

ALASKA LEGISLATURE COMMITTEE FILES 2001-2002 8672

10634 SENATE LABOR & COMMERCE

Section 06.26.900

Gives a list of powers of the department.

Old law did not address this.

Section 06.26.905

Permits the department to enter into cooperative agreements and enforcement actions with other governmental regulators.

Old law did not address this.

Section 06.26.910

List of instances when a person may appeal to the department, authorizes department to adopt regulations establishing procedures for appeals, and subjects appeals to AS 44.62 (Administrative Procedure Act).

Old law did not address this.

Section 06.26.920

Authorizes department to bring a civil court action against a person who has or is about to commit a violation of this chapter.

Old law did not address this.

Section 06.26.930

Requires a trust company to submit various reports.

Old law did not address this.

Section 06.26.940

Gives persons who suffer damages as a result of violations by persons subject to this chapter, the right to bring an action in court.

Old law did not address this.

Section 06.26.950

Stipulates that this chapter does not allow a trust company to engage in banking.

Old chapter did not have this provision.

Section 06.26.960

Prohibits a trust company from taking an action with respect to its corporate status or capital structure without first receiving the department's approval and authorizes the department to adopt regulations under AS 10.06 applicable to an act in this chapter.

Section 06.26.990

Defines various terms.

Old law only defined "department."

Section 06.26.995

Short title of the act is "Revised Alaska Trust Company Act."

Section 3

AS 13.36.025 is amended so that the provisions of (a) are not intended to be overridden by AS 06.26, and AS 06.26 governs in the event of a conflict.

Section 4

Technical change in AS 13.36.320(a) replacing "Alaska" with "the state" and replacing the old trust act reference of 06.25 with the new trust act reference of 06.26.

Section 5

Technical change in AS 13.36.390 (2) replacing the old trust act reference of 06.25 with the new trust act reference of 06.26.

Section 6

Technical change in AS 21.66.250 replacing the old trust act reference of 06.25 with the new trust act reference of 06.26.

Section 7

Technical change in AS 34.77.100(a) replacing the old trust act reference of 06.25 with the new trust act reference of 06.26.

Section 8

Lists sections that are repealed.

Section 9

Several areas of law are amended as a result of AS 06.26.760(b)(2). Those areas are: Rules 6 and 12 of the Alaska Rules of Civil Procedure, Rule 40 of the Alaska Rules of Criminal Procedure, Rules 204, 403, 502, 602, and 611 of the Alaska Rules of Appellate Procedure.

Section 10

Outlines requirements and time frames for trust companies existing prior to the effective date of this Act to comply with the new Act.

Section 11

Authorizes the department to adopt regulations necessary to implement sections 1-8 of this act.

Section 12

Sections 10 and 11 are effective immediately.

Section 13

Sets the effective date of this act.

HB

181

ALASKA STATE LEGISLATURE

Chair:
LABOR AND COMMERCE

Member:
MILITARY AND VETERANS AFFAIRS
COMMUNITY AND REGIONAL AFFAIRS
LEGISLATIVE COUNCIL
JOINT ARMED SERVICES



REPRESENTATIVE LISA MURKOWSKI
Government Hill • Elmendorf • East Anchorage

Session:
ALASKA STATE CAPITOL
JUNEAU, AK 99801-1182
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FAX: (907) 465-2293
Representative_Lisa_Murkowski@legis.state.ak.us

Interim:
716 WEST 4TH AVENUE
ANCHORAGE, AK 99501-2133
PHONE: (907) 269-0174
FAX: (907) 269-0177

Sponsor Statement HB 181 Community Property

In 1998, the legislature passed Alaska's community property act, which allows married couples to characterize some or all of their assets as community property. Since the enactment of Alaska's community property act, experts, through experience and application of community property and trust planning, have identified certain statutes requiring improvement and adjustment. House Bill 181 makes these improvements and adjusts Alaska's community property statutes in four ways:

The extent to which a creditor can reach a couple's community property. Section 1 provides that a creditor of a debtor spouse may only reach the separate property of that spouse and that spouse's half of the jointly held property. If only one spouse is the debtor, then the creditor can reach half of the community property. If both spouses are debtors, then the creditor can reach all of the community property.

Transfers of property to a community property trust by beneficiary designation. This new provision allows property such as life insurance policies and IRAs to be transferred to a community property trust by designating the trust as the beneficiary of the property. This will assist nonresidents of Alaska in using Alaska community property trusts.

Clarification of sources of funds used to purchase life insurance. Community property funds may be used by a couple to purchase life insurance, and where the primary beneficiaries are family members, then it is presumed that both spouses consented to the choice of such beneficiaries. The existing statute already creates the presumption for the parent or child of either spouse. This amendment expands the category of family members to include ancestors or descendants of either spouse, or a trust for the benefit of those persons. In order to minimize estate taxes, it is presumed that a spouse who buys life insurance has used his or her own property to purchase the life insurance.

Division of community property at death. Section 4 clarifies that on the death of a spouse, half of the community property reflects the share of the decedent and the other half reflects the share of the surviving spouse. However, each item of the community property does not have to be divided equally. Rather, different items can be allocated to the spouse's shares, as long as each spouse's share receives half of the total aggregate value of the community property. This added flexibility will allow for better income and estate tax planning for couples using Alaska community property.

Last Updated March 30, 2001
Staff Contact: Amy Erickson 465-4954

ALASKA STATE LEGISLATURE

Chair:
LABOR AND COMMERCE

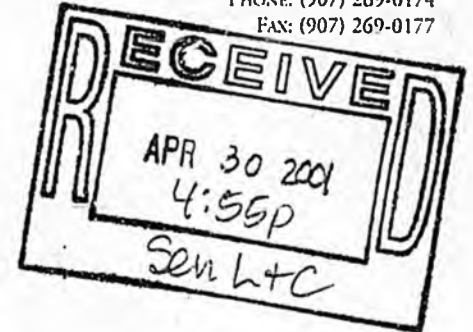
Member:
MILITARY AND VETERANS AFFAIRS
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PHONE: (907) 269-0174
FAX: (907) 269-0177



Memorandum

Date: April 30, 2001

To: Senator Randy Phillips
Labor and Commerce Chair

From: Representative Lisa Murkowski 

Subject: Hearing Request

House Bill 181, Community Property, makes four minor adjustments to Alaska's community property act: First, HB 181 provides that a creditor of a debtor spouse may only reach the separate property of that spouse and that spouse's jointly held property. Next, HB 181 allows property such as life insurance and IRAs to be transferred to a community property trust by designating the trust as a beneficiary of the property. Third, HB 181 clarifies the sources of funds used to purchase life insurance and expands the category of family members to include ancestors or descendants of either spouse. Finally, HB 181 clarifies that on the death of a spouse, different property items can be allocated to the spouse's shares, as long as each spouse's share receives half of the total value of the community property.

Attached you will find a copy of House Bill 181, sponsor statement, sectional analysis, and supporting documentation. Please schedule HB 181 at your earliest convenience.

STEPHEN E. GREER
ATTORNEY AT LAW

P.O. BOX 24-2903
ANCHORAGE, ALASKA 99524-2903

4041 "B" STREET, STE. 205
ANCHORAGE, AK 99503

TEL: (907) 561-5520
FAX: (907) 563-5020

April 23, 2001

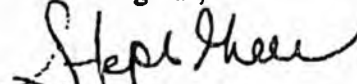
To: Rep. Lisa Murkowski
Faxed: (907) 465-2293

HB 181
(The Community Property Bill)

Dear Representative Murkowski:

I am presently the chairman of the Estate Planning and Probate Section of the Alaska Bar Association. I am not writing in that capacity but as a private practitioner. I also want to mention I have no connection or allegiance to any trust company. The interests which I represent are those of my clients, all of whom are Alaskan citizens. I am writing to express support for HB 181 (the community property bill). This bill is an important adjunct to our existing community property law and corrects many of the provisions which presently create legal ambiguities for our clients. Every provision contained in this bill has been well thought out and scrupulously articulated. This bill would be a good thing for all Alaskans and I strongly recommend this bill. I will be available to explain its provisions to anyone who has a question.

Kindest regards,


Stephen E. Greer

Legal Assistants:
Leanna D. Dreher, J.D. ●
Linda J. Durr, PLS

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Attorneys:
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Caroline P. Wanzmaker, J.D. ♦♦
Donna Marie, J.D. ♦●
Michael D. Shaffer, J.D. ♦■
Bhree Roumagoux, J.D. ♦

♦ Admitted in AK
● Admitted in CA
+ Admitted in WA
■ Admitted in MA

March 26, 2001

SENT VIA FACSIMILE TO (907)465-2293

Representative Lisa Murkowski
Alaska State Legislature
State Capitol, Room 406
Juneau, AK 99801-1182

Re: House Bill 181, Alaska Community Property Act Amendments

Dear Representative Murkowski:

Thank you very much for introducing House Bill 181. Our firm emphasizes estate planning and estate and trust administration. This bill adds important amendments to the Alaska Community Property Act. These provisions will enable Alaskans, and nonresidents using Alaska's Act, to take advantage of estate planning approaches now used by residents of other community property states.

Sincerely,



David G. Shaftel

DGS/cf



**HUGHES THORSNESS POWELL
HUDDLESTON & BAUMAN LLC**
ATTORNEYS AT LAW

March 29, 2001

VIA FACSIMILE
(907) 465-2293

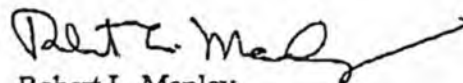
Representative Lisa Markowski
State of Alaska
Juneau, Alaska

Re: HB 181

Dear Lisa:

As you know I am in estate planning attorney in Anchorage and am a member of the estate planning section of the Alaska Bar Association. I want to express my support for passage of HB 181. This bill would accomplish important amendments to our Alaska Community Property Act and will benefit the residents of Alaska.

Very truly yours,


Robert L. Manley

RLM/mjm

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: HB 181
 (H) Publish Date: 4/21/01

Revision Date/Time (Note if correction): _____ Dept. Affected: Law
 Title "An Act relating to the obligations of spouses, to the insurance policies of spouses, to the nonprobate transfer ..." BRU Civil Division
 Component Fair Business Practices
 Sponsor Representative Murkowski
 Requester House Judiciary Component No. 2206

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
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						
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CHANGE IN REVENUES ()						
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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 (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

HB 181 repeals four sections of the Alaska Community Property Act and replaces them with a general rule that an obligation incurred by a spouse can only be satisfied from that spouse's non-community property and that spouse's interest in the community property, no matter when the obligation was incurred. In addition, the bill provides for how community property is to be divided upon the death of a spouse, and how it is to be distributed; allows for transfers of community property to a community property trust; and makes changes to how community property relates to life insurance purchases.

Passage of HB 181 will have no fiscal impact on the Department of Law.

Prepared by: Joan M. Kasson Phone 465-5370
 Division: Attorney General's Office Date/Time 4/19/01 3:42 PM
 Approved by: Kathryn Daughhete for Bruce M. Botelho, Attorney General Date 4/19/01
 Agency: Department of Law

For distribution information, call the Governor's Legislative Office

LEGAL SERVICES

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

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

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

April 24, 2001

SUBJECT: Sectional Summary of CSHE 181(JUD) relating to the property and obligations of spouses (Work Order No. 22-LS0567\O)

TO: Representative Lisa Murkowski
Attn: Amy

FROM: *JLB*
Theresa L. Bannister
Legislative Counsel

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

Section 1. AS 34.77.070(j) and (k). Establishes from what property an obligation incurred by only one spouse can be satisfied. Establishes from what property an obligation incurred during marriage by both spouses may be satisfied.

Section 2. AS 34.77.100. Establishes that nonprobate transfers on death of property under AS 13.33.101 can be transferred to a community property trust.

Section 3. AS 34.77.120(b). In (b)(5), establishes a presumption that a designation of certain persons or a certain trust, to the extent the trust's beneficiaries consist of certain persons, as the beneficiaries of an insurance policy has been made with the consent of the other spouse. Adds under (b)(7) a presumption relating to the community property interests of spouses in an insurance policy on the life of one of the spouses and owned by an irrevocable trust, to the extent the trust's beneficiaries consist of certain persons. In (b)(8), makes a spouse's testimony sufficient to rebut a presumption under (b)(5) or (b)(7).

Section 4. AS 34.77.120(e). Adds a reference to a trust described under new AS 34.77.120(b)(7).

Section 5. AS 34.77.155. Adds a new section establishing rules to govern the division of community property upon the death of a spouse.

Section 6. Repeals certain sections.

Representative Lisa Murkowski
April 24, 2001
Page 2

Section 7. Describes how AS 34.77.120(b)(8) changes a court rule of evidence.

Section 8. Gives the Act an immediate effective date.

If I may be of further assistance, please advise.

TLB:jhb
01-088.jhb

ALASKA STATE LEGISLATURE

Chair:
LABOR AND COMMERCE

Member:
MILITARY AND VETERANS AFFAIRS
COMMUNITY AND REGIONAL AFFAIRS
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Sponsor Statement HB 181 Community Property

In 1998, the legislature passed Alaska's community property act, which allows married couples to characterize some or all of their assets as community property. Since the enactment of Alaska's community property act, experts, through experience and application of community property and trust planning, have identified certain statutes requiring improvement and adjustment. House Bill 181 makes these improvements and adjusts Alaska's community property statutes in four ways:

The extent to which a creditor can reach a couple's community property. Section 1 provides that a creditor of a debtor spouse may only reach the separate property of that spouse and that spouse's half of the jointly held property. If only one spouse is the debtor, then the creditor can reach half of the community property. If both spouses are debtors, then the creditor can reach all of the community property.

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Last Updated March 30, 2001
Staff Contact: Amy Erickson 465-4954

ALASKA STATE LEGISLATURE

Chair:
LABOR AND COMMERCE

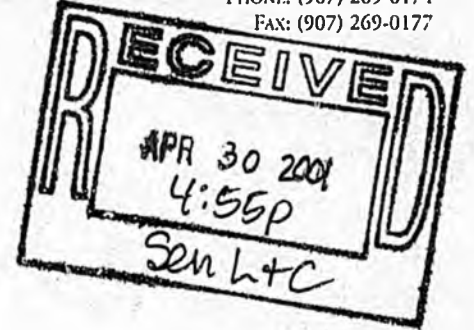
Member:
MILITARY AND VETERANS AFFAIRS
COMMUNITY AND REGIONAL AFFAIRS
LEGISLATIVE COUNCIL
JOINT ARMED SERVICES



REPRESENTATIVE LISA MURKOWSKI
Government Hill • Elmendorf • East Anchorage

Session:
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Memorandum

Date: April 30, 2001

To: Senator Randy Phillips
Labor and Commerce Chair

From: Representative Lisa Murkowski 

Subject: Hearing Request

House Bill 181, Community Property, makes four minor adjustments to Alaska's community property act: First, HB 181 provides that a creditor of a debtor spouse may only reach the separate property of that spouse and that spouse's jointly held property. Next, HB 181 allows property such as life insurance and IRAs to be transferred to a community property trust by designating the trust as a beneficiary of the property. Third, HB 181 clarifies the sources of funds used to purchase life insurance and expands the category of family members to include ancestors or descendants of either spouse. Finally, HB 181 clarifies that on the death of a spouse, different property items can be allocated to the spouse's shares, as long as each spouse's share receives half of the total value of the community property.

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STEPHEN E. GREER
ATTORNEY AT LAW

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FAX: (907) 563-5020

April 23, 2001

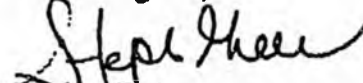
To: Rep. Lisa Murkowski
Faxed: (907) 465-2293

HB 181
(The Community Property Bill)

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Kindest regards,


Stephen E. Greer

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Leanna D. Dreher, J.D. ●
Linda J. Durr, PLS

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Michael D. Shaffer, J.D. ♦ ●
Bhree Roumagoux, J.D. ♦

♦ Admitted in AK
● Admitted in CA
+ Admitted in WA
■ Admitted in MA

March 26, 2001

SENT VIA FACSIMILE TO (907)465-2293

Representative Lisa Murkowski
Alaska State Legislature
State Capitol, Room 406
Juneau, AK 99801-1182

Re: House Bill 181, Alaska Community Property Act Amendments

Dear Representative Murkowski:

Thank you very much for introducing House Bill 181. Our firm emphasizes estate planning and estate and trust administration. This bill adds important amendments to the Alaska Community Property Act. These provisions will enable Alaskans, and nonresidents using Alaska's Act, to take advantage of estate planning approaches now used by residents of other community property states.

Sincerely,



David G. Shaftel

DGS/cf



HUGHES THORSNESS POWELL
HUDDLESTON & BAUMAN LLC
ATTORNEYS AT LAW

March 29, 2001

VIA FACSIMILE
(907) 465-2293

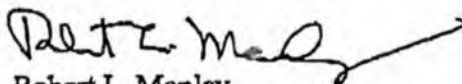
Representative Lisa Murkowski
State of Alaska
Juneau, Alaska

Re: HB 181

Dear Lisa:

As you know I am in estate planning attorney in Anchorage and am a member of the estate planning section of the Alaska Bar Association. I want to express my support for passage of HB 181. This bill would accomplish important amendments to our Alaska Community Property Act and will benefit the residents of Alaska.

Very truly yours,


Robert L. Manley

RLM/mjm

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: HB 181
 (H) Publish Date: 4/21/01

Revision Date/Time (Note if correction): _____ Dept. Affected: Law
 Title "An Act relating to the obligations of spouses, to BRU Civil Division
the insurance policies of spouses, to the nonprobate transfer ..." Component Fair Business Practices
 Sponsor Representative Murkowski
 Requester House Judiciary Component No. 2206

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
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						
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CHANGE IN REVENUES ()						
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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 (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

HB 181 repeals four sections of the Alaska Community Property Act and replaces them with a general rule that an obligation incurred by a spouse can only be satisfied from that spouse's non-community property and that spouse's interest in the community property, no matter when the obligation was incurred. In addition, the bill provides for how community property is to be divided upon the death of a spouse, and how it is to be distributed; allows for transfers of community property to a community property trust; and makes changes to how community property relates to life insurance purchases.

Passage of HB 181 will have no fiscal impact on the Department of Law.

Prepared by: Joan M. Kasson Phone 465-5370
 Division Attorney General's Office Date/Time 4/19/01 3:42 PM
 Approved by: Kathryn Daughhete for Bruce M. Botelho, Attorney General Date 4/19/01
 Agency Department of Law

For distribution information, call the Governor's Legislative Office

HB

182

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: CSHB 182 (L&C)
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Law
 Title: "An Act relating to certain vehicles, . . . to BRU: Civil Division
registration and bonding of motor vehicle dealers; . . ." Component: Fair Business Practices
 Sponsor: Rep. Murkowski
 Requester: House Labor and Commerce Committee Component No.: 2206

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
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						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type—Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0
 Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*
 CSHB 182 (L&C) establishes a framework that will govern the relationship between automobile manufacturers and their franchised dealers. The bill deals with issues surrounding the issuance and termination of new motor vehicle franchise agreements, such as procedures for selling assets and equipment in the event a franchise is sold or transferred, the processing and payment of warranty claims, and establishing boundaries for the establishment of new franchisees, among other things. In addition, CSHB 182 (L&C) contains provisions that regulate automobile dealer trade practices in the sale and advertisement of new and used motor vehicles.

Passage of this legislation is not anticipated to have a fiscal impact on the Department of Law.

Prepared by: Joan M. Kasson Phone (907) 465-5370
 Division: Attorney General's Office Date/Time 3/26/02 4:44 PM
 Approved by: Kathryn Daughhetee for Bruce M. Botelho, Attorney General Date 3/26/2002
 Agency: Department of Law

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: CSHB 182(FIN)
 (H) Publish Date: 4/11/02

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
 Title An Act relating to motor vehicles BRU Motor Vehicles
and providing for an effective date Component _____
 Sponsor Representative Murkowski, Represent
 Requester H (FIN) Component No. 2348

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill will delete from dealer registration businesses that sell only trailers or semi-trailers and do not also sell motor vehicles. There are 3 of these businesses that currently must register as dealers. The loss of revenue from these businesses will be \$150 annually.

Prepared by: Mary Marshburn, Director Phone 269-5559
 Division Motor Vehicles Date/Time 4/1/02 9:55 AM
 Approved by: Jim Duncan, Commissioner Date 4/1/2002
 Agency Department of Administration

Sectional Analysis
House Bill 182
Motor Vehicle Sales and Dealers

Section 1 makes changes to conform to the definition of certain terms provided by section 8 of the bill.

Section 2 makes changes to conform to the definitions provided by section 8 of the bill and the repealer in section 13 and makes some stylistic changes.

Section 3 makes a change to conform to the addition of a definition of "department" in Section 8.

Section 4 makes a change to conform to the repealer in Section 13 of the bill.

Section 5 rewrites AS 08.66.080 relating to the bond to be filed by a dealer, conditions on the bond, cancellation of the bond, liability on the bond, and application of the bond to dealer registration renewals.

Section 6 expands the types of violations that give a person a right of action against a dealer and the dealer's bond surety. Makes a change to conform the statutory reference to the repealer in Section 13 of the bill and makes some stylistic changes.

Section 7 makes changes to conform to the repealer in Section 13 of the bill.

Section 8 defines certain terms used in AS 08.66.

Section 9 adds a new chapter, AS 45.25, relating to motor vehicle transactions.

Section 45.25.010 indicates the applicability of sections 45.25.020 – 45.25.320 of the new chapter.

Section 45.25.020 states that the courts of this state have jurisdiction over, and the law of this state governs, a legal dispute between manufacturers, whether in this state or outside this state, and new motor vehicle dealers located in this state.

Section 45.25.030 prohibits a manufacturer from using other entities and persons to do what is prohibited to the manufacturer under this chapter. States that this section does not limit the rights of certain persons to engage in reasonable and appropriate business practices that are consistent with an existing trade practice not prohibited by this chapter.

Section 45.25.100 states that the terms in an agreement between a manufacturer and a new motor vehicle dealer in this state that are inconsistent with this state's law do not have any force or effect in this state.

Section 45.25.110 prohibits a manufacturer from terminating a franchise unless certain requirements are met. Prohibits a manufacturer from terminating a franchise agreement because of the death or incapacity of certain owner.

Section 45.25.120 requires a manufacturer terminating a franchise to provide a notice of termination meeting certain requirements to the new motor vehicle dealer.

Section 45.25.130 prohibits a manufacturer or a manufacturer's representative from coercing a new motor vehicle dealer to enter into an agreement or to do another act unfair to the dealer by threatening to terminate a franchise agreement.

Section 45.25.140 establishes the manufacturer's and distributor's repurchase obligations when a franchise agreement is terminated by the manufacturer or distributor.

Section 45.25.150 establishes the compensation to be paid to a new motor vehicle dealer for dealer facilities when a manufacturer or distributor terminates a franchise. Exempts certain terminations.

Section 45.25.160 prohibits a manufacturer from unreasonably preventing or refusing to honor a transfer of ownership of a new motor vehicle dealership.

Section 45.25.170 prohibits a manufacturer from unreasonably preventing or refusing to honor the succession to a franchise of certain persons. Establishes certain conditions and exceptions to this prohibition. Give a proposed successor a right to superior court review on whether approval has been unreasonably withheld.

Section 45.25.180 requires a manufacturer or distributor to give notice before establishing new or relocated dealers within a relevant market area where the same line make is represented. Permits a dealer to bring a declaratory judgment action in the superior court to determine whether good cause exists for the establishment or relocation. Prohibits the establishment or relocation until the court decision is made. Lists certain activities that are not prohibited by the section. List certain factors that the court is to consider when determining whether good cause exists.

Section 45.25.190 states that neither the manufacturer nor the new motor vehicle dealer is required to submit a controversy to arbitration. If the parties do agree to arbitration, states that arbitration is to be conducted under the state's Uniform Arbitration Act and establishes how the arbitrators are to be selected.

Section 45.25.300 prohibits a manufacturer from requiring or coercing a new motor vehicle dealer to change the location of the dealership or to make substantial alteration to the dealership premises or facilities under certain circumstances.

Section 45.25.310 prohibits a manufacturer from unfairly discriminating among new motor vehicle dealers regarding warranty reimbursements and warranty adjustment authority.

Section 45.25.320 prohibits a manufacturer or distributor from taking certain actions relating to a claim after 18 months from submission of the claim by the new motor vehicle dealer.

Section 45.25.400 prohibits a dealer from using certain terms in advertisements. Allows a dealer to use certain terms in advertisements under certain conditions.

Section 45.25.410 prohibits dealers from advertising vehicles and related goods and services at specified dealer prices without intending to supply reasonably expected demand, unless the advertisement discloses the number of vehicles in stock at the advertised price.

Section 45.25.420 requires a dealer to display all advertised vehicles during the sale period in a conspicuous and clearly visible location on the dealer's premises. Requires that the advertised sale price be clearly marked on the vehicle.

Section 45.25.430 prohibits a dealer from refusing to sell a vehicle on the advertised terms and conditions, except in certain circumstances.

Section 45.25.440 prohibits a dealer selling a motor vehicle from charging certain fees and costs unless the fees and costs are included in the advertised price.

Section 45.25.450 prohibits a dealer from making price comparisons, price reductions, or price discounts in an advertisement unless they comply with this section.

Section 45.25.460 lists certain advertising and selling practices that a dealer may not engage in. Requires a dealer to disclose beginning and ending dates in all motor vehicle sale advertisements.

Section 45.25.465 requires dealers, when obtaining a used motor vehicle from an individual, to make reasonable inquiry into the condition of the vehicle. Also requires the information to be provided to prospective buyers.

Section 45.25.470 requires a dealer to disclose in writing before sale whether a vehicle was originally manufactured for sale in a foreign country.

Section 45.25.480 prohibits a dealer from knowingly buying or selling a vehicle with an altered or removed identification number plate or to alter or remove a vehicle identification number plate.

Section 45.25.490 prohibits a dealer from selling or offering to sell a vehicle unless the dealer holds a manufacturer's statement of origin, a title, or another properly executed document reasonably necessary to obtain the statement of origin or title for transfer of the vehicle to the buyer.

Section 45.25.500 prohibits a dealer from transferring the title of or performing repairs or reconditioning on a trade-in vehicle before the sales transaction is completed.

Section 45.25.510 requires a new motor vehicle dealer, before entering into a new motor vehicle sale contract, to make a written disclosure to the buyer of any known damage and repair to the vehicle that exceed a specific amount. Provides that if disclosure is not required under this section, a buyer may not revoke or rescind a sale due to damage or repair of the vehicle before completion of the sale.

Section 45.25.520 establishes the form for advertisement disclosures required by this chapter.

Section 45.25.590 defines certain terms for sections 45.25.400 – 45.25.590.

Section 45.25.600 prohibits a dealer from transferring a vehicle title to a buyer before all of the sale documents, including any finance contract arranged by the seller, are complete and signed.

Section 45.25610 establishes certain requirements that a motor vehicle sales contract must satisfy. Requires the contract to be completed as to all essential provisions before the buyer signs and before the vehicle is delivered to the buyer. Prohibits a dealer from obtaining a signed sales contract until any financing terms reflected in the installment contract are final and complete. Allows a dealer who arranges financing to deliver the vehicle before final approval by the financing entity if certain conditions are met. Requires the dealer to return the entire down payment and any trade-in if the sales transaction is not completed because the financing is not approved within seven business days of the separate agreement.

Section 45.25.620 establishes certain requirements for vehicle service contracts. Prohibits a dealer from disclaiming or limiting implied warranties for a vehicle for which the dealer is a maker of a service contract sold for that vehicle. Allows disclaimers or limiting implied warranties under certain conditions if the dealer is merely the seller of the service contract.

Section 45.25.900 states that if a provision of this chapter conflicts with another provision of AS 45, this chapter controls.

Section 45.25.910 states that this chapter is remedial.

Section 45.25.990 defines certain terms for the chapter.

Section 10 adds a violation of AS 08.66 to the list of prohibited practices under the state's unfair trade practices act.

Section 11 adds a violation of AS 45.25.400 – 45.25.590 to the list of prohibited practices unfair trade practices act.

Section 12 states that the state's monopoly and restraint of trade provisions do not apply to actions that a person takes or refrains from taking in order to comply with the new chapter.

Section 13 repeals certain statutes.

Section 14 states an indirect court rule change by establishing a different rule for legal dispute in Section 45.25.020.

Section 15 states that Sections 9, 11, and 12 of this Act apply to a franchise entered into on or after the effective date of this Act.

Section 16 states the conditional effect of two-thirds majority vote for court rule change.

Section 17 gives the Act an effective date of July 1, 2002.

ALASKA STATE LEGISLATURE

Representative Lisa Murkowski Chair
Representative Andrew Halcro Vice-Chair
Representative Pete Kott
Representative Kevin Meyer
Representative Norman Rokeberg
Representative Harry Crawford
Representative Joe Hayes



Alaska State Capitol
Juneau, AK 99801-1182
Telephone: (907) 465-4954
Fax: (907) 465-2293
Representative_Lisa_Murkowski@legis.state.ak.us

HOUSE LABOR AND COMMERCE COMMITTEE

Memorandum

Date: April 23, 2002
To: Senator Ben Stevens Maximus
Rules Chair
From: Representative Lisa Murkowski *LM*
Subject: Scheduling Request

Thank you for scheduling House Bill 182 in Labor and Commerce so quickly. Your willingness to accommodate special requests pending referral is greatly appreciated.

As you are aware, Motor Vehicle Sales and Dealers, is a comprehensive motor vehicle act that addresses the relationship between motor vehicle dealers and manufacturers, and prospective auto buyers, and provides guidelines to protect dealers and consumers from abuses within the automobile industry.

Attached you will find the most current version of House Bill 182, sponsor statement, sectional analysis, and zero fiscal notes. The Department of Law's zero fiscal note was inadvertently overlooked by the House Finance Committee and replaces the earlier \$77,000 fiscal note resulting from the motor vehicle dealer's advisory board language contained in earlier versions of the bill. Since those provisions have been deleted, and the bill truly has no fiscal impact to the state, please adopt the Department of Law's zero fiscal note in place of their earlier \$77,000 fiscal note.

ALASKA STATE LEGISLATURE

Representative Lisa Murkowski Chair
Representative Andrew Halcro Vice-Chair
Representative Pete Kott
Representative Kevin Meyer
Representative Norman Rokeberg
Representative Harry Crawford
Representative Joe Hayes



Alaska State Capitol
Juneau, AK 99801-1182
Telephone: (907) 465-4954
Fax: (907) 465-2293
Representative_Lisa_Murkowski@legis.state.ak.us

HOUSE LABOR AND COMMERCE COMMITTEE

Sponsor Statement House Bill 182 Motor Vehicle Sales and Dealers

Alaska is the only state in the nation without comprehensive motor vehicle franchise protection. House Bill 182, as requested by the Alaska Automobile Dealers Association (AADA), addresses the relationship between motor vehicle dealers and manufacturers, and prospective auto buyers, and provides guidelines to protect dealers and consumers from abuses within the automobile industry.

Dealers are generally dependent on manufacturers as their sole-source supplier. Such dependence gives rise to policies that are otherwise of no value to the dealer, or that may place onerous burdens upon a local dealer. House Bill 182 creates a platform for dispute resolution between manufacturers and motor vehicle dealers with regard to franchise disagreements. Presently, legal disputes between manufacturers and dealers are governed by, interpreted, and adjudicated by out-of-state courts. This can often be an uncertain and expensive proposition for Alaska dealers. House Bill 182 brings agreements made between manufacturers and dealers under jurisdiction of Alaska courts.

Some franchise agreements are only offered for short durations and require periodic renewal, even though dealers may be required to invest millions of dollars to obtain or expand their franchises. Many auto dealers are reluctant to make such substantial investments without some assurance of protection from manufacturer abuses. House Bill 182 sets forth uniform processes to transfer, terminate, or convey franchise agreements. Included are protections requiring compensation for dealer facilities and reimbursement for purchased parts and equipment due to an unelected termination. Protections are also provided against the placement by manufacturers of new competing dealerships within too close a proximity to a current dealer's market area. Additionally, House Bill 182 provides uniform guidelines and protections when designating successors in case of death or incapacity of franchisees.

House Bill 182 also provides proactive and meaningful protection for the auto buying public. Safeguards are created regarding deceptive advertising, price comparisons, availability of advertised items, and condition and accident history of vehicles for prospective used car buyers.

House Bill 182 restores some balance to the relationship between Alaska's automobile dealers and Outside manufacturers, and also provides much needed protections for consumers in the state. The bill establishes guidelines to protect dealers and consumers alike from abuses within the automobile industry and gives Alaska up-to-date motor vehicle franchise protections.

1 the amount of the bond.

2 * Sec. 7. AS 08.66.080 is amended to read:

3 Sec. 08.66.080. Penalties. A dealer who fails to register and file a bond as
4 required by this chapter [AS 08.66.010 - 08.66.090] is guilty of a violation. A dealer
5 who knowingly violates a provision of this chapter [AS 08.66.010 - 08.66.090] is
6 guilty of a class A misdemeanor.

7 * Sec. 8. AS 08.66.350 is repealed and reenacted to read:

8 Sec. 08.66.350. Definitions. In this chapter,

9 (1) "buyer's agent" means a person who does business in the state by
10 negotiating on behalf of a buyer the purchase of a motor vehicle from a motor vehicle
11 dealer;

12 (2) "department" means the Department of Administration;

13 (3) "motor vehicle" means a motor vehicle that is required to be
14 registered under AS 28.10;

15 (4) "motor vehicle dealer" or "dealer"

16 (A) means

17 (i) a buyer's agent; or

18 (ii) a person, other than a manufacturer, who sells,
19 leases, solicits, or arranges for the sale or lease of five or more new or
20 and 10 used motor vehicles in any 12 consecutive months, regardless of
21 who owns the vehicles;

22 (B) does not include

23 (i) a receiver, a trustee, an administrator, an executor, a
24 guardian, or another person appointed by a court or a person
25 performing duties as a public officer;

26 (ii) a person disposing of a motor vehicle acquired and
27 actually used for the person's own use or for the use of a family
28 member of the person, or acquiring a motor vehicle for the person's
29 own use or for the use of a family member of the person if the vehicle
30 is acquired and used in good faith and not for the purpose of avoiding
31 the provisions of this chapter;

HB

186



REPRESENTATIVE KEVIN MEYER

HOUSE DISTRICT 19

MEMORANDUM

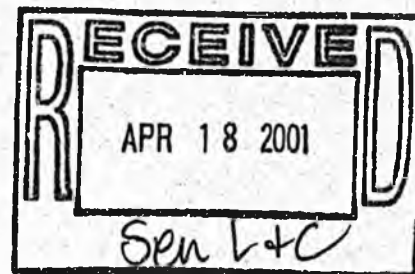
DATE: April 18, 2001

TO: Senator Randy Phillips, Chair
Labor and Commerce Committee

FROM: Representative Kevin Meyer

A handwritten signature in cursive script that reads "Kevin Meyer".

RE: Bill Hearing Request



I respectfully request CSHB 186 be scheduled for a Labor and Commerce Committee hearing on Thursday, April 26 – *pending referral from Community and Regional Affairs*. CSHB 186 simply allows municipalities to collect the same surcharge for wireless telephones as is currently collected for wireline telephones.

Thank you in advance for expediting this request.



REPRESENTATIVE KEVIN MEYER

HOUSE DISTRICT 19

SPONSOR STATEMENT

HB 186

“An Act relating to a municipal enhanced 911 surcharge on wireless telephones.”

In 1993, Anchorage was one of the first communities in Alaska to install an Enhanced 911 (E911) emergency system. Several other communities in Alaska now have installed E911 systems, or are in the process of creating an E911 system. The E911 system provides faster response time, automatic routing to the appropriate emergency response unit, and visual display of the location and telephone number of *wireline* calls to assist in response to emergency calls.

Since the installation of the E911 systems, the use of *wireless* telephones has increased in Alaska, resulting in more calls to the E911 system as well as faster notification to local public safety agencies of emergencies. Currently in Anchorage, over 25% of all calls to the E911 system are from *wireless* telephones.

The quick response to emergencies from *wireless* calls, does however, have some drawbacks. A dispatcher receiving a *wireless* call to the E911 system does not get the visual display of the caller's location or the automatic telephone number identification as with a *wireline* call. As a result, the dispatcher must ask for the caller's identity and location to properly route the information to the appropriate emergency response unit. This increases the response time to an emergency.

With the installation of the E911 systems in Alaska, the Alaska legislature passed legislation allowing municipalities to impose a surcharge for each local exchange access line for *wireline* telephones. Municipalities the size of Anchorage are allowed to assess a \$.50 per month surcharge, with smaller municipalities (less than 20,000 people) allowed to assess a \$.75 per month surcharge. This surcharge assists in paying for acquisition, maintenance and operation of the E911 systems throughout Alaska. Wireless phones are not currently subjected to the surcharge.

HB 186 amends AS 29.35.131 to allow municipalities with E911 systems to impose the same surcharge on *wireless* telephones. The revenue from HB 186 will help fund additional staff and purchase necessary equipment to track the source and location of *wireless* phone calls to the E911 system.

3/19/01

**MUNICIPALITY OF ANCHORAGE
2001 LEGISLATIVE PROGRAM
PRIORITY LEGISLATIVE ISSUES**

TITLE: E-911 Surcharge on Wireless Telephones

In 1993, Anchorage installed an Enhanced 911 (E-911) emergency system. This system provides faster response time, automatic routing to the appropriate emergency response unit, visual display of the location and calling telephone number.

Since the installation of the E-911 system, usage of wireless communication devices, such as cellular telephones has resulted in quicker notification of emergencies, saving lives and resulting in faster apprehension of criminals. Today, over 25% of all calls to 911 originate with a cellular phone.

As usage of wireless devices increases, so do the number of calls to 911. Often, multiple calls are received regarding the same incident. An automobile accident on a busy road may result in 25 or more calls to 911, for example. These multiple calls often clog the E-911 system making it difficult for other emergencies to be reported.

Since 1993 there has been a \$.50 per month surcharge in Anchorage for each local exchange access line to help pay for the acquisition, maintenance and operation of the Enhanced 911 (E-911) emergency service. Wireless phones are not subject to the surcharge.

The Municipality of Anchorage supports amending AS 29.35.131 to authorize a 911 surcharge on wireless phones. The revenue from this amendment would help fund additional staff and equipment needed to effectively handle the additional calls originating from wireless telephones.

Contact: Mark Mew
Acting Police Chief
Phone: 786-8552

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number 1
 Bill Version: HB 186
 (H) Publish Date: 3/22/01

Revision Date/Time (Note if correction): _____ Dept. Affected: _____
 Title: HB 186 911 Surcharge on Mobile Telephones _____
 _____ Component: _____
 Sponsor: Rep. Meyer _____
 Requester: HC&RA _____ Component Number: _____

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
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						
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CHANGE IN REVENUES ()						
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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 (FY2001) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

HB 186 is enabling legislation. HB 186 allows municipalities to collect a surcharge on mobile telephones. It does not mandate a surcharge.

Prepared by: Lorali Meier, Committee Aide HC&RA Phone 465-6588

Representative _____ Date 2/16/01

Committee Chair

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WIRELESS E-911



BELLSOUTH

RESOURCES

Wireless E911
Legislative Issue:
Question & Answer

About the Technology:

- [911 Call Flow Diagrams](#)
- [Glossary of Terms](#)

[Return to BellSouth Policy Home Page](#)

Questions & Answers

What is "911?"

Since being introduced in 1968, the three-digit telephone number, "9-1-1" has served as the "Universal Emergency Number," for public use throughout the United States to request emergency assistance. It provides the public direct access to Public Safety Answering Points (PSAPs) responsible for dispatching the appropriate emergency police or fire services. In the 1970's, Enhanced 911 (E911) systems were developed which would enable PSAPs to know the location and telephone number of the handset being used to make the call to 911.

Can wireless phone users make calls to 911?

Yes. There are over 58 million wireless communications subscribers today, and they make 20-25 percent of all calls to 911 and other emergency numbers each year.

If wireless phone users can already access 911, what else is needed?

Landline telephone networks use E911 location technology to determine exactly from where a call is being made. This enables public safety dispatchers to send help quickly even if a caller does not know his or

her exact location. Currently, PSAPs are unable to obtain the automatic number identification (ANI) or automatic location identification (ALI) from many wireless phone networks. ANI and ALI are needed to call back the wireless caller and to pinpoint the geographical location of a call. So today, 911 dispatchers must rely solely on the information provided by a caller to respond to and treat life-threatening situations.

Do wireless callers make a lot of 911 calls?

Wireless phones are used for life-saving communications and are often the only means of communication available. Industry experts estimate that more than 25 percent of the 80,000 wireless phone calls made each day to 9-1-1 and other emergency numbers are unable to be located electronically by

dispatchers. In addition, 90 percent of all wireless 911 calls

are made by highway travelers, many of whom can not effectively describe their location.

What requirements have been placed on wireless carriers to identify the location of wireless calls to 911?

In June 1996, the Federal Communications Commission (FCC) issued a directive (FCC Order 94-102) which mandated a two phase implementation of E911 technology by wireless service providers. Under the first phase of the FCC Order, wireless carriers (including BellSouth) must be able to provide emergency dispatchers that want wireless E911 with a wireless caller's number and the location of the nearest cell site. Phase II, beginning in October 2001, requires carriers to identify the location within 125 meters at least 67% of the time.

When will BellSouth be required to provide Wireless E911 service?

BellSouth is already passing all wireless 911 calls, including those made by non-subscribers. In terms of complying with the FCC's Phase I requirements, BellSouth is required to comply with all qualified PSAP requests within six months of the request.

What makes a PSAP request "qualified"?

According to the FCC, a request is qualified if and when (a) a PSAP indicates it has the capability to receive and utilize the numbering and location passed along by the wireless carrier, and (b) there is a cost-recovery mechanism in place.

Who will pay the cost of for providing the new wireless 911 services?

Following the FCC's order, considerable concern has been voiced by wireless industry and public safety groups over the expected high costs of wireless E911. Per the FCC's order, wireless carriers will be able to recover the costs they incur to implement wireless E911. However, the responsibility for setting up a cost recovery mechanism was left up to the states.

What alternatives do states have in setting up funding for wireless E911?

Many states have passed legislation which applies a subscriber surcharge on wireless customers much like the surcharge that has traditionally been applied to wireline service to pay for E911 services.

In most areas, wireline customers currently pay a surcharge for all services. Doesn't that already cover the wireless E911 costs?

No. PSAPs have reported that the current wireline surcharge is not sufficient to cover their expenses for provisioning 911 services to wireless subscribers, who make nearly twenty-five percent of all 911 calls. Moreover, wireless carriers will incur a hefty expense in retrofitting existing systems to meet the new FCC requirements. For these reasons, a feasible cost recovery mechanism is needed to offset the expected high costs of implementing wireless E911.

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Please read our [LEGAL AUTHORIZATIONS & NOTICES](#)



George P. Wuerch,
Mayor

ANCHORAGE POLICE DEPARTMENT

4501 South Bragaw Street • Anchorage, Alaska 99507-1599

Telephone (907) 786-8500

<http://www.ci.anchorage.ak.us>



Walt Monegan
Chief

March 21, 2001

The Honorable Kevin Meyer
State Capitol, Room 110
Juneau, AK 99801-1182

Dear Representative Meyer:

The Anchorage Police Department is designated as one of several Public Safety Access Points in our state. The role of any PSAP is to get the appropriate emergency responder to the emergency scene in the shortest time possible. To accomplish this task, APD employs radio, telephone, and computer technology to identify and locate people who call for help (even though they may not be able articulate this information), to select and dispatch the unit which is physically closest to the scene, and to provide tactical information necessary to keep the responders and victims safe.

The telephone component in our Emergency Communications Center is the Emergency 911 System. As developed at APD, E911 is a subsystem which is integrated with (and, in essence, feeds) the other computer and radio subsystems making up the PSAP.

The costs involved in employing and training personnel, and in acquiring, maintaining, and improving the necessary technology, are significant. For many years we have been able to recover some of the costs through the E911 Surcharge, a fifty cent tax on each wireline phone in the area served by our Communications Center. Cellular service, however, involves no such surcharge, and thus the proliferation of cell phones threatens the successful operation of the PSAP.

A single accident on the Glenn Highway can generate fifty or more duplicate calls, all from well meaning motorists with cell phones. We must put on staff to answer these calls, but the callers are not contributing to that effort. We have experienced times when duplicate and unnecessary cell phone calls have exceeded the capacity of our incoming E911 trunk. Anyone who has called with an emergency during one of these times has gotten a busy signal. We have no way of knowing who these unfortunate people are, nor how many of them there have been. It is apparent that due to cell phone traffic we must expand our E911 capacity. Cell phone users should help cover that cost.

For these reasons the Anchorage Police Department supports amending AS29.35.131 to extend the E911 surcharge to wireless telephone accounts. Your efforts in passing this legislation will be appreciated by the APD and the citizens we serve.

Sincerely,


Mark T. Mew
Deputy Chief of Police

Municipality of Anchorage



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

George P. Wuerch, Mayor

March 14, 2001

OFFICE OF THE MAYOR

The Honorable Kevin Meyer
Alaska State Legislature
State Capital
Juneau, Alaska 99801

Subject: Surcharge on Wireless Telephones for Use of E911 System

In 1993, Anchorage installed an Enhanced 911 (E911) system. This emergency system provides faster response time, automatic routing to the appropriate emergency response unit, visual display of the location and calling telephone number for wire line 911 emergency response calls.

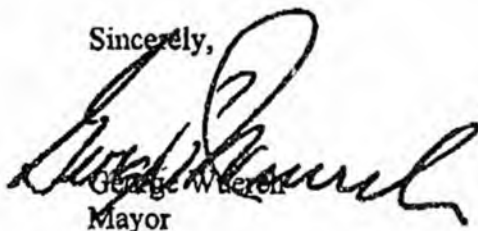
Since the installation of the E911 system, usage of wireless telephones has resulted in quicker notification of emergencies, saved lives and faster apprehension of criminals. Today, in Anchorage, over 25% of all calls to the E911 system originate with a wireless telephone.

As usage of wireless telephones increases, so do the number of calls to the E911 system. Often, multiple calls are received regarding the same incident. An automobile accident on a busy road may result in 25 or more calls to the E911 system, for example. These multiple calls often clog the E911 system, making it difficult for other emergencies to be reported using wire line telephones.

Since 1993 there has been a \$.50 per month surcharge in Anchorage for each local exchange access line (wire line telephones) to help pay for the acquisition, maintenance and operation of the E911 service. Wireless phones are not subject to the surcharge.

The Municipality of Anchorage supports amending AS 29.35.131 to extend the surcharge to wireless phones to pay for the E911 system. The revenue from this amendment would help fund additional staff and equipment needed to effectively handle the additional calls originating from wireless telephones. Your support of this legislation would be greatly appreciated by the Municipality of Anchorage and its citizens.

Sincerely,



George P. Wuerch
Mayor

LEGAL SERVICES

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

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

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

March 14, 2001

SUBJECT: Municipal 911 surcharge; summary
(Work Order No. 22-LS0381\F)

TO: Representative Kevin Meyer
Attn: Nancy Manly

FROM: Tamara Brandt Cook
Director *TBC*

Section. 1. The legislature finds that under certain FCC proceedings operation of an enhanced 911 service for wireless telephones would require tracking of calls similar to that provided for wireline calls and would allow for cost recovery by wireless telephone companies.

Sec. 2. Permits a municipality that provides services under an enhanced 911 system to impose a surcharge on each wireless telephone number billed to an address within the service area. Existing law permits a surcharge only on wireline telephones.

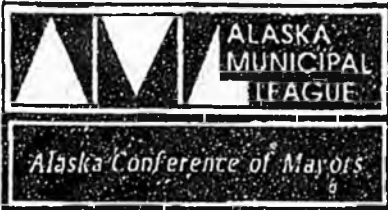
Secs. 3 - 8. Technical changes to accommodate the fact that a surcharge may be imposed on wireless as well as on wireline telephones and to consistently use language that is defined.

Sec. 9. Eliminates definition of "911 service area" since the phrase "enhanced 911 service area" is now used consistently.

Sec. 10. Eliminated definition of "system" to reflect consistent usage of "enhanced 911 system." Adds to the definition that a system includes personnel required for its facilities and to dispatch the calls generated by the system. Also adds provision that an enhanced 911 system for wireless telephones is the same system as that used for wireline telephones.

Sec. 11. Add three new definitions: "wireless telephone," "wireless telephone company," "wireline telephone."

TBC:lmb
01-099.lmb



217 Second Street, Suite 200 • Juneau, Alaska 99801 • Tel (907)586-1325. Fax (907)-463-5480

March 14, 2001

Representative Kevin Meyer
Alaska State Capitol, Room 110
Juneau, AK 99811

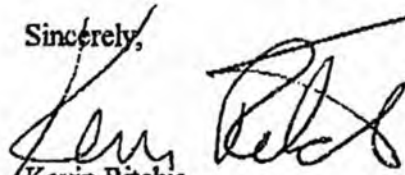
Dear Representative Meyer

We are writing in support for extending the E-911 surcharge to wireless (cellular) telephones at the same rate currently charged to hard-wired phone systems. The AML Public Works & Infrastructure Legislative Subcommittee met on March 14 and unanimously voted to support your efforts to expand the surcharge.

In 1994, the State adopted a bill (supported by AML) allowing municipalities to place a 50 cents to 75 cents per month surcharge on hard-wired telephones to help offset the costs for the critical life-saving services of the "911" emergency telephone system. With the dramatic increase in the use of cellular phones, especially for emergency calls, it is equitable and appropriate to extend the same charge to cellular phones.

We appreciate your interest and if we can help with this or any other municipal issue, please call on me at any time.

Sincerely,



Kevin Ritchie
Executive Director

cc: Public Works & Infrastructure Legislative Subcommittee

STATE OF ALASKA

Department of Health & Social Services
Division of Public Health
Section of Community Health and Emergency Medical Services

TONY KNOWLES, GOVERNOR

P.O. Box 110616
Juneau, Alaska 99811-0616

Telephone: (907) 465-3027
Telefax: (907) 465-4101

April 5, 2001

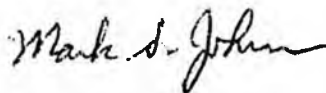
The Honorable Representative Lisa Murkowski
Chair, House Labor & Commerce Committee
Alaska House of Representatives
State Capitol, Room 408
Juneau, AK 99801-1182

RE: House Bill 186, An Act relating to a municipal enhanced 911 surcharge on wireless telephones

Dear Representative Murkowski;

Per the request of Representative Halcro at the hearing of the House Labor and Commerce Committee on April 2, 2001, I promised to provide a listing of communities in Alaska that have enhanced 911 capability. Enclosed is a list showing communities with basic 911 capability as well as those with enhanced 911 wire line capability (including automatic number identification and automatic location identification). The data is contained in a report prepared by McDowell Group, Inc. for the Denali Commission and is current through the end of October 2000.

Sincerely,



Mark S. Johnson
Chief
Community Health & EMS

cc: Karen E. Pearson, M.S.
Director, Division of Public Health
Elmer Lindstrom
Special Assistant to the Commissioner, DHSS



Emergency Services

911 Availability

Community	911 Available	<i>Enhanced</i> 911 Available
Adak	x	
Aleknagik		x
Allakaket	x	
Ambler	x	
Anaktuvuk Pass	x	
Anchorage		x
Anderson	x	
Aniak	x	
Anvik	x	
Atkasuk	x	
Bethel		x
Bettles	x	
Big Lake		x
Buckland	x	
Cantwell	x	
Cold Bay	x	
Cooper Landing		x
Cordova	x	
Craig	x	
Crooked Creek	x	
Deering	x	
Dillingham		x
Diomedes	x	
Dot Lake	x	
Eagle Village	x	
Edna Bay	x	
Ewok	x	
Elim	x	
Fairbanks		x
Fort Yukon	x	
Galena	x	
Golovin	x	
Grayling	x	
Haines	x	
Healy	x	
Healy Lake	x	
Hollis	x	
Holy Cross	x	
Homer		x
Hope	x	x
Hydaburg	x	
Hyder	x	
Igiugig	x	
Iliamna	x	
Juneau		x
Kaktovik	x	
Kenai		x
Ketchikan	x	

Emergency Services

911 Availability

Community	911 Available	Enhanced 911 Available
Kiana	x	
King Cove	x	
King Salmon		x
Kivalina	x	
Klukwan	x	
Kobuk	x	
Kodiak		x
Koliganek	x	
Kotzebue	x	
Koyuk	x	
Levelok	x	
Lower Kalskag	x	
Metlakatla	x	
Meyers Chuck	x	
Naknek		x
Naukati Bay	x	
New Stuyahok	x	
Noatak	x	
Noorvik	x	
Nuiqsut	x	
Palmer		x
Petersburg	x	
Point Hope	x	
Point Lay	x	
Port Graham		x
Port Lions	x	
Red Devil	x	
Ruby	x	
Saint Michael	x	
Sand Point	x	
Selawik	x	
Shageluk	x	
Shaktoolik	x	
Shishmaref	x	
Shungnak	x	
Sitka		x
Skagway	x	
Sleetmute	x	
Soldotna		x
South Naknek	x	
Stebbins	x	
Stony River	x	
Talkeetna		x
Tanana	x	
Teller	x	
Tetlin	x	
Tok	x	
Tyonek	x	

Emergency Services
911 Availability

Community	911 Available	Enhanced 911 Available
Unalaska/Dutch Harbor	x	
Upper Kalskag	x	
Valdez	x	
Wainwright	x	
Wales	x	
Wasilla		x
Whale Pass	x	
White Mountain	x	
Whittier	x	
Wrangell	x	



REPRESENTATIVE KEVIN MEYER

HOUSE DISTRICT 19

SPONSOR STATEMENT

HB 186

"An Act relating to a municipal enhanced 911 surcharge on wireless telephones."

In 1993, Anchorage was one of the first communities in Alaska to install an Enhanced 911 (E911) emergency system. Several other communities in Alaska now have installed E911 systems, or are in the process of creating an E911 system. The E911 system provides faster response time, automatic routing to the appropriate emergency response unit, and visual display of the location and telephone number of *wireline* calls to assist in response to emergency calls.

Since the installation of the E911 systems, the use of *wireless* telephones has increased in Alaska, resulting in more calls to the E911 system as well as faster notification to local public safety agencies of emergencies. Currently in Anchorage, over 25% of all calls to the E911 system are from *wireless* telephones.

The quick response to emergencies from *wireless* calls, does however, have some drawbacks. A dispatcher receiving a *wireless* call to the E911 system does not get the visual display of the caller's location or the automatic telephone number identification as with a *wireline* call. As a result, the dispatcher must ask for the caller's identity and location to properly route the information to the appropriate emergency response unit. This increases the response time to an emergency.

With the installation of the E911 systems in Alaska, the Alaska legislature passed legislation allowing municipalities to impose a surcharge for each local exchange access line for *wireline* telephones. Municipalities the size of Anchorage are allowed to assess a \$.50 per month surcharge, with smaller municipalities (less than 100,000 people) allowed to assess a \$.75 per month surcharge. This surcharge assists in paying for acquisition, maintenance and operation of the E911 systems throughout Alaska. Wireless phones are not currently subjected to the surcharge.

HB 186 amends AS 29.35.131 to allow municipalities with E911 systems to impose the same surcharge on *wireless* telephones. The revenue from HB 186 will help fund additional staff and purchase necessary equipment to track the source and location of *wireless* phone calls to the E911 system.



REPRESENTATIVE KEVIN MEYER

HOUSE DISTRICT 19

MEMORANDUM

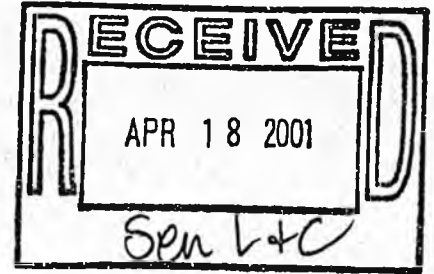
DATE: April 18, 2001

TO: Senator Randy Phillips, Chair
Labor and Commerce Committee

FROM: Representative Kevin Meyer

Handwritten signature of Kevin Meyer in cursive.

RE: Bill Hearing Request



I respectfully request CSHB 186 be scheduled for a Labor and Commerce Committee hearing on Thursday, April 26 – *pending referral from Community and Regional Affairs*. CSHB 186 simply allows municipalities to collect the same surcharge for wireless telephones as is currently collected for wireline telephones.

Thank you in advance for expediting this request.

**MUNICIPALITY OF ANCHORAGE
2001 LEGISLATIVE PROGRAM
PRIORITY LEGISLATIVE ISSUES**

TITLE: E-911 Surcharge on Wireless Telephones

In 1993, Anchorage installed an Enhanced 911 (E-911) emergency system. This system provides faster response time, automatic routing to the appropriate emergency response unit, visual display of the location and calling telephone number.

Since the installation of the E-911 system, usage of wireless communication devices, such as cellular telephones has resulted in quicker notification of emergencies, saving lives and resulting in faster apprehension of criminals. Today, over 25% of all calls to 911 originate with a cellular phone.

As usage of wireless devices increases, so do the number of calls to 911. Often, multiple calls are received regarding the same incident. An automobile accident on a busy road may result in 25 or more calls to 911, for example. These multiple calls often clog the E-911 system making it difficult for other emergencies to be reported.

Since 1993 there has been a \$.50 per month surcharge in Anchorage for each local exchange access line to help pay for the acquisition, maintenance and operation of the Enhanced 911 (E-911) emergency service. Wireless phones are not subject to the surcharge.

The Municipality of Anchorage supports amending AS 29.35.131 to authorize a 911 surcharge on wireless phones. The revenue from this amendment would help fund additional staff and equipment needed to effectively handle the additional calls originating from wireless telephones.

Contact: Mark Mew
Acting Police Chief
Phone: 786-8552

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number 1
Bill Version: HB 186
(H) Publish Date: 3/22/01

Revision Date/Time (Note if correction): _____ Dept. Affected: _____
Title: HB 186 911 Surcharge on Mobile Telephones
Sponsor: Rep. Meyer Component: _____
Requester: HC&RA Component Number: _____

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
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						
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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						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2001) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

HB 186 is enabling legislation. HB 186 allows municipalities to collect a surcharge on mobile telephones. It does not mandate a surcharge.

Prepared by: Lorali Meier, Committee Aide HC&RA

Phone 465-6588

Representative _____
Committee Chair

Date 2/16/01

HB

212

ALASKA STATE LEGISLATURE


Representative Lisa Murkowski Chair
Representative Andrew Halero Vice-Chair
Representative Pete Kott
Representative Kevin Meyer
Representative Norman Rokeberg
Representative Harry Crawford
Representative Joe Hayes



Alaska State Capitol
Juneau, AK 99801-1182
Telephone: (907) 465-4954
Fax: (907) 465-2293
Representative_Lisa_Murkowski@legis.state.ak.us

HOUSE LABOR AND COMMERCE COMMITTEE

Memorandum

Date: April 26, 2001
To: Senator Randy Phillips
Labor and Commerce Chair
From: Representative Lisa Murkowski 
Subject: Hearing Request

House Bill 212, Employee Liability for Workers' Compensation, requires sole proprietors to purchase workers' compensation insurance.

Under current Alaska statute, contractors are responsible for workers compensation insurance for employees of subcontractors unless subcontractors provide their own coverage. Requiring workers compensation for sole proprietors provides clarity to subcontractors who purchase coverage directly, and to general contractors if the subcontractor does not. HB 212 provides protection and coverage to the broadest range of injured individuals.

Enclosed you will find a copy of House Bill 212, sponsor statement, and supporting documentation. I know of no controversy surrounding the bill. Please schedule HB 212 in Senate Labor and Commerce at your earliest convenience.

ALASKA STATE LEGISLATURE

Representative Lisa Murkowski Chair
Representative Andrew Halero Vice-Chair
Representative Pete Kott
Representative Kevin Meyer
Representative Norman Rokeberg
Representative Harry Crawford
Representative Joe Hayes



Alaska State Capitol
Juneau, AK 99801-1182
Telephone: (907) 465-4954
Fax: (907) 465-2293
Representative_Lisa_Murkowski@legis.state.ak.us

HOUSE LABOR AND COMMERCE COMMITTEE

Sponsor Statement

HB 212

Employer's Liability for Workers Compensation

Under current Alaska statute, contractors are responsible for workers compensation insurance for employees of subcontractors unless subcontractors provide their own coverage. If the contractors are sole proprietors, they are not required to have workers compensation. Alaska statute provides for sole proprietors to purchase workers compensation coverage but does not require it. House Bill 212 requires workers compensation insurance for sole proprietors.

The Workers Compensation Board has found in certain cases that injured sole proprietors are employees of the general contractors and not independent contractors. Therefore, the general contractor has been responsible for workers compensation coverage. Because of these cases, insurance companies have charged general contractors an additional premium for sole proprietor subcontractors. As a matter of fairness to all parties, HB 212 requires sole proprietors to carry their own workers compensation coverage.

Understandably, insurance companies and general contractors are concerned about their liability for on-the-job injuries and seek a clear understanding of the costs of workers compensation coverage before bidding jobs. General contractors are also concerned that injuries to subcontractors and their employees may affect their individual loss history, which would result in higher costs for workers compensation coverage. Sole proprietors and subcontractors are concerned about the cost of coverage and the situations where they are required to either purchase coverage or have it purchased for them through the general contractor even though Alaska statute does not require such coverage.

The simplest solution, requiring workers compensation for sole proprietors, provides clarity to subcontractors who purchase coverage directly, and to the general contractor if the subcontractor does not. HB 212 meets the concerns of the Division of Workers Compensation and more importantly, provides protection and coverage to the broadest range of injured individuals.

Last Updated April 6, 2001
Staff Contact: Amy Erickson 465-4954

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSHB 212(L&C)
 (H) Publish Date: 4/21/01

Revision Date/Time (Note if correction): _____ Department: Labor and Workforce Development
 Title: Employer's Liability for Workers' Comp BRU: Workers' Compensation
 Component: Workers' Compensation
 Sponsor: House L&C
 Requester: House L&C Component Number: 344

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
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						
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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						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2001) cost: None

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation would amend AS 23.30.045(a) to require subcontractors to carry workers compensation coverage for their employees and themselves. If the subcontractor fails to secure coverage the contractor is liable for the coverage. The department does not anticipate an increase in operating costs as the result of this legislation.

Prepared by: Paul Grossi, Director Phone: 465-2790
 Division: Workers' Compensation Division Date/Time: 4/4/01 2:04 PM
 Approved by: Ed Flanagan, Commissioner Date: 04/04/01
 Agency: Department of Labor and Workforce Development

For distribution information, call the Governor's Legislative Office

WCCA WORKERS' COMPENSATION COMMITTEE OF ALASKA
P.O. Box 200631 • Anchorage, Alaska • 99520

April 19, 2001

Rep. Lisa Murkowski
Chair, House Labor and Commerce Committee
State Capitol, Room 408
Juneau, AK 99801-1182

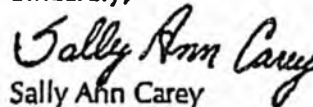
Dear Representative Murkowski:

The WCCA board of directors has reviewed House Bill 212 currently pending before the Labor and Commerce Committee and has voted to endorse the proposed legislation. WCCA directors feel the proposed change fills an obvious void in the State's Workers' Compensation law. The language in the legislation provides the necessary protection for both sole proprietors and general contractors in a fair and equitable way.

The Workers' Compensation Committee of Alaska is a private, nonprofit organization supported entirely through its membership. WCCA represents the interests of employers statewide with the mission "to ensure the quick, efficient, fair and predictable delivery of indemnity and medical benefits to injured workers at a reasonable cost to employers."

We encourage the committee to recommend passage of House Bill 212.

Sincerely,



Sally Ann Carey
President, WCCA Board of Directors

CC: Paul Grossi
Director, Division of Workers' Compensation

ALASKA TRUCKING ASSOCIATION, INC.

3443 Minnesota Drive • Anchorage, Alaska 99503 • PHONE (907) 276-1149 • FAX (907) 274-1948

4/19/01

To Members of House L&C Committee;
On behalf of A.T.A.'s Membership I
encourage you to vote Yes in support
of HB 212. ATA believes this law is
needed to more clearly define some very
gray areas in current Work Comp
coverage responsibilities. Thank you for
your attention.

Frank J. Dutton





WARD
Development
& Construction Management
INCORPORATED

April 18, 2001

Rep. Lisa Murkowski
State Capitol
Juneau, AK 99801

RE: HB 212

Dear Rep. Murkowski:

I am writing to you in support of the above subject House Bill. I have been involved with the statewide task force that has been researching a solution to the problem of uninsured sole proprietors working as subcontractors for a prime contractor.

After a lengthy process of research, communication and negotiation, this bill is the best solution that could be found to solve the problem and create a level playing field for subcontractors and prime contractors.

A handwritten signature in cursive script that reads "Robin E. Ward".

Robin E. Ward
Ward Development

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES

Taylor

RESTORATION SERVICES

**WATER/FIRE DAMAGE REPAIR
24 HOUR EMERGENCY SERVICE**

April 19, 2001

Representative Murkowski

I am writing in support of HB 212.

As a general contractor I am aware of the problems that arise from business owners who are sole proprietors not having workers compensation insurance. They are correct in that they are not required by law to have workers compensation but essentially, they are asking others to assume the liability that they are not taking on as a legitimate business owner.

Last spring, one of my supervisors hired a sole proprietor to complete some exterior painting that needed to be done on a house that we had worked on over the winter. He was asked if he was licensed and bonded and replied yes. That very day, before the office could confirm the insurance, this person fell and broke his back. He had a son-in-law that was working in the insurance industry as a claims adjuster. He has been out workers compensation insurance since that time - all medical, weekly living payments and then will be getting a partial disability settlement.

Why did he think that having this insurance was not necessary? I think it is because sole proprietors do not want to take on the cost of doing business properly. They think because the law does not require it that it is not necessary. But being practical, someone is going to pay for it - either the general contractor (like us in this case) or a homeowner or society in unpaid health cost that the hospitals in turn pass onto other paying customers.

If a sole proprietor wants to be a legitimate businessperson, then having workers compensation is a part of the cost of doing business. And I have not even heard of a number of sole proprietors that I see hiring others to work for them even though it is legal. Again, there is cost to doing business and they are avoiding that cost and the risk onto others and society in general.



Elaine Taylor
President

**ALASKA STATE
HOMEBUILDERS ASSOCIATION**

April 5, 2001

Representative Lisa Murkowski
State Capitol, Room 408
Juneau, Alaska 99801-1182
Fax 465-2293

Dear Representative Murkowski,

As President of the Alaska State Homebuilders Association I am writing you in support of HB 212. This bill addresses an issue regarding workers compensation coverage for sole proprietors that has needed defining for some time. My support for this bill has been reluctant. Its adoption will cause many of our small builder and subcontractor member's additional costs in premiums to the insurance companies. The cost of doing business and the price of homes is already high. These insurance increases will add to both. However, the bill does increase the likelihood that everyone will have adequate workers compensation coverage in the event of an accident.

Waiving out of coverage as a self-employed person should be an option in Alaska. It does not appear that there is a way of doing this that protects the general contractor and the insurance companies. If there were I would be supporting that legislation.

Sincerely,

Jack Hebert
President
Alaska State Home Builders Association



8301 SCHOON ST • SUITE 200 • ANCHORAGE, ALASKA • 99518
(907) 522-3931 • FAX (907) 522-3757

HB

245

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSHB 245(L&C)
 (H) Publish Date: 1/25/02

Revision Date/Time (Note if correction): _____ Dept. Affected: DCED
 Title An act relating to marital and family therapists BRU Occupational Licensing (117)
 Component Occupational Licensing
 Sponsor Representative Wilson
 Requester House Labor & Commerce Component No. 2360

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
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						
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

HB 245 strengthens and updates the regulations of marital and family therapists. These changes will not require additional expenditure of state funds.

Prepared by: Catherine Reardon, Director
 Division: Occupational Licensing
 Approved by: Deborah B. Sedwick, Commissioner
 Agency: Department of Community & Economic Development

Phone 907-465-2536
 Date/Time 1/22/02 11:34 AM
 Date 1/22/2002



Alaska State Legislature

Representative Peggy Wilson
Putting Alaska's Families First

SPONSOR STATEMENT House Bill 245

"An Act relating to marital and family therapists."

HOUSE BILL 245 was submitted by request of the Alaska Association for Marriage and Family Therapy. The law that established the Board of Marital and Family Therapy has been in place for ten years and the Association believes it is time to pursue the placement of updated language within the statute.

The goal of HB 245 is to bring the Alaska Statutes for Marriage and Family Therapy in line with the laws regarding other professions in the state and Marriage and Family Therapy statutes nationally. A task force comprised of representatives from the State Boards of Psychology, Social Work, and Marriage and Family Therapy met and identified the following areas needing change:

HB 245 ~

- *adds* the Board of Marital and Family Therapy to the list of boards that may request the Division of Occupational Licensing to contract for substance abuse treatment under licensed therapists,
- *gives* the Board of Marital and Family Therapy authority to order a licensed marital and family therapist to submit to a reasonable physical or mental examination if the board has credible evidence sufficient to conclude that the therapist's physical or mental capacity to practice safely is at issue,
- *allows* for individual client contact to be used as hours toward licensing,
- *requires* the therapist to communicate to a potential victim or law enforcement officer if serious harm to an identified victim has been made by a client,
- *imposes* disciplinary sanctions with regard to therapist sexual misconduct.

HOUSE BILL 245 not only brings parity to the mental health professions in the state, it also adds additional consumer protection for Alaskans seeking professional counsel.

SENATE COMMITTEE REPORT

DATE: 2/11/02

FURTHER: HESS

DATE TURNED
IN TO OFFICE: _____

Labor and Commerce Committee considered
"An Act relating to marital and family therapists."

CS FOR HOUSE BILL NO. 245(L&C) am

and recommends:

- be replaced with S cscsHouse Bill 245 (L&C)
- adopt previous CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

Senate Bill:

- same title
- new title

House Bill:

- same title
- technical title
- new: SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#
DCED	1/22/02		✓	

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>Brew D. Kinan</i>	✓			
<i>Betty Davis</i>	✓			
CHAIR: <i>Ben Stuns</i>	✓			

**Mercy Dennis, M.A., L.M.F.T.
725 Christensen Drive, Suite 2
Anchorage, Alaska 99501**

April 22, 2001

TO: Representative Peggy Wilson
FROM: Mercy Dennis, M.A., L.M.F.T.
RE: House Bill 245

As a licensed Marital and Family Therapist I ask for your support in getting passed through the legislature House Bill 245.

As an original member of the Alaska Board of Marital and Family Therapy and it's chairperson for two terms I was very involved in studying the issues that are addressed by this bill. For several years I worked closely with a task force including marital and family therapists, social workers and psychologists to review the Alaska Statutes of each of our professions as well as statutes from other states. This task force was cooperatively established by the Boards regulating marital and family therapists, social workers and psychologists. Also, representatives from each of the professional associations were invited to join the task force. Our goals were to update our statutes to bring parity to the mental health professions in Alaska, to keep current with professional issues on a national level and, most importantly, to add additional protection for Alaskan consumers. After much review we composed a needs list for each of the licensed professions. Both social workers and psychologists have addressed their needed statute changes in the recent past. Recently the legislature established statutes to regulate Professional Counselors that also address many of these issues.

It is important for Marital and Family Therapists in Alaska to accomplish the goals set forth by the joint task force. Again, I ask for your help with this.

907-278-5522 phone / 907-258-6613 fax
mercy@pobox.alaska.net



The Alaska Association for Marriage and Family Therapy

January 23, 2002

Representative Peggy Wilson
State Capital Rm 409
Juneau, AK. 99801

Re: House Bill 245

Dear Ms. Wilson,

The Alaska Association for Marriage and Family Therapy appreciates your sponsorship of House Bill 245. Our organization supports this bill and was primarily responsible for initiating it. Much of the bill is housekeeping but there are parts, which are substantial changes. The addition of sexual misconduct brings MFT standards up to other mental health care professionals in the state as well as our own National Association's standards. It requires that two years must pass before a LMFT can have a sexual relationship with a former client. Sexual misconduct is one of the most problematic issues facing mental health care providers because of the nature of the relationships that are formed in the therapeutic process. Strict boundaries are absolutely necessary because of that relationship. The disclosure statement is a new provision, which is intended to inform and protect the client as a consumer of mental health services. It is a national trend in marriage and family therapy to educate the client with regards to the professional's training and specialization. In addition, it is a commonly accepted ethical procedure to make consumers aware of fees.

Again, thanks for sponsoring this bill.

Sincerely,

Larry Holman, LMFT, Division President, AkAMFT

LEGAL SERVICES

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

(907) 465-3887 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

April 17, 2001

SUBJECT: Sectional Analysis (HB 245)

TO: Representative Peggy Wilson
Attn: Rory

FROM: Terri Lauterbach
Legislative Counsel

T. Lauterbach

You have asked for a sectional summary of HB 245. You have not expressed any questions about the legal effects of this bill, so this memo is very brief. Please let me know if you have specific questions.

Section 1. Adds the Board of Marital and Family Therapists (hereafter "board") to the list of boards that may request the division of occupational licensing to contract for substance abuse treatment for licensed therapists (hereafter "licensees").

Section 2. Authorizes the board to require physical and mental exams of licensees.

Section 3. Changes a licensing requirement relating to post-degree clinical contact.

Section 4. Adds two more categories of circumstances when a client's communications to a licensee may be revealed to others.

Section 5. Adds a new ground for disciplinary sanctions.

Section 6. Allows summary suspension of a licensee who refuses to submit to a physical or mental examination.

Section 7. Adds two new sections of law. One requires disclosure statements to clients. The other enacts a practice limitation.

TML:jhb
01-051.jhb

Tony Knowles, Governor

Alaska

**Department of Community
and Economic Development**

Division of Occupational Licensing

P.O. Box 110806, Juneau, AK 99811-0806

Telephone: (907) 465-2534 • Fax: (907) 465-2974 • Text Telephone: (907) 465-5437

Email: license@dced.state.ak.us • Website: www.dced.state.ak.us/occl/

April 16, 2001

The Honorable Peggy Wilson
State Capitol
Room 409
Juneau, AK 99801-1182

Dear Representative Wilson:

At the March 12, 2001 meeting, the Alaska Board of Marital and Family Therapy discussed the statute changes with Caren Robinson, Lobbyist for the Alaska Marriage and Family Therapy Association.

The board resolved that they support the bill "An Act relating to Marital and Family Therapy" and the statute changes being proposed.

If you have any questions, please contact me at my office 463-4844 in Juneau. I would be glad to discuss any questions that you may have.

Sincerely,



Sandra Saminego, Chairperson
Board of Marital and Family Therapy

SS/dgl/8927wf
041601a

cc: Caren Robinson

Alaska Department of Community
and Economic Development

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April 24, 2001

The Honorable Peggy Wilson
State Capitol
Juneau, AK 99801

Dear Representative Wilson,

Thank you for introducing House Bill 245.

House Bill 245 revises the statutes governing the practice of marital and family therapy. The Board of Marital and Family Therapy supports these changes to strengthen the public protection provided by licensure.

The provisions of the bill or similar statutory language are found in several other professional licensing statutes.

Section 1 adds the Board of Marital and Family Therapy to the list of boards that may request the department to contract for treatment of professionals with substance abuse problems.

Sections 2 and 6 allow the board to order a licensed marital and family therapist to have a physical or mental examination if the therapist's capacity to practice safely is at issue. The board may suspend the license of a therapist who refuses to be examined. Similar language is found in the dental statute in AS 08.36.070(b)(1) and AS 08.36.320; in the psychology statute in AS 08.86.204(b) and AS 08.86.075; and in the medical statute in AS 08.64.338.

Section 3 allows applicants for marital and family therapy licenses to counsel individuals as well as couples and families in order to obtain the required direct clinical contact experience.

Section 4 allows licensed therapists to disclose client information when there is a threat of imminent serious physical harm to an identified victim by the client. Confidential client information may also be disclosed to a licensing board in connection with a formal complaint against another licensed professional. Similar statutes are found in the professional counselor licensing law, AS 08.29.200, the social worker law, AS 08.95.900(5)(6), and the psychologist law, AS 08.86.200(3)(5).

Section 5 explicitly prohibits sexual contact with a client within two years after therapy. Language on sexual misconduct is found in the medical statutes, AS 08 64.326, the psychology statutes, AS 08.86.204(8), and the social worker statutes, AS 08.95.050(11).

Section 7 requires a licensed marital and family therapist to give clients a disclosure statement containing information about the therapist's fees, education and services. This section also prohibits licensed therapists from performing acts for which they lack appropriate education and experience. Similar language is found in the professional counselor statutes, AS 08.29.220-230.

Please contact me if you would like further information.

Sincerely,

A handwritten signature in black ink, appearing to read 'Catherine Reardon', written over a horizontal line.

Catherine Reardon
director

HB

246

ALASKA STATE LEGISLATURE

Representative: Lisa Murkowski Chair
Representative: Andrew Halcro Vice-Chair
Representative: Pete Kort
Representative: Kevin Meyer
Representative: Norman Rokeberg
Representative: Harry Crawford
Representative: Joe Hayes



Alaska State Capitol
Juneau, AK 99801-1182
Telephone: (907) 465-4954
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Representative_Lisa_Murkowski@legis.state.ak.us

HOUSE LABOR AND COMMERCE COMMITTEE Sponsor Statement House Bill 246 Omnibus Insurance Reform

Regulatory Structure for MEWAs: Sections 1, 44 and 56. A Multiple Employer Welfare Arrangement (MEWA) is an employee welfare benefit plan established for the benefit of employees of two or more employers to provide health care or other welfare benefits to employees and dependents. Under current statute a MEWA is regulated as an insurer. The provisions in House Bill 246 establish a more appropriate regulatory structure for MEWAs, in particular, a more reasonable and appropriate capital and surplus, reserving and financial reporting requirements.

Confidentiality of Records: Sections 2-5, 50, 57. These provisions clarify that documents determined to be confidential by law or by the director of insurance are not subject to inspection, copying, or subpoena but may be used by the director in regulatory or legal proceedings and may be shared with other law enforcement or regulatory agencies. The director may receive confidential information from other regulatory or law enforcement agency and maintain the confidentiality and may enter into information sharing agreements. Information designated as confidential includes personally identifiable information, trade secret or proprietary business information, and information the director finds the withholding of which is necessary to protect a person or is in the public interest.

Late Payment of Premium Taxes: Sections 13, 49. These provisions establish late payment fees for all entities that pay premium taxes including insurers and surplus lines brokers for when premium taxes are not received by the division when due.

Annual Fee to Operate as a Joint Insurance Arrangement: Section 51. This provision establishes an annual fee to offset the cost to the division of insurance of enforcing of AS 21.76 on joint insurance arrangement.

Revision of Property-Casualty Guaranty Fund Assessment: Sections 53-55. These provisions revise the formula for assessing member insurance companies for funds to pay claims and operate the guaranty fund. The revision provides for a redistribution of payments due in the year following an assessment based on the premiums written by insurers in the Alaska market. It also allows for the surcharge to policyholders for the assessment to be determined by the association as a percentage of premium.

Stop Loss Insurance Standards: Section 35 The changes establish minimum specific and aggregate attachment points (i.e. retention limits) for stop loss insurance policies. These minimums will provide greater protections to smaller employers who chose to self-fund their health care plans. Without these minimums insurers are able to sell health insurance under the guise of stop loss insurance that is not required to comply with state health care insurance laws including benefit mandates, guarantee issue and portability requirements.

Correction/Clarification of Existing Statutes: Sections 6-12, 14-34, 36-43, 45-49, 52. Please see sectional analysis for explanation of changes.

CS HB 246 (L&C)
Version 22-LS0743/O

Sectional Analysis by the
Department of Community and Economic Development,
Division of Insurance

Regulation of Multiple Employer Welfare Arrangements

Sections 1, 41 and 50 establish a regulatory framework for Multiple Employer Welfare Arrangements (MEWA). A MEWA is defined under federal law and is an employee welfare benefit plan established for the benefit of employees of two or more employers to provide health care or other welfare benefits to employees and dependents. States are given authority under the federal Employee Retirement Income Security Act (ERISA) to regulate MEWAs under state insurance law.

Section 1. AS 21.03.021. Regulation of MEWAs, page 1.

These new subsections provide the authority for the Alaska Division of Insurance to regulate MEWAs. Subsection (b) specifies that an entity that is offering medical coverage is under the jurisdiction of the Alaska Division of Insurance unless it is under another governmental agency. Subsection (c) provides authority to conduct an examination to determine what the entity is and whether it is subject to Title 21. Subsection (d) requires that while an examination to determine jurisdiction is being conducted any transaction of insurance business must advise the purchaser that the coverage is not regulated under Alaska insurance statutes and is not covered by a guaranty fund in Alaska.

Confidentiality of Records

Sections 2 – 4, 47, and 51 add specific statutory clarification of the confidentiality of records maintained within the division. The language clarifies that documents determined to be confidential by law or by the director of insurance are not subject to inspection, copying, or subpoena but may be used by the director in regulatory or legal proceedings and may be shared with other law enforcement or regulatory agencies. The director may receive confidential information from other regulatory or law enforcement agency and maintain the confidentiality and may enter into information sharing agreements. Information that is designated as confidential includes personally identifiable information, trade secret or proprietary business information, and information that the director finds the withholding of which is necessary to protect a person or is in the public interest.

Section 2. AS 21.06.060. Confidential documents, page 2.

The amendment to this subsection adds a reference to the new subsections in Section 3 on confidential documents.

Section 3. AS 21.06.060. Confidential documents, page 2.

New subsection (b) explains that documents that are confidential or not available for public inspection, are not subject to inspection, copying or subpoena, may be used in a regulatory or legal proceeding, may be released if the person who provided the information consents or releases incomplete or misleading information on the same topic.

New subsection (c) specifies that a person working for the director may not be required to testify about confidential information.

New subsection (d) specifies that providing confidential information to the director does not waive any claim of privilege.

New subsection (e) allows the director to disclose confidential information to the legislature, regulatory or law enforcement agencies or the NAIC if the entity will maintain the confidentiality. The director may also receive information from regulatory or law enforcement agencies or the NAIC and will maintain the confidentiality of the information if requested to do so or given notice that the records are confidential by law of the supplying agency. The director may enter into agreements with other regulatory or law enforcement agencies or the NAIC consistent with this section.

New subsection (f) specifies that the following documents are confidential:

- personally identifiable consumer information unless disclosure is necessary to resolve a consumer complaint;
- information shown to be trade secret or proprietary business information including health insurance claim cost data and usual, customary and reasonable charge determinations;
- information provided by a person not subject to regulation by the director if the information is identified as confidential by the director; and
- financial analysis ratios and examination synopses from the NAIC.

New subsection (g) gives the director authority to withhold information from public inspection if the director finds it is necessary to protect a person against unwarranted injury or is in the public interest.

Section 4. AS 21.06.150(g). Confidential documents, page 4.

This subsection was repealed and reenacted to specify that examination workpapers are confidential. The director continues to be able to publish the examination report in a newspaper or electronically if it is determined to be in the public interest to do so.

Section 5. AS 21.06.210. Close a hearing, page 4.

This new subsection (h) allows the director to close a hearing to the public when it is necessary to protect a person against unwarranted injury or is in the public interest. This includes a sentence from the existing AS 21.06.150(g) that is lost when the section is repealed and reenacted in Section 4 of the bill.

Correction of Wording

Section 6 is amended to correct wording in a section adopted by the legislature in 2000.

Section 6. AS 21.07.040(c). Correction of Wording, page 4.

This amendment to subsection (c) changes wording to a phrase that more properly reflects the meaning of the subsection. The change removes "a current or former person" and replaces it with "a person currently or formerly"

Limit on Processing Time for Certificate of Authority Applications

Section 7 is amended to change the processing time for applications from an insurer for a certificate of authority from 30 days to 60 days.

Section 7. AS 21.09.120(a). Limit on Processing Time, page 5.

This amendment to (a) changes the processing time for a certificate of authority application from 30 days to 60 days. The recommended processing time for the uniform certificate of authority application adopted by the National Association of Insurance Commissioners is 60 days. The division is participating in the uniform application process and needs to adopt the uniform goal on time to effectively process an application.

Payment of Premium Taxes and Fees

Section 8 through 14 address several areas of premium taxes and fees payable to the state. Sections 8 and 9 expand the director's authority to specify the form of payment of certificate of authority continuation fees and financial statement filing fees which was granted for premium tax collection in 1998. Section 10 provides for a late fee payment when premium taxes are not received when due. Section 11 clarifies that tax credit statutes apply to taxpayers under AS 21.09.210. Sections 12 through 14 clarify language on taxation of jumbo life policy premiums and exemption from retaliatory fees, both of which were adopted in the 1998 Legislative Session.

Section 8. AS 21.09.130(a). Fee Payment, page 5.

The amendment to subsection (a) gives the director authority to specify the method of payment of certificate of authority continuation fees by electronic or other means. This same authority was given to the director in 1998 on the collection of premium taxes.

Section 9. AS 21.09.200(d). Fee Payment, page 5.

The amendment to subsection (d) gives the director authority to specify the method of payment of annual statement filing fees by electronic or other means. This same authority was given to the director in 1998 relative to the collection of premium taxes.

Section 10. AS 21.09.210(g). Late Fee, page 5.

The amendment to subsection (g) adds a late payment fee for late payment of premium tax required under AS 21.09.210 and late payment of retaliatory fee required under AS 21.09.270. The fee is the greater of \$100 per day or 25% of the tax due. In addition interest is charged at 1% per month or partial month.

Section 11. AS 21.09.210(j). Tax Credit, page 6.

The amendment to subsection (j) adds the fire safety standards counsel charitable contribution premium tax credit to the education charitable contribution tax credit and clarifies that the provision applies to payers of tax under this section.

Section 12. AS 21.09.210(m). Jumbo life policy taxation, page 6.

This amendment to subsection (m) makes it clearer that individual life policy premium is taxed at 2.7% up to \$100,000 and premium above \$100,000 is taxed at 0.1%.

Section 13. AS 21.09.270(b). Exemption from retaliatory fee, page 6.

This amendment to paragraph (b)(2) clarifies that the exemption from payment of retaliatory fee is only for health care insurance premium received by an insurance company from a state, municipality, city or borough school district, a regional educational attendance area, University of Alaska or community college.

Section 14. AS 21.09.270. Exemption from retaliatory fee, page 6.

This new subsection (f) clarifies that the retaliatory fee calculation does not include taxes paid on health care insurance premiums received from the state, political subdivisions, or University of Alaska. This is a clarification of an exemption adopted in 1998 to more carefully show the extent of the intended exemption.

Clarification of Contents of US Branch Financial Statement

Section 15 clarifies that the US Branch financial statement filed with the division must include all insurance activity within the United States.

Section 15. AS 21.09.310(n). US Branch Financial Statement Contents, page 7.

The amendment to subsection (n) clarifies that the US Branch financial statement shall have only US Branch insurance activities and must include all insurance transactions conducted within the United States.

Clarify the application of RBC Mandatory Control Level Actions

Section 16 clarifies that the actions in AS 21.14.050 required when an insurer reaches the Mandatory Control Level only apply to domestic insurance companies.

Section 16. AS 21.14.050(a). RBC Mandatory Control Level actions, page 7.

This amendment to subsection (a) clarifies that this section that requires an insurer to be placed under regulatory control when the insurer reaches the Mandatory Control Level only applies to domestic insurers. Actions for foreign insurers are included in AS 21.14.070.

Compliance Officers, Compensation, and Clarification of the Firm License

Amendments in Section 17 to 22 make changes to licensing statutes and clarifies who can receive compensation. Section 17 and 19 clarifies that a producer firm may have more than one compliance officer with all compliance officers covering all the powers conferred by the firm's license and requires the compliance officer to be licensed as an individual in the firm for specific lines and classes of authority. Section 18 rewords a section that requires the scope of the firm license to include all lines and class of authority of each individual in the firm. Section 20 makes small amendments to AS 21.27.370(c) on unlicensed compensation to clarify the meaning of this section that was adopted in 2001. Sections 21 and 22 provide better definitions for "compliance officer" and "class of license".

Section 17. AS 21.27.020(c). Compliance officer, page 7.

This amendment to subsection (c) clarifies that qualification for a firm license will allow the designation of more than one compliance officer to be responsible for the firm's compliance with Alaska statutes and regulations.

Section 18. AS 21.27.140(a). Firm License, page 8.

The repeal and reenactment of subsection (a) results in clarification that the scope of the firm license is to include all lines and classes of authority of the individuals working in the firm.

Section 19. AS 21.27.140(b). Compliance officer, page 8.

The repeal and reenactment of subsection (b) results in clarification that the firm may not be licensed unless each individual in the firm is licensed. In addition, it specifies that each compliance officer must also be licensed as an individual in the firm for a specific line and class of authority and, if there is more than one compliance officer, each area of the firm's license authority shall be covered by a compliance officer.

Section 20. AS 21.27.370(c). Compensation, page 8.

Amendments to subsection (c) clarify that a person who discusses specific terms and conditions of a policy or a person who gives opinions or advice regarding insurance is not eligible for compensation without first having a license.

Section 21. AS 21.27.900(4). Definition, page 8.

The amendment to the definition of "compliance officer" in (4) adds that the compliance officer must be designated for a specific line and class of authority.

Section 22. AS 21.27.900. Definition, page 8.

The addition of a new paragraph is to define a "class of authority" to mean one or more designations of authority such as insurance producer, managing general agent, reinsurance intermediary manager, reinsurance intermediary broker, surplus liens broker, or independent adjuster, or third party administrator.

Exemption from Premium Tax and Payment in Lieu of Premium Tax

Sections 23 through 27 clarify language in the area of premium tax exemptions and exemption from other state or local taxes. Sections 23, 25, and 27 clarify that exemptions are for aircraft that are primarily engaged in interstate or foreign commerce instead of regularly engaged in such business. Sections 24 and 26 amend the sections to clarify what other state taxes are not payable when an entity pays premium tax under these statutes.

Section 23. AS 21.33.037(b). Aircraft exemption from licensing, page 9.

This amendment clarifies that the prohibition of a person acting as an agent for an unauthorized insurer in this state does not apply to unauthorized insurance transactions for the property or operations of railroads or aircraft primarily engaged in interstate or foreign commerce.

Section 24. AS 21.33.055(a). Premium tax payment in lieu of other taxes, page 9.

This amendment to subsection (a) clarifies that only the premium taxes paid by an insurance company for unauthorized insurance business allowed in AS 21.33 are

in lieu of all other taxes. Exemption from other taxes given in Title 21 is for insurance companies only.

Section 25. AS 21.33.055(c). Aircraft exemption from unauthorized insurer premium tax, page 10.

This amendment clarifies that aircraft that is primarily engaged instead of regularly engaged in interstate or foreign commerce is exempt from the unauthorized insurer premium tax. This will help determine when the exemption applies.

Section 26. AS 21.33.061(c). Premium tax payment in lieu of other taxes, page 10.

This amendment to subsection (c) removes the statement that the premium receipts tax is in lieu of other taxes. Exemption from other taxes given in Title 21 is for insurance companies only.

Section 27. AS 21.33.061(g). Aircraft exemption from independently procured premium tax, page 11.

This amendment clarifies that aircraft that is primarily engaged instead of regularly engaged in interstate or foreign commerce is exempt from the independently procured premium tax. This will help determine when the exemption applies.

Exemption from Premium Tax

Sections 28 and 29 clarify premium tax payments and exemptions for surplus lines placements.

Section 28. AS 21.34.180(a). Admitted insurance exemption from surplus lines premium tax, page 11.

This amendment clarifies that for subscription policies the portion of premium taxes submitted to the division by the admitted insurer does not need to also be submitted to the division by the surplus line broker. This will avoid double payment of premium taxes..

Section 29. AS 21.34.180(d). Aircraft exemption from surplus lines premium tax, page 11.