinion Message System

POMS100

08:24:10

Member Office MAK Mackie

LSNCMAK

From: Timothy J. Lagerquist

Telephone: 364-3166

PO Box 20044

633 5th St

Juneau, AK 99802

NON Constituent Registered Voter: Y

Bill# SB 110

Title: LICENSING OF LANDSCAPE ARCHITECTS

Supports

Message: HAVING LIVED IN THE LOWER 48 WHERE LICENSED LANDSCAPED ARCHITECTURE IS THE NORM, THE QUALITY OF THE BUILT ENVIRONMENT WITHIN THE COMMUNITIES HAS BEEN A POSITIVE EXPERIENCE. THESE PROJECTS SUCCESSFULLY COMBINE THE NEEDS OF MAN WITH THE NATURAL ENVIRONMENT TO CREATE A SAFE, ENJOYABLE LIVING EXPERIENCE.

Entered in JNU on 03/18/97 POMID: 6046

Distribution: 60

MSG: 127 Selected Messages - 120 Actually Viewed

Main Menu

Big Waste

WasteBasket

Prev POM

Next POM



April 14, 1997

Environmental Solutions For Northern Places

Senator Jerry Mackie
State Capitol
Juneau, Alaska 99801-1182

Dear Senator Mackie,

I would like to thank you for sponsoring SB 110, "An Act Relating to Licensure of Landscape Architecture". As an owner of the largest landscape architecture firm in Alaska, I feel that this bill will go far in protecting the public health and safety while providing jobs for Alaskans.

Landscape architecture provides for public safety in a number of arenas. Good landscape architecture provides for safety of children by ensuring that play equipment is sited with proper separation between potentially dangerous surfaces and obstructions. Good landscape architecture provides for appropriate plant materials along roadways where inappropriate material could inflict harm to drivers of errant vehicles. And good landscape architecture ensures that appropriate plant materials are chosen for storm water treatment systems where plants are performing increasing roles in the purification of water runoff. Your bill, SB 110, will help ensure that those charged with performing these tasks in Alaska meet minimum standards of knowledge for doing "good" work.

Your bill will also provide job security for Alaskan landscape architects with the potential for job creation. Currently, virtually all work that has been contracted to landscape architects by the National Park Service, the U.S. Fish and Wildlife Service, and the U.S. Forest Service has gone to Outside landscape architects. As the owner of the largest firm in Alaska, it has been frustrating to see job after job go to Outside firms because of the perception that landscape architects in Alaska are not qualified to perform work in the state. Licensure, as provided for in SB 110, will send a message to the federal government that Alaskan landscape architects are regarded as professionals, and those practicing in the state had best be aware of the nature of frozen soils and extremes in climate, conditions characteristic of almost all work performed in Alaska.

Again, thank you for your support of the licensure of landscape architects.

Sincerely,

A handwritten signature in dark ink, appearing to read "Wm. Dwayne Adams, Jr.", with a horizontal line extending to the right.

Wm. Dwayne Adams, Jr., FASLA

03/24/97	Public Opinion Message System	POMS100
14:40:57	Member Office MAK Mackie	LSNCKMAK

From: Nora A. Laughlin Telephone: 586-8728
 PO Box 20921

Juneau , AK 99802 NON Constituent Registered Voter: Y

Bill# SB 110 Title: LICENSING OF LANDSCAPE ARCHITECTS

Supports

Message: OUT-OF-STATE LANDSCAPE ARCHITECTURE FIRMS WITH REGISTERED LANDSCAPE ARCHITECTS WERE INVOLVED IN THREE RECENT, LARGE, USFS DESIGN CONTRACTS - STARRIGAUAN AND MENDENHALL LAKE CAMPGROUNDS AS PRIME CONTRACTOR AND MENDENHALL GLACIER VISITOR CENTER AS SUBCONTRACTOR. PLEASE HELP ALASKA'S LANDSCAPE ARCHITECTS COMPETE EQUITABLY FOR GOVERNMENT CONTRACTS BY SUPPORTING SB110.

Entered in JNU on 03/21/97 POMID: 6788 Distribution: 60

MSG: 135 Selected Messages - 85 Actually Viewed

Main Menu

Big Waste

WasteBasket

Prev POM

Next POM

03/19/97
08:22:27

Public Opinion Message System
Member Office MAK Mackie

J ✓

POMS100
LSNCMAK

From: Cleveland T Miles II
3612 Checkmate Dr

Telephone: 338-5108

Anchorage , AK 99508

NON Constituent

Registered Voter: Y

Bill# SB 110

Title: LICENSING OF LANDSCAPE ARCHITECTS

Supports

Message: SB 110 DESERVES SERIOUS CONSIDERATION. LANDSCAPE ARCHITECTS PROVIDE A VALUABLE SERVICE FOR THE PUBLIC BY PREPARING CONSTRUCTION DOCUMENTS AND OVERSEEING THE CONSTRUCTION OF PUBLIC PROJECTS. THESE PROJECTS POTENTIALLY EFFECT THE HEALTH AND SAFETY AS WELL AS THE WELFARE OF THE GENERAL PUBLIC. LANDSCAPE ARCHITECTS NEED TO BE LICENSED.

Entered in ANC on 03/18/97 POMID: 5988

Distribution: 60

MSG: 127 Selected Messages - 99 Actually Viewed

Main Menu

Big Waste

WasteBasket

Prev POM

Next POM

Tra

PO Box 20171
Juneau, AK 99802

March 20, 1997

RE: SB 110- Licensing of Landscape Architects

Senator Mackie, Vice Chair
Labor and Commerce Committee
State of Alaska Capitol Office
Fax 465-3517

Dear Senator Mackie,

As an individual who holds a Bachelor of Landscape Architecture and currently practices in the State of Alaska, I support SB 110. Having worked in Canada, England and now Alaska, I find it difficult to believe that our great State of Alaska does not yet have professional licensing for landscape architects. Currently Colorado and Alaska are the only two states in the United States which do not have state legislation for landscape architects. There are definite benefits to the public, State and economy for licensing these professionals.

1. Landscape architects design public spaces. This can have an effect on public safety, sense of place and the functionality of a development. Landscape architects are not gardeners or tree planters. We design a variety of spaces from recreation facilities to urban parks, cityscapes and playgrounds. We are involved in the master planning of large developments and the designing of exterior spaces surrounding your local Federal and State buildings, commercial developments and your schools. Spaces people use everyday.
2. Landscape architects in Alaska are currently not licensed and cannot submit proposals on federal and state projects which require a licensed landscape architect. As a result, many projects in our State are being awarded to licensed landscape architects outside of Alaska. This means that Alaskan dollars and jobs are being lost to outside states.
3. Currently there are no State minimums or requirements for landscape architects. This means that a wide array of individuals with varied education and experience are designing spaces which the public use

Senator Mackie
March 20, 1997
Page 2

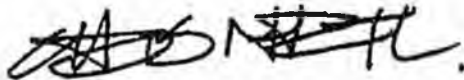
everyday. Minimums need to be established to guarantee continuity for clients and public safety.

4. Landscape architects are land stewards and understand the natural environment. This allows us to integrate the existing natural features with the program set forth by the client to create a design which is effective and addresses the existing site features. This can overcome the clearing and leveling of potential development sites and the destruction of Alaska's unique natural ecosystems, flora and fauna. In many instances good environmental design can make a negative development a positive place.

Similar to architects and engineers, landscape architects attend universities which are accredited by their national organization which has rigid accreditation criteria. In the case of landscape architects it is the American Society of Landscape Architects. Upon completion of a five year program, landscape architect graduates must intern/work for two to three years depending on state requirements and then write a series of national exams monitored by CLARB. This system has been in place for many years and is a successful national program for setting landscape architecture requirements in many states.

I thank you for the introduction of this bill and look forward to your continued support. Should you require any assistance please do not hesitate to contact me.

Sincerely,



Christopher Mertl, ASLA
President-Elect ASLA-Alaska Chapter



March 21, 1997

State of Alaska
State Legislature
Juneau, Alaska 99801

Re: Support for SB110
Landscape Architects Licensing.

Dear Legislator,

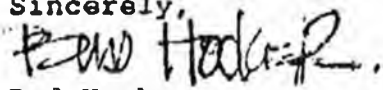
I urge your support of SB 110 regarding professional licensing of Landscape Architects in Alaska.

Landscape Architects have completed formal education at the university level in designing environmental related facilities, are involved in planning projects and work side by side with other professional design disciplines on a daily basis.

Landscape Architects are recognized as qualified professionals in other states for designing and developing the outdoor environment.

Licensing requirements would ensure that individuals providing these professional services are approved by the State of Alaska and state registration would help to ensure that moncys spent for design of Alaska facilities would be utilized in Alaska for those professionals which reside here.

I thank you for your support and would like to see a bill passed this session which requires the State licensing of Landscape Architects.

Sincerely,

Bud Hooker
Owner, Northwest Landscape

03/19/97

Public Opinion Message System

POMS100

08:25:55

Member Office MAK Mackie

LSNCMAK

From: Dawn M Pendleton
8631 Uigor Cir

Telephone: 278-8376

Anchorage , AK 99504

NON Constituent

Registered Voter: Y

Bill# SB 110

Title: LICENSING OF LANDSCAPE ARCHITECTS

Supports

Message: I SUPPORT THE BILL TO REQUIRE THE PROFESSION OF LANDSCAPE ARCHITECTURE TO BE LICENSED. LANDSCAPE ARCHITECTURE IS AN IMPORTANT SERVICE WHICH AFFECTS PUBLIC SAFETY AS WELL AS IMPROVES QUALITY OF LIFE THROUGH WELL DESIGNED PARKS AND SITE PLANNING.

Entered in ANC on 03/18/97 POMID: 6049

Distribution: 60

MSG: 127 Selected Messages - 122 Actually Viewed

Main Menu

Big Waste

WasteBasket

Prev POM

Next POM

OPTIONAL FORM 99 (7-90)

FAX TRANSMITTAL

of pages 1

To	JERRY MACKIE	From	K. PENDLETON
Origin/Agency	STATE OF ALASKA	Phone #	337-5023
Fax #	465-3517	Fax #	257-2517
NSN 7540 01-317-1169		6099-101	
GENERAL SERVICES ADMINISTRATION			

March 18, 1997

Mr. Jerry Mackie, Vice Chairman
Labor & Commerce Committee
State of Alaska
Juneau, Alaska

Re: Support for SB110

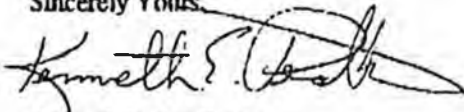
Dear Mr. Mackie:

This bill deserves serious consideration by the Labor and Commerce Committee. The profession of Landscape Architecture in Alaska contributes vitality to our state's economy, is responsive to projects of widespread public interest, and contributes in positive ways to the design of our parks, trails, public spaces and other public and private places in Alaska.

This profession deserves the same regulation to protect the public health, safety, and welfare that other design professions currently provide, i.e., architecture, engineering and land surveyors. There is absolutely no doubt in my mind that the nature of work performed by landscape architects has as much potential for harm to its clients as any of the design professions working in the State of Alaska, and probably significantly more than beauticians and barbers as licensed businesses require.

I would urge you to vigorously support the passage of this bill.

Sincerely Yours,



Kenneth E. Pendleton
8631 Vigor Circle
Anchorage, Alaska 99504
(907)337-5023

Monday, April 14, 1997

Senator Jerry Mackie
State Capitol
Juneau,
Alaska 99801-1182

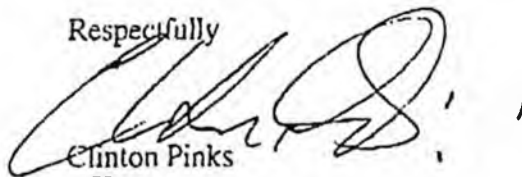
Dear Senator Mackie,

I would like to give my support for the proposed act relating to the licensure of Landscape Architecture (SB110). I have spent a lot of time and energy furthering my education in the field of landscape architecture and work routinely with professional designers in the fields of architecture, engineering and landscape architecture.

At the project level, landscape architects specialize in the design of pedestrian spaces, typically addressing the areas of health and safety as they relate to the environment. However, the role which the profession of landscape architecture can provide to society at the regional, State, and global levels is just beginning to be recognized, particularly in areas of resource management, such as with water quality.

I feel that licensure of this profession in Alaska would, not only ensure that minimum standards of practice are maintained, but help give recognition to the one profession that truly speaks for the land itself.

Respectfully



Clinton Pinks
ASLA

(E-Mail: ldn@corecom.net)

Macintosh

03/20/97	Public Opinion Message System	POMS100
10:07:25	Member Office MAK Mackie	LSNCMAK

From: Cheryl A Weddel Telephone: 345-1779
 3600 Spinnaker Dr

Anchorage , AK 99516 NON Constituent Registered Voter: Y
 Bill# SB 110 Title: LICENSING OF LANDSCAPE ARCHITECTS
 Supports

Message: I SUPPORT THE BILL TO REQUIRE THE PROFESSION OF LANDSCAPE
 ARCHITECTURE TO BE LICENSED.

Entered in ANC on 03/19/97 POMID: 6065 Distribution: 60
 MSG: 149 Selected Messages - 2 Actually Viewed

Tras

Macintosh

03/20/97	Public Opinion Message System	POMS100
10:07:31	Member Office MAK Mackie	LSNCKMAK

From: Randy F Weddel Telephone: 278-8376
 3600 Spinnaker Or

Anchorage , AK 99516 NON Constituent Registered Voter: Y
 Bill# SB 110 Title: LICENSING OF LANDSCAPE ARCHITECTS
 Supports

Message: I SUPPORT THIS BILL.

Entered in RNC on 03/19/97 POMID: 6066 Distribution: 60
 MSG: 149 Selected Messages - 3 Actually Viewed

Main Menu

Big Waste

WasteBasket

Prev POM

Next POM

Trash

Post-it® Fax Note	7671	Date	4/14/97	# of pages	2
To	Senator Mackie	From	Susan Willhoft		
Co./Dept.	State Capitol	Co.	Land Design North		
Phone #		Phone #	276 5885		
Fax #	465 3517	Fax #	276 5887		

April 14, 1997

Senator Jerry Mackie
State Capitol

Juneau, Alaska 99801-1182

Dear Senator Mackie,

I need to take a moment to thank you for helping Alaskan landscape architects get licensure! I am very happy to hear we have SB110.

I support SB110. I am a practicing landscape architect with two and one-half years experience. I have a professional goal of becoming licensed.

This is partially because my "equals" in the lower 48 must strive to be licensed - so I feel I should too.

I take my professional responsibilities seriously. To design Alaskan landscapes, I must know design standards to make projects acceptable for public health and safety concerns. I have worked with A.D.O.T. to write Road Design St. . . ., which demonstrates my familiarity with D.O.T road design safety standards. I must also be familiar with the Uniform Building Code to design my projects. To design safe playgrounds, I became a certified playground inspector.

My professional work is solicited by RFP. My office enters into work through a "professional services agreement" just as do engineers and architects. I work hard to responsibly create plans, specifications, and estimates so that projects can be built correctly and without cost overruns.

I want to share with you, the pride I take in my work as a landscape architect. I hear a lot of talk about "responsible development" in Alaska! Landscape architects are trained to take all the design issues in a development project and identify solutions that are responsible.

I appreciate your consideration of licensure of Alaskan landscape architects. Thank you.

Sincerely,

Susan Willhoft, ASLA
CLand Design North

Macintosh

03/20/97	Public Opinion Message System	POMS100
10:07:56	Member Office MAK Mackie	LSNCKMAK

From: Larry M Williams Telephone: None
 16041 St James St

Anchorage , AK 99516 NON Constituent Registered Voter: U
 Bill# SB 110 Title: LICENSING OF LANDSCAPE ARCHITECTS
 Supports

Message: LICENSE LANDSCAPE ARCHITECTS NOW!

Entered in ANC on 03/19/97 POMID: 6079 Distribution: 60
 MSG: 149 Selected Messages - 13 Actually Viewed

Main Menu

Big Waste

WasteBasket

Prev POM

Next POM

Trast

S B

1 1 5

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. SB 115

Revision Date: _____ Dept. Affected: Fish and Game
 Title: Disclosure of salmon prices BRU: CFMD
 Component: Fisheries Management
 Sponsor: Senator Mackie
 Requester: Senate Labor and Commerce COMPONENT SERIAL NO. 1942

Expenditures/Revenues (Thousands of Dollars)

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

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
-----------------------------	------------	------------	------------	------------	------------	------------

CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
-------------------------------	------------	------------	------------	------------	------------	------------

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY97) cost: \$ 0.0

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Geron Bruce GB
 Division: Commissioner's Office
 Approved by Commissioner: Frank Rue *Geron Bruce*
 Agency: Department of Fish and Game

Phone: 465-6143
 Date: 3/17/97
 Date: 3/17/97

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

SENATE COMMITTEE REPORT

First Committee of Referral

DATE: 3/5/97

FURTHER:

Date of 5-Day Notice: 3-13-97
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 3-17-97

Labor and Commerce Committee considered SENATE BILL NO. 115

"An Act repealing certain requirements relating to posting and reporting of prices paid for salmon."

and recommends:

be replaced with _____ CS _____ (_____)

adopt previous _____ CS _____ (_____)

attached amendment(s)

adopt Letter of Intent by _____ Committee

further referral to the _____ Committee

Senate Bill:
 same title
 new title
House Bill:
 same title
 technical title
 new: SCR# _____

SIGNING DO PASS	DP/	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>	✓				
<i>Mike Miller</i>	✓				
<i>Tim Kelly</i>	✓				
CHAIR: <i>Loren J. Sewan</i>	✓	CHAIR:			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal
<i>F+G</i>	<i>3/17/97</i>	✓	

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

SENATOR JERRY MACKIE

ALASKA STATE LEGISLATURE

SPONSOR STATEMENT

SB 115, Repealing Certain Fish Price Requirements

I introduced SB 115 at the request of commercial fishermen who feel the current statutes mandating the recording and display of the purchase prices for salmon at the time of delivery have failed to achieve their original purpose. Moreover, the effect of these requirements have further confused the contractual obligations between harvesters and processors.

Initially, many fishermen were concerned that a whole fishing season could pass before they were notified of the actual price paid on delivered catches. The fear was that the situation could allow pricing practices that were unfair to the harvesters. The 1992 enactment of AS 16.05.690 (c) and AS 16.10.277 requires that a fisherman's fish ticket information record the price/lb. paid for each salmon species at the time of delivery and that these prices are posted at each delivery site.

In actuality, it is difficult for processors to post firm prices until well into the season without being exposed to serious business risks. This is primarily because the uncertainties of harvest volumes along with the inherent volatility of salmon markets. As a consequence, the price posting for each species was usually at an absolute minimum until wholesale market prices could be determined with some certainty. The practical effect then was that the laws only established minimum prices from which fishermen have to negotiate up from. They also raised a legal question about the contractual nature of fish tickets and whether both parties could be bound to the prices recorded.

Despite the good intentions when these laws were first enacted, they have actually worsened the problem for many fishermen. For most processors, price posting is problematic and burdensome. I believe SB 115 corrects a development that was neither contemplated nor desired for everyone's benefit.



UNITED FISHERMEN OF ALASKA

March 18, 1997

211 Fourth Street, Suite 112
Juneau, Alaska 99801
907/586-2820
Fax: 907/463-2545

The Honorable Loren Leman, Chairman
and Committee Members
Senate Labor and Commerce Committee
State Capitol Building, Room 113
Juneau, Alaska 99801-1182

Dear Chairman Leman and Committee Members:

United Fishermen of Alaska is asking that the Legislature repeal the statutes mandating that fish tickets for salmon reflect the current price for the salmon. UFA has received many requests from around Alaska to have this law repealed.

These provisions are contained in the Alaska Statutes:

AS 16.05.690 (c) A fish ticket recording the purchase of salmon must include the current price paid per pound for each species of salmon purchased.

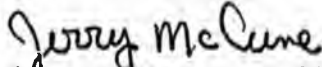
AS 16.10.277 Posting of Current Salmon Price. A fish processor, primary fish buyer, or cooperative corporation organized under AS 10.15, shall prominently post the current price being paid for salmon at each location where salmon are purchased.

Having the price of the salmon on the fish ticket seems like a good idea but, in today's fisheries, the price on the fishing grounds is always changing. A fish ticket is a binding contract between the processor and harvester. However, the price on the tickets do not necessarily reflect the final price. This leaves the possibility that a dishonest buyer could claim a preliminary price as the "final" price because once a fisherman signs the ticket, it is a binding contract.

Many processors do not know the final price before or during the season. Therefore, the law is unenforceable and, frankly, not practical. For example, forcing the processors to post a price at five cents per pound for Bristol Bay sockeye before they know the wholesale price. Fishermen feel that forcing the processor to post prices puts both the processor and the harvester in a non-competitive situation.

The UFA Board of Directors voted unanimously to ask for the repeal of this law. Therefore, we would greatly appreciate your help in sponsoring a bill to repeal this law and to resolve what is now a confusing and unworkable situation.

Sincerely,


Jerry McCune, UFA Lobbyist
and Immediate Past President

Committee Members:

- Senator Jerry Mackie, Co-Chair
- Senators Tim Kelly, Mike Miller, and Lyman Hoffman

MEMBER ORGANIZATIONS

Alaska Longline Fishermen's Association • Alaska Trollers Association • Bristol Bay Driftnetters Association • Concerned Area "M" Fishermen • Cook Inlet Aquaculture Association
Cordova District Fishermen United • Koni Peninsula Fishermen's Association • Kodiak Regional Aquaculture Association • Kodiak Seniors Association • North Pacific Fisheries Association
Northern Southeast Regional Aquaculture Association • Northwest Seiners Association • Peninsula Marketing Association • Petersburg Vessel Owners Association
Prince William Sound Aquaculture Corporation • Purse Seine Vessel Owners Association • Seafood Producers Cooperative • Southeast Alaska Seiners Association
Southern Southeast Regional Aquaculture Association • United Cook Inlet Drift Association • United Southeast Alaska Gillnetters

Sec. 16.05.680. Unlawful purchases. It is unlawful for a person, or an agent or representative of the person,

(1) to employ, in the harvesting, transporting or purchasing of fish, a fisherman who neither is licensed under AS 16.05.480 nor is the holder of a permit issued under AS 16.43,

(2) to purchase fish from a fisherman who neither is the holder of a limited entry, interim-use, or landing permit issued under AS 16.43, nor is exempt under AS 16.05.660, or

(3) to purchase fish from an association other than one to which a permit has been issued under AS 16.05.662. (§ 10 art III ch 94 SLA 1959; am § 2 ch 96 SLA 1963; am § 2 ch 73 SLA 1970; am § 11 ch 105 SLA 1977; am § 2 ch 145 SLA 1984)

Cross references. — For additional penalty provisions related to unlawful purchase of fish, see AS 16.10.265.

Sec. 16.05.685. Processing on commercial king crab fishing vessels. (a) Crab of any species may not be processed on a commercial crab fishing vessel unless

(1) the vessel remains within one registration area from the time the crab is caught to the time of dock delivery;

(2) the operator of the vessel notifies the department of proposed changes in location before moving to another registration area; and

(3) the operator of the vessel provides quarters for inspectors of the department who may inspect the crab catch on the vessel at any time.

(b) The restrictions set out in (a) of this section do not apply to processing aboard the fishing vessel for and as donations to charity, for consumption aboard the vessel, or for dockside retail sales from the vessel.

(c) In this section,

(1) "process" means to butcher, cook, chill, or freeze crab for commercial use;

(2) "registration area" means a specific king crab registration area as designated by regulation of the Board of Fisheries. (§ 2 ch 70 SLA 1974; am § 12 ch 206 SLA 1975; am § 17 ch 132 SLA 1984)

Sec. 16.05.690. Record of purchases. (a) Each buyer of fish shall keep a record of each purchase showing the name or number of the vessel from which the catch involved is taken, the date of landing, vessel license number, pounds purchased of each species, number of each species, and where possible, statistical area in which the fish were taken, and other information the department requires. Records may be kept on forms provided by the department. Each person charged with keeping the records shall report them to the department in accordance with regulations adopted by it.

(b) A person may not knowingly enter false information on a fish ticket or supply false information to a person who is recording information on a fish ticket.

(c) A fish ticket recording the purchase of salmon must include the current price paid per pound for each species of salmon purchased. (§ 10 art III ch 94 SLA 1959; am § 1 ch 84 SLA 1987; am § 1 ch 78 SLA 1992)

Effect of amendments. — The 1992 amendment, effective September 14, 1992, added subsection (c).

Sec. 16.05.700. Penalty for violation of AS 16.05.680 and 16.05.690. [Repealed, § 25 ch 127 1974.]

Sec. 16.05.710. Suspension of commercial license and entry permit. (a) Upon the conviction of a person for a misdemeanor or felony violation of a commercial fishing law of this state, the court, in addition to other penalties imposed by law

NOTES TO DECISIONS

Cited in *Liberati v. Bristol Bay Borough*, 584 P.2d 1115 (Alaska 1978).

Sec. 16.10.275. Regulations. The commissioner may adopt regulations to carry out the provisions of AS 16.10.270 — 16.10.296. (§ 1 ch 18 SLA 1981)

Sec. 16.10.277. Posting of current salmon price. A fish processor, primary fish buyer, or cooperative corporation organized under AS 10.15 shall prominently post the current price being paid for salmon at each location where salmon are purchased. (§ 2 ch 78 SLA 1992)

Sec. 16.10.280. Price disputes between fishermen and fish processors. In an area where a price dispute exists between at least one-third of the registered commercial fishermen for that area, as estimated by the Department of Fish and Game on the basis of information available to the department, and fish processors on the price to be paid for salmon, and no agreement has been reached up to 120 days before the opening of the salmon fishing season in that area, a representative from the Department of Labor shall intervene as mediator of the dispute upon request of either party. (§ 1 ch 242 SLA 1970; am § 1 ch 59 SLA 1980; am § 27 ch 132 SLA 1984)

Revisor's notes. — Enacted as AS 16.10.290. Renumbered in 1970.

Sec. 16.10.290. Security for collection of wages and payment for raw fish. [Repealed, § 4, E.O. No. 85 (1993).]

Sec. 16.10.291. Exemption from bonding requirements. [Renumbered as AS 16.10.293(a).]

Secs. 16.10.292, 16.10.293. Filing evidence of compliance; exemptions from bonding requirement. [Repealed, § 4, E.O. No. 85 (1993).]

Sec. 16.10.294. Administrative and judicial orders. (a) [Repealed, § 4, E.O. No. 85 (1993).]

(b) [Repealed, § 4, E.O. No. 85 (1993).]

(c) [Repealed, § 4, E.O. No. 85 (1993).]

(d) [Repealed, § 4, E.O. No. 85 (1993).]

(e) If the commissioner determines that a fish processor or primary fish buyer is acting in violation of AS 16.10.270 — 16.10.280, the commissioner shall give written notice prohibiting further action by the person as a fish processor or primary fish buyer. The prohibition continues until the person has submitted evidence acceptable to the commissioner showing that the violation has been corrected.

(f) A person affected by an order issued under AS 16.10.265 — 16.10.296 may seek equitable relief preventing the commissioner from enforcing the order.

(g) In an action instituted in the superior court by the commissioner or a representative of the commissioner, a person acting in the capacity of a fish processor or primary fish buyer in violation of AS 16.10.265 — 16.10.296 may be enjoined from acting as a fish processor or primary fish buyer. (§ 2 ch 102 SLA 1977; am E.O. No. 85 § 4 (1993); am §§ 15, 16 ch 23 SLA 1995)

Effect of amendments. — The 1993 amendment, section reference substitutions in subsections (f) and effective July 1, 1993, repealed subsections (a)-(d). (g).

The 1995 amendment, effective May 11, 1995, made

SB

119

Richard J. Kleven
Assistant Vice President
Law Division

625 Fourth Avenue South
Minneapolis, MN 55415
Phone: (612) 340-7216
Fax: (612) 340-7062



SENATE COMMITTEE REPORT

First Committee of Referral

DATE: 3/6/97

FURTHER: Judiciary

Date of 5-Day Notice: 3-6-97
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 3-14-97

Labor and Commerce Committee considered SENATE BILL NO. 119

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

and recommends:

- be replaced with CS SB119 (LTC)
- adopt previous CS _____
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical title
 - new: SCR# _____

SIGNING DQ PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
Tim Kelly	✓	<i>[Signature]</i>	✓		
Hike Miller	✓	<i>[Signature]</i>			
		<i>[Signature]</i>	x		
CHAIR: <i>[Signature]</i>	✓	CHAIR:			

NEW FISCAL NOTE(S):

to bill + CS

Department	Date	Zero	Fiscal
C+ED	3/10/97	✓	

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

Alaska State Legislature

Senate



Official Business

State Capitol
Juneau, AK. 99801-1182

SENATE LABOR AND COMMERCE COMMITTEE

Chairman: Senator Loren Leman
Vice Chairman: Senator Mackie
Senator Kelly
Senator Miller
Senator Hoffman

MEMO

TO: Legal Services
via fax: 3 pages including this one

FROM: Annette Kreitzer, Aide to
Senate Labor & Commerce Committee
X3844

DATE: March 14, 1997

RE: FINAL CS for SB 119

SB 119 Fraternal Benefits Society passed out of the Senate Labor & Commerce Committee yesterday with the same two amendments adopted by the House Labor & Commerce Committee on HB 179. I am sending the amendments with this fax, but hope that this information would allow you to expedite the copying of the FINAL CS for SB 119 to be read across today.

Please deliver the FINAL to the Senator Leman's office, Room 115.

Thanks, call me if you have any questions.

Relegated, no objection

AMENDMENT #1

OFFERED IN SENATE LABOR AND COMMERCE COMMITTEE
BY Senator Leman

TO: SB 119

Page 1, Line 13 after "body" INSERT:

"or any intermediate assembly"

AMENDMENT #2

Adopted no objection

OFFERED IN SENATE LABOR AND COMMERCE COMMITTEE
BY Senator Leman

TO: SB 119

Page 18, line 7, INSERT:

"(15) AS 21.45:
(16) AS 21.56:"

AS 21.54

Renumber existing (15) through (18) accordingly.

A PROPOSAL FOR ENACTMENT OF THE MODEL FRATERNAL CODE
OF THE NATIONAL FRATERNAL CONGRESS OF AMERICA
IN LIEU OF CHAPTER 84 OF THE ALASKA INSURANCE CODE

A. The legislative history of the antecedents to Chapter 84 of the Alaska Insurance Code.

Alaska enacted a new comprehensive Insurance Code in 1966 as Title 21 of the Statute Law of Alaska (Chapter 120, SLA 1966). Chapter 84 of Title 21, Sections 21.84.010 to 21.84.590 and 21.84.900, govern fraternal benefit societies. The provisions in Chapter 84 as enacted in 1966 were nearly identical to the text of the Uniform Fraternal Code of 1962 that had been drafted and approved by the National Fraternal Congress of America (NFCA) and the National Association of Insurance Commissioners. Twenty-four other states and Puerto Rico also adopted the Uniform Fraternal Code.

Present Chapter 84 has been amended several times since 1966:

<u>Section</u>	<u>Caption</u>	<u>Amendment Date</u>
21.84.010	Scope	Sec. 211, C. 67, 1992
21.84.030	License	Sec. 21, C. 26, 1985
21.84.210	Children	Sec. 22, C. 21, 1985
21.84.220	Nonforfeiture	Secs. 4,5, C. 28, 1984
21.84.290	(repealed)	Sec. 223, C. 67, 1992
21.84.340	Statement	Sec. 22, C. 26, 1985
21.84.350	Valuation	Sec. 6, C. 28, 1984 Sec. 212, C. 67, 1992
21.84.410 to		
21.84.460	(repealed)	Sec. 223, C. 67, 1992
21.84.470	Misrepresentation	Sec. 19, C. 149, 1984
21.84.480	Discrimination	Sec. 213, C. 67, 1992
21.84.490	Process	Sec. 24, C. 26, 1985
21.84.560 to		
21.84.580	(repealed)	Sec. 223, C. 67, 1992
21.84.590	Applicability of Code	Sec. 2, C. 40, 1981 Sec. 2, C. 45, 1981 Sec. 20, C. 149, 1984 Sec. 25, C. 26, 1985

		Sec. 36, C. 50, 1989
		Sec. 3, C. 106, 1990
		Sec. 214, C. 67, 1992
21.84.900	Definitions(added)	Sec. 215, C. 67, 1992

Senate Bill S. 319. Laws of 1996 also amended various sections non-substantively in Chapter 84 [S. 319, Secs. 98 to 102].

In 1980, the NFCA undertook a project to revise and update the 1962 Uniform Code. The 1983 Model Fraternal Code draft was the result, adopted by the NFCA at its Annual Convention in Denver, Colorado, in October 1983.

Since then, the 1983 Model Fraternal Code (MFC), with some drafting changes to accommodate requests of the particular Insurance Department, has been enacted in thirty-one states:

Arizona	Illinois	Minnesota	North Dakota	Virginia
Arkansas	Indiana	Missouri	Oklahoma	Washington
Colorado	Iowa	Montana	Oregon	Wyoming
Florida	Kansas	Nebraska	Pennsylvania	
Georgia	Kentucky	Nevada	Rhode Island	
Hawaii	Louisiana	New Mexico	South Dakota	
Idaho	Michigan	North Carolina	Tennessee	

Fifteen of those states, like Alaska, had previously enacted the Uniform Code. California, Utah and Wisconsin also have modern fraternal benefit societies laws containing the essential features of the NFCA 1983 Model Code. MFC legislation is currently being considered in the District of Columbia, Maryland and New York. An MFC bill in Ohio, HB-468, has already passed the House and is pending in the Senate.

B. Why does Alaska need a new fraternal benefit society law?

Today's environment of rapid changes in the insurance industry demand that there also be major changes in the laws regulating insurers.

While one particular fraternal benefit society may be affected by current changes to a greater or lesser degree than would another society, no society is entirely immune from the environment in which it operates. When changes in the environment occur, each society must carefully evaluate the nature of the changes. Implicit

in this consideration is that each society has options from which to choose alternate courses of action. It is one thing to choose not to exercise an option and quite another to have no options from which to choose.

The 1983 Model Fraternal Code of the NFCA meets the challenges of the present and future in the following ways. The most sweeping additions to the revised code would give fraternal clear authority to own subsidiary corporations and to establish the separate accounts necessary for offering variable life insurance and variable annuities. Another addition would assure that the benefit authority of fraternal would be able to keep pace with any new authorities granted to commercial life insurers in the future.

In addition to these major changes, the revised code:

- Improves the presentation of fraternal purposes and characteristics through rewriting and reorganization.
- Maintains key fraternal characteristics--lodge system, representative form of government, membership--and traditional elements such as ritual.
- Improves provisions regarding juvenile contracts, designation of irrevocable beneficiaries, assignment of contracts and use of contracts for third-party insurance situations--to make contracts more useful to members in their personal, financial and tax planning.
- Integrates some regulatory provisions with commercial insurance standards to assure up-to-date regulation, while maintaining specific exceptions for unique fraternal practices.
- Uses updated language, uniform definitions, gender-neutral references, and consistent terminology.

C. The following is a section by section comparison of the MFC bill draft of new section numbers in Chapter 84 with corresponding sections in present Chapter 84:

MFC Section	Ch. 84 Section	<u>Caption and Commentary</u>
21.84.1010	21.84.900(1)	Fraternal Benefit Society description is substantially the same as present law.
21.84.1020	21.84.900(2)	Lodge System description is substantially the same as present law. Subsection (b) is essentially the same as present Section 21.84.210(a) relating to branches for children.

21.84.1030	21.84.900(4)	<p>Representative Form of Government - is similar to present law. Subsection (a) clearly recognizes two types of supreme governing bodies: (1) an assembly consisting of delegates elected by the members, and (2) a board elected directly by the members. Voting by mail has been authorized. At least one foreign society licensed in Alaska has the latter form of government.</p>
21.84.1040	21.84.900	<p>Terms Used -- Defines terms commonly used in the chapter. This section includes the definition of "premiums" and "society" in present Section 21.84.900 (3) and (5). The other definitions in that section are found in MFC Sections 21.84.1010, 21.84.1020 and 21.84.1030.</p>
21.84.1050	21.84.060(2)	<p>Purposes and Powers -- contains a listing of named purposes for which a society may be organized and states that these purposes may be carried out directly by the society, or indirectly through subsidiaries or affiliated organizations. The named purposes in subsection (a)(2) are the same as recited in present Section 21.84.060(2) with "patriotic" added. Owning subsidiary corporations which engage in activities beyond the stated purposes would be permitted only in accordance with the investment laws of the state of domicile of a society and whatever subsidiary authority can be derived therefrom. MFC Section 21.84.1210 covers investments generally, specifically authorizing societies to invest their funds in investments authorized for life insurers. The organization requirements are contained in MFC Section 21.84.1100.</p>
21.84.1060	21.84.180	<p>Membership -- emphasizes the importance of fraternal as membership organizations, and gives societies authority to set eligibility standards and the rights and privileges of each membership class. This section stresses the society's right and duty to set membership qualifications. A conscious effort has been made to divorce concepts of membership from concepts of insurance, the latter taken up in MFC Section 21.84.1160 - Benefits, and Section 21.84.1190 - The Benefit Contract.</p>

21.84.1070	21.84.160; .340(c)	Location of Office, Meetings, Communications--Subsection (a) is similar to present law, except that a society may hold a meeting where it has only one branch (instead of five). Subsection (b)(1) permits notices, etc. to be distributed to members through the society's official publication. Subsection (b)(2) is similar to present section 21.84.340(c) (requiring the mailing of a synopsis of the annual statement to a society's members). Subsection (c) contains statutory authorization for grievance procedures.
21.84.1080	21.84.250	No Personal Liability-Subsection (a) is similar to present law. Subsections (b) and (c) provide authorization for indemnification of directors, officers, etc. and for the purchase of directors and officers liability insurance. Subsection (d) provides immunity from liability for directors, officers and employees serving without compensation.
21.84.1090	21.84.150	Waiver - provides that no subordinate body, officers or members may waive any provisions of the laws of the society, similar to present law.
21.84.1100	21.84.-060 to 21.84.100	Organization - This section includes all organizational requirements of present law, and increases the bond requirement to not less than \$300,000 nor more than \$1,500,000 as required by the Director. The amount of initial premiums required has been raised to \$150,000. The purpose of these changes is to bring the organizational requirements more in line with contemporary economic realities. However, to our knowledge no domestic society has ever been organized in Alaska.
21.84.1110	21.84.140	Amendments to Laws - provides for submission and approval of amendments to the laws of a domestic society, and the filing of any such amendments by licensed foreign or alien societies, the same as present law.
21.84.1120	21.84.170	Institutions -- permits societies to operate and maintain organizations relevant to their society's purposes, similar to present law. Subsection (b) is the same as present Section 21.84.170(c)

providing that a society may not own or operate funeral homes or undertaking establishments.

21.84.1130 21.84.130 Reinsurance - is substantially the same as present law, but provides that a society may not reinsure the business of another society other than in a consolidation or merger.

21.84.1140 21.84.500; .510 Consolidations and mergers - is substantively the same as present law.

21.84.1150 21.84.520 Conversion of Fraternal Benefit Society into Mutual Life Insurance Company - is similar to present law.

21.84.1160 21.84.200; .210 Benefits -- lists authorized benefits the same as present law, but without the \$300 limit on tombstone benefits, and includes benefits for children and adults instead of providing for them in separate sections. The words "health care" are used in subsection (a)(4) to reflect the amendment enacted by section 102 of S. 316, Laws of 1996. Subsection (a)(7) provides that a society may issue benefits as authorized for life insurers, and which are not inconsistent with the fundamental characteristics of fraternal benefit societies. The question of contractual benefits is addressed in subsection (b).

21.84.1170 21.84.230 Beneficiaries -- places control of beneficiary designations in the hands of each society. This section covers the various matters contained in present law, subsection (c) also providing that if the owner of the certificate is other than the insured, the proceeds shall be paid to the owner.

21.84.1180 21.84.240 Benefits Not Attachable - is the same as present law.

21.84.1190 21.84.260 to 21.84.300 and 21.84.190

The Benefit Contract -- subsections (a) and (b) preserve the "open contract" concept of fraternal certificates contained in present Section 21.84.260(a) and (c). Likewise, the traditional "maintenance of solvency" provision in present Section 21.84.190 is preserved in subsection (d). Subsection (f) requires all fraternal certificates to be filed with the Director, the same as present law, and all certificates

issued after one year from the effective date of the Model Code must conform to the requirements for like policies issued by commercial life and health insurers. The provision in present Section 21.84.300(c) that a filing of a health certificate shall be considered approved unless disapproved within 60 days has been inserted in subsection (f) and made applicable also to a filing of a life certificate.

Subsection (f) makes unnecessary the inclusion of the text of present Sections 21.84.270 to .300 (standard and prohibited provisions) because fraternal certificates will be subject to the same general requirements for commercial life and health insurance company policies.

Subsections (g) and (h) pertain to control over juvenile contracts, and the conditions under which benefit contracts may be assigned.

21.84.1200 21.84.220; 21.84.350 & 21.84.1250

Nonforfeiture Benefits (Section 21.84.1200), and Valuation (Section 21.84.1250) - The thrust of these two sections is essentially the same as present law relating to calculation of nonforfeiture benefits and valuation of reserves. They provide that existing law shall apply to outstanding certificates, but that for certificates issued on or after one year from the effective date of the Model Code, societies must use at least the Commissioner's 1941 CSO Table. These two sections incorporate the authorization in present Section 21.84.220(d) and 21.84.350(j) that a society may calculate nonforfeiture benefits and value reserves of newly issued policies on any more recent mortality table authorized for use by commercial life insurance companies.

21.84.1210 21.84.330

Investments- This section is the same as present law.

21.84.1220 21.84.320

Funds - Subsections (a) and (b) are the same as in present law. Subsection (c) gives societies specific authority to create separate accounts. This authority is new. It will give fraternal the ability to offer members variable benefits. If variable benefits are subject to federal securities laws, the supreme governing body is authorized to exclude these forms of benefits from the "open contract" and

"maintenance of solvency" requirements in subsections (b) and (d) of MFC Section 21.84.1190. The supreme governing body is also empowered to authorize that separate, independent control be set up over such accounts should that be necessary or desirable. The text of present Section 21.84.320(c) would be obsolete and unnecessary because of the reserve valuation requirements in MFC Section 21.84.1250.

21.84.1230 21.84.010 and 21.84.590 - Applicability of other code provisions.

Subsection (a) is the same as present Section 21.84.010. Subsection (b) is the same as 21.84.590 with explanatory captions added for clarity.

21.84.1240 21.84.400 Taxation - is the same as present law.

21.84.1250 21.84.350 Valuation - See comment under MFC Section 21.84.1200. The text of present Section 21.84.350 would be obsolete and unnecessary because of the modern valuation requirements in MFC Section 21.84.1250.

21.84.1260 21.84.340; .350; .360

Reports - Subsection (a) is the same as present Section 21.84.340(h). Subsection (b) requires the filing of valuation reports similar to the requirement in present Section 21.84.350, but the valuation standards are set forth in MFC Section 21.84.1250. Subsection (c) provides a penalty for late filing of an annual statement, the same as in present Section 21.84.360.

21.84.1270 21.84.030 Annual License - is essentially the same as present law.

21.84.1280 21.84.370; .380; .390

Examination of Societies; No Adverse Publications - This section covers both domestic, foreign and alien societies. The confidentiality requirement of present Section 21.84.390 is preserved. Insurance Department examination of fraternal would be on the same basis as for commercial life and health insurers.

21.84.1290	21.84.040	Foreign or Alien society - Admission - Is essentially the same as present law.
21.84.1300	21.84.530	Injunction - Liquidation - Receivership of Domestic Society - This section is essentially the same as present law.
21.84.1310	21.84.050	Suspension, Revocation or Refusal of License of Foreign or Alien Society - is substantially the same as present law.
21.84.1320	21.84.540	Injunction - This section provides that only the Director of Insurance may bring an injunction proceeding against a society, not private litigants.
21.84.1330	21.84.590(7); AS 21-27	

Licensing of Agents - Subsection (a) provides that full-time fraternal agents will be required to meet the same licensing and regulatory standards applicable to commercial life insurance agents under AS 21.27, the same as present law. AS 21.27.060(d)(1) provides that an applicant for a limited license under AS 21.27.150(5) [a fraternal benefit society limited producer license to a person whose sole purpose is to be appointed by and to act on behalf of a fraternal benefit society] shall not be required to take an examination.

Subsection (b) provides that no examination or license shall be required of salaried persons who devote substantially all of their services to other than solicitation of insurance and who receive no commission or compensation dependent upon the amount of business obtained.

Subsection (c) provides an exemption from licensing of persons who devote only part-time to the solicitation of insurance and who in one year write no more than \$50,000 of life insurance or other insurance on a maximum number of 25 persons.

The Alaska Producers Act, AS 21.27, does not have the exemptions provided in subsections (b) and (c).

21.84.1340	21.84.470; .480; .590(9); AS 26-36
------------	------------------------------------

Unfair Methods of Competition - This section makes it clear that fraternal organizations are subject to the unfair trade practices and frauds laws of Alaska contained in AS 26-36, the same as provided in present Section 21.84.590(9). This section also makes it clear that unfair trade practices laws are not to be interpreted to interfere with membership practices of fraternal organizations. The application of AS 26-36 to societies makes obsolete and unnecessary retention of the text of present Sections 21.84.470 and 21.84.480.

21.84.1350	21.84.490	Service of Process - Is essentially the same as present law.
21.84.1360	(None)	Penalties - This section provides specific penalties for certain violations in addition to the penalties specified in other sections. Subsection (a) contains the penalty for misrepresentation in present Section 21.84.470(b). Subsection (d) is a general catch-all penalty for a violation for which a specific penalty is not provided.
21.84.1370	21.84.550	Review - is essentially the same as present law.
21.84.1380	21.84.020	Exemption of Certain Societies -- Is the same as present law. The words "health care" are used in subsections (a)(3), (a)(4), (b), and (d) to reflect the amendments enacted by sections 98, 99 and 100 of S. 319, Laws of 1996.
21.84.1390	(None)	Severability - This section creates a rule of construction for courts ruling on a provision or provisions of this chapter that may not affect other sections.

D. Why not further amend the existing Chapter 84 rather than enact a whole new fraternal code?

A review of the changes made by the NFCA 1983 Model Fraternal Code indicates that the improvements are so numerous that a piecemeal amendment process to Chapter 84, as has been done frequently in the past, would not produce the same effect.

Uniformity of regulations is important to multi-state operations. When a statute on a certain subject is different than the one in another state, it makes varying interpretations more likely. That produces the need for different forms, different member benefits, complicated operations, and frustrated management.

What amendments would be given what priority? How many times would amendments be needed? This new Code provides a means to keep pace with things without constantly seeking law changes. Also, the Model Code would be a more readily understandable statute than present law, and would give the Alaska Director of Insurance more regulatory authority over fraternal benefit societies than does present law.

The NFCA Model Fraternal Code is the product of professional deliberation and scholarship which accounted for all aspects of fraternal operations. Its enactment in Alaska would produce far better legislation than could piece-meal amendments to solve a problem here and a problem there.

E. Summary.

Enactment of the MFC in Alaska would in no way affect the rights of existing society members and certificate holders.

The MFC would, though, affect the future conduct of business of fraternal societies in Alaska. The MFC gives societies certain additional authority under Sections 21.84.1050, .160(a)(7) and .220(c). The MFC would also strengthen regulatory control over societies by the Insurance Director: particularly, (1) under Section 21.84.1100 by increasing the organizational financial requirements for new societies; (2) under Section 21.84.1190 (f), requiring that all new certificates filed after one year from the effective date of the code shall conform to the same policy requirements as established for the same kinds of policies issued by commercial life and health insurers; and (3) under Sections 21.84.1200 and 21.84.1250, requiring the calculation of nonforfeiture benefits and the valuation of certificate reserves on new business on at least the 1941 CSO Table of Mortality.

The provision of MFC Section 21.84.1160(a)(7) that a fraternal benefit society may provide such other benefits as authorized for life and health insurers (which are not inconsistent with the concepts and fundamental nature of fraternal as expressed in the MFC) should be a major benefit to present members and future members of societies. Under that provision, the Director of Insurance can approve new forms of insurance for fraternal that have likewise been approved for commercial life and health insurers, without having to wait for the Legislature to enact an otherwise necessary amendment to the fraternal chapter.

MFC Section 21.84.1170(a) authorizes a society to provide that the owner of a benefit contract may designate an irrevocable beneficiary, and Section 21.84.1190(h) would authorize assignment of a benefit contract to a third party.

In summary, it is believed that the MFC would provide a clearer and more comprehensive statute regulating fraternal benefit societies than present Chapter 84 and would give the Director of Insurance more authority and control over their operations. The MFC provisions would be more beneficial and provide more protection to the people in Alaska who are or may choose to become members of and insured by a fraternal

benefit society licensed in Alaska. In addition, several sections clarify the law by specifically providing for the particular regulatory authority under Chapter 84, with particular references to other applicable chapters and sections.

There are no domestic fraternal benefit societies in Alaska of which we are aware, but there are six member-societies of the National Fraternal Congress of America from other states licensed in Alaska.

These societies have nearly 7,600 life insurance certificates and over 280 health insurance certificates on their members residing in Alaska. It is desirable that these societies be able to offer to their members in Alaska the benefits afforded by this new Model Fraternal Code.

Therefore, on their behalf the NFCA urges the introduction and enactment of the Model Fraternal Code bill in the 1997 session of the Alaska Legislature.

A legislative bill draft in the Alaska format and style is submitted with this Proposal.

Attached are two cross-reference charts showing corresponding sections of the Model Fraternal Code bill with the sections in present Chapter 84, and vice versa.

Respectfully submitted,

National Fraternal Congress of America
1280 Iroquois Drive, Suite 300
P.O. Box 3087
Naperville, Illinois 60566-7087
(630) 355-6633
October 1996

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

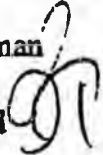
(907) 465-3867 or 465-2450
FAX (907) 485-2029
Mail Stop 3101


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

MEMORANDUM

April 14, 1997

SUBJECT: CS SB 119(L&C)(Work Order No. 20-LS0671\E)

TO: Senator Loren Leman 

FROM: James P. Crawford 
Assistant Revisor

Question Presented: Are English language requirements found in existing Alaska statutes?

Brief Answer: Yes.

Bill section 3 of CSSB 119(L&C) sets out AS 21.84.035, which states that "[t]he minutes of the proceedings of the supreme governing body and of the board of directors must conform to language requirements for documents filed under AS 21.84.070." Such a requirement is not new to Alaska law. The most obvious example is found in existing AS 21.84.070, requiring documents that societies file with the director of the division of insurance to be in English. Requirements related to the English language may also be found in AS 06.20.720 (requiring certain lenders to communicate certain loan terms to borrowers in English); AS 08.80.110 (requiring pharmacist license applicants to be fluent in reading, writing, and speaking English); AS 09.20.010(a)(6) (requiring, as a qualification to act as a juror, the ability to read or speak the English language); and Rule 44.1(c)(2), Alaska Bar Rules (requiring materials accompanying an application for a license as a foreign law consultant to be accompanied by authenticated English translations if the documents are not in English).

Provisions relating to English language requirements are also found in other states. These include Alabama, Arkansas, California, Colorado, Florida, Georgia, Hawaii, Illinois, Indiana, Kentucky, Nebraska, North Carolina, North Dakota, South Carolina, Tennessee, and Virginia.

JPC:lmb
97-054.lmb

Compliments of
Senator Loren Leman

**1994 LIFE, ANNUITY AND A AND H
BUSINESS FOR FRATERNAL ORGANIZATIONS
(\$000)**

COMPANY NAME	DOM	LIFE				A & H PREMIUMS		
		ISSUED DURING CURRENT YEAR	IN FORCE END OF YEAR	PREMIUMS WRITTEN	BENEFITS PAID	ANNUITY CONSIDERA- TIONS	COLLECTIVELY RENEWABLE	ALL OTHER
AID ASSOCIATION FOR LUTHERANS	WI	17,861	190,841	1,140	725	1,039	0	150
AMERICAN POSTAL WORKERS ACC BNFT ASN	NH	0	0	0	0	0	0	0
INDEPENDENT ORDER OF FORESTERS US BR	NY	555	42,113	356	195	5	0	1
KNIGHTS OF COLUMBUS	CT	17	2,679	20	27	0	0	2
LUTHERAN BROTHERHOOD	MN	15,016	134,390	947	712	203	0	129
SONS OF NORWAY	MN	1,748	23,406	286	1,271	339	0	2
WOODMEN OF THE WORLD LIFE INS SOC	NE	0	941	10	26	0	0	0
TOTAL		35,197	394,370	2,759	2,956	1,586	0	284

7 COMPANIES

**RECAP OF 1994 ALASKA ACCIDENT & HEALTH BUSINESS*
(LIFE, AND PROPERTY & CASUALTY INSURERS - \$000)**

	DIRECT WRITTEN PREMIUMS	DIRECT EARNED PREMIUMS	DIRECT LOSSES INCURRED
GROUP	249,670	197,668	158,612
CREDIT	4,628	4,525	2,437
COLLECTIVELY RENEWABLE	277	284	16
ALL OTHER	10,124	10,372	5,074
TOTAL	264,699	212,849	166,339

*Includes Canadian Life Insurers

625 Fourth Avenue South
Minneapolis, Minnesota 55415



STATEMENT CONCERNING THE NEED FOR
THE MODEL FRATERNAL CODE
IN THE STATE OF ALASKA

Mr. Chairman and members of the Committee, my name is Richard J. Kleven. I am Assistant Vice President of the Law Division of Lutheran Brotherhood, a fraternal benefit society domiciled in Minneapolis, Minnesota, and licensed in Alaska. I am appearing on behalf of the National Fraternal Congress of America (NFCA), the national trade organization for fraternal benefit societies, the author of the Model Fraternal Code that has been introduced as House Bill 179 and Senate Bill 119.

Fraternal benefit societies are not for profit, self-help membership organizations formed by people of common ethnic, religious or vocational backgrounds or people holding similar moral, ethical and patriotic beliefs. By law, fraternal benefit societies must operate on a lodge system, maintain a representative form of government and offer benefits solely to members and their dependents.

The law governing fraternal benefit societies is Chapter 84 of Title 21 of the Alaska Insurance Laws. It was enacted in 1966 as Chapter 120, and has been amended several times. Despite numerous amendments, Chapter 84 does not give fraternal benefit societies authority to meet the insurance needs of their members in today's financial environment. In October of 1983, the NFCA adopted the Model Fraternal Code to govern fraternal benefit societies. This model was the product of several years of activity taking into account the needs and interests of the members of all societies: large - small - ethnic - occupational - religious - general.

Many of the provisions of the Model Fraternal Code are a response to conflicts with the administration of laws produced outside of state government, like those created by the Internal Revenue Service and the Securities Exchange. Those and other agencies have made rules affecting members of fraternal benefit societies which are either not addressed, or are inappropriately addressed, in existing statutes such as Chapter 84, Title 21 of the Alaska Insurance Laws. For example: the naming of irrevocable beneficiaries; the privilege to assign insurance to another owner; and the ability to purchase insurance on a third-party basis are all common transactions in estate planning and income tax planning. These issues have little or no effect on state regulations but they are important to consumers - including the members of fraternal benefit societies residing in Alaska.

Model Fraternal Code
State of Alaska
March 6, 1997
Page 2

The Model Fraternal Code contains provisions which give fraternal benefit societies authority to offer their members the products they demand in response to their needs in modern America. This new Code offers some flexibility which is not now available under Chapter 84, while maintaining the character of fraternal benefit societies.

REVIEW OF IMPORTANT PROVISIONS

Here is a list of important provisions contained in the Model Fraternal Code that are not now contained in Chapter 84:

1. Fraternal may form subsidiaries or nonprofit institutions to carry out their charitable or benevolent purposes.
2. Fraternal may use irrevocable beneficiary designations and absolute assignments in their insurance certificates, so that members can use their fraternal insurance for modern estate planning needs.
3. Fraternal may set up separate accounts and may issue variable insurance products to members, upon approval of the Director of Insurance and in keeping with SEC requirements.
4. Fraternal may issue, upon approval of the Director of Insurance, new life or health insurance products that may be developed in the future and that are approved for use by commercial insurers.

Certain outdated provisions of current Chapter 84 are deleted, while other provisions have been consolidated and re-written in "easy to understand" language that is gender neutral.

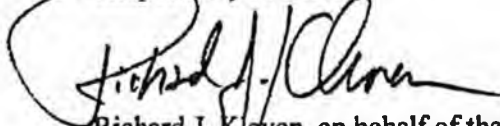
This Model Fraternal Code has been enacted in 33 states and four other states have enacted its essential features. There are no domestic fraternal benefit societies licensed in Alaska, but several societies from other states are. Those societies have over 8,000 members in Alaska, and through their 45 local lodges in your state in 1995 held 818 fraternal events, performed 9,587 fraternal acts of service represented by 57,988 hours of service. In addition, Alaska licensed fraternal benefit societies disbursed \$227,488 for fraternal, charitable and benevolent activities for the citizens of Alaska in 1995.

Model Fraternal Code
State of Alaska
March 6, 1997
Page 3

The revisions contained in the Model Fraternal Code will be of benefit to the Alaska Division of Insurance, to the licensed fraternal benefit societies in Alaska, to their 8,000+ members in the state, to the Alaska citizens who may in the future become members of a fraternal benefit society, and to the communities which we also serve.

Therefore, on behalf of the NFCA, I respectfully request that House Bill 179 and Senate Bill 119 be favorably considered and enacted by the Legislature of Alaska.

Respectfully submitted,



Richard J. Kleven, on behalf of the National Fraternal Congress of America
March 1997

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

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

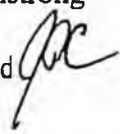
130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

March 12, 1997

SUBJECT: Sectional Summary of House Bill 179. (Work Order No. 20-LS0720\A)

TO: Representative Norman Rokeberg
Attn: Shirley Armstrong

FROM: James P. Crawford 
Assistant Revisor

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

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

Additionally, there appear to be no cases in Alaska that substantively discuss Fraternal Benefit Organizations in a way that could provide guidance on issues presented in the bill. Consequently, the division of insurance is likely to one of the best resources to tap should questions about the bill arise.

Finally, rather than trying to discuss every point in each bill section exhaustively, I have limited discussion where possible to the main points of each section in the interests of readability and brevity.

Section 1. This section adds Article 1.

AS 21.84.005 - This section relates to representative forms of government of societies, which, among other things, must have a supreme governing body that is either an assembly or a board. In subsection (c), there is in my mind a question whether a supreme governing body board is in addition to or in place of a board of directors. However, once the sponsor decides this issue, minor language changes could clear up any ambiguity. *For purposes of comparison, some analogous or similar provisions in existing law are found in AS 21.84.900(4).*

AS 21.84.015 - This section requires that societies provide benefits as set out in AS 21.84.201 and operate for certain purposes. It also allows societies to adopt laws and rules

Representative Norman Rokeberg
March 12, 1997
Page 2

relating to its government. *For purposes of comparison, some analogous or similar provisions in existing law are found in AS 21.84.200 and AS 21.84.060(2).*

Section 2. This section adds 21.84.025, which relates to qualifications for membership, classes and types of membership, rights and privileges of and limitations on membership, and nonassignability of membership rights. *For purposes of comparison, some analogous or similar provisions in existing law are found in AS 21.84.180.*

Section 3. This section adds AS 21.84.035, which relates to location of the principal office; business transacted at meetings; minutes of the proceeding, which must conform to the English language requirement set out in AS 21.84.070; the official publication; synopses of annual statements; and grievance and complaint procedures. *For purposes of comparison, some analogous or similar provisions in existing law are found in AS 21.84.160 and 21.84.340(c).* Please note that subsection (c) is essentially restated in 21.84.465(e), found in bill section 26. Because this material fits better in the context of AS 21.84.465, the material should be removed from this section if the sponsor wants to eliminate what appears to be a redundancy.

By cross-referencing AS 21.84.070, the bill incorporates an English-language requirement for certain documents. I have recently (this morning at 8:00 am) become aware that a challenge to the constitutionality of an English-only law in Arizona reached the U.S. Supreme Court. Before reaching the Supreme Court, lower courts held the law, which required Arizona state employees to express the "official acts" of the state in English, to be unconstitutional. However, the Supreme Court vacated the lower court holdings as moot because the state employee resigned from state employment a day after notices of appeal were filed. US Sup Ct, No. 95-974, 3/3/97. I have not had time to research this issue more closely, but I think it is safe to say that the constitutionality of such laws is an open question in the Ninth Circuit, which encompasses Alaska. There may be a distinction between that case and the present situation in that the law in Arizona required use of English by public employees, where the law here requires the use of English by private organizations.

Section 4. This section adds AS 21.84.045, which provides that officers and members are not personally liable for a society's benefits; requires indemnification and reimbursement of certain persons, along with exceptions; allows purchase of insurance on behalf of directors, officers, employees, and agents for certain purposes; and provides limited immunity for certain persons serving without compensation. *For purposes of comparison, some analogous or similar provisions in existing law are found in AS 21.84.250.*

Section 5. This section adds AS 21.84.055, which allows a society to provide that laws may not be waived in certain circumstances, and AS 21.84.059, which relates to the process by which a society may amend its laws. *For purposes of comparison, some analogous or similar provisions in existing law are found in AS 21.84.150 and 21.84.140.*

Representative Norman Rokeberg
March 12, 1997
Page 3

Section 6. This section amends AS 21.84.060 by changing "society" to "domestic society"; by inserting a date relating to a domestic society's form of government; by deleting references to certain purposes of societies, which may now be found in AS 21.84.015(a)(2); and by changing "certificate" to "certificate of authority."

Section 7. This section amends AS 21.84.070, the most significant amendments being the increase in the amounts of bonds relating to the completion date of the organization of a society.

Section 8. This section amends AS 21.84.080 by changing "certificate" to "certificate of authority" and "society" to "domestic society."

Section 9. This section amends 21.84.090, the most significant amendments relating to requirements a society must satisfy before taking actions relating to incurring liabilities, issuing certificates, or paying certain benefits.

Section 10. This section amends AS 21.84.100 by changing "society" to "domestic society" and by changing "certificate" to "certificate of authority."

Section 11. This section amends AS 21.84.120 to change a date relating to an obligation for a society to reincorporate.

Section 12. This section amends AS 21.84.170(a) to provide that societies may operate not for profit institutions to further purposes permitted by AS 21.84.015.

Section 13. This section adds AS 21.84.175, which relates to reinsurance agreements by societies. *For purposes of comparison, some analogous or similar provisions in existing law are found in AS 21.84.310.*

Section 14. This section adds 21.84.185, which relates to procedures and requirements for consolidations and mergers between societies. *For purposes of comparison, some analogous or similar provisions in existing law are found in AS 21.84.500 and 21.84.510.*

Section 15. This section adds 21.84.195, which relates to plans of conversion from a fraternal benefit organization to a mutual life insurance company. *For purposes of comparison, some analogous or similar provisions in existing law are found in AS 21.84.520.*

Section 16. This section adds 21.84.201, which lists types of benefits a society may provide, requires a society to specify rules relating to persons who may be issued or covered by contractual benefits, and allows benefits on the lives of persons under the age of adult membership. *For purposes of comparison, some analogous or similar provisions in existing law are found in AS 21.84.200.*

Representative Norman Rokeberg
March 12, 1997
Page 4

Section 17. This section amends AS 21.84.230(a) to provide for irrevocable beneficiary designations.

Section 18. This section amends AS 21.84.230(c) to provide that benefit contract proceeds are payable to the owner of the benefit contract at the death of an insured person if the insured person was not the owner and if there are no beneficiaries.

Section 19. This section adds AS 21.84.255, which relates to benefit contracts. It describes materials comprising the benefit contract; it describes the effect on certificate owners and beneficiaries of amendments to a society's laws; it discusses certain persons below the age of majority; it describes requirements that apply if reserves of classes of certificates become impaired; it discusses requirements relating to certificates of benefit contracts; it discusses transferability of certain benefit contracts; and it discusses assignability of benefit contracts. *For purposes of comparison, some analogous or similar provisions in existing law are found in AS 21.84.260 and 21.84.270.*

Section 20. This section adds AS 21.84.265, which relates to the size of certain amounts and benefit values connected to certificates. These amounts and benefit values are treated differently based on the certificate's date of issuance. If the certificate was issued before a specified date, the size is set by the provision of laws applicable on the day before the effective date of the Act. Note that the Act has an effective date of January 1, 1998, assuming the effective date provision receives the required number of votes. On the other hand, if the certificate was issued on or after the specified date, the size is set by reference to interest rate and mortality tables authorized by state law and used in calculating similar benefits of life and health insurers. The pivotal specified date in this section is a date one year after the effective date of the act. *For purposes of comparison, some analogous or similar provisions in existing law are found in AS 21.84.220.*

Section 21. This section adds AS 21.84.275, which describes investments authorized for societies, including foreign and alien societies. *For purposes of comparison, some analogous or similar provisions in existing law are found in AS 21.84.330.*

Section 22. This section amends AS 21.84.320(a) by changing "contract" to "benefit contract."

Section 23. This section adds subsection (d) to AS 21.84.320. This subsection relates to the establishment and operation of separate accounts and contracts issued on a variable basis.

Section 24. This section adds AS 21.84.335, which provides that societies are governed by AS 21.84 but are exempt from all other provisions of the insurance laws of the state except for specific chapters and sections listed. These listed chapters and sections outside AS 21.84 apply to societies to the extent applicable unless they conflict with AS 21.84. *For purposes*

Representative Norman Rokeberg
March 12, 1997
Page 5

of comparison, some analogous or similar provisions in existing law are found in AS 21.84.590.

Section 25. This section adds 21.84.455, which relates to standards of valuation of certificates issued by societies. *For purposes of comparison, some analogous or similar provisions in existing law are found in AS 21.84.350.*

Section 26. This section adds AS 21.84.465, which requires the filing of an annual statement of certain information about the society; requires the communication of synopses of the statement to benefit members; and allows the director of the division of insurance to require more frequent filing of statements. Note that subsection (e) essentially restates AS 21.84.035(c), set out in bill section 3. *For purposes of comparison, some analogous or similar provisions in existing law are found in AS 21.84.340.*

Section 27. This section adds AS 21.84.475, which relates to licences and renewals. Certain societies are authorized to conduct business through June 30 immediately following the effective date of the Act, which has an effective date of January 1, 1998, assuming the effective date provision receives the required number of votes. This authorization relates (1) to societies authorized to conduct business on the effective date of the act, and (2) to societies that become licensed after the effective date but before July 1 immediately following the effective date. The authority of these societies may be renewed annually but terminates on the first day of the succeeding July, which is also the case for all other societies. However, issued licenses continue until a new license is issued or specifically refused. *For purposes of comparison, some analogous or similar provisions in existing law are found in AS 21.84.030.*

Section 28. This section adds AS 21.84.485, which allows the director of the division of insurance to examine societies in the manner authorized under AS 21.06.120 - 21.06.230 for examination of insurers. Note that AS 21.06 has additional sections relating to examination that this section does not reference. *For purposes of comparison, some analogous or similar provisions in existing law are found in AS 21.84.370, 21.84.380, and 21.84.390.*

Section 29. This section adds 21.84.495, which relates to the licensing of foreign or alien societies. *For purposes of comparison, some analogous or similar provisions in existing law are found in AS 21.84.040.*

Section 30. This section adds AS 21.84.535, which relates to suspension, revocation, or refusal of licenses of foreign or alien societies. *For purposes of comparison, some analogous or similar provisions in existing law are found in AS 21.84.050.*

Section 31. This section adds 21.84.565, which requires agents of societies to be licensed in accordance with AS 21.27, which relates to licensing requirements in the insurance

Representative Norman Rokeberg
March 12, 1997
Page 6

industry in Alaska. It also creates an exception to requirements of examination and licensing.

Section 32. This section adds 21.84.575, which subjects societies and agents to AS 21.36, relating to unfair methods of competition or unfair or deceptive acts or practices in the business of insurance. This section also clarifies that the application of AS 21.36 does not affect certain activities by societies.

Section 33. This section adds Article 7 to AS 21.84.

AS 21.84.625 - This section requires a society to appoint the director of the division of insurance as its representative for receiving service of process. *For purposes of comparison, some analogous or similar provisions in existing law are found in AS 21.84.490.*

AS 21.84.650 - This section provides specific penalties for certain acts and a general penalty for acts that constitute a violation of AS 21.84 that are not penalized elsewhere.

AS 21.84.675 - This section provides for judicial review of decisions and findings of the director of the division of insurance. *For purposes of comparison, some analogous or similar provisions in existing law are found in AS 21.84.550.*

AS 21.84.700 - This section creates exemptions from the application and effect of AS 21.84 for certain categories of associations offering certain kinds of benefits. However, this section also removes the exemptions in some circumstances and places restrictions on activities of certain exempt associations. Also, please note that subsection (f) provides that societies that are exempt from the provision of AS 21.84 are "exempt from all other provisions of the insurance laws of this state," also found in existing law. *For purposes of comparison, some analogous or similar provisions in existing law are found in AS 21.84.020.*

Section 34. This section amends four definitions in AS 21.84.900, the chapter's definitions section, and repeals one definition, which is "representative form of government." This phrase is now found in AS 21.84.005, set out bill section 1.

Section 35. This section adds nine defined terms or phrases to AS 21.84.900.

Section 36. This section repeals those sections from AS 21.84 that have not been retained.

Section 37. This section provides an effective date of January 1, 1998.

JPC:glc
97-166.glc



Post-It™ brand fax transmittal memo 7671		# of pages >	1
To	Sen. Loren Leman	From	Greg Eisert
Co.		Co.	Luth. Brotherhood
Dept.		Phone #	907-277-0335
Fax #	907-465-320	Fax #	907-274-6841

March 10, 1997

Senator Loren Leman
Chairman, Senate Labor and Commerce Committee

Dear Mr Chairman:

I am writing to indicate my support of H.F. 179 and S. F. 119, which would bring the Model Fraternal Code to Alaska. As a fraternalist, and a member of Lutheran Brotherhood, and also as a District Rep. for Lutheran Brotherhood, this bill is important to me as it will allow fraternalists the flexibility to meet the needs of their members now and into the future. It will not change our basic nature as not-for-profit, self-help membership organizations, with local lodges throughout our state and the rest of the nation.

Thank you for your support of this bill.

Gregory A. Eisert FIC,
2525 Blueberry Rd. Ste.102
Anchorage, AK 99503
(907) 277-0035

John L. George & Associates
3328 Fritz Cove Road
Juneau, Alaska 99801
Tel. 907 789-0172 Fax 907 789-6964

March 10, 1997

The Honorable Loren Leman
Chairman Senate Labor and Commerce Committee
State Capitol
Juneau, Alaska 99801

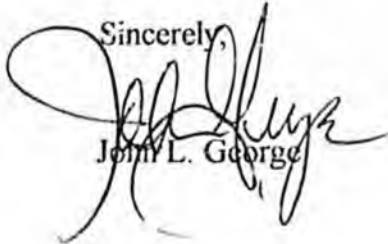
Reference: SB 119

Dear Senator Leman,

On behalf of the American Council of Life Insurance, I would like to express our support for SB 119 which up dates the insurance statutes relating to fraternal benefit societies. Fraternal provide insurance products to their members in competition with products provided by stock and mutual life insurance companies. Although fraternal serve a relatively small and specialized membership, we believe that they are an important provider of coverage to their members.

The proposed legislation modernizes the current statutes and does not create a significant competitive advantage or disadvantage for fraternal benefit societies. Although I do not plan to testify on this bill before your committee, I wanted to express to you that we support passage of this legislation.

Sincerely,



John L. George



**LUTHERAN
BROTHERHOOD**

H. Wayne Berg
District Representative

P.O. Box 3247
Ketchikan, AK 99901
Phone: (907) 225-8965

March 10, 1997

Senator Loren Leman
Chairman, Senate Labor and Commerce Committee
Alaska State Legislature

Dear Mr. Chairman;

I am writing to indicate my support of H.F. 179 and S.P. 119, which would bring the Model Fraternal code to Alaska. As a fraternalist, member of and District Representative for Lutheran Brotherhood, this bill is important to me as it will allow fraternalists the flexibility to meet the needs of their members now and in the future. It will not change our basic nature as not-for-profit, self-help membership organizations, with local lodges throughout our state and the rest of the nation.

Thank you for your support of this bill.

Sincerely,

H. Wayne Berg
600 Main St.
Ketchikan, Ak. 99901

**WOODMEN OF THE WORLD/OMAHA WOODMEN
LIFE INSURANCE SOCIETY**

WOODMEN TOWER, 1700 FARNAM ST.
OMAHA, NEBRASKA 68103
TELEPHONE (402) 842-1800
FACSIMILE (402) 841-0668

March 11, 1997

VIA FACSIMILE 907-465-3810

The Honorable Loven Leman
Alaska State Senate
Juneau, Alaska

MARK D. THEISEN
*Vice President and
General Counsel*

CALVIN E. ROBINSON
*Vice President and
Associate General Counsel*

JAMES M. GLEASON
*Assistant Vice President and
Associate General Counsel*

LYNN L. ESPELAND
Assistant General Counsel

S. JAMES PATTERSON
Assistant General Counsel

Dear Senator Leman:

Re: S.119 (Model Fraternal Code)

On behalf of our 117 members in the State of Alaska, Woodmen of the World/Omaha Woodmen Life Insurance Society strongly supports the adoption of the Model Fraternal Code in Alaska. We hope that Alaska will join the over two-thirds of other states who have adopted the Model Code on behalf of fraternal benefit societies and fraternalists in their states.

Again, we support S.119 and concur with statements made in support of S.119 by the individual who will be representing the National Fraternal Congress of America (NFCA), who I believe will be Mr. Rick Kleven of Lutheran Brotherhood.

Sincerely,

Mark D. Theisen
Vice President and
General Counsel

lj

cc: David Brummond, General Counsel
National Fraternal Congress of America

March 12, 1997

Senator Loren Lemman
Chair, Senate Labor And Commerce
State Capitol
Juneau, AK 99801-1182

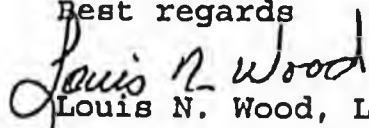
Dear Senator Lemman

I am writing to ask your support for a bill now pending in the Alaska Senate that affects the future of the fraternal benefit system in this state. Senate Bill 119 would implement the provisions of the Model Fraternal Code of the National Fraternal Congress of America in Alaska.

Fraternal benefit societies are nonprofit, self-help membership organizations formed by people of common ethnic, religious, or vocation backgrounds or people holding similar moral, ethical, or patriotic beliefs. By law, fraternal benefit societies must operate on a lodge system, maintain a representative form of government and offer benefits solely to members and their dependants. The Model Fraternal Code is needed in Alaska to update the law governing fraternal benefit societies and modernize the authority for fraternalists to offer meaningful benefits to members.

I ask for your support for Senate Bill 119 so that fraternal benefit societies can continue their work in addressing community needs in this state. Thank you for your consideration of this measure.

Best regards


Louis N. Wood, LUTC

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. SB 119

Revision Date: _____
 Title: An Act relating to fraternal societies; and providing for
an effective date.
 Sponsor: Senate L & C
 Requestor: _____

Department: Commerce and Economic Development
 BRU: Insurance
 Component: Insurance
 COMPONENT SERIAL NO. _____ 324

(Thousands of Dollars)

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

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

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

(Thousands of Dollars)

FUND SOURCE	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 97) cost: \$ 0.0

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)
 This bill will not have a fiscal impact on the component.

Prepared by: Marianne K. Burke, Director *Marianne K. Burke* Phone: 465-2515
 Division: Insurance Date: _____
 Approved by Commissioner: William L. Hensley *William L. Hensley* Date: 2-10-97
 Agency: Commerce and Economic Development

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

122

SB

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA


(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

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

MEMORANDUM

March 13, 1997

SUBJECT: Insurance discrimination - (SB 122)

TO: Senator Loren Leman 
Attn: Annette

FROM: Michael F. Ford
Legislative Counsel

You asked for an explanation of the legal effect of adding marital and family therapists to AS 21.36.090(d). This provision of law requires that group health insurers who provide coverage for a particular health care service, cannot deny coverage for services performed by a listed class of health care provider, if the service is within the scope of the health care provider's occupational license. By adding marital and family therapists to the list of "provider" they fall under the antidiscrimination protection of this section. For example, assuming SB 122 becomes law, if a marital and family therapist provides a service that is covered under the health insurance policy and within their occupational license, an insurer could not deny coverage. Note that SB 122 does not mandate coverage for particular services. Only if the service is covered under the group health policy does AS 21.36.090(d) have an effect.

Please contact me if you have further questions.

MFF:glc
97-171.glc

Alaska State Legislature

Senate



Official Business

State Capitol
Juneau, AK. 99801-1182

Labor and Commerce Committee

SB 122 Sponsor Statement

Senate Bill 122 was introduced by the Labor and Commerce Committee at the request of the Alaska Association for Marriage and Family Therapy (AAMFT). SB 122 will add marital and family therapists to the list of providers against whom insurers may not discriminate.

This bill does not require insurers to add coverage of marital and family therapists where the coverage currently is not provided. It merely requires that insurers treat marital and family therapists on equal footing with other licensed providers and extend the same opportunities for coverage that the insurer offers others providing the same services. The definition of unfair discrimination is clarified by this bill and codifies existing practice.

Section 1, paragraph 1 adds marital and family therapists to the unfair discrimination list under group health insurance policies with an effective date of July 1, 1997. Paragraph 2 clarifies the definition of unfair discrimination.

Legislation (Section 4, ch. 39, SLA 1993) affecting the unfair discrimination clause was passed in 1993 with an effective date of 1998. Section 2 repeals and reenacts this section to reflect the addition of marital and family therapists and clarifies the definition of unfair discrimination.

AAMFT is a division of the American Association for marriage and Family Therapy, Inc. Marriage and family therapists (MFTs) are a group of mental health professionals with background in a variety of disciplines, including psychology, social work, and family social science. MFTs are licensed or certified in 37 states and are recognized by the U.S. Department of Health and Human Services as one of the five core mental health disciplines in the U.S.

SENATE COMMITTEE REPORT

First Committee of Referral

DATE: 3/6/97

FURTHER: HESS

Date of 5-Day Notice: 3-20-97
(in accordance with Uniform Rule 23)

DATE TURNED IN TO OFFICE: 4-9-97

Labor and Commerce Committee considered SENATE BILL NO. 122

"An Act relating to unfair discrimination under a group health insurance policy for services provided by marital and family therapists; and providing for an effective date."

and recommends:

- be replaced with _____ CS SB 122 (L.C.)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical title
 - new: SCR# _____

SIGNING DQ PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
		<i>Terri Kelly</i>	✓		
		<i>Jim [unclear]</i>	✓		
		<i>Rick Miller</i>	✓		
CHAIR: <i>Robert J. Hemen</i>	✓	CHAIR:			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal
<i>DL+ED D.V. 17, 2000</i>	<i>3/25</i>	✓	

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. SB 122

Revision Date: _____
 Title: An Act relating to unfair discrimination under a group
insurance policy for services provided by marital and family therapists
 Sponsor: Senate L&C
 Requestor: _____

Department: Commerce and Economic Development
 BRU: Insurance
 Component: Insurance
 COMPONENT SERIAL NO. _____ **324**

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

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

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 97) cost: \$ 0.0

POSITIONS						
FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

This bill has no fiscal impact on the component.

Prepared by:	Marianne K. Burke, Director	Phone: 465-2515
Division:	Insurance	Date: 3-25-97
Approved by Commissioner:	William L. Hensley	Date: 3/25/97
Agency:	Commerce and Economic Development	

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

Alaska State Legislature

Senate



Official Business

State Capitol
Juneau, AK. 99801-1182

Senate Labor & Commerce Committee

Memo

TO: Legal Services
via fax: 2029 two pages

FROM: Annette Kreitzer, Aide to
Senate Labor & Commerce Committee
X 3844

DATE: April 8, 1997

RE: FINAL Committee Substitute for SB 122

SB 122: Marital & Family Therapists passed from Senate Labor & Commerce Committee today with the following changes:

- 1) Amendment LS0700\E.1 by Ford dated 4/8/97

Please deliver the FINAL committee substitute to Senator Leman's office, Room 115. There were no other changes to the bill.

A M E N D M E N T

OFFERED IN THE SENATE

TO: SB 122

1 Page 1, line 11, following "subsection,":

2 Insert "(1)"

3 Page 2, line 1, following "midwife":

4 Insert ";

5 (2) "unfair discrimination" does not include requirements imposed
6 by an insurer for purposes of utilization review, cost containment, or standards
7 of clinically appropriate health care services"

8 Page 2, line 8, following "subsection,":

9 Insert "(1)"

10 Page 2, line 11, following "worker":

11 Insert ";

12 (2) "unfair discrimination" does not include requirements imposed by
13 an insurer for purposes of utilization review, cost containment, or standards of
14 clinically appropriate health care services"

RONALD K. POLLOCK, D.O.

110 WEST 18TH AVENUE, SUITE A
ANCHORAGE, ALASKA 99501
TELEPHONE (907) 272-1892

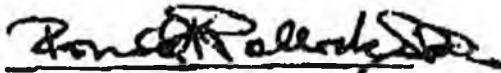
PSYCHIATRY

7 April 1997

To Whom It May Concern:

This letter is written in support of Licensed Marriage and Family Therapists. I work with LMFT's on a regular basis and find their therapeutic skills to be equal or superior to other mental health professionals of similar training level. Licensed Marriage and Family Therapists are especially well trained in the areas of couple and family therapy, yet insurers in Alaska do not compensate them equally.

I urge lawmakers to remove the obstacles that allow insurance companies to deny compensation to LMFT's, who are trained and licensed to provide these types of needed care to Alaskan families.



Ronald K. Pollock, D.O.

MW:pr

Merjeanne A. Moore, D.O.

Psychiatry
110 West 15th Avenue, Suite A
Anchorage, Alaska 99501
(907) 272-1892 Telephone
(907) 272-0962 Fax

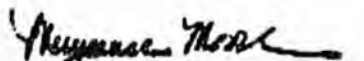
7 April 1997

To Whom It May Concern:

This letter is written in support of Licensed Marriage and Family Therapists receiving status and reimbursement by health insurers equal to that received by Licensed Clinical Social Workers.

I have worked in hospital and clinic settings for 15 years, supervising and working closely with LMFT's and LCSW's. Licensing of each requires a Master's degree, supervised internship in a clinical setting, and in Alaska, licensure by the State Division of Occupational Licensing. LMFT's and LCSW's have very similar professional abilities and performance expectations; moreover, an LMFT's training specifically includes family and couples psychotherapy.

I urge lawmakers to allow LMFT's recognition for the services they provide.



Merjeanne Moore, D.O.

MM:pr