

ALASKA LEGISLATURE COMMITTEE FILES 1999-2000 8672

9990 HOUSE RULES

HB

315

Sectional Analysis

HB 315

Replacing Alaska Administrative Journal (AAJ) with Online Public Notice System

Office of the Lt. Governor/January 28, 2000

Section 1

Replaces requirement in the state procurement code that invitations to bid be published in the AAJ with a requirement that they be published on the Alaska Online Public Notice System.

Section 2

Replaces requirement that certain advisory opinions of the attorney general be published in the AAJ with a requirement that they be published on the Alaska Online Public Notice System.

Section 3

Repeals the AAJ section in the Administrative Procedures Act and replaces it with provisions that public notices be published on the Online Public Notice System.

All notices now required to be published in the AAJ will be required to be published online. Those notices include:

- a.) Adoption, amendment or repeal of regulations.
- b.) State agency meetings that must be publicly noticed.
- c.) Invitations to bid required to be noticed under provisions of the state procurement code.
- d.) Notices of state RFPs issued under statutes related to housing and urban renewal, state procurement code, grants to named recipients, public land and the motor fuel tax.
- e.) Executive orders and administrative orders issued by the Governor.
- f.) Written delegations of authority made by the Governor and commissioners of state departments.
- g.) Text or summary of the text of regulations that are noticed under the Administrative Procedures Act.
- h.) Notices required under the Administrative Procures Act related to documents and materials incorporated by reference in a regulation.
- i.) Summaries of the text of recently issued formal opinions and advice memos from the attorney general and the entire text of certain opinions.
- j.) Vacancies on boards and commissions whose members are appointed by the Governor.

This section specifies that the Lieutenant Governor supervise the system and establish the form for notices. It also requires the Lieutenant Governor ensure that a permanent,

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CORRECTION

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



Rev. 6/98

Central Microfilm Services
Department of Education & Early Development
State of Alaska

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public, electronic archive of notices published on the system be made available to the public.

Section 4

Amends the portion of the Administrative Procedures Act dealing with adoption and/or changes of regulations to delete the AAJ and insert the Online Public Notice System.

Section 5

Amends section of the Administrative Procedures Act dealing with contents of notices to delete reference to the AAJ and insert reference to the Online Public Notice System.

Section 6

Amends section of the Administrative Procedures Act relating to material incorporated by reference into regulations to delete requirement for notice in the Administrative Journal and insert requirement for publishing on the Online Public Notice System.

Section 7

Amends section of Administrative Procedure Act dealing with public meetings to delete reference to publication in the AAJ and insert reference to publication on the Online Public Notice System.

Section 8

Instructs reviser to delete all references in the Alaska Administrative Code to the Alaska Administration Journal and replace it with Alaska Online Public Notice System.

Section 9

Immediate effective date.

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HB 315 FACT SHEET

*Legislation to eliminate AK Admin Journal/Replace with Online Public Notice
Lt. Gov. Fran Ulmer/Jan. 31, 2000*

- **The Alaska Administrative Journal has served as a compilation of public notices from state agencies**, the great majority of which are also required to be published in the print or broadcast media.
- **Alaska Administrative Journal subscribership has dramatically declined** with the advent of state government making information available to the public on the internet. When Lt. Governor Ulmer first took office, there were about 125 paying subscribers (\$90 a year). Subscribership has dropped to 9 out-of-state businesses. They are: PHICO Ins. Co. RIA Group. Mills Publishing Co., Bureau of National Affairs, West Group, University of Iowa, American Council of Life Insurance, Allstate Insurance Company and CCH Inc.
- **On June 4, 1999, Gov. Knowles signed Administrative Order 183**, which requires all state agencies to post statutorily required public notices on the new Online Public Notice system. The system provides the public with a convenient way to find all public notices in one place on the state web page. The Online Public Notice website is organized in a similar format to the Alaska Administrative Journal.
- **This legislation would eliminate the requirement that the Lt. Governor's Office produce the Alaska Administrative Journal and replace it with a requirement that the Lt. Governor provide oversight of the Online Public Notice system.** It requires agencies by statute to post their public notices in the Online Public Notice system.
- **The legislation has a zero fiscal note.** It replaces one responsibility with another.

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House Rules Committee

COMMITTEE ROLL CALL

Date _____ Time _____ Subject _____

	Present	Absent
Chairman Representative Cowdery	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Representative Green	<input type="checkbox"/>	<input type="checkbox"/>
Representative Kott	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Representative Phillips	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Representative Porter	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Representative Berkowitz	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Representative Joule	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Rules Committee Meeting
March 7, 2000

AGENDA

1. Call to Order at (time)
2. Roll Call
3. HB 315 (Governor): "Online system replaces Alaska Administrative Journal"
 - Senator Leman proposes an amendment, to be presented by Annette Kreitzer.
 - Testimony by Lt. Governor's office; Mr. John Lindbeck
4. HJR 48 (Phillips): "Access across U.S. - Canada border."
 - Rep. Phillips proposes an amendment
5. Adjournment

Sectional Analysis
LS 02474\P.1

Section 2 allows the lieutenant governor to require state agencies to use abbreviated public notices in newspapers of general circulation and in trade and industry publications.

Section 5 amends Article 2 of the Administrative Procedures Act allowing the lieutenant governor to provide Internet notice of regulations outside the scope of AS 44.62.040. This change is a conforming change with the rest of the bill – allowing for abbreviated, printed notices directing interested parties to more detailed Internet notices.

Section 6 recognizes the advances in technology away from broadcast medium and print to online services. It deletes reference to a broadcast notice providing the name and date of the publication where the full text of a public notice can be found. If left in the law, this section would defeat the purpose of abbreviating public notices and allowing for the increasing use of Internet capabilities. This section broadens the opportunities for the public to receive notice, beyond mail or publication.

Section 7 conforms Article 4 of the Administrative Procedure Act - dealing with the procedure for adopting regulations.

Section 8 amends the contents of public notices, to allow for abbreviated notices in print. AS 44.62.200(a)(7) replaces AS 44.62.190(d). Abbreviated notices will only include:

- 1) a statement of the time, place, and nature of proceedings for adoption, amendment, or repeal of the regulation; (*current law*)
- 2) other matters prescribed by a statute applicable to the specific agency or to the specific regulation or class of regulations; (*current law*)
- 3) a brief general description of the proposed subject of agency action, how more detailed information may be obtained, and the name of the agency contact person. (*new language*)

A M E N D M E N T

OFFERED IN THE HOUSE

TO: HCS CSSB 24(), Draft Version "P"

1 Page 1, following line 5:

2 Insert a new bill section to read:

3 **"* Sec. 2.** AS 44.19 is amended by adding a new section to read:

4 **Sec. 44.19.021. Powers of the lieutenant governor.** (a) To promote public
5 awareness and in the best interests of the state, the lieutenant governor, under the
6 provisions of AS 36.30, may provide for the availability of consolidated space in
7 newspapers of general circulation and in trade and industry publications for the
8 publication of notices regarding state agency regulations as required by AS 44.62.010
9 - 44.62.290. The lieutenant governor may require state agencies to participate in the
10 use of consolidated space provided under this section and may waive the requirement
11 if nonparticipation is in the best interests of the state.

12 (b) In this section, "state agency" means a department, board, commission,
13 division, authority, public corporation, or other administrative unit of the executive
14 branch of state government."

15 Renumber the following bill sections accordingly.

16 Page 2, following line 17:

17 Insert new bill sections to read:

18 **"* Sec. 5.** AS 44.62.120 is amended to read:

19 **Sec. 44.62.120. Voluntary submitting and publication.** With the approval
20 of the lieutenant governor, a state agency may submit to the lieutenant governor for
21 filing a regulation or order of repeal of a regulation not required by AS 44.62.040 to
22 be submitted. If the lieutenant governor accepts the regulation or order of repeal, the
23 lieutenant governor shall endorse and file it as required in AS 44.62.080, and may

1 provide notice of [PUBLISH] the regulation or order of repeal in the manner the
2 lieutenant governor considers proper.

3 * Sec. 6. AS 44.62.190(a) is amended to read:

4 (a) At least 30 days before the adoption, amendment, or repeal of a regulation,
5 notice of the proposed action shall be

6 (1) published in the newspaper of general circulation or trade or
7 industry publication that the state agency prescribes and ^{posted on the public notice system} in the Alaska Administrative
8 Journal⁷, in the discretion of the state agency giving the notice, the requirement of
9 publication in a newspaper or trade or industry publication may be satisfied by using
10 a combination of publication and broadcasting; [WHEN BROADCASTING THE
11 NOTICE, AN AGENCY MAY USE AN ABBREVIATED FORM OF THE NOTICE
12 IF THE BROADCAST PROVIDES THE NAME AND DATE OF THE
13 NEWSPAPER OR TRADE OR INDUSTRY JOURNAL WHERE THE FULL TEXT
14 OF THE NOTICE CAN BE FOUND;]

15 (2) furnished [MAILED] to every person who has filed a request for
16 notice of proposed action with the state agency;

17 (3) if the agency is within a department, furnished [MAILED OR
18 DELIVERED] to the commissioner of the department;

19 (4) when appropriate in the judgment of the agency,

20 (A) furnished [MAILED] to a person or group of persons
21 who [WHOM] the agency believes is interested in the proposed action; and

22 (B) provided [PUBLISHED] in the additional form and
23 manner the state agency prescribes;

24 (5) furnished to the Department of Law together with a copy of the
25 proposed regulation, amendment, or order of repeal for the department's use in
26 preparing the opinion required after adoption and before filing by AS 44.62.060;

27 (6) furnished to all incumbent State of Alaska legislators and the
28 Legislative Affairs Agency;

29 (7) furnished to the standing committee of each house of the
30 legislature having legislative jurisdiction over the subject matter treated by the
31 regulation under the Uniform Rules of the Alaska State Legislature, together with a
32 copy of the proposed regulation, amendment, or order of repeal for the committee's

1 use in conducting the review authorized by AS 24.05.182;

2 (8) furnished to the staff of the Administrative Regulation Review
3 Committee, together with a copy of the proposed regulation, amendment, or order of
4 repeal and, if preparation of an appropriation increase estimate is required by
5 AS 44.62.195, a copy of the estimate.

6 * Sec. 7. AS 44.62.190(c) is amended to read:

7 (c) The failure to furnish [MAIL] notice to a person as provided in this
8 section does not invalidate an action taken by an agency under AS 44.62.180 -
9 44.62.290.

10 * Sec. 8. AS 44.62.200(a) is amended to read:

11 (a) The notice of proposed adoption, amendment, or repeal of a regulation
12 that is published under AS 44.62.175 in the Alaska Administrative Journal or is
13 provided under AS 44.62.190(a)(2) - (8) must include the information described
14 in (1) - (7) of this subsection. The notice that is published in a newspaper of
15 general circulation or trade or industry publication or that is broadcast must
16 include the information described in (1), (4), and (6) of this subsection. The
17 information that must be provided according to requirements set out in this
18 subsection is

19 (1) a statement of the time, place, and nature of proceedings for
20 adoption, amendment, or repeal of the regulation;

21 (2) reference to the authority under which the regulation is proposed
22 and a reference to the particular code section or other provisions of law that are being
23 implemented, interpreted, or made specific;

24 (3) an informative summary of the proposed subject of agency action;

25 (4) other matters prescribed by a statute applicable to the specific
26 agency or to the specific regulation or class of regulations;

27 (5) a summary of the fiscal information required to be prepared under
28 AS 44.62.195;

29 (6) a brief general description of the proposed subject of agency
30 action, how more detailed information may be obtained, and the name of the
31 agency contact person;

32 (7) the reason for the proposed action, the initial cost to the state

1 agency of implementation, the estimated annual costs to the state agency of
2 implementation, the name of the contact person for the state agency, and the
3 origin of the proposed action."

4 Renumber the following bill sections accordingly.

5 Page 5, following line 10:

6 Insert a new bill section to read:

7 **"* Sec. 10. AS 44.62.190(d) is repealed."** *(inserted in name of proposed Action
now accurately in records of AS 44.62.190)*

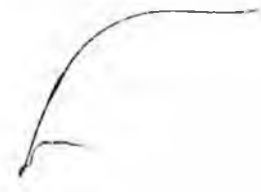
8 Renumber the following bill sections accordingly.

9 Page 5, line 13:

10 Delete "sec. 4"

11 Insert "sec. 9"

Sectional Analysis
GH2007\A.1
Bannister - 2/16/00



This amendment requires a title change to HB 315.

Section 3: allows the lieutenant governor to require state agencies to use abbreviated public notices in newspapers of general circulation and in trade and industry publications.

Section 4: amends Article 2 of the Administrative Procedures Act allowing the lieutenant governor to provide Internet notice of regulations outside the scope of AS 44.62.040. This change is a conforming change with the rest of the bill - allowing for abbreviated, printed notices directing interested parties to more detailed Internet notices.

Page 3, line 24, through page 4, line 26: recognizes the advances in technology to online services. It deletes reference to a broadcast notice providing the name and date of the publication where the full text of a public notice can be found. If left in the law, this section would defeat the purpose of abbreviating public notices in newspapers or journals and allowing for the increasing use of Internet capabilities. This section broadens the opportunities for the public to receive notice, beyond mail or publication.

Section 7 conforms Article 4 of the Administrative Procedure Act - dealing with the procedure for adopting regulations.

Section 8 amends the contents of public notices, to allow for abbreviated notices in print. AS 44.62.200(a)(7) replaces AS 44.62.190(d). **AS 44.62.190(d) is repealed in Section 12.**

Abbreviated notices will only include:

- 1) a statement of the time, place, and nature of proceedings for adoption, amendment, or repeal of the regulation; (*current law*)
- 2) other matters prescribed by a statute applicable to the specific agency or to the specific regulation or class of regulations; (*current law*)
- 3) a brief general description of the proposed subject of agency action, how more detailed information may be obtained, and the name of the agency contact person. (*new language*)

A M E N D M E N T

OFFERED IN THE HOUSE

TO: HB 315

1 Page 1, lines 1 - 4:

2 Delete all material and insert:

3 ^{Publication}
4 ~~giving~~ of certain state agency notices; relating to the
5 elimination of the Alaska Administrative Journal and to the establishment of the Alaska
6 Online Public Notice System for the giving of certain notices; and providing for an
7 effective date."

7 Page 2, following line 12:

8 Insert new bill sections to read:

9 *** Sec. 3.** AS 44.19 is amended by adding a new section to read:

10 **Sec. 44.19.021. Powers of the lieutenant governor.** (a) To promote public
11 awareness and in the best interests of the state, the lieutenant governor, under the
12 provisions of AS 36.30, may provide for the availability of consolidated space in
13 newspapers of general circulation and in trade and industry publications for the
14 publication of notices regarding state agency regulations as required by
15 AS 44.62.010 - 44.62.290. The lieutenant governor may require state agencies to
16 participate in the use of consolidated space provided under this section and may waive
17 the requirement if nonparticipation is in the best interests of the state.

18 (b) In this section, "state agency" means a department, board, commission,
19 division, authority, public corporation, or other administrative unit of the executive
20 branch of state government.

21 *** Sec. 4.** AS 44.62.120 is amended to read:

22 **Sec. 44.62.120. Voluntary submitting and publication.** With the approval
23 of the lieutenant governor, a state agency may submit to the lieutenant governor for
24 filing a regulation or order of repeal of a regulation not required by AS 44.62.040 to

1 be submitted. If the lieutenant governor accepts the regulation or order of repeal, the
2 lieutenant governor shall endorse and file it as required in AS 44.62.080, and may
3 provide notice of [PUBLISH] the regulation or order of repeal in the manner the
4 lieutenant governor considers proper."

5 Renumber the following bill sections accordingly.

6 Page 3, line 24, through page 4, line 26:

7 Delete all material and insert:

8 "(a) At least 30 days before the adoption, amendment, or repeal of a
9 regulation, notice of the proposed action shall be

10 (1) published in the newspaper of general circulation or trade or
11 industry publication that the state agency prescribes and posted on [IN] the Alaska
12 Online Public Notice System [ALASKA ADMINISTRATIVE JOURNAL]; in the
13 discretion of the state agency giving the notice, the requirement of publication in a
14 newspaper or trade or industry publication may be satisfied by using a combination
15 of publication and broadcasting; [WHEN BROADCASTING THE NOTICE, AN
16 AGENCY MAY USE AN ABBREVIATED FORM OF THE NOTICE IF THE
17 BROADCAST PROVIDES THE NAME AND DATE OF THE NEWSPAPER OR
18 TRADE OR INDUSTRY JOURNAL WHERE THE FULL TEXT OF THE NOTICE
19 CAN BE FOUND;]

20 (2) furnished [MAILED] to every person who has filed a request for
21 notice of proposed action with the state agency;

22 (3) if the agency is within a department, furnished [MAILED OR
23 DELIVERED] to the commissioner of the department;

24 (4) when appropriate in the judgment of the agency,

25 (A) furnished [MAILED] to a person or group of persons
26 who [WHOM] the agency believes is interested in the proposed action; and

27 (B) provided [PUBLISHED] in the additional form and
28 manner the state agency prescribes;

29 (5) furnished to the Department of Law together with a copy of the
30 proposed regulation, amendment, or order of repeal for the department's use in

1 preparing the opinion required after adoption and before filing by AS 44.62.060;

2 (6) furnished to all incumbent State of Alaska legislators and the
3 Legislative Affairs Agency;

4 (7) furnished to the standing committee of each house of the
5 legislature having legislative jurisdiction over the subject matter treated by the
6 regulation under the Uniform Rules of the Alaska State Legislature, together with a
7 copy of the proposed regulation, amendment, or order of repeal for the committee's
8 use in conducting the review authorized by AS 24.05.182;

9 (8) furnished to the staff of the Administrative Regulation Review
10 Committee, together with a copy of the proposed regulation, amendment, or order of
11 repeal and, if preparation of an appropriation increase estimate is required by
12 AS 44.62.195, a copy of the estimate.

13 * Sec. 7. AS 44.62.190(c) is amended to read:

14 (c) The failure to **furnish** [MAIL] notice to a person as provided in this
15 section does not invalidate an action taken by an agency under AS 44.62.180 -
16 44.62.290.

17 * Sec. 8. AS 44.62.200(a) is amended to read:

18 (a) The notice of proposed adoption, amendment, or repeal of a regulation
19 **that is published under AS 44.62.175 on the Alaska Online Public Notice System**
20 **or is provided under AS 44.62.190(a)(2) - (8) must include the information**
21 **described in (1) - (7) of this subsection. The notice that is published in a**
22 **newspaper of general circulation or trade or industry publication or that is**
23 **broadcast must include the information described in (1), (4), and (6) of this**
24 **subsection. The information that must be provided according to requirements**
25 **set out in this subsection is**

26 (1) a statement of the time, place, and nature of proceedings for
27 adoption, amendment, or repeal of the regulation;

28 (2) reference to the authority under which the regulation is proposed
29 and a reference to the particular code section or other provisions of law that are being
30 implemented, interpreted, or made specific;

31 (3) an informative summary of the proposed subject of agency action;

32 (4) other matters prescribed by a statute applicable to the specific

1 agency or to the specific regulation or class of regulations;

2 (5) a summary of the fiscal information required to be prepared under
3 AS 44.62.195;

4 (6) a brief general description of the proposed subject of agency
5 action, how more detailed information may be obtained, and the name of the
6 agency contact person;

7 (7) the reason for the proposed action, the initial cost to the state
8 agency of implementation, the estimated annual costs to the state agency of
9 implementation, the name of the contact person for the state agency, and the
10 origin of the proposed action."

11 Renumber the following bill sections accordingly.

12 Page 5, following line 23:

13 Insert a new bill section to read:

14 "* Sec. 12. AS 44.62.190(d) is repealed."

15 Renumber the following bill sections accordingly.

FISCAL NOTE

Bill Version: HB 315

(H) Publish Date: 1/24/00

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction) _____ Dept. Affected Office of the Governor
 Title "An Act relating to ... Alaska Online Public BRU Executive Operations
Notice System..." Component Lieutenant Governor
 Sponsor Rules Committee
 Requester Governor Component No. 11

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The Office of the Lt. Governor proposes a zero-fiscal note because this legislation eliminates one responsibility, production of the administrative journal, and replaces it with another, oversight of the Online Public Notice system. The new responsibility requires a similar workload and responsibility to the old one. Hence, it is unnecessary to request any new general funds.

Prepared by: John Lindback, Chief of Staff Phone 465-3520
 Division Office of the Lt. Governor Date/Time 12/28/99 2:37 PM
 Approved by Lieutenant Governor Fran Ulmer Date 12/14/1999
 Agency Office of the Lt. Governor

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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 21, 2000

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

Dear Speaker Porter:

The state has made great effort and had much success in taking advantage of today's electronic medium. As part of our ongoing work to keep Alaska in step with the Internet age, this bill I transmit today eliminates the need for the hard copy publishing of the Alaska Administrative Journal and replaces it with the new Alaska Online Public Notice System.

The Alaska Administrative Journal (journal) is a weekly public notice publication of the lieutenant governor's office. It has been available in print by subscription as well as on the Internet. With the increased efficiency and accessibility of the Internet by government agencies and the public, continuing to provide the journal in printed form by weekly subscription is neither time nor cost effective. At this time, there are only 12 subscribers to the journal, a drop from about 125 in 1995. Only one remaining subscriber, a law firm, is based in Alaska.

The lieutenant governor will supervise use of the Alaska Online Public Notice System (system) and prescribe the form for agencies to post required notices on the system. There is no change as to which notices are required to be posted. However, under this bill, posting of public notices will be done directly by agencies, which means the system will be continually updated. The system has an archiving function that will allow a person to locate a particular public notice and verify that it was posted as required.

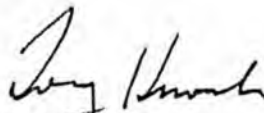
For those who do not have personal computers, the system may be accessed on computers at most libraries and at other state agencies that provide a computer terminal for public use. Additionally, a copy of a public notice that was posted on the system may be obtained from any designated state employee by requesting a printed copy. Finally, the bill does not

The Honorable Brian Porter
January 21, 2000
Page 2

remove existing requirements for publication in other media. State agencies will continue to be required to comply with those requirements relating to printing, posting, and distribution of public notices, such as newspaper notices for solicitations to bid and for meetings covered by the open meetings statutes.

As the result of an Administrative Order, the Alaska Online Public Notice System is already functioning and includes all the information now published in the journal. I urge your prompt and favorable action on this measure.

Sincerely,



Tony Knowles
Governor

Journal Text



04/01/97

Senate Journal

Page 918

SB 155

SENATE BILL NO. 155 BY THE SENATE RULES COMMITTEE
BY REQUEST OF THE GOVERNOR, entitled:

An Act relating to the Alaska Administrative Journal; relating to public notices of state agencies; and relating to material incorporated by reference in regulations and to the content and furnishing of regulation notices under the Administrative Procedure Act.

was read the first time and referred to the State Affairs and Labor and Commerce Committees.

Zero fiscal note published today from Office of the Governor.

Governors transmittal letter dated March 27:

Dear President Miller:

Among my administrations efforts to find greater efficiencies in state government is this bill to simplify the regulatory process. It proposes changes to update the Administrative Procedure Act (APA) which will benefit the public by removing some confusion from the regulatory process. These changes acknowledge innovations in the way society communicates and government operates.

State regulations often incorporate other materials or documents as legal standards, particularly for state agency programs that operate under federal law and regulations. Currently, every time the federal government changes its regulations, the state must make corresponding changes through full public notice and hearing despite

04/01/97

Senate Journal

Page 919

SB 155

the fact the federal changes may have already been through public scrutiny. This process is expensive for the state while also making it difficult to keep up with changes in law in a timely manner. In some cases, such as federal shellfish sanitation regulations, this delay in adopting new rules can jeopardize the ability of Alaskans to continue to sell their products.

This bill streamlines the regulation adoption process by allowing documents or other material to be adopted by reference in certain instances. This means future amendments to the document can be incorporated, but only if the public had the opportunity to comment on the changes in another governmental forum or if the legislature specifically allows for automatically adopting the future changes. The legislature is already moving in this direction this year with specific documents and guidelines used for various Department of Labor regulations.

This bill also simplifies and consolidates the publication of public notices, making the process easier for the public to use. Agencies would be allowed to publish notice of proposed regulatory changes with a brief general description, perhaps presented as a display ad rather than the current lengthy and sometimes difficult to understand listings found in the legal classified sections. The lengthier summary would still be available in the Alaska Administrative Journal (AAJ)

and through mail distribution. The lieutenant governor could also arrange for newspaper space in which all state agency matters involving public notices and meetings could be consolidated. This will lead to easier to understand notices for the public in one prominent location in newspapers.

Finally, this bill discontinues the printed version of the AAJ, limiting it to an electronic version only. The AAJ would continue to include summaries of proposed regulation changes, procurement and public meeting notices, and other information of public interest required for publication. The printed AAJ currently has only about 50 paying subscribers, most of whom reside outside the state. Eliminating the printed version of the AAJ will streamline state government while not adversely impacting the quality of the notice provided to interested persons.

04/01/97

Senate Journal

Page 920

SB 155

Taken together, the changes proposed in this bill will make the regulatory process more efficient and will provide for more effective notice to the public.

Sincerely,
/s/
Tony Knowles
Governor

Bill Root:

[Return to BASIS Main Menu\(20th Legislature\)](#)

[Return to the Legislature Home Page](#)

BASIS Last Updated 12/31/98

HB

362

1-LS1455M
Utermohle
4/18/00

CS FOR HOUSE BILL NO. 362(RLS)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY THE HOUSE RULES COMMITTEE

Offered:

Referred:

Sponsor(s): REPRESENTATIVES MURKOWSKI, Harris

A BILL

FOR AN ACT ENTITLED

1 "An Act approving the application for and acceptance of a grant of certain
2 federal land by the Alaska Railroad Corporation; approving the conveyance of the
3 entire interest in land appurtenant to the Whittier DeLong Dock by the Alaska
4 Railroad Corporation; relating to use and disposition of the Whittier DeLong Dock
5 and associated land; prohibiting the Alaska Railroad Corporation and the City
6 of Whittier from granting any special right, privilege, or preference to a third
7 party to provide management services for the DeLong Dock; providing that
8 contracts for management of the DeLong Dock by a third party shall be
9 awarded only under competitive procurement procedures established by the
10 Alaska Railroad Corporation and the City of Whittier; and providing for an
11 effective date."

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

1 * Section 1. The uncodified law of the State of Alaska is amended by adding a new
2 section to read:

3 FINDINGS. The legislature finds that the Whittier DeLong Dock and the associated
4 land are required for essential railroad purposes and that the acquisition of the dock and
5 associated land by the Alaska Railroad Corporation is in the best interests of the state.

6 * Sec. 2. The uncodified law of the State of Alaska is amended by adding a new section
7 to read:

8 APPROVAL. The legislature authorizes the Alaska Railroad Corporation to apply for
9 and to accept a grant of a parcel of real property in Whittier, consisting of approximately 6.13
10 acres and the appurtenant facility known as the DeLong Dock, from the federal government
11 under terms of sec. 2837(b) - (e), Public Law 106-65. This section constitutes approval for
12 the Alaska Railroad Corporation to apply for and to accept a grant of federal land within a
13 municipality in accordance with AS 42.40.285(5).

14 * Sec. 3. The uncodified law of the State of Alaska is amended by adding a new section
15 to read:

16 USE AND DISPOSITION OF THE WHITTIER DELONG DOCK AND
17 ASSOCIATED LAND. (a) Within three months after the conveyance of the real property
18 described in sec. 2 of this Act from the United States to the Alaska Railroad Corporation, the
19 corporation shall reconvey ownership of the uplands, tidelands, and submerged lands to the
20 City of Whittier. The corporation shall retain ownership of the DeLong Dock and the railroad
21 tracks and rail bed located on the uplands.

22 (b) Notwithstanding (c) - (h) of this section, the corporation and the City of Whittier
23 are directed and authorized to enter into reciprocal leases for the DeLong Dock and
24 appurtenant land and to enter into a management agreement to operate the DeLong Dock and
25 appurtenant land as a single unit consistent to the extent possible with the terms contained in
26 the document entitled "Management Terms for DeLong Dock" and signed by the corporation
27 and the City of Whittier in March of 2000. Neither the corporation nor the City of Whittier
28 may grant any special right, privilege, or preference to a third party to provide management
29 services at the DeLong Dock. A contract for management of the DeLong Dock by a third
30 party shall be awarded only under competitive procurement procedures established by both
31 parties in accordance with applicable state law. If the management agreement is not signed

1 by both the corporation and the City of Whittier within six months after the real property
2 described in sec. 2 of this Act is conveyed by the United States to the corporation, then the
3 corporation and the City of Whittier shall comply with (c) - (h) of this section.

4 (c) In exchange for ownership of the land described in (a) of this section, the City of
5 Whittier shall

6 (1) subdivide the land into two parcels that are separated by the centerline of
7 the DeLong Dock;

8 (2) grant a lease to the parcel of land north of the centerline of the DeLong
9 Dock to the corporation.

10 (d) The corporation shall grant a lease to that portion of the DeLong Dock south of
11 the centerline of the dock to the City of Whittier.

12 (e) The leases described in (c) and (d) of this section must include the following
13 provisions:

14 (1) each lease must be for a minimum term of 20 years;

15 (2) the rental rate for each lease is \$1.00 a year;

16 (3) the corporation shall have rail access to the dock, and the City of Whittier
17 shall have a usable road to lands at and beyond the dock;

18 (4) neither the corporation nor the City of Whittier may be required by the
19 lease to indemnify the other party for its own actions or the actions of a contractor,
20 subcontractor, or sublessee; liability of the parties shall be governed by the tort law of the
21 State of Alaska;

22 (5) the corporation and the City of Whittier may assign or sublease its interest
23 in the lease without the approval of the other party;

24 (6) the corporation and the City of Whittier shall agree to diligently work
25 together in good faith to resolve disputes and to collaborate with each other in developing a
26 management agreement for operation of the DeLong Dock facility with the goal of operating
27 the facility as a single entity for economic development purposes;

28 (7) the leases may not be subject to termination for a breach of a lease;

29 (8) the leases may be amended by mutual agreement of the corporation and
30 the City of Whittier.

31 (f) The corporation and the City of Whittier shall expeditiously and in good faith

1 undertake and complete the transactions described in this section under the terms and
2 conditions set out in this section and under such other terms and conditions as are mutually
3 satisfactory.

4 (g) Pending the completion of the transactions described in this section, the
5 corporation and the City of Whittier shall enter into an interim agreement for the use of the
6 Whittier DeLong Dock and associated land consistent with the provisions of this section.

7 (h) During the five-year period beginning on the date that the real property described
8 in sec. 2 of this Act is conveyed from the United States to the corporation, the property shall
9 be used for economic development of the Whittier and Prince William Sound areas, including
10 freight transportation, tourism, boat moorage for day cruiser or large ocean-going cruise ships,
11 fishing and fish processing, and other uses.

12 * Sec. 4. The uncodified law of the State of Alaska is amended by adding a new section
13 to read:

14 TRANSFER OF CERTAIN STATE LAND AT WHITTIER. In the event that all or
15 a portion of the land described in sec. 2837(b), Public Law 106-65, is transferred to the State
16 of Alaska or an agency of the State of Alaska other than the Alaska Railroad Corporation, the
17 State of Alaska shall expeditiously reconvey all land and improvements received under sec.
18 2837(b) - (e), Public Law 106-65, to the City of Whittier.

19 * Sec. 5. The uncodified law of the State of Alaska is amended by adding a new section
20 to read:

21 APPROVAL. The legislature authorizes the Alaska Railroad Corporation to transfer
22 its entire interest in the land described in sec. 3(a) of this Act in accordance with sec. 3 of this
23 Act. This section constitutes legislative approval for the corporation to convey its entire
24 interest in that land under AS 42.40.285(1).

25 * Sec. 6. This Act takes effect immediately under AS 01.10.070(c).

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. CSHB 362 (RLS)

Revision Date:
Title: Approving Transfer of Railroad Land

Dept. Affected DCED
BRU Alaska Railroad Corporation
Component _____

Sponsor: Representative Murkowski
Requester: House Rules

Component Serial No. _____

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

CHANGE IN REVENUES []						
------------------------	--	--	--	--	--	--

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1091 Designated Program Receipts						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY00) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Prepared by

Conor Sullivan

Phone

465-3879

Representative Cowdery, Chair - House Rules

Phone _____

Date

April 18, 00

FISCAL NOTE

Bill Version: CSHB 362 (TRA)

(H) Publish Date: 3/3/00

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction) _____ Dept. Affected _____
 Title Track Realignment BRU _____
 Component _____
 Sponsor Representative Lisa Murkowski _____
 Requester (H) Transportation Component No. _____

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2000) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

HB 362 will create no fiscal impact to the state's general fund or to the Alaska Railroad Corporation (ARRC). The ARRC will convey the Corporation's entire interest in certain lands in exchange for equivalent valued land with Elmendorf Air Force Base, Fort Richardson, Eklutna, Inc. and other entities. No funds will be exchanged between the parties in this land trade legislation.

Prepared by: Wendy Lindskoog
 Division Alaska Railroad Corporation
 Approved by Commissioner [Signature]
 Agency _____

Phone 265-2498
 Date/Time 2/29/00 10:28 AM
 Date 2/29/00

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Bill History/Action Display



BILL: HB 362 SHORT TITLE: APPROVING TRANSFER OF RAILROAD LAND
BILL VERSION:
SPONSOR(S): REPRESENTATIVES(S) MURKOWSKI, Harris

CURRENT STATUS: (H) RLS STATUS DATE: 4/07/00

HEARING: (H) RLS Apr 19 8:00 AM BUTROVICH 205

TITLE: "An Act authorizing the exchange of land between the Alaska Railroad Corporation and Eklutna, Inc., between the Alaska Railroad Corporation and the United States Department of the Army and the United States Department of the Air Force, between the Alaska Railroad Corporation and Chugach Alaska Corporation, and between the Alaska Railroad Corporation and the Municipality of Anchorage; and providing for an effective date."

Full Text Fiscal Notes Detailed 2000 fiscal note information currently not available on-line.

Committee Action With Bill History

Jrn-Date	Jrn-Page	Action
2/11/00	<u>2176</u>	(H) READ THE FIRST TIME - REFERRALS
2/11/00	<u>2176</u>	(H) TRA, FIN
3/03/00	<u>2388</u>	(H) TRA RPT CS(TRA) NT 5DP 2AM
3/03/00	<u>2389</u>	(H) DP: HUDSON, KOOKESH, KOHRING, KEMPLEN,
3/03/00	<u>2389</u>	(H) HALCRO; AM: MASEK, COWDERY
3/03/00	<u>2389</u>	(H) ZERO FISCAL NOTE (DCED)
4/04/00	<u>2862</u>	(H) COSPONSOR(S): HARRIS
4/07/00	<u>2914</u>	(H) FIN RPT CS(FIN) NT 8DP 3NR
4/07/00	<u>2915</u>	(H) DP: THERRIAULT, MULDER, DAVIES, MOSES,
4/07/00	<u>2915</u>	(H) DAVIS, WILLIAMS, FOSTER, PHILLIPS;
4/07/00	<u>2915</u>	(H) NR: BUNDE, AUSTERMAN, GRUSSENDORF
4/07/00	<u>2915</u>	(H) ZERO FISCAL NOTE (DCED) 3/3/00
4/07/00	<u>2915</u>	(H) REFERRED TO RULES

Similar Subject Match or Exact Subject Match

- HIGHWAYS
- PUBLIC LAND
- RAILROAD
- TRANSPORTATION

Bill Root:

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FISCAL NOTE

Bill Version: CSHB 320 (TRA)
 (H) Publish Date: 3/29/00

STATE OF ALASKA
 2000 LEGISLATIVE SESSION

Revision Date: _____
 Title: Approve AK Railroad Getting Whittier Dock
 Sponsor: Representative Harris
 Requester: House Transportation

Dept. Affected DCED
 BRU Alaska Railroad Corporation
 Component _____
 Component Serial No. _____

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
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						
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CHANGE IN REVENUES []						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)


1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1091 Designated Program Receipts						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY00) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Prepared by Kevin Hand Phone 465-4939
Representative Halcro, Chair - House Transportation  Phone _____
 Date 3/28/00

COMMITTEE COPY

Bill History/Action Display



BILL: HB 320 SHORT TITLE: APPROVE AK RAILROAD GETTING WHITTIER DOCK
BILL VERSION: CSHB 320(FIN) AM
SPONSOR(S): REPRESENTATIVES(S) HARRIS

CURRENT STATUS: (S) TRA STATUS DATE: 4/12/00

HEARING: (S) TRA Apr 19 1:30 PM BUTROVICH 205 -- Location to be Announced --
HEARING: (S) TRA Apr 20 1:30 PM BUTROVICH 205

TITLE: "An Act approving the application for and acceptance of a grant of certain federal land by the Alaska Railroad Corporation; approving the conveyance of the entire interest in land appurtenant to the Whittier DeLong Dock by the Alaska Railroad Corporation; relating to use and disposition of the Whittier DeLong Dock and associated land; prohibiting the Alaska Railroad Corporation and the City of Whittier from granting any special right, privilege, or preference to a third party to provide management services for the DeLong Dock; providing that contracts for management of the DeLong Dock by a third party shall be awarded only under competitive procurement procedures established by the Alaska Railroad Corporation and the City of Whittier; and providing for an effective date."

Full Text

Fiscal Notes

Detailed 2000 fiscal note information currently not available on-line.

Committee Action With Bill History

Jrn-Date	Jrn-Page	Action
1/26/00	<u>2009</u>	(H) READ THE FIRST TIME - REFERRALS
1/26/00	<u>2009</u>	(H) TRA, CRA, FIN
3/29/00	<u>2747</u>	(H) TRA RPT CS(TRA) NT 6DP
3/29/00	<u>2748</u>	(H) DP: KOOKESH, KOHRING, HUDSON, MASEK,
3/29/00	<u>2748</u>	(H) COWDERY, HALCRO
3/29/00	<u>2748</u>	(H) ZERO FISCAL NOTE (H.TRA/DCED)
3/29/00	<u>2771</u>	(H) CRA REFERRAL WAIVED
4/08/00	<u>2941</u>	(H) FIN RPT CS(FIN) NT 8DP
4/08/00	<u>2942</u>	(H) DP: THERRIAULT, MULDER, BUNDE,
4/08/00	<u>2942</u>	(H) AUSTERMAN, GRUSSENDORF, WILLIAMS,
4/08/00	<u>2942</u>	(H) PHILLIPS, DAVIS
4/08/00	<u>2942</u>	(H) ZERO FISCAL NOTE (H.TRA/DCED) 3/29/00
4/10/00	<u>2971</u>	(H) RLS TO CALENDAR 4/10
4/10/00	<u>2971</u>	(H) READ THE SECOND TIME
4/10/00	<u>2971</u>	(H) FIN CS ADOPTED UNAN CONSENT
4/10/00	<u>2972</u>	(H) AM NO 1 ADOPTED UNAN CONSENT
4/10/00	<u>2972</u>	(H) ADVANCED TO THIRD READING 4/11 CALENDAR
4/11/00	<u>3048</u>	(H) READ THE THIRD TIME CSHB 320(FIN) AM
4/11/00	<u>3049</u>	(H) PASSED Y31 E1 A8
4/11/00	<u>3049</u>	(H) EFFECTIVE DATE(S) SAME AS PASSAGE
4/11/00	<u>3064</u>	(H) TRANSMITTED TO (S)
4/12/00	<u>3022</u>	(S) READ THE FIRST TIME - REFERRALS
4/12/00	<u>3022</u>	(S) TRA
4/12/00	<u>3022</u>	(S) REFERRED TO TRANSPORTATION

Similar Subject Match or Exact Subject Match

MARINE FACILITIES

PROCUREMENTS

PUBLIC CORPORATIONS



ALASKA STATE LEGISLATURE
REPRESENTATIVE JOHN HARRIS
STATE CAPITOL 110, JUNEAU, ALASKA 99801-1182 (907) 465-4859

Sponsor Statement

HB 320 – Relating to the DeLong Dock in Whittier

The DeLong dock is a US Army fuel transfer facility nearly 700 feet long located in Whittier. Last year, the Army determined it would surplus the dock and both the Alaska Railroad and the City of Whittier expressed interest in obtaining it, with expectation that it could be valuable in helping to meet the growing demand for public services after the new Whittier tunnel opens this summer.

The US Congress approved the transfer of ownership to the Alaska Railroad last summer. During the 1999 session, in anticipation of Congressional approval, the Legislature included a provision in SB 171 that requires legislative approval of land grants to the railroad.

The purpose of HB 320 is to give approval for the railroad to receive the DeLong dock and the associated submerged lands, uplands and tidelands, which the railroad is to then transfer to the City of Whittier. HB 320 also ratifies a memorandum of understanding between the railroad and the City of Whittier, which transfers ownership of the underlying real estate to the City and which requires the two entities to enter into mutually beneficial leases of portions of the dock and real estate. That is, the City will lease land under the north half of the dock to the railroad, and the railroad will lease the south half of the dock to the City.

HB 320 also directs and authorizes the two entities to enter into a management agreement for the use of the dock. The Finance committee added language prohibiting the railroad and the city from granting any special right or privilege to a third party to manage the dock and requiring that contracts for managing the dock be awarded only under competitive procedures established by the ARRC and City of Whittier.



ALASKA STATE LEGISLATURE
REPRESENTATIVE JOHN HARRIS
STATE CAPITOL 110, JUNEAU, ALASKA 99801-1182 (907) 465-4859

Sectional analysis

Proposed CS for HB 320 – Relating to the DeLong Dock in Whittier

Sec. 1 states findings that acquisition of the dock and associated real estate would be in the best interest of the state.

Sec. 2 states the Legislature's approval for the railroad to accept the grant of land from the federal government, as required by AS 42.40.285(5), Ch. 59, SLA 1999 (SB 171 from last session).

Sec. 3 describes the use and disposition of the dock and land:

a). gives the railroad 3 months after receiving the grant from the federal government to transfer the real estate to the City of Whittier.

b). directs the city and railroad to enter into reciprocal leases and a management agreement within 6 months; if not, the terms of subsections (c) - (h) apply. The railroad and the city are prohibited from granting any special right, privilege or preference to a third party to manage the dock. Furthermore, any management contract must be awarded only by competitive procurement procedures established by both parties in accordance with applicable state law.

c). directs the city to subdivide the parcel along the centerline of the dock and grant a lease of the land underlying the northern ½ of the dock to the railroad.

d). directs the railroad to lease the southern ½ of the dock to the city.

e). describes terms to be included in the leases, including 20 year term; \$1 rent per year; access by each entity to the dock; neither entity is required to indemnify the other for its actions or those of 3rd parties; each entity may assign or sublease its interests; both entities are required to work in good faith to resolve disputes and collaborate on managing the dock as a single entity for economic development; leases may not be terminated for breach of lease; and leases may be amended by mutual agreement.

f). requires the city and railroad to work in good faith to execute the terms and conditions set out in this section.

g). requires an interim agreement until the final terms under this section are completed.

h). requires that during the five years after the property is conveyed by the federal government, it is to be used for economic development of Whittier and PWS.

CSHB 320(Fin) Sectional Analysis
Page 2

Sec. 4 provides that if the property transfers to the State of Alaska or an agency of the state other than the Alaska Railroad, it is to be transferred to the City of Whittier.

Sec. 5 states the Legislature's approval for the railroad to transfer the real estate to the City of Whittier.

Sec. 6 provides an immediate effective date.

**Memorandum of Understanding
For
Long Term Use of the DeLong Dock
Between the Alaska Railroad Corporation
and the City of Whittier**

1. General Understanding

The Alaska Railroad Corporation (ARRC) and the City of Whittier are interested in working together to have the U.S. Government transfer ownership of the DeLong Dock and its surrounding tidelands to the ARRC. When the ARRC receives ownership of the DeLong Dock Facility (dock) and the Tract W Tidelands, ARRC will retain ownership of the DeLong Dock facility and transfer ownership of the Tract W Tidelands to the City of Whittier. In the event the Tract W Tidelands are transferred to the State of Alaska, Department of Natural Resources, the ARRC will support the City of Whittier with the Department of Natural Resources in transferring ownership of the tidelands to the City of Whittier. The described properties are more particularly shown as the U.S. Army DeLong Dock on the map attached to this Memorandum of Understanding (MOU) as Attachment A, Long Term Use, DeLong Dock, Tract W.

Both parties agree to work together and support each other with the State Legislative Officials and Departments as necessary for State approval in transferring ownership of the Tract W Tidelands to the City of Whittier and the DeLong Dock Facility to the ARRC.

The intent of this MOU is to allow the ARRC to be the lead agency for processing the request on behalf of both parties. In the interim, the ARRC will actively pursue a permit from the U.S. Army for temporary use of the properties until such time as the property disposal process is finalized as set forth in the short term MOU between the City of Whittier and the ARRC dated June 8, 1999 and attached to this MOU as Attachment B. There is an immediate need to allow the public use of the dock for fishermen loading their catch or use by day cruise operators for day excursions.

It is further understood that the City of Whittier will subdivide the tidelands within U.S. Army Tract W into Parcel 1 and Parcel 2 and execute a long term lease to the ARRC for parcel 1. The ARRC will retain ownership of the DeLong dock facility and execute a long term lease to the City of Whittier for the use of the south ½ of the dock facility. The described lease properties are more particularly shown as the Long Term Use, DeLong Dock, Tract W on the map attached to this MOU as Attachment A.

Both parties agree to work together to develop the dock facility and adjoining ground for Cruise Ship, Day Cruise, Commercial Fishing and Fish processing operations that require public use of the facilities.

2. Collaboration for Long Term Lease Agreements

Both parties agree to work together to develop Long Term Lease agreements that address contractual and operational issues to allow the City of Whittier use of ½ of the Dock Facility and the ARRC use of parcel 1, Tract W tidelands. The major issues to be resolved in the separate agreement are the lease term and rate, operational control, maintenance of the dock facility, capital maintenance reserve and liability protection during the terms of the lease agreement.

The terms of these issues will be resolved in a separate operational lease agreement and do not become part of this MOU.

3. Historical Background

The Alaska Railroad was constructed and operated by the U.S. Government from its inception in 1914. In the 1940's, a railroad spur to Whittier was constructed in support of military logistics during World War II. Other Federal facilities constructed in Whittier for support of the war effort included the DeLong Dock, petroleum tank farm and other buildings for housing and administration.

Then in March 1964, Alaska suffered a severe earthquake that destroyed the military tank farm facilities. After the earthquake the U.S. Army exccessed the DeLong Dock and dock ownership was then transferred to the Alaska Railroad to be used in conjunction with its freight and barge operation.

In April 1973, the U.S. Army completed construction of a new fuel facility in Whittier. The Alaska Railroad exccessed the DeLong Dock and ownership of the dock facilities was transferred back to the U.S. Army at their request, to support the off loading of fuel for the military bases in Alaska.

Those fuel facilities and the DeLong Dock are no longer needed by the military and are presently in the process of being exccessed once again by the U.S. Army.

In May 2000, the Anton Anderson tunnel into Whittier will be opened to both vehicular traffic and rail traffic. Whittier is the gateway to Prince William Sound and will become a popular water recreational location for sightseeing, boating and both recreational and commercial fishing because of its geographical location to Alaska's largest city, Anchorage.

Consequently, there will be an influx of people traveling to Whittier and demands for more public services such as parking and restroom facilities to support the recreational boating, fishing and day cruise operators. The land underlying the Army fuel facilities and the DeLong Dock can play an important role in addressing these critical needs if they can be made available for such uses. The existing fuel facilities' property can be used by the City of Whittier as a parking area in addition to providing access to other ARRC and additional properties owned by the City of Whittier.

4. Collaboration

The ARRC and the City of Whittier agree to collaborate with each other in pursuit of the General Understanding, as described above. During the term of this Memorandum of Understanding (MOU) each party agrees to work together in good faith with the goal of acquiring the U.S. Army properties being excessed by the U.S. Government in Whittier, Alaska, with ARRC to be the lead agency in pursuing this goal.

Nothing in this MOU shall be deemed to establish a joint venture, partnership or formal business entity of any kind. Neither of the parties shall have any liability or obligation to the other or to any other party except as expressly provided for in this MOU. There must be written agreement of both parties regarding any modification of the intent of this MOU.

This MOA shall terminate upon the earliest of the following: (1) signing of formal documents that transfer title of the U.S. Government properties to the respective parties, or the signing of other documents that conclusively mandate the same result once wholly ministerial actions or functions are complete; (2) both parties agree in writing to terminate this MOU.

5. Cost of Participation

Each party shall be solely responsible for its own costs and expenses in performing their respective obligations and/or performance under this MOU.

City of Whittier

By William Coumbe
William Coumbe, Mayor

Dated 7/26/99

By Carrie L. Williams
Carrie L. Williams, City Manager

Dated 7/26/99

Alaska Railroad Corporation

By Bill Sheffield
Governor Bill Sheffield
President & CEO

Dated 7/27/99

ATTACHMENT B

**Alaska Railroad Corporation and City of Whittier
Memorandum of Understanding for Interim Use of U.S. Government Property
Delong Dock, and Tract "W"
Whittier, Alaska**

1) General Understanding

There is an immediate need to allow the public use of additional docking and tideland facilities in the summer of 1999 and thereafter.

This memorandum of understanding is to govern interim use of the Delong Dock and surrounding tide lands and uplands commonly known as Tract "W" and more particularly shown on attachment "A" hereto. The purpose of this memorandum of understanding is to allow the ARRC to be the lead agency for processing the interim use permit with the US Government, Department of the Army on behalf of the ARRC and the City of Whittier and to set forth the respective rights of use of each party pending conveyance of ownership of the federally owned property by the US Government, Department of the Army.

The parties agree that during interim use Tract "W" and the Delong Dock shall be informally subdivided into Parcel 1 and Parcel 2, along the longitudinal center line of the dock, as shown on attachment "A" hereto. Upon issuance of the use permit by the Department of the Army, ARRC shall have use of parcel 1 and the City of Whittier shall have the use of Parcel 2. Each party shall be entitled to use their parcel in any lawful manner.

2) Collaboration

The ARRC and the City of Whittier agree to collaborate with each other in pursuit of the purposes set forth above. During the term of this Memorandum of Understanding (MOU) each party agrees to work together in good faith toward the goal of the permitted properties for a public purpose.

Nothing in this MOU shall be deemed to establish a joint venture, partnership or formal business entity of any kind. Neither of the parties shall have any liability or obligation to the other or to any other party except as expressly provided for in this MOU. There must be written agreement of both parties regarding any modification of the intent of this MOU.

This MOU shall terminate upon the earliest of the following: (1) signing of a formal document that transfers title of the U.S. Government properties, (2) both parties agree in writing to terminate this MOU.

3) Cost of Participation

Each party shall be solely responsible for its own costs and expenses in performing their respective obligations and/or performance under this MOU.

City of Whittier

Alaska Railroad Corporation

By William Coumbe
William Coumbe, Mayor

By Bill Sheffield
Governor Bill Sheffield
President & CEO

Dated 6-8-99

Dated 6-8-99

By Carrie L. Williams
Carrie L. Williams, City Manager

Dated 6/8/99

page 1 of 2
END

MANAGEMENT TERMS FOR DELONG DOCK
March 20, 2000

The City of Whittier ("City") and the Alaska Railroad Corporation ("ARRC") agree that the following constitute a basic framework to establish reciprocal property leases and guidelines for developing a management agreement for the joint operation of the DeLong Dock and associated tidelands and uplands (Tract W):

1. **Terms:** The parties will execute reciprocal property leases, each for a term of not less than 20 years and with a rental rate of \$1.00 per year. An interim dock operation agreement will be developed for a term of 2 years or such longer term as may be required for completion of the long term management agreement. This interim agreement is to allow both parties use of the dock facility during the ownership transfer to the ARRC from the US Army, and to allow the ARRC to finalize the Whittier Master Development Plan for ARRC properties. A long term agreement for management of the dock facility will be made for a mutually agreed term once the ARRC Master Development Plan, DeLong Dock and Tract W properties are transferred to ARRC and the City of Whittier.

2. **Management:** The dock will be managed as a single facility by a single entity. If the City and ARRC determine to use a third party for management services at the dock, the City and ARRC shall give Chugach Alaska Corporation, or a subsidiary or affiliate, the right of first refusal with respect to providing such services. Any contract for such services shall be subject to public notice and ARRC Board approval. Both the ARRC and the City shall have the right to make commitments for use of the dock, including preferential use commitments. The selected operator shall prepare and submit to each party a proposed plan of operations (either yearly or at other such interval as the parties agree) which plan must be approved by each party before being implemented.

3. **Compensation and Revenue Sharing:** The dock manager will account to the City and ARRC for revenues received from operation of the dock. Total revenues received will be divided between the parties on a prorated basis with the higher portion of the net revenues allocated to the party that initiated the contract. The amount of the proportional split is to be agreed to by both parties in the management agreement.

4. **Repair, Maintenance and Operational Expense:** Costs of maintenance, repairs and operation of the DeLong Dock shall be shared jointly by the parties in a manner to be agreed to by both parties in the management agreement. A reserve for such costs shall be established as soon as possible out of revenues received from operation of the dock. Major capital improvements shall be undertaken only as agreed to by the parties in the management agreement.

5. **Access:** The parties shall execute appropriate documentation granting or assuring adequate track access and public road access to the dock and lands beyond the dock by road.

6. **Commercial Terms:** Standard commercial provisions of the leases such as indemnification, insurance requirements, assignment, and default shall be on equal reciprocal terms.

7. **Dispute Resolution:** Both parties shall diligently work together in a good faith effort to resolve disputes. Both parties shall collaborate with each other in developing the management agreement with the goal of operating the DeLong Dock facility as a single entity for economic development purposes.

Post-It Fax Note	7671	Date	3/29/00	# of pages	▶
To	Rep HARRIS	From	Wendy		
Co./Dept.		Co.	ARRC		
Phone #		Phone #	265-2498		
Fax #	465-3799	Fax #			

CHAD
Management Terms For Detang Dock
3/20/2000

pg 2 of 2

CITY OF WHITTIER

By: David L. Williams
Its: City Manager
Date: 3/20/00

ALASKA RAILROAD CORPORATION

By: Wanda J. Sheppard
Its: Personnel
Date: 3/20/00

ATTACHMENT A

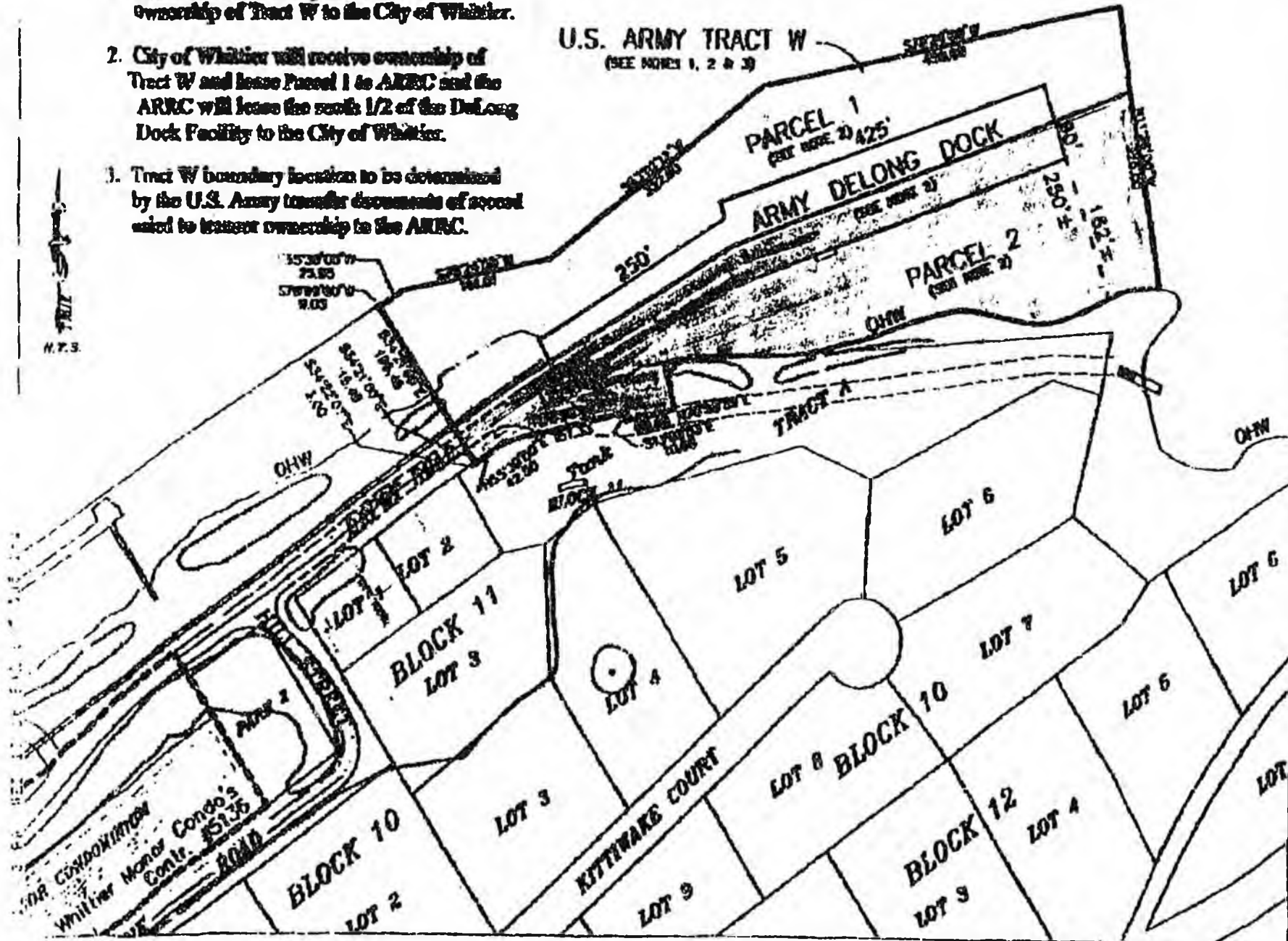
Long Term Use, DeLong Dock - TRACT W

...redacted... 01879

NOTES

1. ARRC will retain ownership of the DeLong Dock Facility and transfer ownership of Tract W to the City of Whittier.
2. City of Whittier will receive ownership of Tract W and lease Parcel 1 to ARRC and the ARRC will lease the south 1/2 of the DeLong Dock Facility to the City of Whittier.
3. Tract W boundary location to be determined by the U.S. Army transfer documents of record used to transfer ownership to the ARRC.

U.S. ARMY TRACT W
(SEE NOTES 1, 2 & 3)



N. 7.3

HB

378

CS FOR HOUSE BILL NO. 378()

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY

Offered:

Referred:

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the establishment of, assessment of, collection of, and
 2 accounting for service fees for state administration of workers' compensation and
 3 workers' safety programs; establishing civil penalties and sanctions for late
 4 payment or nonpayment of the service fee; and providing for an effective date."

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

6 * Section 1. AS 21.09.150(a) is amended to read:

7 (a) The director may suspend or revoke an insurer's certificate of authority if,
 8 after a hearing, the director finds that the insurer has violated a lawful order of the
 9 director or a provision of this title other than those for which suspension or revocation
 10 is mandatory or has not paid any annual service fees assessed under AS 23.05.067.

11 * Sec. 2. AS 21.09.270(b) is amended to read:

12 (b) This section does not apply to

13 (1) personal income taxes, or to ad valorem taxes on real or personal
 14 property or to special purpose obligations or assessments imposed by another state in

1 connection with particular kinds of insurance other than property insurance, [;] except
2 that deductions from premium taxes or other taxes otherwise payable allowed on
3 accounts of real estate or personal property taxes paid shall be taken into consideration
4 by the director in determining the propriety and extent of retaliatory action under this
5 section; [OR]

6 (2) a health care insurer who issues health care insurance to the state,
7 a municipality, a city or borough school district, a regional educational attendance area,
8 the University of Alaska, or a community college operated by the University of
9 Alaska; in this paragraph, "health care insurer" has the meaning given in
10 AS 21.54.500; or

11 (3) the annual service fees assessed under AS 23.05.067.

12 * Sec. 3. AS 23.05 is amended by adding a new section to read:

13 **Sec. 23.05.067. Service fees for administration of workers' safety and**
14 **compensation programs.** (a) Each insurer providing workers' compensation
15 insurance and each employer who is self-insured or uninsured for purposes of
16 AS 23.30 in this state shall pay an annual service fee to the department for the
17 administrative expenses of the state for workers' safety programs under AS 18.60 and
18 the workers' compensation program under AS 23.30 as follows:

19 (1) for each employer,

20 (A) except as provided in (b) of this section, the service fee
21 shall be paid each year to the department at the time that the annual report is
22 required to be filed under AS 23.30.155(m) or (n); and

23 (B) the service fee is 2.9 percent of all payments reported to the
24 Alaska Workers' Compensation Board under AS 23.30.155(m) or (n), except
25 second injury fund payments; and

26 (2) for each insurer,

27 (A) the service fee is payable on the same payment schedule
28 that applies to the tax on premium income for workers' compensation insurance
29 under AS 21.09.210(b);

30 (B) notwithstanding (e) of this section, the director of the
31 division of insurance shall deposit into the unrestricted general fund .88 percent

1 of the total direct premium income reported under AS 21.09.210 during the
2 year ending on the preceding December 31 and paid for workers' compensation
3 insurance, subject to all the deductions specified in AS 21.09.210(b); and

4 (C) the director of the division of insurance shall deposit 1.82
5 percent of the total direct premium income reported under AS 21.09.210 during
6 the year ending on the preceding December 31 and paid for workers'
7 compensation insurance, subject to all the deductions specified in
8 AS 21.09.210(b), under (e) of this section.

9 (b) An employer who is required to pay an annual service fee under (a) of this
10 section may elect to pay in yearly increments over a five-year period the portion of the
11 service fee due under (a) of this section as a result of a settlement of over \$50,000
12 approved under AS 23.30.012. An election under this subsection must be made in the
13 first year that a service fee would be due as a result of the settlement. The employer
14 shall notify the department of an election under this subsection. If an election is made,
15 payment of each yearly increment that is due shall be made at the time the annual
16 report is required to be filed under AS 23.30.155(m) or (n).

17 (c) Payment of the annual service fee under this section shall be made in the
18 manner and by the method specified by the department.

19 (d) If an employer who is required to pay an annual service fee under this
20 section does not pay the required amount of the service fee by the time specified in
21 this section, the employer shall pay a civil penalty of \$100 for the first day the
22 payment is late and \$10 a day for each additional day the payment is late. The civil
23 penalty under this subsection is in addition to any civil penalties imposed for late
24 filings of reports under AS 23.30.155(m).

25 (e) Annual service fees and civil penalties collected under this section shall be
26 deposited in the workers' safety and compensation administration account in the state
27 treasury. Under AS 37.05.146(b), the service fees and civil penalties shall be
28 accounted for separately, and appropriations from the account are not made from the
29 unrestricted general fund. The legislature may appropriate money from the account
30 for expenditures by the department for necessary costs incurred by the department in
31 the administration of the workers' safety programs contained in AS 18.60 and of the

1 Alaska Workers' Compensation Act contained in AS 23.30. Nothing in this subsection
2 creates a dedicated fund or dedicates the money in the account for a specific purpose.
3 Money deposited in the account does not lapse at the end of a fiscal year unless
4 otherwise provided by an appropriation.

5 (f) The department may adopt regulations to implement and interpret this
6 section.

7 (g) Notwithstanding AS 21.76.020(a), a joint insurance arrangement established
8 under AS 21.76 is subject to the provisions of this section and regulations adopted
9 under this section and, if self-insured, is subject to the annual service fee on behalf of
10 its members.

11 (h) The department shall grant a credit against the service fee imposed under
12 (a)(1) of this section to an employer if (1) the employer applies to the department for
13 the credit on a form prescribed by the department; (2) the employer provides proof that
14 the employer has paid a premium tax imposed under AS 21.09.210 on an insurance
15 policy; and (3) workers' compensation claims have been paid under the insurance
16 policy described in (2) of this subsection and the claims are subject to the service fee
17 imposed under (a) of this section. The credit allowed under this subsection is equal
18 to the amount of the premium tax paid by the employer under the insurance policy,
19 may not exceed the service fee imposed under (a) of this section, and only applies to
20 premium taxes paid by the employer on or after January 1, 2000.

21 (i) In this section, "insurer" has the meaning given in AS 21.90.900.

22 * Sec. 4. AS 23.30.015(e) is amended to read:

23 (e) An amount recovered by the employer under an assignment, whether by
24 action or compromise, shall be distributed as follows:

25 (1) the employer shall retain an amount equal to

26 (A) the expenses incurred by the employer with [IN] respect to
27 the action or compromise, including a reasonable attorney fee determined by
28 the board;

29 (B) the cost of all benefits actually furnished by the employer
30 under this chapter;

31 (C) all amounts paid as compensation and second-injury fund

1 payments, and, if the employer is self-insured or uninsured, all service fees
2 paid under AS 23.05.067;

3 (D) the present value of all amounts payable later as
4 compensation, [(PRESENT VALUE TO BE] computed from a schedule
5 prepared by the board; [)] and the present value of the cost of all benefits to
6 be furnished later under AS 23.30.095 [(] as estimated by the board; [)] the
7 amounts so computed and estimated to be retained by the employer as a trust
8 fund to pay compensation and the cost of benefits as they become due and to
9 pay any finally remaining excess sum to the person entitled to compensation
10 or to the representative; and

11 (2) the employer shall pay any excess to the person entitled to
12 compensation or to the representative of that person.

13 * Sec. 5. AS 23.30.090 is amended to read:

14 Sec. 23.30.090. Self-insurance certificates. If an employer has complied with
15 the provisions of this chapter relating to self-insurance and has paid annual service
16 fees assessed under AS 23.05.067, the board shall issue the employer a certificate that
17 [WHICH] shall remain in force for a period fixed by the board. The board may, upon
18 at least 10 days' notice and a hearing, revoke a self-insurance certificate upon
19 satisfactory proof that an employer is no longer entitled to it. After revocation, the
20 board may grant a new certificate to an employer, upon the employer's petition and
21 satisfactory proof of the employer's financial ability as provided in this chapter. An
22 employer authorized as a self-insurer shall provide claims facilities through its own
23 staffed adjusting facilities located within the state, or independent, licensed, resident
24 adjusters with power to effect settlement within the state.

25 * Sec. 6. AS 37.05.146(b)(4) is amended by adding a new subparagraph to read:

26 (X) workers' safety and compensation administration account
27 (AS 23.05.067):

28 * Sec. 7. The uncodified law of the State of Alaska is amended by adding a new section
29 to read:

30 TRANSITION: PHASE-IN OF FEES FOR EMPLOYERS. (a) Notwithstanding the
31 amount of the annual service fee set by AS 23.05.067(a), enacted by sec. 3 of this Act, the

1 annual service fee for employers equals the following percentages of all payments reported
2 to the Alaska Workers' Compensation Board under AS 23.30.155(m) and (n), except second
3 injury payments:

4 (1) for payment due in 2001, 3.6 percent;

5 (2) for payment due in 2002, 3.4 percent;

6 (3) for payment due in 2003, 3.2 percent.

7 (b) Notwithstanding the amount of the annual service fee set by AS 23.05.067(a)(1)
8 and (b), enacted by sec. 3 of this Act, the state, a political subdivision of the state, a joint
9 insurance arrangement authorized under AS 21.76, and other employers who are self-insured
10 under AS 23.30.090 shall instead pay an annual service fee of the following amounts in the
11 following years:

12 (1) for payment due in 2001, 25 percent of the amount calculated for the
13 service fee under AS 23.05.067;

14 (2) for payment due in 2002, 50 percent of the amount calculated for the
15 service fee under AS 23.05.067;

16 (3) for payment due in 2003, 75 percent of the amount calculated for the
17 service fee under AS 23.05.067; and

18 (4) for payment due in 2004 and subsequent years, 100 percent of the amount
19 calculated for the service fee under AS 23.05.067.

20 * Sec. 8. The uncodified law of the State of Alaska is amended by adding a new section
21 to read:

22 TRANSITION: SERVICE FEE FOR INSURERS. Notwithstanding the allocation of
23 the annual service fee imposed under AS 23.05.067(a)(2), enacted by sec. 3 of this Act, the
24 director of the division of insurance shall allocate the annual service fee during the years
25 2000, 2001, and 2002 as follows:

26 (1) for untaxed premium income in 2000, 2.31 percent shall be deposited into
27 the workers' safety and compensation administration account in the state treasury, and .39
28 percent shall be deposited into the unrestricted general fund;

29 (2) for premium income in 2001, 2.17 percent shall be deposited into the
30 workers' safety and compensation administration account in the state treasury, and .53 percent
31 shall be deposited into the unrestricted general fund; and

1 (3) for premium income in 2002, 2.03 percent shall be deposited into the
2 workers' safety and compensation administration account in the state treasury, and .67 percent
3 shall be deposited into the unrestricted general fund.

4 * Sec. 9. The uncodified law of the State of Alaska is amended by adding a new section
5 to read:

6 TRANSITION: REGULATIONS. The director of the division of insurance in the
7 Department of Community and Economic Development, and the Department of Labor and
8 Workforce Development, may proceed to adopt regulations necessary to implement or interpret
9 this Act. Regulations to implement or interpret a provision of this Act take effect under
10 AS 44.62 (Administrative Procedure Act), but not before the effective date of secs. 1 - 6 of
11 this Act.

12 * Sec. 10. Section 9 of this Act takes effect immediately under AS 01.10.070(c).

13 * Sec. 11. Except as provided in sec 10 of this Act, this Act takes effect January 1, 2001.

Note:

A CS for HB 378 will be distributed for this meeting as soon as it is received from the drafter.

FISCAL NOTE

No: 6

Bill Version: CSHB 378 (L&C)

(H) Publish Date: 3/15/00

STATE OF ALASKA

2000 LEGISLATIVE SESSION

Revision Date (Note if correction) _____

Title Worker's Comp.

Dept. Affected _____

University of Alaska

BRU

Component _____

Sponsor _____

Requester _____

Component Serial No. _____

Expenditures/Revenues

OPERATING EXPENDITURES	FY 01	FY 02	FY 03	FY 04	FY 05
Personal Services					
Travel					
Contractual	8.3	15.5	21.8	26.0	26.0
Supplies					
Equipment					
Land & Structures					
Grants & Claims					
Miscellaneous					
TOTAL OPERATING	8.3	15.5	21.8	26.0	26.0

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

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

FUND SOURCE

1002 Federal Receipts	1.0	1.9	2.7	3.2	3.2
1003 GF Match					
1004 GF	3.8	7.1	9.9	11.9	11.9
1005 GF/Program Receipts					
1037 GF/Mental Health					
1048 University Receipts	3.5	6.5	9.2	10.9	10.9
TOTAL	8.3	15.5	21.8	26.0	26.0

Estimate of any current year (FY00) cost: _____

none

POSITIONS

Full-time					
Part-time					
Temporary					

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

The service fee will be funded through a staff benefit accrual.

Prepared by Pat Pitney, Director
 Division UA Budget and Institutional Research
 Approved by Commissk Pat Pitney, Director
 Agency UA Budget and Institutional Research

Phone 474-7448
 Date 3/6/00
 Date 3/6/00

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FIB378, Fiscal Note Calculation
University of Alaska

Year	2001	2002	2003	2004	2005
Estimated claims	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Charge rate	3.3%	3.1%	2.9%	2.6%	2.6%
Calculated base fee	33,000	31,000	29,000	26,000	26,000
Transition rate	25.0%	50.0%	75.0%	100.0%	100.0%
Service fee	8,250	15,500	21,750	26,000	26,000

Revenue Sources:	Ratio *					
Federal funds	12.5%	1,028	1,931	2,710	3,240	3,240
General fund	45.6%	3,765	7,074	9,927	11,867	11,867
University receipts	41.9%	3,457	6,494	9,113	10,894	10,894
	100.0%	8,250	15,500	21,750	26,000	26,000

1999
Revenue
Sources

46.3 mil.
169.6 mil.
155.7 mil.
371.6 mil.

* Ratio of revenue sources from FY99 financial statements

02/28/2000

FISCAL NOTE

Bill Version: CSHB 378 (L&C)

(H) Publish Date: 3/15/00

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction) March 8 '00 Dept. Affected All State Agencies
 Title "An act relating to the establishment, assessment, BRU collection, and accounting for service fees for the administration of workers' compensation and safety programs."
 Sponsor House Rules Committee Component _____
 Requester House Finance Committee Component No. _____

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	75.8	142.4	199.9	238.9	238.9	238.9
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	75.8	142.4	199.9	238.9	238.9	238.9

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	7.5	14.1	19.8	23.6	23.6	23.6
1003 GF Match	1.9	3.6	5.0	6.0	6.0	6.0
1004 GF	36.6	68.8	96.5	115.4	115.4	115.4
1005 GF/Program Receipts	2.7	5.1	7.1	8.5	8.5	8.5
other (GF)	3.2	6.0	8.4	10.1	10.1	10.1
Other (Specify Type)	23.9	44.9	63.0	75.3	75.3	75.3
TOTAL	75.8	142.4	199.9	238.9	238.9	238.9

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Consolidation of statewide risk management costs to departments' personal services expense. See attached for detailed fund source amounts.

Prepared by: Joan Brown, Chief Budget Analyst *JK for JB*
 Division Office of Management and Budget
 Approved by Director Annalee McConnell *JK for AMC*
 Agency Governor's Office

Phone 465-4681
 Date/Time 3/7/00 3:59 PM
 Date 03/07/2000

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Workers' Compensation Fees Summary

Fund Code	Fund Source	Category	Administration 10,518.81	Comm. & Econ. Dev. 819.73	Corrections 8,238.75	Court System 1,341.45	Ed & Early Dev. 1,107.94	Environmental Conservation 997.11	Fish & Game 3,953.22	Health & Social Svcs. 11,842.36	Labor & Workforce Dev. 1,973.8	Law 828.05	Legislature 534.58	Military & Veterans Affairs 798.45	Natural Resources 4,018.34	Office of the Governor 368.55	Public Safety 7,867.31	Revenue 900.20	Transportation & Public Facilities 19,293.38	Total
1002	Fed Rcpts	Fed	135	11	213		120	259	1,057	2,978	1,360	9		431	263	21	173	330	93	7,454
	Fed Incentive																			
1018	Payments	Fed																31		31
	Indirect Cost																			
1133	Reimbursement	Fed																	14	14
	Fed Total		135	11	213	0	120	259	1,057	2,978	1,360	9	0	431	263	21	173	378	93	7,500
1003	GF Match	GF	41	13			20	64	21	1,431	84	3		68	33	33	57		17	1,881
1004	GF	GF	4,540	102	8,368	1,341	393	143	1,241	4,008	218	460	535	221	2,234	313	6,993	118	5,333	38,558
1005	GF/PR	GF	1,038	197			18	90	125	92	23	8			543		130	47	417	2,728
	GF/Mental																			
1037	Health	GF	1,474		352		2			702		1								2,531
1047	Tide XX	GF								370										370
	Pioneers																			
1118	Homes Rcpts	GF	240																	240
	Tobacco																			
1119	Settlement	GF	37							28		3								65
	GF Total		7,349	312	8,720	1,341	433	297	1,348	8,629	322	478	535	288	2,810	348	7,180	163	5,767	44,371
1007	IA Rcpts	Other	671	81	28		312	26	279	1,548	257	328		41	288		215	42	247	4,401
	Advance																			
	College Tuition																			
1011	Payment Fund	Other																0		0
	Donated																			
	Commodity /																			
1014	Handling Fee	Other					5													-5
	Benefit Systems																			
1017	Rcpts	Other	225																	225
	Erozn Valdez																			
1018	Oil Spill	Other						3	88						23					113
1021	Ag Loan Fund	Other													108					108
	FICA Admin																			
1023	Fund	Other	13																	13
	Fish & Game																			
1024	Fund	Other							768			2						62		850
1025	Science & Tech	Other		21																21
	Hwy Working																			
1026	Capital	Other																	1,482	1,482
	International																			
	Airports																			
1027	Revenue Fund	Other																0	3,374	3,375
1029	PERS	Other	368																	368
	Second Injury																			
1051	Fund	Other									6									6

Workers' Compensation Fees Summary

Fund Code	Fund Source	Category	Administration	Comm. & Econ. Dev.	Court System	Ed & Early Dev.	Environmental Conservation	Fish & Game	Health & Social Svcs.	Labor & Workforce Dev.	Law	Legislature	Military & Veterans Affairs	Natural Resources	Office of the Governor	Public Safety	Revenue	Transportation & Public Facilities	Total	
			10,518.81	619.73	9,238.75	1,341.45	1,107.84	997.11	3,953.22	11,642.36	1,873.8	828.05	534.56	788.45	4,018.34	366.55	7,687.31	900.20	19,293.36	
		Debt																		
		Fishermans																		
1032	Reserve Acct	Other									8									8
	Surplus																			
1033	Property	Other	29																	29
1034	TERS	Other	154																	154
	Vets Revolving																			
1035	Loan Fund	Other		2																2
	Comm Fish																			
	Revolving Loan																			
1036	Fund	Other		41																41
	UA Indirect Cost																			
1038	Recovery	Other																		
	Real Estate																			1,210
1040	Surety Fund	Other		3																3
	Judicial																			
	Retirement																			
1042	System	Other	1																	1
	Nat Guard																			
	Retirement																			
1045	System	Other	7																	7
	Student																			
	Revolving Loan																			
1046	Fund	Other															0			0.
	Training &																			
1048	Building Fund	Other								15										15
	Perm Fund																			
1050	Dividend Fund	Other														24	55			79
	Rural Dev																			
1051	Initiative Fund	Other		2																2
	OS&Haz																			
1052	Response Fund	Other					245													245
1053	RTF	Other																		0
1055	IA, OI & Haz	Other						3		9			20	4		7	0			43
	Small Bus Loan																			
1057	Fund	Other		0																0
1061	CIP Rcpts	Other	18	13	63		1	56	108	75			20	217			27	6,212	6,813	
	Public School																			
1066	Fund	Other															0			0
	Mining																			
	Revolving Loan																			
1067	Fund	Other		0																0

Workers' Compensation Fees Summary

Fund Code	Fund Source Category	Administration	Comm. & Econ. Dev.	Court System	Ed & Early Dev.	Environmental Conservation	Fish & Game	Health & Social Svcs. Dev.	Labor & Workforce	Law	Legislature	Natural Resources	Office of the Governor	Public Safety Revenue	Transportation & Public Facilities	Total
		10,518.81	819.73	1,341.45	1,107.94	997.11	3,953.22	11,642.36	1,973.8	828.05	534.56	4,018.34	388.55	7,687.31	663.20	19,293.36
1068	Revolving Loan		0													0
	Historical District															
1069	Revolving Loan		0													0
	Fisheries Enhancement															
1070	Revolving Loan		6													6
	Alternative Energy															
1071	Revolving Loan		3													3
	Clean Water															
1075	Loan Fund					10										10
	Marine Hwy															
1078	System Fund														630	630
	Storage Tank															
1079	Asst Fund					20										20
1081	ISF	1,284														1,284
1082	MHTAAR	7		7				145								222
	Clean Air															
1083	Protection Fund					61										61
	Mental Health															
1084	Trust Admin															9
	Children's Trust															
1088	Fund Earnings													9		9
	Alaska Drinking															
1100	Water Fund					11										11
	Aerospace Dev															
1101	Corp Rcpts		0													0
	Other		47													47
1102	AIDEA Rcpts															47
	Other															
1103	AHFC Rcpts													164		164
	Municipal Bond															
1104	Bank Rcpts													1		1
	Parm Fund															
1105	Corp Rcpts											96		59		155
	Other															
	Post-Secondary				208											208
1108	Ed Comm Rcpts			207	25	7	106	222	6	4				3	81	1,049
	Other	222														

Workers' Compensation Fees Summary

Fund Code	Fund Source	Category	Administration	Comm. & Econ. Dev.	Corrections	Court System	Ed & Early Dev.	Environmental Conservation	Fish & Game	Health & Social Svcs.	Labor & Workforce Dev.	Law	Legislature	Military & Veterans Affairs	Natural Resources	Office of the Governor	Public Safety	Revenue	Transportation & Public Facilities	Total
			10,518.81	819.73	9,238.75	1,341.45	1,107.94	997.11	3,953.22	11,642.35	1,973.8	828.05	534.58	798.45	4,018.34	366.55	7,687.31	900.20	19,293.35	
	Test Fisheries																			
1109	Rcpts	Other							141											141
	International Trade & Bus Endowment																			
1115	Income	Other		4																4
1141	RCA Rcpts	Other		74																74
	Public Bldg																			
1147	Fund	Other	18																	18
		Other Total	3,017	297	305	0	955	442	1,511	2,034	292	343	0	88	848	0	314	382	13,438	23,832
		Grand Total	10,521	820	9,238	1,341	1,108	997	3,954	11,642	1,974	828	535	798	4,018	367	7,686	900	19,285	75,602

FISCAL NOTE

No: 4

B... Version: HB 378

(H) Publish Date: 2/16/00

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction): _____
 Title: "An Act eliminating certain taxes
under AS 21.09 on premiums from the sale"
 Sponsor: Rules
 Requistor: Governor

Department Affected: Labor
 BRU: Labor Standards and Safety
 Component: Occupational Safety and Health
 COMPONENT SERIAL NO. 970

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

OPERATING	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL						
CHANGE IN REVENUE						
FUND SOURCE #						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match		(1,131.1)	(1,131.1)	(1,131.1)	(1,131.1)	(1,131.1)
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other (New Fund)		1,131.1	1,131.1	1,131.1	1,131.1	1,131.1
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY00) impact: \$ 0.0

ANALYSIS: (Attach a separate page if necessary)

See attached

Prepared by: Alan Dwyer, Director *Alan Dwyer* Phone: 465-2790
 Division: Labor Standards and Safety Date/Time: 1/31/00 1:07 PM

Approved by Commissioner: Ed Flanagan, Commissioner
 Agency: Department of Labor *Ed Flanagan* Date: 1/31/00

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FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. _____

Title: An Act eliminating certain taxes under AS 21.09 from the sale of worker's compensation insurance; relating to the establishment, assessment, collection, and accounting for service fees for state administration of workers' compensation and worker safety programs; establishing civil penalties and sanctions for late payment or nonpayment of the service fee; and providing for an effective date.

The bill would eliminate the 2.7% tax paid on workers' compensation insurance premiums under AS 21.09.150(b), and would replace it with an annual service fee. The annual service fee is to be paid by all insurers who provide workers' compensation insurance as well as those employers who are self-insured or uninsured.

The fee shall be paid each year to the department at the time that the annual report is required. This suggests that initial payments shall be received by the department in March, 2001 with funding available for appropriation to the workers' compensation program on July 1, 2001 (state fiscal year 2002).

For those insurers who provide workers' compensation insurance, the service fee is the following percentage of all payments reported to the Alaska Workers' Compensation Board under AS 23.30.155(m) or (n):

- (1) for payment due in 2001: 3.3 percent;
- (2) for payment due in 2002: 3.1 percent;
- (3) for payment due in 2003: 2.9 percent;
- (4) for payment due in 2004 and subsequent years: 2.6 percent

Other employers who are self-insured under AS 23.30.090 shall pay instead an annual service fee as follows, calculated according to the provisions of AS 23.05.067:

- (1) for payment due in 2001, 25 percent of the amount calculated for the service fee;
- (2) for payment due in 2002, 50 percent of the amount calculated for the service fee;
- (3) for payment due in 2003, 75 percent of the amount calculated for the service fee; and
- (4) for payment due in 2004 and subsequent years, 100 percent of the amount calculated for the service fee .

This fee would be deposited into a workers' safety and compensation administration account, and would be available, through appropriation, to fund the expenses incurred by the state in administering the occupational safety and health program. During the four-year phase-in period, this appropriation would replace the unrestricted general fund match appropriation which currently funds a portion of the cost of the state's occupational safety and health program.

The bill provides penalties for late payment of the fee, and amends AS 37.05.146(b)(4) to ensure that the receipts in the new account are accounted for separately and that appropriations from the account are not made from the unrestricted general fund.

The Division of Labor Standards and Safety does not anticipate any additional need for staff to administer this fee collection program.

FISCAL NOTE

No: 3

Bill Version: HB 378

(H) Publish Date: 2/16/00

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction): _____
 Title: "An Act eliminating certain taxes
under AS 21.09 on premiums from the sale"
 Sponsor: Rules
 Requestor: Governor

Department Affected: Labor
 BRU: Workers' Compensation
 Component: Workers' Compensation

COMPONENT SERIAL NO. 344

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

OPERATING	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

CHANGE IN REVENUE FUND SOURCE #						
------------------------------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF		(2,367.1)	(2,367.1)	(2,367.1)	(2,367.1)	(2,367.1)
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other (New Fund)		2,367.1	2,367.1	2,367.1	2,367.1	2,367.1
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY00) impact: \$ 0.0

ANALYSIS: (Attach a separate page if necessary)

See attached

Prepared by: Paul Grossi, Director *Paul Grossi* Phone: 465-2790
 Division: Workers' Compensation Date/Time: 1/28/00 3:45 PM

Approved by Commissioner: Ed Flanagan, Commissioner
 Agency: Department of Labor *Ed Flanagan* Date: 1/28/00

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FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. _____

Title: An Act eliminating certain taxes under AS 21.09 from the sale of worker's compensation insurance; relating to the establishment, assessment, collection, and accounting for service fees for state administration of workers' compensation and worker safety programs; establishing civil penalties and sanctions for late payment or nonpayment of the service fee; and providing for an effective date.

The bill would eliminate the 2.7% tax paid on workers' compensation insurance premiums under AS 21.09.150(b), and would replace it with an annual service fee. The annual service fee is to be paid by all insurers who provide workers' compensation insurance as well as those employers who are self-insured or uninsured.

The fee shall be paid each year to the department at the time that the annual report is required. This suggests that initial payments shall be received by the department in March, 2001 with funding available for appropriation to the workers' compensation program on July 1, 2001, FY2002.

For those insurers who provide workers' compensation insurance, the service fee is the following percent of all payments reported to the Alaska Workers' Compensation Board under AS 23.30.155(m) or (n):

- (1) for payment due in 2001. 3.3 percent;
- (2) for payment due in 2002. 3.1 percent;
- (3) for payment due in 2003. 2.9 percent;
- (4) for payment due in 2004 and subsequent years. 2.6 percent

Other employers who are self-insured under AS 23.30.090 shall instead pay an annual service fee of the following amounts in the following years:

- (1) for payment due in 2001, 25 percent of the amount calculated for the service fee under AS 23.05.067;
- (2) for payment due in 2002, 50 percent of the amount calculated for the service fee under AS 23.05.067;
- (3) for payment due in 2003, 75 percent of the amount calculated for the service fee under AS 23.05.067; and
- (4) for payment due in 2004 and subsequent years, 100 percent of the amount calculated for the service fee under AS 23.05.067.

This fee would be deposited into a workers' safety and compensation administration account, and would be available, through appropriation, to fund the expenses incurred by the state in administering the workers' compensation program under AS 23.30. During the four-year phase-in period, this appropriation would replace the unrestricted general fund appropriation which currently funds a portion of the cost of the state's workers' compensation program.

The bill provides penalties for late payment of the fee, and amends AS 37.05.146(b)(4) to ensure that the receipts in the new account are accounted for separately and that appropriations from the account are not made from the unrestricted general fund.

The Division of Workers' Compensation does not anticipate any additional need for staff to administer this fee collection program.

FISCAL NOTE

Bi. Jersion: HB 378

(H) Publish Date: 2/16/00

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

Revisor: Date/Time (Note if correction) _____ Dept. Affected Community & Economic Development
 Title An Act eliminating certain taxes under AS 21.09 on BRU Insurance
premiums from the sale of workers' compensation insurance. . . Component Insurance
 Sponsor Rule Committee
 Requester Governor Component No. 354

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

CHANGE IN REVENUES ()	(3,498.2)	(3,498.2)	(3,498.2)	(3,498.2)	(3,498.2)	(3,498.2)
-------------------------------	------------------	------------------	------------------	------------------	------------------	------------------

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2000) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The bill will result in the elimination of tax receipts from workers' compensation premiums currently collected by the Division of Insurance. Under the bill a service fee charged by the Department of Labor and Workforce Development against workers' compensation claims payments and costs will result in fee receipts that are estimated to offset the foregone tax receipts, when the amount generated from self-insured claims is included. The loss in revenue shown above equals the amount the Department of Labor and Workforce Development estimates it will receive in fee receipts.

Prepared by: Robert A. Lohr
 Division Insurance
 Approved by Commissioner Deborah B. Sedwick
 Agency Community & Economic Development

Phone 269-7900
 Date/Time 2/2/00 12:24 PM
 Date 2/2/00

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FISCAL NOTE

Bill Version: HB 378

(H) Publish Date: 2/16/00

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

Revision Date	<u>1/27/00</u>	Dept. Affected	<u>Administration</u>
Title	<u>"An act relating to the establishment, assessment, collection and accounting for service fees for the administration of workers' compensation and workers' safety programs....."</u>	BRU	<u>Risk Management</u>
Sponsor	<u>Rules Committee</u>	Component	<u>Risk Management</u>
Requester	<u>Governor</u>	Component No.	<u>71</u>

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel						
Contractual	75.8	142.4	199.9	238.9	238.9	238.9
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	75.8	142.4	199.9	238.9	238.9	238.9

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1007 I/A Receipts	75.8	142.4	199.9	238.9	238.9	238.9
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	75.8	142.4	199.9	238.9	238.9	238.9

Estimate of any current year (FY2000) 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)

This legislation creates an increased expense to Risk Management operating costs for a new administrative assessment fee beginning in 2001.

Applying the proposed rate schedule to the average of the five most recent fiscal years workers' compensation experience (\$9,191,125) estimated costs are projected, although future loss experience will determine actual costs incurred.

As Risk Management is funded solely through inter-agency receipts, this additional expense will require increased cost of risk allocations (premium assessments) to all state agency operating budgets.

Prepared by:	<u>Brad Thompson, Director</u>	Phone	<u>465-5723</u>
Division	<u>Risk Management</u>	Date/Time	<u>1/27/00</u>
Approved by Commissioner	<u>Robert Poe</u>	Date	<u>1/27/00</u>
Agency	<u>Administration</u>		

Bill History/Action Display



BILL: HB 378 SHORT TITLE: WORKERS COMP AND WORKER SAFETY
 BILL VERSION:
 SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

CURRENT STATUS: (H) RLS STATUS DATE: 3/15/00

HEARING: (H) RLS Apr 10 4:00 PM CAPITOL 120

TITLE: "An Act eliminating certain taxes under AS 21.09 on premiums from the sale of workers' compensation insurance; relating to the establishment, assessment, collection, and accounting for service fees for state administration of workers' compensation and worker safety programs; establishing civil penalties and sanctions for late payment or nonpayment of the service fee; and providing for an effective date."

Full Text

Fiscal Notes

Detailed 2000 fiscal note information currently not available on-line.

Committee Action With Bill History

Jrn-Date	Jrn-Page	Action
2/16/00	2211	(H) READ THE FIRST TIME - REFERRALS
2/16/00	2212	(H) L&C, JUD, FIN
2/16/00	2212	(H) 4 FISCAL NOTES (ADM, DCED, 2-LABOR)
2/16/00	2212	(H) GOVERNOR'S TRANSMITTAL LETTER
3/06/00	2426	(H) L&C RPT CS(L&C) NT 5DP 1NR
3/06/00	2426	(H) DP: HARRIS, CISSNA, BRICE, HALCRO,
3/06/00	2426	(H) ROKEBERG; NR: MUPKOWSKI
3/06/00	2427	(H) 4 FNS (ADM, DCED, 2-LABOR) 2/16/00
3/08/00	2451	(H) JUD RPT CS(L&C) NT 5DP
3/08/00	2452	(H) DP: CROFT, GREEN, ROKEBERG, KERTTULA,
3/08/00	2452	(H) KOTT
3/08/00	2452	(H) 4 FNS (ADM, DCED, 2-LABOR) 2/16/00
3/15/00	2491	(H) FIN RPT CS(L&C) NT 3DP 5NR
3/15/00	2491	(H) DP: MULDER, DAVIES, PHILLIPS;
3/15/00	2491	(H) NR: THERRIAULT, BUNDE, FOSTER,
3/15/00	2491	(H) WILLIAMS, DAVIS
3/15/00	2491	(H) 2 FISCAL NOTES (GOV/ALL DEPTS, UA)
3/15/00	2491	(H) 3 FNS (DCED, 2-LABOR) 2/16/00
3/15/00	2491	(H) REFERRED TO RULES

Similar Subject Match or Exact Subject Match

BUSINESS

EMPLOYMENT

INSURANCE

LABOR

SAFETY

TAXATION

WORKERS COMPENSATION

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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 11, 2000

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

Dear Speaker Porter:

The state's workers' compensation and worker safety programs in the Department of Labor and Workforce Development provide important benefits and services to employees and employers throughout Alaska. Successive budget cuts to the department have threatened the viability of these programs to the point that a takeover of the safety program by the federal government is a distinct possibility.

Federal management of our occupational health and safety program is unacceptable to me and to most employers and employees in Alaska. The bill I am introducing changes the way in which these programs are funded to ensure these services to Alaskans are put back on firm footing.

These programs are currently paid for with general funds. The costs roughly equate to the amount of money the state collects from the tax on workers' compensation insurance premiums.

The programs clearly benefit all employers, but only those employers who purchase workers' compensation insurance are taxed. Larger self-insured employers pay no tax. This bill more equitably spreads the cost/benefit structure of worker safety programs by eliminating the premium tax and replacing it with a fee for all employers based on a percentage of their individual workers' compensation claims.

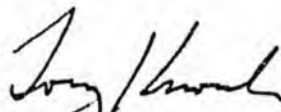
The fees would be accounted for separately and deposited into a worker safety and compensation account. The money in the account would be treated as designated program receipts available for appropriation to the workers' compensation and safety programs. The bill provides for a four-year phase-in of the fees to minimize the impact on those self-insured employers who currently pay no tax. The new fee system is designed to raise the same

The Honorable Brian Porter
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amount of money as the current tax. Because the new system would spread costs among more employers, those employers currently paying the premium tax would realize a decrease in their payments.

This bill offers a fair, effective way of ensuring continued funding for vital worker protection programs. I urge your prompt and favorable action on this measure.

Sincerely,

A handwritten signature in black ink, appearing to read "Tony Knowles". The signature is written in a cursive, flowing style.

Tony Knowles
Governor



March 8, 2000

The Honorable Eldon Mulder
The Honorable Gene Therriault
Co-Chairmen House Finance Committee
Alaska State House of Representatives
Alaska State Capitol
Juneau, Alaska 99801

Dear Representative Mulder and Therriault,

The Association of Alaska School Boards (AASB) and Alaska Public Entity Insurance (APEI) oppose HB 378.

Many of the smaller school districts are insured through our insurance pool, APEI. The larger school districts have a self-insurance program. The bill has the effect of transferring costs from premium taxes paid by commercial insurance companies to Alaska school districts by changing from a premium tax to a tax on actual claims benefits paid for workers' compensation.

There does not appear to be any measurable benefit to the State Department of Labor, since the same amount of money will be generated under both the current premium tax and proposed claims tax under HB 378.

The pooling bill (AS21.76) was passed in 1986 to protect school districts and municipalities from the prohibitive cost of commercial insurance when these insurers virtually abandoned Alaska public agencies. The public agencies that pool their premiums and losses are exempt from some of the costs of a private for-profit insurer, so that these public agencies can obtain insurance at a reasonable cost. HB 378 will increase the insurance costs of most of the State's schools and municipalities who are in a pool (joint insurance arrangement) or self-insured. The only beneficiaries seem to be the large private insurers.

The AASB represents 50 school districts which will all receive unfavorable financial impact from this legislation.

Sincerely,

Carl FN Rose
President of APEI and Executive Director of AASB