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9784 HOUSE COMMUNITY & REGIONAL AFFAIRS

1 activities funded under the business incentive training program. To be eligible for  
2 training or education services under AS 23.05.400 - 23.05.510, immediately before  
3 beginning training or education under the program a person shall

4 (1) have been unemployed and

5 (A) receiving unemployment insurance benefits; or

6 (B) have exhausted the right to unemployment insurance benefits  
7 within the past three years;

8 (2) be liable to be displaced from work within the next six months  
9 because of

10 (A) reductions in overall employment within the business;

11 (B) elimination of the person's current job; or

12 (C) a change in the conditions of the employee's job requiring  
13 that, to remain employed, the employee must have substantially different skills  
14 that the employee does not now possess; or

15 (3) have worked in a position covered by AS 23.20 at any time during  
16 the last three years and be ineligible for unemployment insurance benefits because the  
17 person

18 (A) was working in a seasonal, temporary, part-time, or other  
19 marginal employment;

20 (B) has insufficient qualifying wages because of limited job  
21 opportunities; or

22 (C) is employed, but, because the person is underemployed, the  
23 person needs employment assistance and training to obtain full employment.

24 (e) Payments to employers for on-the-job training of participants who experience  
25 multiple barriers to employment or are eligible under the Job Training Partnership Act  
26 (P.L. 97-300) may not average more than 80 percent of the wages paid by the employer  
27 to the participant. Payments to employers for on-the-job training of other participants  
28 may not average more than 50 percent of the wages paid by the employer to participants.  
29 The payments shall be considered to be in compensation for the extraordinary costs  
30 associated with training employees for new positions and the lower productivity of the  
31 participants.

32 (f) A grant made under the business incentive training program may not be used

1 to duplicate facilities or services available in the area from federal, state, or local sources  
2 unless the business incentive training plan establishes that services or facilities under the  
3 program would be more effective or more likely to achieve performance goals.

4 (g) A fee may not be charged for placing an individual in or referring an  
5 individual to a training program under AS 23.05.400 - 23.05.510.

6 (h) A business incentive training grant may not be awarded to a program that  
7 involves political activities.

8 (i) An employer at whose request a participant is offered training shall fulfill the  
9 obligation to offer a successful participant in the business incentive training program a  
10 position or promotion, as applicable. A participant is considered successful if the  
11 participant satisfactorily completes the training program in which the participant was  
12 enrolled.

13 **Sec. 23.05.450. Compensation for participants.** (a) A trainee may not receive  
14 a payment for training activities in which the trainee fails to participate.

15 (b) An individual in on-the-job training shall be compensated by the employer  
16 at the same rates, including periodic increases, as similarly situated employees or  
17 trainees and in accordance with applicable law. However, an individual may not be paid  
18 less than the state minimum wage under AS 23.10.065 whether or not the individual is  
19 exempt under AS 23.10.055 or 23.10.070.

20 (c) An individual employed in activities authorized under the business incentive  
21 training program other than on-the-job training shall be paid wages that are not less than  
22 the highest of

23 (1) the state minimum wage under AS 23.10.065;

24 (2) the prevailing rate of pay for individuals employed in similar  
25 occupations by the same employer; or

26 (3) the prevailing rate of wages under AS 36.05 or 40 U.S.C. 276a -  
27 276a-5, if applicable.

28 (d) Allowances, earnings, and payments to individuals participating in programs  
29 under the business incentive training program may not be considered as income in  
30 determining eligibility for and the amount of income transfer and in-kind aid furnished  
31 under a state program based on need, other than programs under the Social Security Act.

32 (e) Conditions of employment and training must be appropriate and reasonable

1 in light of factors including the type of work, geographical region, and proficiency of  
2 the participant.

3 (f) An individual employed in a subsidized job under the business incentive  
4 training program shall be provided benefits and working conditions at the same level and  
5 to the same extent as other employees working a similar length of time and doing the  
6 same type of work.

7 (g) Money from a grant under the business incentive training program may not  
8 be used for contributions on behalf of a participant to retirement systems or plans.

9 **Sec. 23.05.460. Reporting and record keeping.** (a) A grant administrator shall  
10 maintain records of each participant's enrollment in a business incentive training  
11 program in sufficient detail to demonstrate compliance with AS 23.05.400 - 23.05.510.

12 (b) The council shall adopt regulations concerning retention of records.

13 (c) The council shall, no later than February 1 of each year, prepare a report  
14 concerning the incentive program and notify the legislature that the report is available.

15 **Sec. 23.05.470. Allowable costs.** (a) To be allowable, a cost must be necessary  
16 and reasonable for proper and efficient administration of the program. The following  
17 costs are not allowable:

18 (1) costs resulting from violations of or failure to comply with federal,  
19 state, or local laws and regulations;

20 (2) entertainment costs; and

21 (3) insurance policies offering protection against debts established by the  
22 federal government.

23 (b) Personal liability insurance for members of the private industry council is  
24 an allowable cost.

25 **Sec. 23.05.480. Performance standards.** (a) The basic measure of  
26 performance for training programs under AS 23.05.400 - 23.05.510 is the increase in  
27 jobs in the area and in employment and earnings for participants resulting from  
28 participation in the program. In order to determine whether these standards are  
29 achieved, the governor shall adopt standards based on appropriate factors.

30 (b) The governor shall provide technical assistance to programs that do not meet  
31 performance criteria. If a program fails to meet performance standards for two  
32 consecutive years, the governor shall withdraw unencumbered funds from the program.

1 (c) An interested party who is harmed by a change made under this section is  
2 entitled to a hearing under AS 44.62 (Administrative Procedure Act).

3 **Sec. 23.05.490. Limitation on certain costs.** No more than 15 percent of the  
4 money available to a service delivery area for a fiscal year may be expended for the cost  
5 of administration. For purposes of this section, costs of program support, including  
6 counseling, that are directly related to the provision of education or training to  
7 participants may not be counted as part of the cost of administration.

8 **Sec. 23.05.500. Selection of service providers.** (a) The primary consideration  
9 in selecting agencies or organizations to deliver services within a service delivery area  
10 is the effectiveness of the agency or organization in delivering comparable or related  
11 services based on demonstrated performance, in terms of the likelihood of meeting  
12 performance goals, cost, quality of training, and characteristics of participants. In  
13 complying with this subsection, proper consideration shall be given to community based  
14 organizations as service providers.

15 (b) Appropriate education agencies in the service delivery area shall be given  
16 the opportunity to provide educational services, unless the grant administrator determines  
17 that alternative agencies or organizations would be more effective or would have greater  
18 potential to enhance the participants' continued occupational and career growth.

19 (c) The grant administrator may not fund an occupational skills training program  
20 unless the level of skills provided in the program is in accordance with guidelines  
21 established by the private industry council.

22 **Sec. 23.05.510. Definitions.** In 23.05.400 - 23.05.510,

23 (1) "council" means the Alaska Human Resources Investment Council  
24 established in AS 44.19.620;

25 (2) "incentive program" means the business incentive training program  
26 established under AS 23.05.400;

27 (3) "participant" means an individual receiving education or training,  
28 including on-the-job training, under an incentive program grant.

29 \* **Sec. 23.** AS 23.15.645(b) is amended to read:

30 (b) When a grant is awarded to the council, the department shall annually  
31 provide to the council a priority list of targeted projects or services, based on  
32 unemployment statistics, unemployment insurance claims, occupational and industrial

1 projections, availability of other training and employment programs, and other relevant  
2 data. The department shall also provide annually to the council a priority list of criteria  
3 for eligibility to maximize services to those people most in need of training under  
4 AS 23.15.620 - 23.15.660. In developing the priority list for targeted projects and  
5 services, the department shall solicit comments from the [DEPARTMENT OF  
6 COMMUNITY AND REGIONAL AFFAIRS,] Department of Education, Department  
7 of Commerce and Rural [ECONOMIC] Development, University of Alaska, organized  
8 labor, the council, and the administrative entities of the substate service delivery areas  
9 established for the council. The department shall give preference to projects and  
10 services that train individuals in industries identified in the resident hire report required  
11 under AS 36.10.130 as employing a disproportionate percentage of nonresident  
12 individuals.

13 \* Sec. 24. AS 24.08.035(e) is amended to read:

14 (e) If a bill or resolution, except an appropriation bill, significantly increases  
15 costs to a municipality, there shall be attached to the measure a municipal fiscal note  
16 containing an estimate for the current fiscal year and five succeeding fiscal years of the  
17 cost to municipalities that would result from enactment of the measure. The last  
18 committee to which the bill is referred on the day it is introduced in the house of origin  
19 shall request the municipal fiscal note. It shall be prepared by the Department of  
20 Commerce and Rural Development [COMMUNITY AND REGIONAL AFFAIRS].  
21 It shall be delivered in accordance with (d) of this section within five days of the  
22 request, or within two days if the request is made after the 90th day of a regular session  
23 or during a special session. The municipal fiscal note must contain information that  
24 substantially complies with (c)(1), (2), and (6) - (9) of this section to the extent the  
25 information is available to the department.

26 \* Sec. 25. AS 26.23.071(b) is amended to read:

27 (b) The commission consists of the commissioners of commerce and rural  
28 development [COMMUNITY AND REGIONAL AFFAIRS], environmental  
29 conservation, fish and game, health and social services, labor, natural resources, public  
30 safety, and transportation and public facilities, or the designees of the commissioners,  
31 the adjutant general of the Department of Military and Veterans' Affairs or a designee,  
32 and seven members of the public appointed by the governor, two of whom must be

1 members of a local emergency planning committee for an emergency planning district  
2 that is predominantly rural in character and two of whom must be members of a local  
3 emergency planning committee for an emergency planning district that is predominantly  
4 urban in character. Two of the other three members of the public who are appointed to  
5 the commission must be members of the governing body of, or the mayor of, a political  
6 subdivision that has a local emergency planning committee or a person who, in the  
7 opinion of the governor, is otherwise appropriate to represent the political subdivision.  
8 The United States Department of Defense - Alaska Command, the Federal Emergency  
9 Management Agency, the United States Environmental Protection Agency, and the  
10 United States Coast Guard may each appoint a representative to serve on the commission  
11 in an ex-officio, nonvoting capacity. To the extent practicable, the commission must  
12 include members with expertise in the emergency response field.

13 \* Sec. 26. AS 28.01.010(b) is amended to read:

14 (b) A municipality may adopt by reference all or a part of this title and  
15 regulations adopted under this title, and may request and shall receive from the  
16 Department of Commerce and Rural Development [COMMUNITY AND REGIONAL  
17 AFFAIRS] and, as appropriate, either the Department of Administration or the  
18 Department of Public Safety, assistance in the drafting of model ordinances for adoption  
19 by reference. Notwithstanding (a) of this section, a municipality may enact necessary  
20 ordinances to meet specific local requirements.

21 \* Sec. 27. AS 29.06.040(c) is amended to read:

22 (c) In addition to the regulations governing annexation by local action adopted  
23 under AS 44.33.812 [AS 44.47.567], the Local Boundary Commission shall establish  
24 procedures for annexation and detachment of territory by municipalities by local action.  
25 The procedures established under this subsection must include a provision that

26 (1) a proposed annexation and detachment must be approved by a  
27 majority of votes on the question cast by voters residing in the area proposed to be  
28 annexed or detached;

29 (2) municipally owned property adjoining the municipality may be  
30 annexed by ordinance without voter approval; and

31 (3) an area adjoining the municipality may be annexed by ordinance  
32 without an election if all property owners and voters in the area petition the governing

1 body.

2 \* Sec. 28. AS 29.60.120(d) is amended to read:

3 (d) Before money may be distributed under this section, the commissioner of  
4 health and social services shall certify to the commissioner of commerce and rural  
5 development [COMMUNITY AND REGIONAL AFFAIRS] that any accumulation of  
6 assets by nonprofit corporations or other recipients under this section is dedicated  
7 irrevocably to a public purpose.

8 \* Sec. 29. AS 29.60.370(a) is amended to read:

9 (a) The amount allocated to the per capita account in the safe communities  
10 program shall be distributed to each municipality on the basis of population. Population  
11 for the purpose of this section shall be as certified by the commissioner of commerce  
12 and rural development [COMMUNITY AND REGIONAL AFFAIRS]. In determining  
13 the population of a borough, the population of all cities in the borough shall be deducted  
14 from the total population of the borough.

15 \* Sec. 30. AS 29.60.599(9) is amended to read:

16 (9) "village" means a place within the unorganized borough or within a  
17 borough if the power, function, or service for which a grant application is submitted  
18 under AS 29.60.500 - 29.60.599 is not exercised or provided by the borough on an  
19 areawide or nonareawide basis at the time the grant application is submitted, that

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

23 (B) has

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

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

28 (iii) a council recognized by the commissioner under  
29 regulations adopted by the department to determine and give official  
30 recognition of village entities under AS 44.33.755(b) [AS 44.47.150(b)].

31 \* Sec. 31. AS 29.60.620(b) is amended to read:

32 (b) For purposes of (a) of this section, population shall be determined by the

1 Department of Commerce and Rural Development [COMMUNITY AND REGIONAL  
2 AFFAIRS] based on the latest figures of the United States Bureau of the Census or other  
3 reliable population data. If a city within a borough has an approved grant for a service  
4 to be provided on an areawide basis, the allocation under (a) of this section shall be  
5 based on the population of the borough.

6 \* Sec. 32. AS 29.60.650(2) is amended to read:

7 (2) "municipality" means a (A) city whose population is over 20,000; (B)  
8 unified municipality whose population is over 100,000; or (C) second class borough  
9 whose population is over 65,000; population for purposes of this paragraph shall be  
10 determined by the Department of Commerce and Rural Development [COMMUNITY  
11 AND REGIONAL AFFAIRS].

12 \* Sec. 33. AS 29.65.050(c) is amended to read:

13 (c) The director shall approve or disapprove each selection for patent within  
14 nine months of its selection by a municipality. Before a decision is issued, the  
15 Department of Commerce and Rural Development [COMMUNITY AND  
16 REGIONAL AFFAIRS] shall review the selection and recommend approval or  
17 disapproval of it. The director may disapprove a selection only upon a finding that the  
18 public interest in retaining state ownership of the land outweighs the municipality's  
19 interest in obtaining the land. If the director determines that the public interest in land  
20 selected in satisfaction of an entitlement under AS 29.65.010(a)(13) can be adequately  
21 protected by issuing a patent that is subject to stipulations, conditions, or covenants,  
22 and if the municipality agrees to accept the land subject to those stipulations,  
23 conditions, or covenants, the director may approve a selection that would otherwise be  
24 disapproved and may issue the patent with the stipulations, conditions, or covenants  
25 agreed to by the municipality. A patent shall be issued to the municipality for land  
26 selected in satisfaction of a general grant land entitlement vested under AS 29.65.010 -  
27 29.65.030 within three months after approval by the director of a plat of survey.

28 \* Sec. 34. AS 29.65.050(d) is amended to read:

29 (d) Before disapproving a selection, the director shall notify the municipality in  
30 writing of the decision and set out reasons for it. The municipality may submit a written  
31 response within 30 days after receipt of the notice. Within 30 days after the period for  
32 responding has expired, the director shall affirm, modify, or reverse the decision and

1 supply the municipality with written notice of that action. If the selection is  
2 disapproved, the municipality may file notice of an appeal with the director. The appeal  
3 shall be heard under procedures adopted by regulation of the Department of Natural  
4 Resources. Before reaching a decision on an appeal the Department of Natural  
5 Resources shall request the Department of Commerce and Rural Development  
6 [COMMUNITY AND REGIONAL AFFAIRS] to review the matter and submit a  
7 recommendation. After reviewing the recommendation, a decision on the appeal shall  
8 be submitted by the Department of Natural Resources to the municipality in writing  
9 within 30 days after the notice of appeal was filed with the director. A municipality  
10 may appeal an adverse decision to the superior court under AS 44.62.560 - 44.62.570.

11 \* Sec. 35. AS 29.65.060(f) is amended to read:

12 (f) For purposes of determining the per capita entitlement under (a) of this  
13 section, the population of a municipality shall be the population determined by the  
14 former commissioner of community and regional affairs under former AS 43.18.010  
15 for the program year beginning July 1, 1978, for a municipality whose entitlement was  
16 determined under former AS 29.18.201 or 29.18.202.

17 \* Sec. 36. AS 29.65.120 is amended to read:

18 **Sec. 29.65.120. Regulations.** The commissioner of natural resources may, after  
19 consultation with the Department of Commerce and Rural Development  
20 [COMMUNITY AND REGIONAL AFFAIRS], adopt regulations in accordance with  
21 AS 44.62 (Administrative Procedure Act) necessary to carry out the purposes of this  
22 chapter.

23 \* Sec. 37. AS 29.71.800(5) is amended to read:

24 (5) "commissioner" means the commissioner of commerce and rural  
25 development [COMMUNITY AND REGIONAL AFFAIRS];

26 \* Sec. 38. AS 29.71.800(8) is amended to read:

27 (8) "department" means the Department of Commerce and Rural  
28 Development [COMMUNITY AND REGIONAL AFFAIRS];

29 \* Sec. 39. AS 30.13.010(a) is amended to read:

30 (a) The residents of each area of the state within the boundaries of a regional  
31 housing authority established under AS 18.55.996 that [WHICH] is located in whole or  
32 in part in the unorganized borough of the state may create a public body corporate and

1 politic under the name and style of the "Resource Development Authority" with all or  
2 any significant part of the name of the region of the state inserted. The boundaries of  
3 the authority created shall be coterminous with the portion of the applicable regional  
4 housing authority that lies in the unorganized borough. Creation of an authority is  
5 initiated by a petition filed with the Department of Commerce and Rural Development  
6 [COMMUNITY AND REGIONAL AFFAIRS] and a statement submitted to the  
7 governor. The petition must include the proposed name of the authority, its boundaries,  
8 and a statement of the facilities proposed to be provided by the authority. The petition  
9 must be signed by 15 percent of the total number of residents in the portion of the  
10 applicable regional housing authority that lies in the unorganized borough who cast votes  
11 in the preceding general election. The Department of Commerce and Rural  
12 Development [COMMUNITY AND REGIONAL AFFAIRS] shall review petitions for  
13 content and signatures. If the department determines that the petition is adequate, it  
14 shall transmit the petition to the director of elections.

15 \* Sec. 40. AS 36.30.850(b)(11) is amended to read:

16 (11) agreements with providers of services under AS 44.29.300  
17 [AS 44.47.250]; AS 47.07; AS 47.08; AS 47.10; 47.17; AS 47.24; and AS 47.27,  
18 including contractors under AS 47.27.050;

19 \* Sec. 41. AS 36.30.850(b)(30) is amended to read:

20 (30) contracts entered into with a regional development organization; in  
21 this paragraph, "regional development organization" has the meaning given in  
22 AS 44.33.895 [AS 44.47.900];

23 \* Sec. 42. AS 37.05.317 is amended to read:

24 **Sec. 37.05.317. Grants to unincorporated communities.** (a) When an amount  
25 is appropriated or allocated as a grant under this section to an unincorporated  
26 community, it shall be disbursed as follows:

27 (1) Within 45 days after the effective date of the appropriation or  
28 allocation, the Department of Commerce and Rural Development [COMMUNITY  
29 AND REGIONAL AFFAIRS] shall notify the governing body of the unincorporated  
30 community, if any, that a grant is available.

31 (2) The Department of Commerce and Rural Development  
32 [COMMUNITY AND REGIONAL AFFAIRS] shall determine if there is a qualified

1 incorporated entity in the community area that will agree to receive the grant and  
 2 administer it, subject to terms generally applicable to private grantees. If there is more  
 3 than one such entity, the Department of Commerce and Rural Development  
 4 [COMMUNITY AND REGIONAL AFFAIRS] shall select the most qualified and the  
 5 grant shall be awarded to that incorporated entity for the purposes specified in the  
 6 appropriation act. However, the Department of Commerce and Rural Development  
 7 [COMMUNITY AND REGIONAL AFFAIRS] shall give preference to a nonprofit  
 8 corporation organized by a community for receipt of the grant.

9 (3) If there is no incorporated entity qualified to receive the grant, the  
 10 Department of Commerce and Rural Development [COMMUNITY AND REGIONAL  
 11 AFFAIRS] shall administer the program as specified in the appropriation act directly or  
 12 through agents or contractors with whom it may contract in the community area.

13 (b) The Department of Labor shall require the qualified incorporated entity  
 14 awarded a grant or agents or contractors with whom the Department of Commerce and  
 15 Rural Development [COMMUNITY AND REGIONAL AFFAIRS] contracts under (a)  
 16 of this section to comply with the requirements of AS 36.10.150 - 36.10.175 for  
 17 employment generated by the grant or contract if the grant or contract is for a public  
 18 works project.

19 \* Sec. 43. AS 37.05.530(c) is amended to read:

20 (c) The Department of Commerce and Rural Development [COMMUNITY  
 21 AND REGIONAL AFFAIRS] shall adopt regulations under which municipalities  
 22 impacted by National Petroleum Reserve - Alaska oil and gas development under 42  
 23 U.S.C. 6508 may apply for and be eligible to receive grants to alleviate the impact. The  
 24 department shall give priority in the allocation of grants to municipalities that are  
 25 experiencing or will experience the most direct or severe impact from oil and gas  
 26 development under 42 U.S.C. 6508 within the National Petroleum Reserve - Alaska.  
 27 The department shall fund all meritorious grant applications out of the money  
 28 appropriated to it each year. Within 10 days after the convening of each regular session  
 29 of the legislature, the department shall submit to the legislature a list of all  
 30 municipalities that have received grants, a list of all municipalities determined by the  
 31 department to be eligible for further grants, a recommendation of the amount of money  
 32 to be granted for those additional applications, and written justification of each past and

1 potential grant.

2 \* Sec. 44. AS 37.06.010(g) is amended to read:

3 (g) For purposes of this section, in calculating the population of a borough the  
4 population of each city in the borough is excluded. The determination of population  
5 shall be based upon data used by the Department of Commerce and Rural  
6 Development [COMMUNITY AND REGIONAL AFFAIRS] under AS 29.60.020.

7 \* Sec. 45. AS 37.06.020(i) is amended to read:

8 (i) The limitations of AS 44.33.745 [AS 44.47.140] do not apply to a grant  
9 made under this section.

10 \* Sec. 46. AS 37.06.020(l) is amended to read:

11 (l) In this section, unless specified otherwise, "department" means the  
12 Department of Commerce and Rural Development [COMMUNITY AND REGIONAL  
13 AFFAIRS].

14 \* Sec. 47. AS 37.06.030(c) is amended to read:

15 (c) For purposes of (a) of this section, in calculating the population of a borough  
16 the population of each city in the borough is excluded. The determination of population  
17 shall be based upon data used by the Department of Commerce and Rural  
18 Development [COMMUNITY AND REGIONAL AFFAIRS] under AS 29.60.020.

19 \* Sec. 48. AS 37.06.080 is amended to read:

20 Sec. 37.06.080. Adoption of regulations. The Department of Administration  
21 for grants under AS 37.06.010 and the Department of Commerce and Rural  
22 Development [COMMUNITY AND REGIONAL AFFAIRS] for grants under  
23 AS 37.06.020

24 (1) may adopt regulations that impose additional requirements or  
25 procedures to implement, interpret, make specific, or otherwise carry out the applicable  
26 provisions of this chapter for grants administered by the department;

27 (2) shall adopt regulations providing for periodic audits of the use of  
28 money for grants administered by the department under this chapter, including audit of  
29 the department's determination of the value of, and adequacy of the verification of the  
30 actual use of, locally funded or contributed labor on projects funded by a grant under  
31 this chapter.

32 \* Sec. 49. AS 38.06.025(a) is amended to read:

1 (a) The board consists of the commissioner of commerce and rural  
2 [ECONOMIC] development; the commissioner of revenue [COMMUNITY AND  
3 REGIONAL AFFAIRS]; the commissioner of natural resources, who is a nonvoting  
4 member; and five public members.

5 \* Sec. 50. AS 39.50.200(b)(18) is amended to read:

6 (18) Local Boundary Commission (AS 44.33.810 [AS 44.47.565]);

7 \* Sec. 51. AS 41.15.180(a) is amended to read:

8 (a) When the commissioner of commerce and rural development  
9 [COMMUNITY AND REGIONAL AFFAIRS] receives national forest income under 16  
10 U.S.C. 500, the commissioner shall immediately pay to each organized borough in which  
11 national forest land is located a share of the income from that forest; an organized  
12 borough's share of income from a national forest shall be proportional to the area of the  
13 national forest located within its boundaries.

14 \* Sec. 52. AS 41.15.180(b) is amended to read:

15 (b) There is created as a separate account in the general fund the unorganized  
16 borough national forest receipts fund. The fund consists of national forest income  
17 received by the Department of Commerce and Rural Development [COMMUNITY  
18 AND REGIONAL AFFAIRS] under 16 U.S.C. 500 for the percentage of a national  
19 forest located within the unorganized borough. Seventy-five percent of the fund shall  
20 be allocated for public schools and 25 percent for public roads.

21 \* Sec. 53. AS 41.15.180(f) is amended to read:

22 (f) For the purpose of making distributions from the fund, the commissioner of  
23 commerce and rural development [COMMUNITY AND REGIONAL AFFAIRS] shall  
24 consult with the commissioner of education, for purposes of determining the number of  
25 children in average daily membership in the public schools affected by this section, and  
26 the commissioner of transportation and public facilities, to determine the total number  
27 of road miles in the unorganized borough affected by this section.

28 \* Sec. 54. AS 41.15.180(g) is amended to read:

29 (g) An organized borough, home rule city, first class city, second class city,  
30 regional educational attendance area, or a municipality organized under federal law that  
31 receives a national forest income payment or distribution under 16 U.S.C. 500 or this  
32 section shall annually report and account to the commissioner of commerce and rural

1        development [COMMUNITY AND REGIONAL AFFAIRS] its use of the payment or  
2        distribution for the purpose provided in (a) - (e) of this section. The commissioner of  
3        commerce and rural development [COMMUNITY AND REGIONAL AFFAIRS] may  
4        not distribute national forest income under this section to an entity in the unorganized  
5        borough that has previously failed to report and account as required under this  
6        subsection.

7        \* Sec. 55. AS 42.45.060(a) is amended to read:

8                (a) A loan committee consisting of six [SEVEN] members is established. The  
9        committee is composed of [THE COMMISSIONER OF COMMUNITY AND  
10       REGIONAL AFFAIRS,] the commissioner of commerce and rural [ECONOMIC]  
11       development, the director of management and budget, or the designees of the  
12       commissioners or the director, and four public members.

13       \* Sec. 56. AS 42.45.060(c) is amended to read:

14                (c) The commissioner of commerce and rural development [COMMUNITY  
15       AND REGIONAL AFFAIRS] serves as chair of the committee. The committee may  
16       elect other officers as necessary. A majority of the members of the committee constitute  
17       a quorum and may exercise the powers of the committee.

18       \* Sec. 57. AS 42.45.990(1) is amended to read:

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

21       \* Sec. 58. AS 43.75.137 is amended to read:

22                Sec. 43.75.137. **Additional refund.** To the extent that appropriations are  
23       available for the purpose, and notwithstanding the requirement of AS 37.07.080(e) that  
24       approval of the office of management and budget is required, an amount equal to 50  
25       percent of the tax revenue that is collected under this chapter from fisheries businesses  
26       and is not subject to division with a municipality under AS 43.75.130 shall be  
27       transmitted each fiscal year, without the approval of the office of management and  
28       budget, by the department to the department of Commerce and Rural Development  
29       [COMMUNITY AND REGIONAL AFFAIRS] for disbursement to eligible municipalities  
30       under AS 29.60.450.

31       \* Sec. 59. AS 43.77.040(b) is amended to read:

32                (b) A taxpayer who makes a contribution that qualifies for the credit authorized

1 by (a) of this section must apply to obtain the credit. The taxpayer shall apply to the  
2 department in the manner provided by the department by regulation, and shall provide  
3 to the commissioner all information relating to the contribution that may be required by  
4 the department. Upon receipt of a complete application, the department, in consultation  
5 with the Department of Commerce and Rural Development [COMMUNITY AND  
6 REGIONAL AFFAIRS], shall approve or disapprove the application for the credit within  
7 60 days.

8 \* Sec. 60. AS 43.77.060(d) is amended to read:

9 (d) To the extent that appropriations are available for the purpose, and  
10 notwithstanding the requirement of AS 37.07.080(e) that approval of the office of  
11 management and budget is required, an amount equal to 50 percent of the tax revenue  
12 that is collected under this chapter and is not subject to division with a municipality  
13 under (a) - (c) of this section shall be transmitted each fiscal year, without the approval  
14 of the office of management and budget, by the department to the Department of  
15 Commerce and Rural Development [COMMUNITY AND REGIONAL AFFAIRS] for  
16 disbursement to eligible municipalities under AS 29.60.450.

17 \* Sec. 61. AS 44.19.145(a) is amended to read:

18 (a) The office shall

19 (1) provide technical assistance to the governor and the legislature in  
20 identifying long range goals and objectives for the state and its political subdivisions;

21 (2) prepare and maintain a state comprehensive development plan;

22 (3) provide information and assistance to state agencies to aid in  
23 governmental coordination and unity in the preparation of agency plans and programs;

24 (4) review planning within state government as may be necessary for  
25 receipt of federal, state, or other funds;

26 (5) participate with other countries, provinces, states, or subdivisions of  
27 them in international or interstate planning, and assist the state's local governments,  
28 governmental conferences, and councils in planning and coordinating their activities;

29 (6) encourage educational and research programs that further state  
30 planning and development, and provide administrative and technical services for them;

31 (7) publish [SUCH] statistical information or other documentary material  
32 that [AS] will further the provisions and intent of AS 44.19.141 - 44.19.152;

1 (8) assist the governor and the Department of Commerce and Rural  
2 Development [COMMUNITY AND REGIONAL AFFAIRS] in coordinating state  
3 agency activities that have an effect on the solution of local and regional development  
4 problems;

5 (9) serve as a clearinghouse for information, data, and other materials  
6 that may be helpful or necessary to federal, state, or local governmental agencies in  
7 discharging their respective responsibilities or in obtaining federal or state financial or  
8 technical assistance;

9 (10) review all proposals for the location of capital improvements by any  
10 state agency and advise and make recommendations concerning location of these capital  
11 improvements;

12 (11) render, on behalf of the state, all federal consistency determinations  
13 and certifications authorized by 16 U.S.C. 1456 (Sec. 307, Coastal Zone Management  
14 Act of 1972), and each conclusive state consistency determination when a project  
15 requires a permit, lease, or authorization from two or more state resource agencies.

16 \* Sec. 62. AS 44.19.155(a) is amended to read:

17 (a) There is created in the Office of the Governor the Alaska Coastal Policy  
18 Council. The council consists of the following:

19 (1) nine public members appointed by the governor from a list comprised  
20 of at least three names from each region, nominated by the municipalities of each  
21 region; the nominees shall be the mayor or member of the assembly or council of a  
22 municipality; one public member shall be appointed from each of the following general  
23 regions:

24 (A) northwest Alaska, including, generally, the area of the North  
25 Slope Borough and the Northwest Arctic regional educational attendance area;

26 (B) Bering Straits, including, generally, the area of the Bering  
27 Straits regional educational attendance area;

28 (C) southwest Alaska, including, generally, the area within the  
29 Lower Yukon, Lower Kuskokwim, Southwest, and Lake and [&] Peninsula  
30 regional educational attendance areas and the Bristol Bay Borough;

31 (D) Kodiak-Aleutians, including the area of the Kodiak Island  
32 Borough and the Aleutian, Adak and Pribilof regional educational attendance

1 areas;

2 (E) Upper Cook Inlet, including the Municipality of Anchorage  
3 and the Matanuska-Susitna Borough;

4 (F) Lower Cook Inlet, including, generally, the area within the  
5 Kenai Peninsula Borough;

6 (G) Prince William Sound, including, generally, the area east of  
7 the Kenai Peninsula Borough to 141 W. longitude;

8 (H) northern Southeast Alaska, including the area southeast of  
9 141 W. longitude and north of 57 N. latitude, including the entirety of the City  
10 and Borough of Sitka; and

11 (I) southern Southeast Alaska, including that portion of  
12 southeastern Alaska not contained within the area described in (H) of this  
13 paragraph;

14 (2) each of the following:

15 (A) the director of the office of management and budget;

16 (B) the commissioner of commerce and rural [ECONOMIC]  
17 development;

18 (C) [THE COMMISSIONER OF COMMUNITY AND  
19 REGIONAL AFFAIRS;

20 (D)] the commissioner of environmental conservation;

21 (D) [(E)] the commissioner of fish and game;

22 (E) [(F)] the commissioner of natural resources; and

23 (F) [(G)] the commissioner of transportation and public  
24 facilities.

25 \* Sec. 63. AS 44.19.155(d) is amended to read:

26 (d) Each member of the council shall select one person to serve as a permanent  
27 alternate at meetings of the council. If a member of the council is unable to attend, the  
28 member shall advise the alternate who may attend and act in the place of the member.  
29 The alternate for a public member appointed under (a)(1) of this section shall, at the  
30 time of the alternate's designation and throughout the period of service as a permanent  
31 alternate, be the mayor or member of the assembly or council of a municipality within  
32 the region from which the permanent member is appointed. The alternate for the

1 director of the office of management and budget, serving under (a)(2)(A) of this section,  
2 shall be the director's designee within that office. The alternate for a designated member  
3 serving under (a)(2)(B) - (F) [(a)(2)(B) - (G)] of this section shall be a deputy  
4 commissioner of the department or the director of a division in the department. The  
5 names of alternates shall be filed with the council.

6 \* Sec. 64. AS 44.19.620(a) is amended to read:

7 (a) The Alaska Human Resource Investment Council is established in the Office  
8 of the Governor. The council consists of the following voting members, not to exceed  
9 26:

- 10 (1) the lieutenant governor or the lieutenant governor's designee;
- 11 (2) the commissioners of commerce and rural [ECONOMIC]  
12 development, [COMMUNITY AND REGIONAL AFFAIRS,] education, health and  
13 social services, and labor, or each respective commissioner's designee;
- 14 (3) one representative from the University of Alaska;
- 15 (4) four additional representatives of education, with one from local  
16 public education, one from secondary vocational education, one from a postsecondary  
17 vocational education institution, and one from adult basic education;
- 18 (5) four representatives of business and industry, with at least one  
19 representative from the private industry councils appointed under 29 U.S.C. 1512 and  
20 subject to reconstitution under 29 U.S.C. 1515;
- 21 (6) four representatives of organized labor that the governor shall appoint  
22 from lists of nominees submitted by recognized state labor organizations; the governor  
23 may reject a list submitted under this paragraph and request that another list be  
24 submitted;
- 25 (7) at least one representative from an organization representing  
26 employment and training needs of Alaska Natives;
- 27 (8) at least one representative of a community-based service organization;
- 28 (9) at least one representative who has personal or professional  
29 experience with developmental disabilities; and
- 30 (10) at least one and up to four additional members of the private sector  
31 to ensure a private sector majority and regional and local representation on the council.

32 \* Sec. 65. AS 44.19.626(f) is amended to read:

1 (f) The following training programs are subject to the provisions of (d) and (e)  
2 of this section:

3 (i) in the Department of Commerce and Rural Development  
4 [COMMUNITY AND REGIONAL AFFAIRS] or operated by the department:

5 (A) One Stop Career Center;

6 (B) Job Training Partnership Act programs, assisting  
7 communities in moving toward a self-sustainable economy and providing  
8 training, coordinated with the Department of Health and Social Services;

9 (C) state training and employment program (AS 23.15.620),  
10 providing training and employment services for people who are unemployed or  
11 likely to become unemployed, fostering new jobs, and increasing training  
12 opportunities for workers severely affected by fluctuations in the state economy  
13 or adversely affected by technology advances in the workplace, coordinated  
14 with the Department of Labor;

15 (2) in the Department of Education or operated by the department, the  
16 non-public-school portions of the following programs:

17 (A) employment-related adult basic education;

18 (B) School-to-Work;

19 (C) vocational education and Tech Prep;

20 (D) Alaska Career Information System;

21 (E) high school completion project;

22 (F) Kotzebue Technical Center;

23 (G) Alaska Vocational Technical Center;

24 (3) in the Department of Health and Social Services:

25 (A) employment training services operated as part of the Alaska  
26 Temporary Assistance Program (ATAP);

27 (B) Job Training Partnership Act programs under 29 U.S.C.  
28 1501 - 1792b;

29 (4) in the Department of Labor:

30 (A) unemployment insurance grants provided under the federal  
31 training relocation assistance program;

1 (B) Alaska works programs, assisting with the welfare-to-work  
2 program;

3 (C) state training and employment program, coordinated with  
4 the Department of Commerce [COMMUNITY] and Rural Development  
5 [REGIONAL AFFAIRS].

6 \* Sec. 66. AS 44.19.626(g) is amended to read:

7 (g) The council shall assess the programs listed in this subsection and make  
8 recommendations to the legislature in its report required under (b)(9) of this section  
9 about whether to include one or more of these programs under the requirements of (f)  
10 of this section:

11 (1) in the Department of Commerce and Rural Development  
12 [COMMUNITY AND REGIONAL AFFAIRS] or operated by the department:

13 (A) local government assistance training and development,  
14 including the rural utility business advisory program;

15 (B) energy operations, providing training in management and  
16 administration of electric utilities and bulk fuel storage systems;

17 (2) in the Department of Corrections:

18 (A) Correctional Academy, training individuals applying for a  
19 correctional officer position;

20 (B) inmate programs, providing vocational technical training and  
21 education courses for inmates preparing to be released from a correctional  
22 facility;

23 (C) correctional industries program, providing inmates with jobs  
24 while they are incarcerated;

25 (3) in the Department of Environmental Conservation:

26 (A) remote maintenance worker program, providing training and  
27 technical assistance to communities to keep drinking water and sewage disposal  
28 systems running, and providing on-the-job training to local operators;

29 (B) water and wastewater operator training and assistance;

30 (C) federal drinking water operator training and certification;

31 (4) in the Department of Military and Veterans' Affairs: educational

1 benefits for members of the Alaska National Guard and the Alaska Naval Militia;

2 (5) in the Department of Public Safety:

3 (A) fire service training to maintain emergency training skills  
4 for existing fire fighter staff and volunteers and individuals interested in  
5 becoming fire fighters;

6 (B) Public Safety Training Academy, training trooper recruits;

7 (6) in the Department of Transportation and Public Facilities:

8 (A) engineer-in-training program, providing on-the-job training  
9 for apprentice engineers to enable them to gain the experience necessary to be  
10 certified;

11 (B) statewide transportation improvement program, offered by  
12 the United States National Highway Institute;

13 (C) local technical assistance program, transferring technical  
14 expertise to local governments;

15 (D) Native technical assistance program, transferring technical  
16 expertise to Native governments;

17 (E) border technology exchange program, to coordinate highway  
18 issues with the Yukon Territory;

19 (7) in the Department of Education: vocational rehabilitation client  
20 services and special work projects;

21 (8) in the Department of Labor: employment services, including job  
22 development, assisting individuals in finding employment, and assisting employed  
23 individuals in finding other employment;

24 (9) in the Department of Administration: Alaska Professional  
25 Development Institute, providing continuing education and training for employed  
26 workers.

27 \* Sec. 67. AS 44.19 is amended by adding a new section to read:

28 **Article 13. Office of International Trade.**

29 **Sec. 44.19.630. International trade.** (a) The office of international trade is  
30 established in the office of the governor. The purpose of the office is to foster the  
31 growth of trade between Alaska and foreign countries.

1 (b) The governor shall maintain foreign offices, including offices located in  
2 Tokyo, Japan, and Seoul, Republic of Korea. The foreign offices shall serve as outlets  
3 for information related to economic development, resources, and trade and as contact  
4 points for government and private industry of Alaska and for the Pacific Rim nations of  
5 Asia and other foreign countries to promote and maintain trade between the state and  
6 those countries.

7 (c) The governor shall staff the foreign offices with persons the governor selects  
8 based on their experience, training, and linguistic ability. The governor shall solicit  
9 ideas from the legislature regarding desirable staff qualifications and its  
10 recommendations of persons to staff the foreign offices. The governor may hire  
11 additional personnel as necessary.

12 (d) The governor shall direct all state agencies, and request the federal  
13 government and private industry, to provide the office with necessary reports, brochures,  
14 and information requested by the office.

15 (e) The governor shall prepare a report annually on the activities and  
16 accomplishments of the office under this section and notify the legislature that the report  
17 is available.

18 (f) The expenses of operating the office's activities under this section, including  
19 its foreign offices, shall be included in appropriations made to the governor.

20 (g) Employees of the office, including personnel in its foreign offices, are in the  
21 partially exempt service.

22 (h) In this section, "office" means the office of international trade.

23 \* Sec. 68. AS 44.21.200(a) is amended to read:

24 (a) The Alaska Commission on Aging is established in the Department of  
25 Administration. The members of the commission include

26 (1) the commissioner of administration or the commissioner's designee;

27 (2) the commissioner of commerce and rural development  
28 [COMMUNITY AND REGIONAL AFFAIRS] or the commissioner's designee;

29 (3) the commissioner of health and social services or the commissioner's  
30 designee;

31 (4) the chair of the Pioneers' Homes Advisory Board under  
32 AS 44.21.120; and

1 (5) seven persons selected on the basis of their knowledge and  
2 demonstrated interest in the concerns of older Alaskans, appointed by the governor in  
3 accordance with (b) of this section.

4 Sec. 69. AS 44.29.020 is amended by adding a new subsection to read:

5 (c) The Department of Health and Social Services shall operate the head start  
6 funding program governed by 42 U.S.C. 9835.

7 \* Sec. 70. AS 44.29 is amended by adding new sections to read:

8 **Article 4. Day Care Assistance; Child Care Grants.**

9 **Sec. 44.29.300. Powers and duties.** (a) The department shall

10 (1) implement and administer a program to assist in providing day care  
11 for the children of low and moderate income families according to the requirements of  
12 AS 44.29.300 - 44.29.339;

13 (2) establish standards of eligibility for day care benefits;

14 (3) contract for the care of children of eligible families;

15 (4) establish procedures to periodically review the needs of families  
16 receiving day care benefits;

17 (5) provide notification to the local government body of the request for  
18 a contract with a day care facility.

19 (b) The department may

20 (1) adopt regulations necessary for the performance of its duties under  
21 AS 44.29.300 - 44.29.339;

22 (2) contract with other entities to perform duties of the department under  
23 AS 44.29.300 - 44.29.339 within an area specified by the department; within an area,  
24 the department shall give higher priority to contracting with municipalities than with  
25 other organizations.

26 **Sec. 44.29.305. Administrative costs of program contractors.** To defray  
27 administrative expenses, a contractor under AS 44.29.300(b) may only retain \$1,000 or  
28 12 percent, whichever is greater, of the day care assistance program funds it receives  
29 from the department under the contract.

30 **Sec. 44.29.310. Conditions of receipt of benefits.** Benefits may be paid for the  
31 care of children of a low or moderate income family only if a parent or guardian,  
32 because of the day care, is freed to work or to seek work or to attend school. Benefits

1 may not be paid for the care of children of a family where one parent or guardian is not  
2 working, actively seeking work, or attending school and is physically and mentally  
3 capable of caring for the children.

4 **Sec. 44.29.315. Eligibility of families for benefits.** The department shall  
5 determine the eligibility of families for day care benefits on the basis of the following  
6 factors:

- 7 (1) income of the family including salary, alimony, child support,  
8 retirement benefits, social security, and any other source of income;  
9 (2) number of children in the family;  
10 (3) whether there is one parent or guardian solely responsible for the care  
11 of the family.

12 **Sec. 44.29.320. Contributions by parent or guardian.** The department shall  
13 develop a sliding fee scale based on the factors listed in AS 44.29.315 for purposes of  
14 determining the amount to be contributed by the parent or guardian for child care. The  
15 contribution of the parent or guardian shall be paid to the day care facility.

16 **Sec. 44.29.325. Placement; payment by state.** (a) Parents or guardians shall  
17 select the day care facility for the care of their children.

18 (b) Benefits shall be paid by the department directly to the municipality or  
19 organization contracting with the day care facility.

20 **Sec. 44.29.330. Child care grant program.** (a) A child care grant program  
21 is established in the department to provide state assistance in the operation of child care  
22 facilities. The department shall provide grants for the operation of child care facilities,  
23 including private nonprofit child care facilities. Participation in the program is optional.

24 (b) To qualify for a grant under (a) or (d) of this section, the child care facility  
25 must

26 (1) be currently licensed under AS 47.35 and applicable municipal  
27 licensing requirements;

28 (2) participate in the day care assistance program under AS 44.29.300 -  
29 44.29.339; and

30 (3) provide care under a payment system as provided in (g) of this  
31 section.

32 (c) A grant under (a) of this section may not exceed \$50 per month for each

1 child the child care facility cares for, or for each full-time equivalent, as determined by  
2 the department. The grant shall be adjusted on a geographic basis by the same factor  
3 as funding for a school district is adjusted under AS 14.17.460.

4 (d) In addition to the grants provided in (a) of this section, the department may,  
5 subject to appropriations for that purpose, provide by grant or contract for the education  
6 and training of child care employees or administrators. To receive a grant or contract  
7 under this subsection or to participate in a training program under this subsection, the  
8 child care facility must meet all the requirements of (b) of this section.

9 (e) An application for a grant under this section shall be made in the form  
10 established by the department.

11 (f) A grant under (a) of this section shall be made monthly or quarterly and shall  
12 be based on the monthly average daily full-time equivalent enrollment in the child care  
13 facility. If the method of payment for the grant is other than monthly, it shall be at the  
14 request of the child care facility with the approval of the department. Based on criteria  
15 established by the department, the department may make quarterly advance payments.

16 (g) Each child care facility receiving a grant under (a) or (d) of this section shall  
17 assure that at least 15 percent or one of its child care spaces receiving subsidy under this  
18 section, whichever is greater, will be made available, if requested, to children eligible  
19 for day care assistance under AS 44.29.300 - 44.29.339, whose parents or guardians wish  
20 to pay for care based on attendance only.

21 (h) The commissioner shall, in consultation with interested child care providers  
22 and parents, adopt regulations to carry out the purposes of this section.

23 **Sec. 44.29.339. Definitions.** In AS 44.29.300 - 44.29.339,

24 (1) "child" means a person below 13 years of age, or a minor who has  
25 a developmental disability;

26 (2) "child care facility" means an establishment licensed under AS 47.35  
27 including but not limited to day care centers, family day care homes, and schools for  
28 preschool age children, which provides care for children not related by blood, marriage,  
29 or legal adoption to the owner, operator, or manager of the facility;

30 (3) "day care" means the care, supervision, and guidance of a child or  
31 children unaccompanied by a parent or legal guardian on a regular basis for periods of  
32 less than 24 hours a day;

1 (4) "day care facility" means a center or home licensed in accordance  
2 with the provisions of AS 47.35 or recognized by the federal government for the care  
3 of children;

4 (5) "department" means the Department of Health and Social Services;

5 (6) "developmental disability" means a disability under which a person  
6 is incapable of self-care, as verified by a physician or licensed or certified psychologist  
7 who has examined the person.

8 **Article 5. Child Care Facility Revolving Loan Fund.**

9 **Sec. 44.29.350. Child care facility revolving loan fund.** (a) There is created  
10 in the Department of Health and Social Services the child care facility revolving loan  
11 fund to carry out the purposes of AS 44.29.350 - 44.29.389. Except as provided in (b)  
12 and (c) of this section, the fund may not be used for any other purpose.

13 (b) The department may use money in the fund for costs of administering  
14 AS 44.29.350 - 44.29.389.

15 (c) On June 30 of each fiscal year, the unexpended and unobligated cash balance  
16 of the fund that is attributable to loans owned by the fund lapses into the general fund.

17 **Sec. 44.29.355. Special account established.** (a) There is established as a  
18 special account within the child care facility revolving loan fund the foreclosure expense  
19 account. This account is established as a reserve from fund equity.

20 (b) The commissioner of health and social services may expend money credited  
21 to the foreclosure expense account when necessary to protect the state's security interest  
22 in collateral on loans made under AS 44.29.360 or to defray expenses incurred during  
23 foreclosure proceedings after a default by an obligor.

24 **Sec. 44.29.360. Powers and duties of the department in administering the**  
25 **fund.** (a) The department may

26 (1) make loans for the construction, renovation, and equipping of child  
27 care facilities, including private nonprofit child care facilities;

28 (2) adopt regulations necessary to carry out the provisions of  
29 AS 44.29.350 - 44.29.389, including regulations to establish reasonable fees for services  
30 provided and charges for collecting the fee; and

31 (3) collect the fees and charges established under this subsection.

32 (b) The department shall

1 (1) develop eligibility standards for loans to child care facilities;

2 (2) adopt guidelines for the determination of loan terms.

3 **Sec. 44.29.365. Loan terms.** (a) A loan to a child care facility under  
4 AS 44.29.350 - 44.29.389 may not exceed \$50,000.

5 (b) The rate of interest charged shall be seven percent a year on the unpaid  
6 balance of the loan.

7 (c) The duration for repayment of a loan may not exceed 20 years.

8 (d) All principal and interest payments, and any money chargeable to principal  
9 or interest that is collected through liquidation by foreclosure or other process on loans  
10 made under AS 44.29.350 - 44.29.389, shall be paid into the child care facility revolving  
11 loan fund.

12 (e) If a child care facility ceases operation, any loan to the facility from the fund  
13 is due on the date the facility ceases operation.

14 **Sec. 44.29.370. Eligibility for loans.** A child care facility is eligible for a loan  
15 under AS 44.29.350 - 44.29.389 if the applicant

16 (1) submits to the department a plan for the use of the loan funds that  
17 is approved by the commissioner; and

18 (2) meets additional eligibility standards established by the department  
19 under AS 44.29.360(b)(1).

20 **Sec. 44.29.375. Sale or transfer of mortgages and notes.** The commissioner  
21 of health and social services may sell or transfer at par value or at a premium to a bank  
22 or other private purchaser for cash or other consideration the mortgages and notes held  
23 by the department as security for loans made under AS 44.29.350 - 44.29.389.

24 **Sec. 44.29.380. Disposal of property acquired by default or foreclosure.** The  
25 department shall dispose of property acquired through default or foreclosure of a loan  
26 made under AS 44.29.350 - 44.29.389. Disposal shall be made in a manner that serves  
27 the best interests of the state and may include the amortization of payments over a  
28 period of years.

29 **Sec. 44.29.389. Definitions.** In AS 44.29.350 - 44.29.389,

30 (1) "child care facility" means an establishment the principal purpose of  
31 which is to provide care for children not related by blood, marriage, or legal adoption,  
32 including but not limited to day care centers, family day care homes, and schools for

1 preschool age children;

2 (2) "department" means the Department of Health and Social Services.

3 \* Sec. 71. AS 44.31.020 is amended to read:

4 **Sec. 44.31.020. Duties of department.** The Department of Labor shall

5 (1) enforce the laws, and adopt regulations under them concerning  
6 employer-employee relationships, including the safety, hours of work, wages, and  
7 conditions of workers, including children;

8 (2) accumulate, analyze, and report labor statistics;

9 (3) operate systems of workers' compensation and unemployment  
10 insurance; and

11 (4) gather data reflecting the cost of living in the various election  
12 districts of the state upon request of the director of personnel under AS 39.27.030; and

13 (5) operate the federally funded employment and training programs  
14 under 29 U.S.C. 1501 - 1792b (Job Training Partnership Act).

15 \* Sec. 72. AS 44.33.010 is amended to read:

16 **Sec. 44.33.010. Commissioner of commerce and rural [ECONOMIC]**  
17 **development.** The principal executive officer of the Department of Commerce and  
18 **Rural [ECONOMIC] Development** is the commissioner of commerce and **rural**  
19 **[ECONOMIC] development.** Whenever a statute provides that the commissioner is  
20 a member of a board, council, or other similar entity, the commissioner may  
21 designate another person to act in the commissioner's place.

22 \* Sec. 73. AS 44.33 is amended by adding a new section to read:

23 **Sec. 44.33.015. Establishment of divisions; directors.** (a) The following  
24 divisions are created within the department:

25 (1) the division of rural affairs;

26 (2) the division of statewide development;

27 (3) the division of occupational licensing;

28 (4) the division of investments;

29 (5) the division of insurance;

30 (6) the division of banking, securities, and corporations; and

31 (7) the division of administration.

32 (b) Each division designated in this section is under the administrative control

1 of the commissioner and under the supervision of a director who may be appointed by  
2 the commissioner.

3 (c) The governor and the commissioner may not create a division within the  
4 department that is not authorized under (a) of this section.

5 \* Sec. 74. AS 44.33.020 is amended to read:

6 Sec. 44.33.020. Duties of department. The Department of Commerce and  
7 Rural [ECONOMIC] Development shall

8 (1) administer the state programs relating to commerce, enforce the laws  
9 relating to these programs, and adopt regulations under these laws;

10 (2) register corporations;

11 (3) collect corporation franchise taxes;

12 (4) enforce state laws regulating public utilities and other public service  
13 enterprises, banking and securities, insurance, and other businesses and enterprises  
14 touched with a public interest;

15 (5) make veterans' loans;

16 (6) [REPEALED

17 (7)] promote and develop civil aviation;

18 (7) [(8)] furnish the budgeting, clerical, and administrative services for  
19 regulatory agencies and professional and occupational licensing boards not otherwise  
20 provided for;

21 (8) [(9)] REPEALED

22 (10) REPEALED

23 (11) REPEALED

24 (12)] conduct studies, enter into contracts and agreements, and make  
25 surveys relating to the economic development of the state and, when appropriate,  
26 assemble, analyze, and disseminate the findings obtained;

27 (9) [(13)] provide factual information and technical assistance for  
28 potential industrial and commercial investors;

29 (10) [(14)] receive gifts, grants, and other aid that facilitate the powers  
30 and duties of the department from agencies and instrumentalities of the United States or  
31 other public or private sources;

32 (11) [(15)] establish and activate programs to achieve balanced economic

1 development in the state and advise the governor on economic development policy  
2 matters;

3 (12) [(16)] formulate a continuing program for basic economic  
4 development and for the necessary promotion, planning and research that will advance  
5 the economic development of the state;

6 (13) [(17)] cooperate with private, governmental, and other public  
7 institutions and agencies in the execution of economic development programs;

8 (14) [(18)] review the programs and annual reports of other departments  
9 and agencies as they are related to economic development and prepare an annual report  
10 on the economic growth of the state;

11 (15) [(19)] administer the economic development programs of the state;

12 (16) [(20)] perform all other duties and powers necessary or proper in  
13 relation to economic development and planning for the state;

14 (17) [(21)] request tourism-related businesses in the state to provide data  
15 regarding occupancy levels, traffic flow and gross receipts and to participate in visitor  
16 surveys conducted by the department; data collected under this paragraph that [WHICH]  
17 discloses the particulars of an individual business is not a matter of public record and  
18 shall be kept confidential; however, this restriction does not prevent the department from  
19 using the data to formulate tourism economic impact information including expenditure  
20 patterns, tax receipts and fees, employment and income attributable to tourism, and other  
21 information considered relevant to the planning, evaluation and policy direction of  
22 tourism in the state;

23 (18) [(22)] REPEALED

24 (23) REPEALED

25 (24)] provide administrative and budgetary services to the real estate  
26 commission under as 08.88 as requested by the commission;

27 (19) [(25)] REPEALED

28 (26) REPEALED

29 (27) REPEALED

30 (28)] sell at cost, to the extent possible, publications and promotional  
31 materials developed by the department;

32 (20) [(29)] as delegated by the governor, administer under 16 U.S.C.

1 1856 the internal waters foreign processing permit procedures and collect related fees;  
2 ~~(21)~~ [(30)] administer state laws relating to the issuance of business  
3 licenses;

4 (22) comply with AS 15.07.055 to serve as a voter registration agency  
5 to the extent required by state and federal law, including 42 U.S.C. 1973gg  
6 (National Voter Registration Act of 1993):

7 [(31) REPEALED

8 (32) REPEALED

9 (33) FOSTER THE GROWTH OF INTERNATIONAL TRADE  
10 WITHIN THE STATE AND ADMINISTER ALASKA FOREIGN OFFICES].

11 \* Sec. 75. AS 44.33.020 is amended by adding a new subsection to read:

12 (b) The department may

13 (1) advise and assist local governments;

14 (2) serve as staff for the Local Boundary Commission;

15 (3) conduct studies and carry out experimental and pilot projects for the  
16 purpose of developing solutions to community and regional problems;

17 (4) promote cooperative solutions to problems affecting more than one  
18 community or region, including joint service agreements, regional compacts, and other  
19 forms of cooperation;

20 (5) serve as a clearinghouse for information useful in solution of  
21 community and regional problems, and channel to the appropriate authority requests for  
22 information and services;

23 (6) advise and assist community and regional governments on matters  
24 of finance, including but not limited to bond marketing and procurement of federal  
25 funds;

26 (7) prepare suggested guidelines relating to the content of notice of bond  
27 sale advertisements, prospectuses, and other bonding matters issued by local  
28 governments;

29 (8) administer state funds appropriated for the benefit of unorganized  
30 regions within the state, allowing for maximum participation by local advisory councils  
31 and similar bodies;

32 (9) carry out those administrative functions in the unorganized borough

1 that the legislature may prescribe;

2 (10) study existing and proposed laws and state activities that affect  
3 community and regional affairs and submit to the governor recommended changes in  
4 those laws and activities;

5 (11) coordinate activities of the state that affect community and regional  
6 affairs;

7 (12) assist in the development of new communities and serve as the  
8 agent of the state for purposes of participation in federal programs relating to new  
9 communities;

10 (13) supervise planning, management, and other activities required for  
11 local eligibility for financial aid under those federal and state programs that provide  
12 assistance to community and regional governments;

13 (14) advise and assist municipalities on procedures of assessment,  
14 valuation, and taxation, and notify municipalities of major errors in those procedures;

15 (15) apply for, receive, and use funds from federal and other sources,  
16 public or private, for use in carrying out the powers and duties of the department;

17 (16) request and utilize the resources of other agencies of state  
18 government in carrying out the purposes of this chapter to the extent such utilization is  
19 more efficient than maintaining departmental staff, reimbursing the other agencies when  
20 appropriate;

21 (17) carry out the powers and duties assigned it under AS 42.45;

22 (18) administer state and, as appropriate, federal programs for revenue  
23 sharing, grants, and other forms of financial assistance to community and regional  
24 governments; and

25 (19) carry out other functions and duties, consistent with law, necessary  
26 or appropriate to accomplish the purpose of this chapter.

27 \* Sec. 76. AS 44.33 is amended by adding new sections to article 1 to read:

28 **Sec. 44.33.112. Fees for publications, research data, and other services.** The  
29 commissioner may establish by regulation and the department may charge reasonable  
30 fees for department publications, research data, and other centralized administrative  
31 services to cover the cost of reproduction, printing, mailing, distribution, and other  
32 centralized administrative services.

1           **Sec. 44.33.115. Exxon Valdez oil spill unincorporated rural community**  
2 **grant fund.** There is created in the department the Exxon Valdez oil spill  
3 unincorporated rural community grant fund. The fund consists of money appropriated  
4 to the fund from the Exxon Valdez oil spill restoration fund, the Alyeska settlement  
5 fund, and other sources. Appropriations to the fund do not lapse unless otherwise  
6 provided by the legislature in the bill making the appropriation to the fund. The  
7 department may use the fund to make grants to unincorporated rural communities in the  
8 area affected by the Exxon Valdez oil spill for capital projects for purposes of restoring,  
9 replacing, or enhancing subsistence resources or services or other services damaged or  
10 lost as the result of the Exxon Valdez oil spill. In this section,

11           (1) "Alyeska settlement fund" means the trust fund established in the  
12 state treasury for the purpose of receiving, holding, and disbursing the settlement  
13 proceeds received by the state under the Agreement and Consent Decree in re: The  
14 Exxon Valdez, United States District Court, District of Alaska, Case No. A92-175 Civil,  
15 decree entered November 25, 1992;

16           (2) "Exxon Valdez oil spill restoration fund" means the fund established  
17 by the Department of Revenue to implement the judgment entered by the United States  
18 District Court for Alaska in the criminal case United States of America v. Exxon  
19 Shipping Company and Exxon Corporation, No. A90-015 CR.

20           **Sec. 44.33.118. Definitions.** In AS 44.33.010 - 44.33.118,

21           (1) "commissioner" means the commissioner of commerce and rural  
22 development;

23           (2) "department" means the Department of Commerce and Rural  
24 Development.

25 \* **Sec. 77.** AS 44.33 is amended by adding new sections to read:

26                           **Article 7A. Rural Development.**

27           **Sec. 44.33.740. Powers and duties.** To promote development of rural areas of  
28 the state, the department is authorized to

29           (1) investigate social and economic conditions of rural areas to determine  
30 the need to expand economic opportunities and improve living conditions;

31           (2) formulate a coordinated program to broaden and diversify the  
32 economic base of rural areas;

1 (3) coordinate administration of emergency relief, surplus food  
2 distribution, or other public assistance programs, except the regular relief and assistance  
3 programs of the federal government in rural areas;

4 (4) formulate and conduct a program of construction of basic facilities  
5 to improve health, welfare, and economic security and provide employment and income  
6 in the rural areas;

7 (5) promote training and educational programs designed to expand  
8 employment opportunities for residents of rural areas;

9 (6) enter into agreements with other state agencies and departments to  
10 provide for the distribution in rural communities of surplus electrical power from state-  
11 owned power sources located in those communities and to expend funds for this  
12 purpose;

13 (7) make grants to communities for bulk fuel storage facilities;

14 (8) cooperate with the Department of Environmental Conservation and  
15 other agencies to provide technical assistance to communities in the installation,  
16 operation, and management of bulk fuel storage facilities.

17 **Sec. 44.33.745. Limitations.** A program of the department under AS 44.33.740  
18 in a rural area may not exceed \$100,000 in cost a year.

19 **Sec. 44.33.750. Bulk fuel storage facilities grant fund.** (a) There is  
20 established in the department the bulk fuel storage facilities grant fund. Grants may be  
21 made by the department from this fund to a community to acquire and install community  
22 bulk storage facilities.

23 (b) Grants made under this section for the acquisition and installation of a bulk  
24 fuel storage facility may not exceed \$100,000 per community.

25 (c) If the governing body of two or more communities determine that their fuel  
26 requirements may be served by a single bulk fuel storage facility, the communities may  
27 jointly apply for grants to acquire and install a single bulk fuel storage facility. When  
28 communities apply jointly under this subsection, the limitation in (b) of this section is  
29 multiplied by the number of communities that submit the joint application.

30 (d) Before a grant is made under this section, the city council or, if the  
31 community is not incorporated, a reasonable representative body in the community shall  
32 agree in writing to maintain and operate the bulk storage facility to be constructed with

1 the proceeds of the grant.

2 **Sec. 44.33.755. Land conveyed in trust.** (a) The commissioner

3 (1) shall accept, administer, and dispose of land conveyed to the state  
4 in trust by village corporations under 43 U.S.C. 1613(c)(3) (Sec. 14(c)(3) of the Alaska  
5 Native Claims Settlement Act) for the purposes specified in that section;

6 (2) may, with the concurrence of an appropriate village entity recognized  
7 by the commissioner under (b) of this section or, in the absence of an appropriate village  
8 entity, under procedures prescribed by regulations of the commissioner, accept,  
9 administer, and dispose of land conveyed in trust by a state or federal agency and by the  
10 dissolution of a municipality under AS 29.06.450 - 29.06.530.

11 (b) Transfer of land by sale, lease, right-of-way, easement, or permit, including  
12 transfer of surface resources, may be made by the commissioner only after approval of  
13 an appropriate village entity such as the traditional council, a village meeting, or a  
14 village referendum. This approval shall be by resolution filed with the department.

15 (c) Within one complete state fiscal year after the incorporation of a  
16 municipality in the village or of a municipality that includes all or part of the village,  
17 land acquired under this section shall be conveyed without cost to the municipality, and  
18 the municipality shall succeed to all the entrusted interest in the land.

19 (d) Separate accounts shall be maintained in the name of each village for the  
20 land, including the revenue from the land, acquired from each village corporation under  
21 this section.

22 (e) Upon the conveyance of land to a municipality under this section, the  
23 commissioner shall account to the municipality for all profits including interest generated  
24 from the land. The municipality may then request the governor to submit a request to  
25 the legislature for an appropriation for the amount due the municipality.

26 (f) Title to or an interest in land acquired by the department under this section  
27 may not be acquired by adverse possession or prescription. Notwithstanding (a) - (e)  
28 of this section, on the dissolution of a municipality under AS 29.06.450 - 29.06.530,  
29 unimproved land that was owned by the municipality on the date of its dissolution and  
30 received by the municipality from the state under a municipal land grant entitlement  
31 program is transferred to the commissioner of natural resources.

32 (g) For the purposes of this section, "municipality" includes only first and

1 second class cities incorporated under the laws of the state.

2 **Sec. 44.33.760. Loan information officers.** (a) The department may provide  
3 itinerant loan information officers to serve persons who reside outside the major  
4 population centers of the state.

5 (b) The loan information officers shall be trained, to the extent that the  
6 department considers necessary, in a program administered by the department and  
7 approved by the Alaska Housing Finance Corporation, the Alaska Industrial  
8 Development and Export Authority, and the principal departments of the executive  
9 branch that administer loan programs.

10 (c) A majority of the loan information officers shall be persons who are  
11 conversant in Alaska Native languages that are spoken by a significant number of Alaska  
12 Natives. The department shall provide brochures and other printed materials, written in  
13 easily understandable English and in the Alaska Native languages that are spoken by a  
14 significant number of Alaska Natives, for distribution by the loan information officers.  
15 The brochures and printed materials must explain the purposes of the various state loan  
16 programs, the minimum qualifications under the programs, the method for obtaining  
17 assistance in the completion of applications for the programs, and other information the  
18 department determines will improve the access of persons in rural areas to the state's  
19 loan programs.

20 (d) The department shall coordinate its efforts under this section with local  
21 financial institutions and community groups to determine the proper itinerary and travel  
22 schedule of the loan information officers and to provide adequate notice to persons in  
23 rural areas of the itinerary and travel schedule of the loan information officers.

24 (e) The department shall assign the loan information officers to rural areas based  
25 on the current and potential future demands for loans in those areas and shall establish  
26 offices for the loan information officers in rural areas if the department determines it is  
27 necessary to provide familiarity with the area served by the loan information officers and  
28 to reduce travel costs.

29 **Sec. 44.33.765. Rural development initiative fund.** (a) The rural development  
30 initiative fund is created in the department. Unless provided otherwise in the  
31 appropriation act, an appropriation to the fund is retained in the fund for use under  
32 AS 44.33.765 - 44.33.775 and does not lapse at the end of a fiscal year. Each year the

1 commissioner shall request an appropriation to the fund of interest and other income  
2 earned on loans or investments of the fund. Money in the fund may be appropriated for  
3 costs of administering AS 44.33.765 - 44.33.775.

4 (b) The commissioner may place money from the fund into a special reserve  
5 account as necessary. The commissioner may use money in the account to protect the  
6 state's security interest in collateral on loans made from the fund, to protect the state's  
7 interests in investments made from the fund, or to defray expenses incurred during  
8 foreclosure or other legal proceedings involving loans or investments made from the  
9 fund.

10 (c) The commissioner may use money from the fund to provide for loan  
11 information officers under AS 44.33.760.

12 **Sec. 44.33.770. Rural development loans.** (a) The department may use money  
13 from the rural development initiative fund to make a loan of up to \$100,000 to a person,  
14 or a loan of up to \$200,000 to two or more persons, to be used for working capital,  
15 equipment, construction, or other commercial purposes by a business located in a  
16 community with a population of 5,000 or less. A person who has received a loan under  
17 this subsection may not be granted another loan until after the original loan is entirely  
18 repaid.

19 (b) The department shall require collateral for each loan made under this section  
20 and shall require that a reasonable amount of money from other nonstate sources be  
21 committed for use on any project or enterprise for which money from a loan will be  
22 used. The department by regulation may establish other conditions for loans. The  
23 department shall by regulation establish rates of interest that are not less than six percent  
24 a year and terms of repayment for loans made under this section.

25 **Sec. 44.33.775. Disposal of property acquired by default or foreclosure.** The  
26 department shall dispose of property acquired through default or foreclosure of a loan  
27 made from the rural development initiative fund. Disposal shall be made in a manner  
28 that serves the best interests of the state, and may include the amortization of payments  
29 over a period of years. The commissioner shall request an appropriation to the fund of  
30 proceeds from disposal of property under this section.

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

32 (1) "commissioner" means the commissioner of commerce and rural

1 development;

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

4 **Article 7B. Planning Assistance.**

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

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

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

28 **Sec. 44.33.786. Land use planning and state facility procurement plan.** The  
29 department shall make recommendations to the Department of Transportation and Public  
30 Facilities and to appropriate program agencies concerning the effect upon the  
31 comprehensive plan or other land use plans or proposals of municipalities and  
32 unincorporated communities with respect to the facility procurement plan required to be

1 prepared in accordance with AS 35.10.170.

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

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

8 \* **Sec. 78.** AS 44.33 is amended by adding new sections to read:

9 **Article 3A. Local Boundary Commission.**

10 **Sec. 44.33.810. Local Boundary Commission.** There is in the Department of  
11 Commerce and Rural Development a Local Boundary Commission. The Local  
12 Boundary Commission consists of five members appointed by the governor for  
13 overlapping five-year terms. One member shall be appointed from each of the four  
14 judicial districts described in AS 22.10.010 and one member shall be appointed from the  
15 state at large. The member appointed from the state at large is the chair of the  
16 commission.

17 **Sec. 44.33.812. Powers and duties.** (a) The Local Boundary Commission shall

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

19 (2) adopt regulations providing standards and procedures for municipal  
20 incorporation, annexation, detachment, merger, consolidation, reclassification, and  
21 dissolution;

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

25 (4) develop standards and procedures for the extension of services and  
26 ordinances of incorporated cities into contiguous areas for limited purposes upon  
27 majority approval of the voters of the contiguous area to be annexed and prepare  
28 transition schedules and prorated tax mill levies as well as standards for participation by  
29 voters of these contiguous areas in the affairs of the incorporated cities furnishing  
30 services.

31 (b) The Local Boundary Commission may

32 (1) conduct meetings and hearings to consider local government

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boundary changes and other matters related to local government boundary changes, including extensions of services by incorporated cities into contiguous areas and matters related to extension of services; and

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

**Sec. 44.33.814. Meetings and hearings.** The chair of the commission or the commissioner of commerce and rural development with the consent of the chair may call a meeting or hearing of the Local Boundary Commission. All meetings and hearings shall be public.

**Sec. 44.33.816. Minutes and records.** The Local Boundary Commission shall keep minutes of all meetings and hearings. If the proceedings are transcribed, minutes shall be made from the transcription. The minutes are a public record. All votes taken by the commission shall be entered in the minutes.

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

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

**Sec. 44.33.822. Boundary change.** A majority of the membership of the Local Boundary Commission must vote in favor of a proposed boundary change before it may be presented to the legislature.

**Sec. 44.33.824. Expenses.** Members of the Local Boundary Commission receive no pay but are entitled to the travel expenses and per diem authorized for

1 members of boards and commissions under AS 39.20.180.

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

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

#### 10 **Article 8B. Borough Feasibility Studies.**

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

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

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

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

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

21 (2) an indication of local interest in the proposed study consisting of  
22 either

23 (A) a petition requesting the study containing the signatures and  
24 addresses of five percent of the voters residing in the area of the proposed study  
25 based on the number of voters who voted in the area in the last statewide  
26 election; or

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

29 **Sec. 44.33.844. Boundaries.** The boundaries of an area studied shall conform  
30 to the boundaries indicated in the request for the study under AS 44.33.842 unless the  
31 commissioner, after a public hearing held in the area of the proposed study, determines  
32 that the boundaries should be altered. In determining the boundaries of an area to be

1 studied, the commissioner shall consider

2 (1) the standards applicable to the incorporation of boroughs under  
3 AS 29.05.031;

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

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

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

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

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

14 (1) public participation in the preparation of the study;  
15 (2) completion of the study not later than June 30 of the third year after  
16 the year the contract is executed.

17 (b) A study under this section must include

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

20 (2) an evaluation of the economic development potential of the area  
21 studied;

22 (3) an evaluation of capital facility needs of the area studied;

23 (4) an evaluation of demographic, social, and environmental factors  
24 affecting the area studied;

25 (5) an evaluation of the relationships among regional educational  
26 attendance areas, coastal resource service areas, and other regional entities responsible  
27 for providing services in the area studied;

28 (6) an evaluation of the relationships between the existing cities within  
29 the area studied and regional entities responsible for providing services in the area; and

30 (7) specific recommendations for

31 (A) organization of a home rule or general law borough  
32 government if one is recommended;

- 1 (B) changes in organization of cities in the area studied; or  
2 (C) the improvement of the delivery of services to the public by  
3 the state in the area studied.

4 **Sec. 44.33.849. Definition.** In AS 44.33.840 - 44.33.849, "commissioner"  
5 means the commissioner of commerce and rural development.

6 **Article 8C. Alaska Regional Economic Assistance Program.**

7 **Sec. 44.33.895. Alaska regional economic assistance program.** (a) The  
8 department shall

9 (1) encourage the formation of regional development organizations by  
10 providing assistance in forming organizations to interested individuals, including  
11 information on how to qualify and apply for regional development grants and federal  
12 funding under 42 U.S.C. 3121 - 3246 (Public Works and Economic Development Act  
13 of 1965), as amended;

14 (2) assist an interested individual in establishing boundaries for a  
15 proposed organization to ensure that the region

16 (A) is of sufficient geographic size and contains a large enough  
17 population to form an economically viable unit with shared interests, resources,  
18 traditions, and goals;

19 (B) contains at least one municipality that serves as a regional  
20 center; and

21 (C) contains the entire area of each municipality included in the  
22 region;

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

25 (4) serve as liaison between organizations and other state agencies and  
26 encourage other agencies to make resources available to help accomplish goals of the  
27 organizations;

28 (5) assist each organization to

29 (A) provide services designed to encourage economic  
30 development to local communities and businesses;

31 (B) collect and distribute economic information relevant to the  
32 region;

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

3 (D) develop and implement strategies to attract new industry,  
4 expand international trade opportunities, and encourage tourism within the  
5 region.

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

15 (c) To qualify for a grant, a regional development organization must match the  
16 grant by providing an amount of money from nonstate sources. The department shall  
17 establish by regulation a formula that determines the amount of the match required under  
18 this subsection based on the capability of each organization to generate money from  
19 nonstate sources. The amount of match required may not exceed the amount of grant  
20 money and may not be less than 20 percent of the grant. The total amount of grant  
21 money provided to an organization during a fiscal year may not exceed \$100,000.

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

25 (e) In this section,

26 (1) "department" means the Department of Commerce and Rural  
27 Development;

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

1 \* Sec. 79. AS 44.85.030 is amended to read:

2           Sec. 44.85.030. **Membership and vacancies.** The bond bank authority consists  
3 of the following five directors: the commissioner of revenue, the commissioner of  
4 commerce and rural development [COMMUNITY AND REGIONAL AFFAIRS], who  
5 shall each be a director ex officio with voting privileges, and three directors appointed  
6 by the governor. The appointment of each director other than the commissioner of  
7 revenue and the commissioner of commerce and rural development [COMMUNITY  
8 AND REGIONAL AFFAIRS] is subject to confirmation by the legislature. The three  
9 directors appointed by the governor serve at the governor's pleasure for four-year terms.  
10 They must be residents of the state and qualified voters at the time of appointment and  
11 shall comply with the requirements of AS 39.50 (conflict of interest). Each director  
12 shall hold office for the term of appointment and until a successor has been appointed  
13 and qualified. A director is eligible for reappointment. A vacancy in a directorship  
14 occurring other than by expiration of term shall be filled in the same manner as the  
15 original appointment but for the unexpired term only. Each director before entering  
16 upon the duties of office shall take and subscribe to an oath to perform the duties  
17 faithfully, impartially, and justly to the best of the director's ability. A record of the  
18 oath shall be filed in the office of the governor.

19 \* Sec. 80. AS 44.85.320(b) is amended to read:

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

24 \* Sec. 81. AS 46.03.900(33) is amended to read:

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

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

31                           (B) has

32   (i) a council organized under 25 U.S.C. 476 (sec. 16 of

1 the Indian Reorganization Act);

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

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

10 \* Sec. 82. AS 46.04.900(22) is amended to read:

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

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

17 (B) has

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

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

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

28 \* Sec. 83. AS 46.08.040(a) is amended to read:

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

1 use money

2 (1) from the response account in the fund

3 (A) when authorized by AS 46.08.045, to investigate and evaluate  
4 the release or threatened release of oil or a hazardous substance, and contain,  
5 clean up, and take other necessary action, such as monitoring and assessing, to  
6 address a release or threatened release of oil or a hazardous substance that poses  
7 an imminent and substantial threat to the public health or welfare, or to the  
8 environment;

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

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

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

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

19 (2) from the prevention account in the fund to

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

25 (B) pay all costs incurred

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

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

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

32 (iv) to conduct training, response exercises, inspections,

1 and tests, in order to verify equipment inventories and ability to prevent  
2 and respond to oil and hazardous substance release emergencies, and to  
3 undertake other activities intended to verify or establish the preparedness  
4 of the state, a municipality, or a party required by AS 46.04.030 to have  
5 an approved contingency plan to act in accordance with that plan; and

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

8 (C) pay, when presented with appropriate documentation by the  
9 Department of Military and Veterans' Affairs, the expenses incurred by the  
10 Department of Military and Veterans' Affairs for Alaska State Emergency  
11 Response Commission activities, including staff support, when the activities and  
12 staff support relate to oil or hazardous substances, and for the costs of being  
13 prepared for responding to a request by the department for support in response  
14 and restoration, but not including the costs of maintaining the response corps and  
15 the emergency response depots under AS 26.23.045;

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

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

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

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

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

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

1 (H) transfer to the Department of Commerce and Rural  
2 Development [COMMUNITY AND REGIONAL AFFAIRS] for payment by the  
3 commissioner of commerce and rural development [COMMUNITY AND  
4 REGIONAL AFFAIRS] of

5 (i) municipal impact grants when authorized under  
6 AS 29.60.510(b)(2);

7 (ii) assessments of the social and economic effects of the  
8 release of oil or hazardous substances as required by AS 29.60.560 when,  
9 in the judgment of the commissioner, the release of oil or a hazardous  
10 substance is not one that is described in AS 46.08.045; and

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

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

18 (J) prepare, review, and revise

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

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

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

27 \* Sec. 84. AS 46.08.900(16) is amended to read:

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

32 (A) has irrevocably waived, in a form approved by the

1 Department of Law, any claim of sovereign immunity that might arise in  
2 connection with the use of grant money under this chapter; and

3 (B) has

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

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

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

14 \* Sec. 85. AS 46.40.120(b) is amended to read:

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

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

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

29 \* Sec. 86. AS 46.40.120(d) is amended to read:

30 (d) For purposes of coastal zone management only, the commissioner of  
31 commerce and rural development [COMMUNITY AND REGIONAL AFFAIRS] may,  
32 after public hearings held in the regional educational attendance area affected, divide an

1 existing regional educational attendance area into no more than three coastal resource  
2 service areas according to geographic, cultural, economic, environmental, or other  
3 features relevant to coastal management planning. However,

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

7 (2) a city within a coastal resource service area formed by dividing an  
8 existing regional educational attendance area may not elect to exclude itself from the  
9 coastal resource service area; and

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

12 \* Sec. 87. AS 46.40.140(c) is amended to read:

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

26 \* Sec. 88. AS 46.40.170(a) is amended to read:

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

1 management program for the service area.

2 \* Sec. 89. AS 46.40.170(b) is amended to read:

3 (b) At the request of the council, the Department of Commerce and Rural  
4 Development [COMMUNITY AND REGIONAL AFFAIRS] shall complete the district  
5 coastal management program in accordance with this chapter and the guidelines and  
6 standards adopted by the council for a coastal resource service area that [WHICH] has  
7 been organized but that [WHICH] has failed to make substantial progress in the  
8 preparation of an approvable district coastal management program within 18 months of  
9 certification of the results of an organization election or that [WHICH] has not  
10 submitted for approval to the council a program within 30 months of certification of the  
11 results of its organization election. Preparation of the program shall be conducted in  
12 consultation with the coastal resource service area and shall, to the maximum extent  
13 consistent with this chapter, reflect the expressed concerns of the residents of the service  
14 area.

15 \* Sec. 90. AS 46.40.180(a) is amended to read:

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

23 \* Sec. 91. AS 46.40.180(d) is amended to read:

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

27 \* Sec. 92. AS 46.40.190(a) is amended to read:

28 (a) A city within the coastal area that [WHICH] is not part of a coastal resource  
29 service area shall be included for purposes of this chapter within an adjacent coastal  
30 resource service area unless its governing body, by resolution adopted by a majority of  
31 its membership, chooses to exclude the city from an adjacent coastal resource service  
32 area and a copy of the resolution is filed with the commissioner of commerce and rural

1        development [COMMUNITY AND REGIONAL AFFAIRS].

2        \* Sec. 93. AS 46.40.210(2) is amended to read:

3                    (2) "coastal resource district" means each of the following that  
4                    [WHICH] contains a portion of the coastal area of the state:

5                    (A) unified municipalities;

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

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

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

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

20        \* Sec. 94. AS 46.40.210(5) is amended to read:

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

23        \* Sec. 95. AS 47.05.030(a) is amended to read:

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

1 the performance of official duties.

2 \* Sec. 96. AS 47.18.010(c) is amended to read:

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

13 \* Sec. 97. AS 47.27.060 is amended to read:

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

20 \* Sec. 98. AS 47.27.900(2) is amended to read:

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

25 \* Sec. 99. AS 47.80.090 is amended to read:

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

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

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

32 (3) advise the executive and legislative branches of the state government

1 and the private sector on programs and policies pertaining to current and potential  
2 services to disabled or gifted persons and their families;

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

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

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

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

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

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

30 (10) monitor and evaluate budgets or other implementation plans and  
31 programs for disabled and gifted persons to assure nonduplication of services and  
32 encourage efficient and coordinated use of federal, state, and private resources in the

1 provision of services; members of the council, with the approval of the council, have  
2 access to information in the possession of state agencies subject to disclosure restrictions  
3 imposed by state or federal confidentiality or privacy laws;

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

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

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

13 \* Sec. 100. AS 47.90.040 is amended to read:

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

21 \* Sec. 101. AS 47.90.070(1) is amended to read:

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

24 \* Sec. 102. REPEALER. AS 39.25.120(c)(21); AS 44.17.005(17); AS 44.33.240, 44.33.242,  
25 44.33.245, 44.33.255, 44.33.260, 44.33.270, 44.33.272, 44.33.275, 44.33.800; and AS 44.47 are  
26 repealed.

27 \* Sec. 103. REPEALER. AS 44.33.895, added by sec. 78 of this Act, is repealed July 1,  
28 2000.

29 \* Sec. 104. TRANSITIONAL PROVISIONS. (a) Litigation, hearings, investigations, and  
30 other proceedings pending under a law repealed or amended by this Act, or in connection with  
31 functions transferred by this Act, continue in effect and may be completed notwithstanding a  
32 transfer or repeal provided for in this Act.

1 (b) Regulations in effect on June 30, 1999, that were adopted to implement a function  
2 that is transferred by this Act remain in effect and shall be enforced by the agency to which the  
3 function is transferred under this Act until amended by the agency to which the function is  
4 transferred.

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

10 (d) Contracts, rights, liabilities, and obligations created by or under a law repealed or  
11 amended by this Act, and in effect on June 30, 1999, remain in effect notwithstanding this Act's  
12 taking effect.

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

16 \* Sec. 105. DIVISION OF TOURISM CONVERTED TO OFFICE. The duties of the  
17 division of tourism, Department of Commerce and Economic Development, and the duties of  
18 the director of that division, are transferred, respectively, to the office of tourism, in the  
19 Department of Commerce and Rural Development, and to the manager of that office. This  
20 section applies to duties existing on June 30, 1999, and to duties that are created after  
21 June 30, 1999, under legislation passed during the Twenty-First Alaska State Legislature that  
22 becomes law.

23 \* Sec. 106. REVISOR'S INSTRUCTION. (a) Wherever in the Alaska Statutes and the  
24 Alaska Administrative Code the terms "Department of Commerce and Economic Development"  
25 and "commissioner of commerce and economic development" are used, they shall be read,  
26 respectively, as "Department of Commerce and Rural Development" and "commissioner of  
27 commerce and rural development" when to do so would be consistent with the changes made  
28 by this Act.

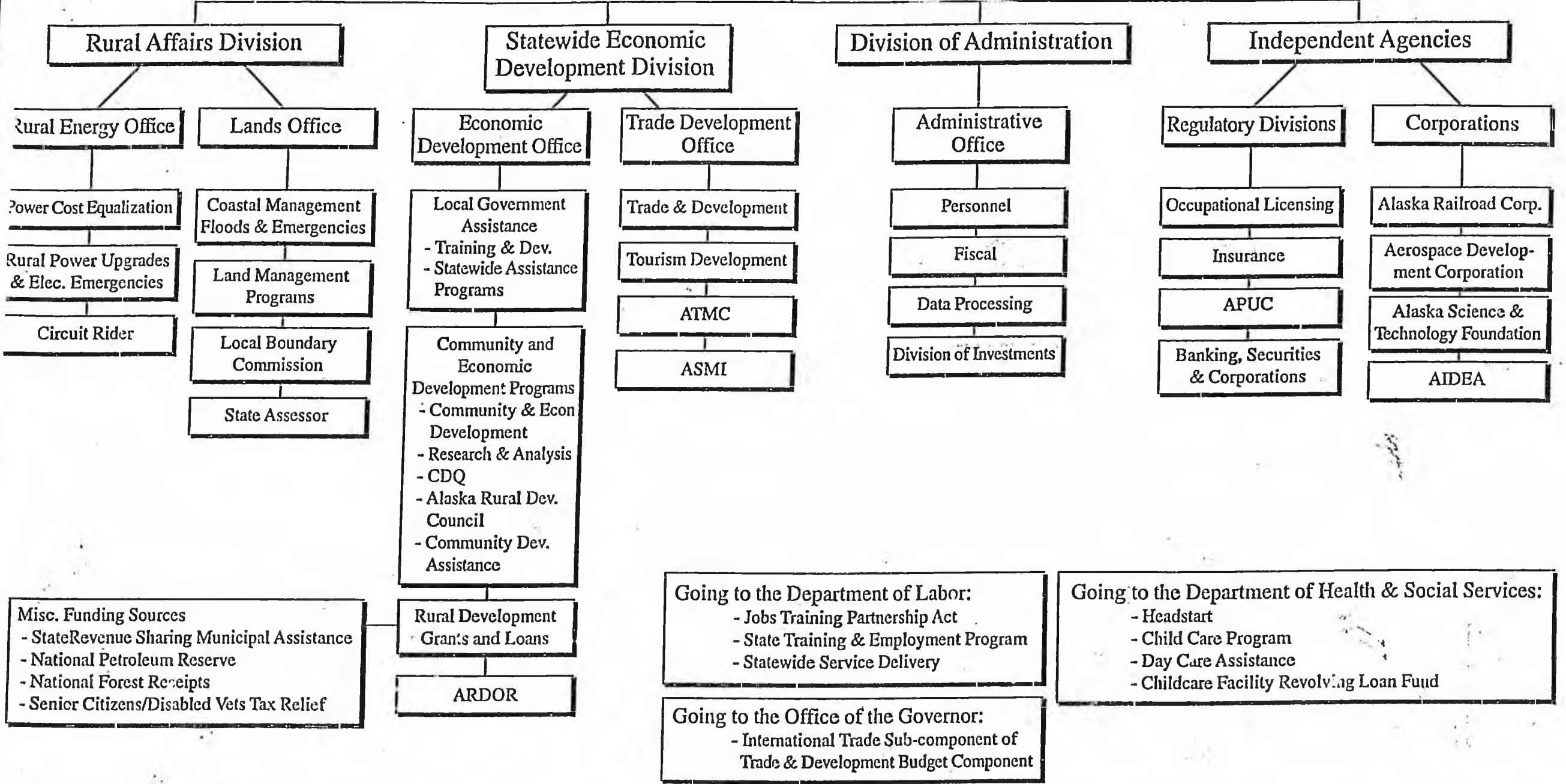
29 (b) Wherever in the Alaska Statutes and the Alaska Administrative Code the terms  
30 "division of tourism" and "director of tourism" are used, they shall be read, respectively, as  
31 "office of tourism" and "manager of tourism" when to do so would be consistent with sec. 105  
32 of this Act.

1 (c) Wherever in the Alaska Statutes and the Alaska Administrative Code the terms  
2 "division of international trade" and "director of international trade" are used, they shall be read,  
3 respectively, as "office of international trade" and "manager of international trade" when to do  
4 so would be consistent with secs. 67 and 102 of this Act.

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

8 \* Sec. 107. This Act takes effect July 1, 1999.

**DEPARTMENT OF COMMERCE AND RURAL DEVELOPMENT**



**Misc. Funding Sources**  
 - State Revenue Sharing Municipal Assistance  
 - National Petroleum Reserve  
 - National Forest Receipts  
 - Senior Citizens/Disabled Vets Tax Relief

**Going to the Department of Labor:**  
 - Jobs Training Partnership Act  
 - State Training & Employment Program  
 - Statewide Service Delivery

**Going to the Office of the Governor:**  
 - International Trade Sub-component of  
 Trade & Development Budget Component

**Going to the Department of Health & Social Services:**  
 - Headstart  
 - Child Care Program  
 - Day Care Assistance  
 - Childcare Facility Revolving Loan Fund

**HB**

**43**



# ALASKA STATE LEGISLATURE

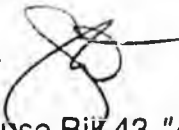
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## REPRESENTATIVE GARY DAVIS

February 17, 1999

### MEMORANDUM

TO: Representative Andrew Halcro, Co-Chair  
Representative John Harris, Co-Chair  
House Community and Regional Affairs Committee

FROM: Representative Gary Davis 

RE: Request for Hearing on House Bill 43 *"An act relating to police training surcharges imposed for violations of municipal ordinances"*

Please schedule a committee hearing on the House Bill 43 at your earliest convenience. Attached are the following materials for inclusion in the committee packet:

- Sponsor Statement
- Sectional Analysis
- Affected Statutes

I would also like to request that this hearing be teleconferenced to Kenai and Anchorage to enable municipal attorneys with whom I've been working to testify.

Thank you for your consideration of this request. If you have any questions or would like additional information, please contact Deb Davidson of my staff.



# ALASKA STATE LEGISLATURE

REPRESENTATIVE GARY DAVIS

## HOUSE BILL 43

### SPONSOR STATEMENT

*An act relating to police training surcharges imposed for violations of municipal ordinances*

The Police Training Fund was established to provide training for the law enforcement and corrections community of the state. Appropriations to this fund may be made from income derived from the imposition of surcharges on criminal convictions.

Last year, legislation was passed expanding the types of crimes for which a surcharge is imposed and increasing the amount of the surcharge applied. This surcharge is imposed on both state and municipal law violations.

Recently, concern was raised that the phrasing used in the legislation could be interpreted as requiring surcharges to be imposed on civil as well as criminal violations of the law. Additionally, it was argued that if a local government did not authorize the imposition of a surcharge, an entire ordinance could be found invalid rather than just the section imposing the fine.

House Bill 43 is a housecleaning measure to address these two concerns. First, the legislation clarifies that the surcharge will be imposed on a violation of a municipal ordinance that imposes a criminal penalty for its violation. Second, this legislation specifies that the municipality can not enforce (or collect) a penalty for a violation unless the municipality also authorizes the imposition of a surcharge on the violation.

HB43/ss/020199

Session: State Capitol, Juneau, AK 99801 • Phone 907/465-2693 or 800/463-2693 • Fax 907/465-3835  
Interim: 145 Main St. Lp., Ste. 223, Kenai, AK 99611 • Phone 907/283-7095 or 907/224-2051 • Fax 907/283-3075  
Email: Representative\_Gary\_Davis@legis.state.ak.us



# ALASKA STATE LEGISLATURE

REPRESENTATIVE GARY DAVIS

## HOUSE BILL 43

### SECTIONAL ANALYSIS

*An act relating to police training surcharges imposed for violations of municipal ordinances*

- Section 1: Amends AS 12.55.039, Surcharges, subsection (a)(4) to clarify that surcharges are imposed on violations of a municipal ordinance if that ordinance imposes a criminal penalty for its violation.
- Section 2: Amends AS 29.25.074, Surcharges, subsection (1) to specify that a municipality cannot enforce a penalty for the violation of an ordinance unless it has authorized the imposition of the surcharge set out in AS 12.55.039.

HB43/sa/020199

Session: State Capitol, Juneau, AK 99801 • Phone 907/465-2693 or 800/463-2693 • Fax 907/465-3835  
Interim: 145 Main St. Lp., Ste. 223, Kenai, AK 99611 • Phone 907/283-7095 or 907/224-2051 • Fax 907/283-3075  
Email: Representative\_Gary\_Davis@legis.state.ak.us

- (2) make written findings of the facts considered in
- (A) finding the existence of aggravating or mitigating factors and in assigning a value to those factors; and
- (B) determining the defendant's gross and daily net incomes.
- (d) When imposing a sentence of a day fine, the court may permit the payment of the day fine in specified installments or within a certain period of time, provided the entire day fine is paid within 180 days of imposition.
- (e) A sentence imposing a day fine shall be considered a civil judgment for the day fine. The Department of Law shall enforce the judgment and may utilize any procedure available for the enforcement of civil judgments. If the Department of Law uses the civil process of the court to enforce or collect a day fine, the department shall be awarded costs and attorney fees.
- (f) The Alaska Court System shall evaluate and prepare a report every two years not later than February 1 on the use of day fines and their effectiveness. The court system shall notify the legislature that the report is available. The report must include
- (1) a comparison of the number of defendants receiving a day fine as a sentence with the number of other defendants, eligible to receive a day fine, who receive another sentence;
- (2) a comparison of the recidivism rates between defendants receiving a day fine with other defendants.
- (A) eligible for a day fine, who receive another sentence; and
- (B) not eligible for a day fine, who receive another sentence;
- (3) the potential savings to the state from the number of defendants who are eligible to receive a sentence of imprisonment, and who receive a day fine, assuming those defendants would have been sentenced to a term of imprisonment;
- (4) the amount of day fines collected, the success rate of collections, and the number of cases requiring civil process to collect the day fine; and
- (5) recommendations concerning expansion or restriction of the use of day fines, including proposals for legislation.
- (g) Money collected under this section shall be deposited into the general fund and separately accounted for under AS 37.05.142. The annual estimated balance in the account maintained under AS 37.05.142 for day fines collected under this section may be appropriated by the legislature as follows: (1) 25 percent of the annual estimated balance for grants and claims paid by the Council on Domestic Violence and Sexual Assault; (2) 25 percent of the annual estimated balance for grants and claims paid by the Violent Crimes Compensation Board; and (3) the balance for any lawful purpose. Nothing in this subsection creates a dedicated fund. (§ 5 ch 79 SLA 1994; am § 6 ch 21 SLA 1995)

**Postponed repeal of subsection (f).** — Section 7, ch. 79, SLA 1994 repeals (f) of this section, effective February 2, 2004.

**Cross references.** — For effect of enactment of this section on Alaska Rule of Criminal Procedure 32, see § 6, ch. 79, SLA 1994 in the Temporary and Special Acts.

**Effect of amendments.** — The 1995 amendment, effective August 8, 1995, in the first sentence of the

introductory language of subsection (f), substituted "prepare a report every two years" for "report every two years to the legislature" and added the second sentence

**Legislative history reports.** — For House letter of intent relating to CSHB 119(JUD) am, from which ch. 79, SLA 1994, which enacted this section derived, see 1993 House Journal 1413.

**Sec. 12.55.039. Surcharge.** (a) In addition to any fine or other penalty prescribed by law, a defendant who pleads guilty or nolo contendere to, forfeits bail for, or is convicted of a

- (1) felony shall be assessed a surcharge of \$100;
- (2) violation of a misdemeanor offense under AS 28.33.030, 28.33.031, AS 28.35.030, or 28.35.032, or a violation of a municipal ordinance comparable to a misdemeanor offense under AS 28.33.030, 28.33.031, AS 28.35.030, or 28.35.032 and adopted under AS 28.01.010, shall be assessed a surcharge of \$75;

(3) misdemeanor or a violation of a municipal ordinance if a sentence of incarceration may be imposed for the misdemeanor or ordinance violation, other than a provision identified in (2) of this subsection, shall be assessed a surcharge of \$50;

(4) violation or an infraction under state law or a misdemeanor or a violation of a municipal ordinance if a sentence of incarceration may not be imposed for the misdemeanor or ordinance violation shall be assessed a surcharge of \$10 if the fine or bail forfeiture amount for the offense is \$30 or more.

(b) A court may not fail to impose the surcharge required under this section. The surcharge may not be waived, deferred, or suspended. A court may allow a defendant who is unable to pay the surcharge required to be imposed under this section to perform community work under AS 12.55.055(c) in lieu of the surcharge.

(c) The surcharge shall be paid within 10 days of imposition or such shorter period of time as ordered by the court. Failure to pay the surcharge is punishable as contempt of court. Proceedings to collect the surcharge may be instituted by the state, the municipality, or by the court on its own motion.

(d) Money collected under this section shall be deposited into the general fund and accounted for under AS 37.05.142. (§ 2 ch 119 SLA 1994; am § 4 ch 56 SLA 1998)

**Cross references.** — For legislative findings and purpose in connection with the enactment of this section, see § 1, ch. 119, SLA 1994 in the Temporary and Special Acts.

**Effect of amendments.** — The 1998 amendment, effective August 27, 1998, rewrote subsection (a).

**Effective dates.** — Section 7, ch. 119, SLA 1994 makes this section effective January 1, 1996.

**Editor's notes.** — With respect to subsection (d), § 10, ch. 56, SLA 1998 provides the following: "Notwithstanding the requirements of AS 12.55.039(d) and AS 37.05.142 that surcharges collected under AS 12.55.039 be accounted for separately, the Alaska Court System shall deposit money collected under AS 12.55.039 in the general fund and shall, by February

1 of each year, provide to the Department of Administration, to the Legislative Budget and Audit Committee, and to each house of the legislature an estimate of the money collected under AS 12.55.039 for that fiscal year."

Section 11, ch. 56, SLA 1998 provides a repeal date for § 10, ch. 56, SLA 1998 as follows: "Section 10 of this Act is repealed on the earlier of (1) the date that the Alaska Court System has the capability to separately track and account electronically for money collected under AS 12.55.039, or (2) June 30, 2002. The executive director of the Alaska Court System shall notify the lieutenant governor and the revisor of statutes when the electronic capability described in this section has been obtained."

*Sec. 12.55.040. Increased punishment for habitual criminal after conviction of petty larceny or misdemeanor involving fraud [Repealed. § 21 ch 166 SLA 1978.]*

**Sec. 12.55.045. Restitution.** (a) The court may order a defendant convicted of an offense to make restitution as provided in this section, including restitution to the victim or other person injured by the offense, to a public, private, or private nonprofit organization that has provided or is or will be providing counseling, medical, or shelter services to the victim or other person injured by the offense, or as otherwise authorized by law. In determining the amount and method of payment of restitution, the court shall take into account the

(1) public policy that favors requiring criminals to compensate for damages and injury to their victims; and

(2) financial burden placed on the victim and those who provide services to the victim and other persons injured by the offense as a result of the criminal conduct of the defendant.

(b) An order of restitution under this section does not limit any civil liability of the defendant arising from the defendant's conduct.

(c) If a defendant is sentenced to pay restitution, the court may grant permission for the payment to be made within a specified period of time or in specified installments.

(d) In any case, including a case in which the defendant is convicted of a violation of AS 11.46.120 — 11.46.150 and the property is commercial fishing gear as defined in AS 16.43.990, the court shall consider the victim's loss and may order restitution that may include compensation for loss of income.

THE  
FOLLOWING  
DOCUMENT(S)  
ARE  
POOR  
ORIGINAL  
COPIES

- enactments regulating lobbying 42 ALR3d 1046
- Validity of statute or ordinance forbidding pharmacist to advertise prices of drugs or medicines 44 ALR3d 1191
- Validity and construction of statute or ordinance respecting employment of women in places where intoxicating liquors are sold 46 ALR3d 369
- Validity and construction of statute or ordinance regulating or prohibiting self-service gasoline filling stations 46 ALR3d 1393
- Operation of nude-model photographic studio as offense 46 ALR3d 1313
- Validity and construction of statute or ordinance forbidding treatment in health clubs or massage parlors by persons of the opposite sex 51 ALR3d 936
- Validity of municipal regulation more restrictive than state regulation as to time for selling or serving intoxicating liquor 51 ALR3d 1011
- Validity and construction of regulations dealing with misrepresentation in the sale of Kosher food 52 ALR3d 359
- Validity of municipal ordinances regulating time during which restaurant business may be conducted 53 ALR3d 942
- Modern status of the law as to validity of statutes or ordinances requiring notice of tort claim against local governmental entity 59 ALR3d 93
- Validity and construction of curfew statute, ordinance, or proclamation 59 ALR3d 321, 63 ALR4th 1056
- Validity and construction of statute or ordinance prohibiting commercial exhibition of malformed or disfigured persons 62 ALR3d 1237
- Application of city ordinance requiring license for laundry to supplier of coin-operated laundry machines intended for use in apartment building 65 ALR3d 1296
- Application of statute or regulation dealing with registration or carrying of weapons to transient non-resident 66 ALR3d 1251
- Larceny as within disorderly conduct statute or ordinance 71 ALR3d 1156
- Validity and construction of ordinance prohibiting roof signs 76 ALR3d 1162
- Validity and construction of statute or ordinance proscribing solicitation for purposes of prostitution, lewdness, or assignation — modern cases 77 ALR3d 519
- Validity of statutes, ordinances, and regulation requiring the installation or maintenance of various bathroom facilities in dwelling units 79 ALR3d 716
- Validity and construction of statute or ordinance restricting outdoor rate advertising by motels, motor courts, and the like 80 ALR3d 740
- Validity of state or local regulation dealing with resale of tickets to theatrical or sporting events 81 ALR3d 655
- What constitutes "sale" of liquor in violation of statute or ordinance 89 ALR3d 551
- Validity and construction of statute or ordinance prohibiting desecration of church 90 ALR3d 1128
- Validity and construction of statute or ordinance specifically criminalizing passenger misconduct on public transportation 78 ALR4th 1127
- Validity and construction of statute, ordinance, or regulation applying to specific dog breeds, such as "pit bulls" or "bull terriers" 80 ALR4th 70
- Validity, construction, and effect of juvenile curfew regulations 83 ALR4th 1056
- Laws regulating begging, panhandling, or similar activity by poor or homeless persons 7 ALR5th 455
- Validity and construction of statutes or ordinances imposing civil or criminal penalties on alarm system users, installers, or servicers for false alarms 17 ALR5th 325
- Governmental regulation of place of amusement, entertainment, or recreation as violating rights of owner or operator under equal protection clause of Federal Constitution's Fourteenth Amendment — Supreme Court cases 104 L. Ed 2d 1075

**Sec. 29.25.010. Acts required to be by ordinance.** (a) In addition to other actions that this title requires to be by ordinance, the governing body of a municipality shall use ordinances to

- (1) establish, alter, or abolish municipal departments;
- (2) provide for a fine or other penalty, or establish rules or regulations for violation of which a fine or other penalty is imposed;
- (3) provide for the levying of taxes;
- (4) make appropriations, including supplemental appropriations or transfer of appropriations;
- (5) grant, renew, or extend a franchise;
- (6) adopt, modify, or repeal the comprehensive plan, land use and subdivision regulations, building and housing codes, and the official map;
- (7) approve the transfer of a power to a first or second class borough from a city;
- (8) designate the borough seat;
- (9) provide for the retention or sale of tax-foreclosed property;
- (10) exempt contractors from compliance with general requirements relating to payment and performance bonds in the construction or repair of municipal public works projects within the limitations set out in AS 36.25.025; this paragraph applies to home rule and general law municipalities.

(b) This section does not grant authority, but requires the governing body to use ordinances in exercising certain of its powers. (S 8 ch 74 SLA 1965)

**Sec. 29.25.060. Resolutions.** (a) The governing body shall provide for the maintenance of a permanent file of resolutions that have been adopted.

(b) This section applies to home rule and general law municipalities. (§ 8 ch 74 SLA 1985)

#### NOTES TO DECISIONS

Cited in *Lazy Mt. Land Club v. Matanuska-Susitna Borough Bd. of Adjustment & Appeals*, 904 P2d 373 (Alaska 1995)

**Sec. 29.25.070. Penalties.** (a) For the violation of an ordinance, a municipality may by ordinance prescribe a penalty not to exceed a fine of \$1,000 and imprisonment for 90 days. For a violation that cannot result in incarceration or the loss of a valuable license, a municipality may allow disposition of the violation without court appearance and establish a schedule of fine amounts for each offense.

(b) The municipality or an aggrieved person may institute a civil action against a person, including a minor as provided in AS 29.25.072, who violates an ordinance. In addition to injunctive and compensatory relief, a civil penalty not to exceed \$1,000 may be imposed for each violation. An action to enjoin a violation may be brought notwithstanding the availability of any other remedy. On application for injunctive relief and a finding of a violation or a threatened violation, the superior court shall grant the injunction. Each day that a violation of an ordinance continues constitutes a separate violation.

(c) The penalties authorized under this section may be imposed only if copies of the ordinance are made available for distribution to the public at no more than cost.

(d) This section does not apply to an ordinance adopted under AS 04.11.501(c).

(e) The municipality shall provide written notice to the commissioner of health and social services or to the commissioner's designee of the commencement of a civil enforcement action for the violation of an ordinance under (b) of this section against a minor. Unless the commissioner and the municipality have negotiated an agreement making other arrangements for the municipality to provide the notice required by this subsection, the municipality shall provide the notice by mailing a copy of the citation or other document setting out the notice of the commencement of the civil enforcement action. This subsection applies to home rule and general law municipalities.

(f) In this section, "minor" means a person under 18 years of age. (§ 8 ch 74 SLA 1985; am § 16 ch 80 SLA 1986; am § 11 ch 76 SLA 1987; am § 65 ch 101 SLA 1995; am §§ 2, 3 ch 107 SLA 1998)

**Effect of amendment.** — The 1995 amendment, effective July 1, 1995, made a section reference substitution in subsection (c).

The 1998 amendment, effective July 1, 1998, in-

serted "including a minor as provided in AS 29.25.072," in the first sentence in subsection (b) and added subsections (e) and (f).

#### NOTES TO DECISIONS

**Punishment for failure to list taxable property authorized.** — A city had the power to enact an ordinance requiring a taxpayer to file a statement under oath listing all personal property at its just and fair value, and a former, similar provision provided the authority to prescribe its punishment, including fine and imprisonment. *City of Anchorage v. Campbell*, 105 F Supp 977 (D Alaska 1952).

**An act may be made a penal offense under both state statute and municipal ordinance.** *Guidoni v. Wheeler*, 230 F. 93 (9th Cir. 1916), decided under former, similar law.

**Ordinance may impose penalties on class of persons.** — While an ordinance which made an act done by one penal and imposed upon another no penalty for a like act done under like circumstances could not receive judicial sanction for the reason that it was unjust and unreasonable, the same could not be said of discrimination by municipal authority against a whole class of persons who were lawfully regarded as proper subjects for police regulation, such as persons without occupation or visible means of support. *Guidoni v. Wheeler*, 230 F. 93 (9th Cir. 1916), decided under former, similar law.

**Sec. 29.25.072. Civil penalties for violation of municipal ordinances by minors.** (a) Except as otherwise provided in this section, the enforcement under AS 29.25.070(b) of a civil penalty against a minor for violation of a municipal ordinance shall be heard in the district court in the same manner as for similar allegations brought against an adult, except that the minor's parent, guardian, or legal custodian shall be present at all proceedings unless the court excuses the parent, guardian, or legal custodian from attendance for good cause.

(b) If provision is made by ordinance for use of a hearing officer to decide enforcement of a civil penalty under AS 29.25.070(b), allegations against a minor for a civil penalty under a municipal ordinance may be assigned to a hearing officer for the municipality for decision.

(c) An action for a civil penalty filed against a minor under this section does not give rise to the right to a trial by jury or to counsel appointed at public expense. (§ 4 ch 107 SLA 1998)

**Effective dates.** — Section 59, ch. 107, SLA 1998 provides that this section applies "to all offenses committed on or after July 1, 1998."

**Editor's notes.** — Section 57, ch. 107, SLA 1998

**Sec. 29.25.074. Surcharge.** (a) A municipality may not enforce an ordinance for which a fine of \$30 or more or imprisonment is prescribed as a penalty unless the municipality authorizes the imposition of and provides for the collection of the surcharge required to be imposed under AS 12.55.039. The surcharge shall be deposited into the general fund of the state and accounted for under AS 37.05.142. Subject to appropriation, the legislature may reimburse a municipality that collects a surcharge required to be imposed under AS 12.55.039 for the cost to the municipality in collecting the surcharge and transmitting the surcharge to the state. The reimbursement may not exceed 10 percent of the surcharge collected and transmitted to the state.

(b) This section applies to home rule and general law municipalities. (§ 5 ch 56 SLA 1998)

**Revisor's notes.** — This section was enacted as AS 29.25.072. Renumbered in 1998.

**Effective dates.** — Section 9, ch. 56, SLA 1998.

which enacted this section, took effect on August 27, 1998.

**Sec. 29.25.075. Collection of penalties.** The court may collect for a municipality any monetary penalty or surcharge or item to be forfeited as a result of the violation of an ordinance. The supreme court may prescribe by rule the fees to be charged by all courts to municipalities for providing collection services under this section. (§ 47 ch 36 SLA 1990; am § 9 ch 56 SLA 1998)

**Effect of amendments.** — The 1998 amendment, effective August 27, 1998, inserted "surcharge or" in the first sentence.

**Sec. 29.25.080. Breast-feeding.** A municipality may not enact an ordinance that prohibits or restricts a woman breast-feeding a child in a public or private location where the woman and child are otherwise authorized to be. In a municipal ordinance, "lewd conduct," "lewd touching," "immoral conduct," "indecent conduct," and similar terms do not include the act of a woman breast-feeding a child in a public or private location where the woman and child are otherwise authorized to be. Nothing in this section may be construed to authorize an act that is an offense under a municipal ordinance that establishes an offense with elements substantially equivalent to the elements of an offense under AS 11.61.123. This section is applicable to home rule and general law municipalities. (§ 4 ch 78 SLA 1998)

# FISCAL NOTE

STATE OF ALASKA  
1999 LEGISLATIVE SESSION

BILL NO: HB 43

Revision Date: 2-23-99

Dept. Affected: Department of Public Safety

Title: An Act... relating to police training surcharges

BRU:

Component: Alaska Police Standards Council

Sponsor: Rep. Davis

Requestor: (H) C&RA

COMPONENT SERIAL NO. 0519

**EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)**

OPERATING	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
GRANTS CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL EXPENDITURES	-0-	-0-	-0-	-0-	-0-	-0-
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CHANGE IN REVENUES ( ) Revenue Code	-0-	-0-	-0-	-0-	-0-	-0-
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**FUNDING: (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

Estimate of current year (FY 00) impact: \$ -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.)

The purpose of HB 43 is to amend (section 1) AS 12.55.039 for clarification of surcharges that are imposed on violations of a municipal ordinance if that ordinance imposes a criminal penalty for its violation; (section 2) AS 29.25.074, to specify that a municipality cannot enforce a penalty for the violation of an ordinance unless it has authorized the imposition of the surcharge set out in AS 12.55.039.

Prepared By: Laddie Shaw

Phone: 465-4378

Division: Alaska Police Standards Council

Date: 2-23-99

Approved by Commissioner:

  
Ronald L. Otte, Dept. of Public Safety

Date: 2-25-99

Agency:

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# FISCAL NOTE

Revision Date: \_\_\_\_\_ Dept. Affected: Community & Regional Affairs  
 Title: An Act relating to police training surcharges BRU: \_\_\_\_\_  
imposed for violations of municipal .. Component: \_\_\_\_\_  
 Sponsor: REPRESENTATIVE DAVIS  
 Requestor: House CRA Committee COMPONENT SERIAL NO. \_\_\_\_\_

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 00	FY 01	FY 02	FY 03	FY04	FY 05
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CAPITAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

REVENUE FUND SOURCE:						
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FUNDING: (Thousands of Dollars)

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

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current (FY99) impact \$ none

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

Enactment of this legislation would not have significant fiscal impact on the department

Prepared by: Remond Henderson, Director *Remond Henderson* Phone: 465-4709  
 Division: Division of Administrative Services Date: 2/22/99  
 Approved by Commissioner: *Mike Moran* Date: 2/22/99  
 Agency: Community & Regional Affairs

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**HB**

**57**

## HB 57

An act relating to immunity for certain claims against the state or a municipality arising out of or in connection with the year 2000 date change

The year 2000 date change creates an unparalleled challenge to government operations.

Even with the very best efforts, utilizing all budget and personnel resources available with the utmost due diligence, the magnitude and the depth of systems affected by Y2K date changes throughout state and local government operations may make it impossible to prevent all Y2K failures. Exhaustive preventive efforts are presently underway to identify, test and contingency plan mission critical systems to provide uninterrupted public services. But even the best diligent efforts may not be enough to discover and prevent all potential Y2K failures.

This bill is patterned after similar legislation already enacted into law in at least 5 states to amend their respective tort claims acts to protect both the state and local governments from Y2K liability claims.

- ◆ Georgia
- ◆ Hawaii
- ◆ Virginia
- ◆ Nevada
- ◆ Florida

Similar measures are currently being actively considered in many other states (see attachment) designed to shield both state and local governments and their employees from any derivative or consequential liability claims arising from Y2K date change failures.

Beyond Y2K specific immunity protection, at least 32 states are shielded with statutory liability caps, ranging from \$50,000 per claimant to \$1,000,000 per occurrence. Alaska has no such limitations. This bill is limited to address only Y2K liability claims and includes a provision to limit its effective period to claims accruing prior to January 1, 2006.

State and local municipalities are currently provided limited immunity protection under state law for discretionary acts. Executive decisions allocating limited resources (personnel, operating budgets etc.) are shielded but other agency operations are not so clearly protected. Should there be Y2K failures, state and local municipalities are not necessarily liable.

Extensive civil (tort) actions based on Y2K failures are anticipated in many areas of general commerce and industry. In the public sector, extensive arguments over discretionary immunity and operational responsibility and whether any duty is actually owed will be generated. At the very least, these cases will be very expensive to defend even if the public entity ultimately prevails. While civil rule 82 recovery for fees and costs are intended to compensate the prevailing party - the actual sums awarded are nominal and often extremely difficult to collect.

This legislation is designed to preclude and prevent consequential and derivative claims, but it does not interfere with an individual's right to receive statutorily mandated services or entitlements. Individuals continue to have recourse through existing administrative procedures.

### **Federal legislation:**

#### **The Year 2000 Information and Readiness Disclosure Act (S. 2392) Signed by President, 10/19/98**

To encourage the disclosure and exchange of information about computer processing problems, solutions, test practices and test results, and related matters in connection with the transition to the year 2000.

#### **Senate Bill 96**

#### **To Limit Liability in Y2K Cases and Permit Good Faith Defense**

Sen. John McCain (R-Ariz.) Jan. 19 introduced a bill that would limit liability in lawsuits filed as a result of Year 2000 computer failures to actual damages incurred by plaintiffs. The bill (S. 96) would require that all lawsuits that stem from Y2K failures, except for personal injury actions in which physical harm is among the claims, be treated as breach of contract actions, no matter under what form they are brought.

#### **Additional Day to Deal with Y2K Glitches**

Rep. John Linder (R-Ga.) introduced a measure Jan. 6 that would change the federal New Year's Day holiday from Dec. 31, 1999, to Jan. 3, 2000, in order to give technology professionals and the public an additional day to respond to Year 2000 computer problems that may arise.

According to Linder, Jan. 1, 2000, falls on Saturday, however, in accordance with 5 U.S.C. §6103(a), New Year's Day must be observed on the previous Friday, Dec. 31, 1999. "We are not certain what extent of the Y2K problem will be at the beginning of the Year 2000. Fortunately, in 2000 we have a few extra days to recover after the Y2K problem hits because Jan. 1 falls on Saturday," said Linder.

**House Y2K Bill Would Set Foreseeability Test  
For Liability, Require Unreasonable Behavior**

Rep. Don A. Manzullo (R-Ill.) Jan. 6 introduced a bill that would require that plaintiffs in Year 2000 cases, in order to prevail, prove by a preponderance of the evidence that the defendants acted unreasonably and caused a loss that was foreseeable. The bill also would limit damages in these cases and the length of time under which they may be brought.

The Year 2000 Consumer Protection Plan Act of 1999 (H.R. 192) would apply to most civil litigation arising under either state or federal law.

If federal legislation is enacted addressing Y2K liability, any protections it might provide may not apply to claims filed under Alaska statutes addressing tort claims against the state and municipal governments.

Pension & Benefits**CalPERS Urges Firms to Comply With Y2K Disclosure Requirements**

**S**ACRAMENTO, Calif.—The California Public Employees Retirement System sent letters Jan. 26 to more than 1,600 companies in its equity portfolio, urging them to comply with Year 2000 computer problem disclosure requirements of the Securities and Exchange Commission.

"CalPERS calls on you to ensure that a timely, transparent, and accurate Year 2000 disclosure is filed with the SEC," CalPERS Chief Executive Officer James E. Burton said in the letter. "While you may find these disclosure rules burdensome, I assure you that we and our fellow shareowners believe they are extremely important in gauging the impact, if any, the Year 2000 issue will have on our investments."

The \$145 billion pension system is not asking the companies to respond directly or file disclosures with CalPERS but to cooperate fully with SEC so investors and the market know what companies are Y2K compli-

ant. CalPERS spokesman Brad Pacheco told BNA. More than 50 percent of the fund's portfolio is invested in publicly traded companies.

Under SEC rules, companies must disclose their state of readiness, costs to address Y2K issues, risks associated with the problem, and their contingency plans.

CalPERS has not decided what actions it may take based on the disclosures, for example whether it would pull its investments out of companies that fail to file, or file an unfavorable report.

"No one knows what the impact will be until the companies disclose, or until that day comes," Pacheco said. "But as a long-term investor, we would probably remain invested."

The pension system also plans to send similar letters to 800 international companies in its portfolio, and will ask those companies to respond directly to CalPERS, Pacheco said. The responses of those companies will be posted on a new CalPERS Internet site that will deal with corporate governance issues. The Internet site is not yet complete.

BY LAURA MAHONEY

**STATE LEGISLATION ELIMINATING OR LIMITING LIABILITY FOR COMPUTER DATE ERRORS**

BILL	DESCRIPTION	STATUS
ALASKA S.B. 37	Provides immunity to state and state officials for all actions arising out of Year 2000 computer date change.	Introduced 1/21/99.
ARIZONA S.B. 1057	Protects from default, foreclosure, or other enforcement action persons and entities that fail to process information, data, payment, or transfer because of a computer system failure or malfunction arising out of the Year 2000 date change. Also, credit reporting agencies shall be proscribed from entering negative credit information if it was due to disruptions caused by Y2K-related malfunction.	Introduced 1/12/99.
CONNECTICUT H.B. 5296	Provides that failure of a public service company to become Year 2000 compliant shall be deemed an unfair or deceptive trade practice.	Introduced, to House Energy and Technology Committee 1/14/99.
CONNECTICUT H.B. 5360	Includes within the statutory definition of "product" a definition of computer software for the purposes of product liability.	Introduced, to the Judiciary Committee 1/14/99.
CONNECTICUT H.B. 5104	Requires hospitals to submit a status report of their Y2K compliance plan by April 1, 1999, and a contingency plan by May 1, 1999, and biweekly thereafter, to the state Public Health Department.	Introduced, to Public Health Committee 1/8/99.
CONNECTICUT S.B. 401	Requires that managed care organizations provide at least a three-month supply of prescription drugs in December 1999, or at the monthly prescription renewal date, for patients receiving long-term, chronic, or continuous medication.	Introduced, to Public Health Committee 1/20/99.
INDIANA H.B. 1599	Provides immunity, retroactive as of December 31, 1998, to the state and its agencies, and its employees from tort or contract liability caused by an error resulting from or caused by a failure to recognize 1999, 2000, or any subsequent year, including an incorrect date or incorrect mechanical or electronic interpretation of a date that is produced, calculated, or generated by a computer, information system, or equipment using microchips.	Introduced 1/19/99.

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**STATE LEGISLATION ELIMINATING OR LIMITING LIABILITY FOR COMPUTER DATE ERRORS - Continued**

BILL	DESCRIPTION	STATUS
MASSACHUSETTS S.B. 504	Provides civil and criminal immunity to health care providers arising from activities related to the snaring of Year 2000 readiness information.	Introduced 1/6/99.
MINNESOTA H.B. 73	Provides civil immunity to state agencies and industry associations for activities related to the collection or publication of Year 2000 solution information, except in cases in which it can be shown by clear and convincing evidence that party knew information provided was materially false.	Introduced 1/11/99.
MINNESOTA S.G. 2	Includes technological hazard, defined as actual or potential failure of public infrastructure due to Year 2000 computer bug, among those occurrences for which governor may declare peacetime state of emergency; provides civil immunity to state agencies and industry associations for activities related to the collection or publication of Year 2000 solution information, except in cases in which it can be shown by clear and convincing evidence that party knew information provided was materially false; alters state contracting law; authorizes local government borrowing to cover Year 2000-related expenses.	Introduced 1/25/99.
MISSISSIPPI S.B. 2091	Provides immunity from liability for state government entities and employees acting within the scope of their employment to claims arising out of failures of any computer or information system, whether operated by or on behalf of the government, caused by the Year 2000 date change; directs state agencies to cooperate with other agencies and the private sector as necessary; prescribes the duties of agency heads with regard to Y2K conversion; directs the state Department of Information Technology Services to develop agency computer conversion status reports.	Introduced, to Judiciary Committee 1/5/99.
NEBRASKA L.B. 160	Provides immunity to government entities and employees from liability for indirect or consequential damages caused in whole or in part by computational or interpretative errors generated by computers owned, controlled, or operated by the entities and arising out of or in connection with the Year 2000 date change; provides immunity from liability to government entities and employees in any other action whether based on tort, contract, or otherwise for damages arising out of Y2K conversion problems.	Introduced, to Judiciary Committee 1/8/99.
NEW YORK A.B. 354	Provides a tax credit for corrective conversion of computer hardware and software from recognition of years in two-digit formats to recognition of years in four-digit formats.	Introduced, to Ways and Means Committee 1/6/99.
NEW YORK A.B. 1949	Requires banks and trust companies to convey certain information to clients regarding accounting errors as a result of Year 2000 computing errors.	Introduced, to Banks Committee 1/20/99.
NEW YORK S.B. 1216	Provides a tax credit for corrective conversion of computer hardware and software.	Introduced, to Investigations, Taxation, and Government Operations Committee 1/19/99.
NEW YORK S.B. 1218	Provides immunity to the state, its agencies, officers, employees, and independent contractors from liability in actions brought as a result of the calculation of an incorrect date by a state owned, controlled, or operated computer system; provides that any contract entered into by the state, its agencies, or on behalf of the state or its agencies include an immunity provision from breach by the parties as a result of a Y2K conversion failure.	Introduced, to Judiciary Committee 1/19/99.
NEW YORK S.B. 1249	Requires banks and trust companies to convey certain information to clients regarding accounting errors as a result of Year 2000 computing errors.	Introduced, to Banks Committee 1/20/99.
NORTH DAKOTA H.B. 1038	Declares an emergency and provides that the state Public Service Commission may request from any North Dakota electric, gas, telephone, or pipeline public or municipal utility status reports, contingency plans, and information on steps that utility or cooperative have taken to ensure the state's utilities are addressing the Y2K problem in a timely manner.	Introduced, to Electric Utilities Commission 1/19/99.

**STATE LEGISLATION ELIMINATING OR LIMITING LIABILITY FOR COMPUTER DATE ERRORS - Continued**

BILL	DESCRIPTION	STATUS
NORTH DAKOTA S.B. 2303	Limits liability of a federally insured financial institution or credit union that experiences a Year 2000 disruption to actual economic damages; bars such actions initiated after Jan. 1, 2001.	Introduced 1/19/99.
OREGON S.B. 268	Creates an affirmative defense in action under the Oregon Tort Claims Act based on Year 2000 failure of automated systems; provides it as a complete defense if the public body made good faith efforts to avoid Y2K failures; defines good-faith efforts; requires public bodies to indemnify state for federal funds that the state is required to reimburse to the federal government by reason of a Year 2000 failure; declares emergency from date of passage.	Introduced 1/21/99.
SOUTH CAROLINA S.B. 261	Creates exception to immunity from liability under the state Tort Claims Act if the government entity negligently constructed or programmed the computer or automation device itself; provides immunity for the governmental entity if the computer hardware or software is supplied by a nongovernmental vendor.	Introduced 1/12/99.
SOUTH DAKOTA S.B. 62	Provides immunity to state and local government agencies and their employees from actions arising out of any malfunction occurring on or before Dec. 31, 2002, caused by any failure of computer software or any device with a computer processor to properly recognize, calculate, display, sort, or otherwise process dates or times.	Introduced, Judiciary Committee 1/12/99.
TENNESSEE H.B. 23	Extends immunity under the state governmental tort liability act to actions arising out of or in connection with any failure or malfunction occurring before Dec. 31, 2005, caused directly or indirectly by failure of computer software or any device containing a computer processor to properly process dates if the malfunction causing the loss was unforeseeable but the plan or design for preventing the failure was prepared in substantial compliance with generally accepted computer and information design standards.	Introduced 1/14/99.
TENNESSEE S.B. 19	Same as Tennessee H.B. 23.	Introduced 1/14/99.
VIRGINIA H.B. 1662	Creates as an exception to usual procurement requirement of competitive bidding for public contracts any goods or services to remediate computers, software programs, databases, networks, information systems, firmware, or any other devices that are not compliant with the Year 2000 date change; provides that such items shall be deemed emergency procurements.	Introduced, to General Laws Committee 1/13/99.
VIRGINIA H.B. 1669	Provides immunity to counties, cities, towns, their agencies and employees, from liability in any tort action or claim arising from or in any way connected to the failure of any computer system, program, database, network, or other device operated by or on behalf of the government entities, that fails to process a date which is compatible with the Year 2000 date change; provides no immunity for acts or omissions constituting gross negligence or willful misconduct.	Introduced, to Science and Technology Committee 1/13/99.
VIRGINIA H.B. 1669	Provides immunity to local governments and their employees for all actions arising out of Year 2000 computer date change, except in cases involving acts or omissions constituting gross negligence or willful misconduct.	Introduced 1/13/99.
VIRGINIA H.B. 2158	Provides immunity to state and state government officials for all actions arising out of failure of state computer systems to accurately generate or process dates compatible with Year 2000 computer date change.	Introduced 1/18/99.
VIRGINIA S.B. 1013	Creates "Year 2000 assessment privilege," which renders inadmissible in any judicial or administrative proceeding information relating to the capability of computer system to accurately generate or process dates compatible with 2000 computer date change.	Introduced 1/19/99.

**STATE LEGISLATION ELIMINATING OR LIMITING LIABILITY FOR COMPUTER DATE ERRORS - Continued**

BILL	DESCRIPTION	STATUS
WASHINGTON H.B. 1262	Directs state financial institution and insurance regulators to provide Year 2000 technical assistance to these sectors; authorizes state regulators to take necessary action to preserve safety and soundness of financial institutions, and to preserve solvency of insurance carriers.	Introduced 1/19/99.
WISCONSIN A.B. 51	Provides state and local government immunity from suits arising from Year 2000 computer date errors; authorizes state regulatory agencies to engage in information gathering functions; adds Year 2000-related threats to public safety to those acts for which an emergency management contingency plan must be developed; provides immunity for actions arising from Year 2000 information sharing.	Introduced 1/21/99.

FISCAL NOTE

No. 1

Bill Version: HB 57

(H) Publish Date: 1/22/99

STATE OF ALASKA

1999 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_  
 Title: "An Act relating to immunity for certain claims against the state or a municipality arising out of or in connection with the year 2000 (Y2K) date change"  
 Sponsor: Rules  
 Requestor: Governor

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

COMPONENT SERIAL NO. 0071

EXPENDITURES/REVENUES: (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
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
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CHANGE IN REVENUES ( )	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/MHTIA						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 99) cost: \$ -0-

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary.)

State agency civil liability exposure for consequential loss arising from the Y2K date change and what Risk Management might pay in future liability claims and defense costs will be reduced by this legislation.

Due to the uncertainty that future Y2K claims will even occur, the extent of such savings is not possible to forecast. The immunity provisions should preclude legal actions - thereby reducing future defense costs at the very least.

The state funds its liability coverage provided through Risk Management on a "cash flow" basis (appropriating only the amounts expected to be paid the next fiscal year) collected solely through interagency receipts (cost of risk allocations) assessed each agency. Future year liability premium assessments will reflect the cost reductions actually realized by this legislation as premiums are developed from actual claims expenses incurred.

No immediate negative fiscal impact can be shown due to outstanding unfunded liabilities.

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

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

Approved by Commissioner: Mark Boyer  
 Agency: Department of Administration

Date: 10/28/98

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