

ALASKA LEGISLATURE COMMITTEES, 2003-2004
11927 SENATE LABOR & COMMERCE

attorney general may require advance payment of any additional fee necessary to pay the cost of a record check of a person for whom adequate background information sources are not readily available. The advance payment must be placed in the attorney general's refund fund. The unused funds must be returned to the person within thirty days of the conclusion of the record check. Unless a federal or local law enforcement agency conducts the record check, the attorney general shall notify the organization or distributor and person of the result. The attorney general shall keep the information confidential except in the proper administration of this chapter or any gaming rule or to provide to an authorized law enforcement agency.

6. For a site where bingo is the primary game or a site that is leased by a licensed organization, the organization may not pay bingo prizes in which the total bingo prizes exceed total bingo gross proceeds for a period prescribed by gaming rule. However, if bingo is the primary game at the site, a bingo prize that equals or exceeds ten thousand dollars is excluded from the total of the bingo prizes.
7. A city or county may require a person conducting games to obtain a local work permit, charge a reasonable fee, and conduct a criminal history record check.

53-06.1-06.1. Local work permits. Repealed by S.L. 1997, ch. 428, § 21.

53-06.1-07. Games allowed. Repealed by S.L. 1997, ch. 428, § 21.

53-06.1-07.1. Limitations on hours and participation. Repealed by S.L. 1997, ch. 428, § 21.

53-06.1-07.2. Poker. Poker may be conducted on not more than two occasions per year. An organization may supply the dealer. The maximum single bet is one dollar. Not more than three raises, of not more than one dollar each, may be made among all the players in each round of bets. For nontournament activity, an organization shall charge each player a fee not to exceed two dollars per one-half hour of playing time, collected in advance. For a tournament, an organization shall charge each player an entry fee and the amount of prizes may not exceed ninety percent of the gross proceeds.

53-06.1-07.3. Card games. [REDACTED]

53-06.1-07.4. Paddlewheels. A paddlewheel is a mechanical vertical wheel marked off into equally spaced sections that contain numbers or symbols, and which after being spun, uses a pointer to indicate the winning number or symbol. The maximum price per paddlewheel ticket or chip is two dollars. A table and chips must be used to register a player's wager when a prize is a variable multiple of the wager. Otherwise, a ticket must be used. A player may not place wagers totaling more than twenty dollars on each spin of the paddlewheel. Cash, chips, or merchandise prizes may be awarded. No single cash prize, value of chips, or the retail value of the merchandise prize to be awarded for a winning ticket or chip may exceed one hundred dollars.

53-06.1-08. Punchboards and pull tabs. Unless all top tier winning pull tabs or punchboard punches of a game have been redeemed, or unless otherwise permitted by a gaming rule or the attorney general, a person or organization may not close the game after it has been placed in play. The maximum sales price per pull tab and punchboard punch is two dollars. The maximum prize value of a top tier winning pull tab or punchboard punch is five hundred dollars. The game of pull tabs may only be conducted by commingling deals.

Concerns from the Committee on HB 61

Senator Bunde & Senator Stevens:

- Why the minimum of 30% going to charity? It should be 50/50.
 - This is addressed in the CS on *Pg. 3, Sect. 7*
 - We changed the minimum to no less than 50%.

Senator Stevens & Senator Seekins:

- Does the bill allow for more than one Calcutta per event? We should consider limitations.
 - This is addressed on *Pg. 3, Sect. 9*

Senator Bunde:

- Wanted horse racing to be a prohibited sporting event for Calcutta pools in effort to avoid pari-mutual betting.
 - This is addressed in the definition of "Calcutta pool" on *Pg. 4, Sect. 10.*

- We also made a small technical change to section 5 of the bill.
 - (removed Calcutta pools)
 - In the current version of the bill, section 4 specifically states that the Department CANNOT issue an operator's license to conduct Calcutta pools.
 - In section 5 of the current version of the bill, it states that a permittee may not contract with more than one operator at a time and goes on to list the type of activities that would fall under this category. Calcutta was listed.
 - We removed Calcutta from this list because it contradicts section 4 of the bill.

24-LS0281/L
Luckhaupt
4/22/05

SENATE CS FOR CS FOR HOUSE BILL NO. 61()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FOURTH LEGISLATURE - FIRST SESS'ON

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES MCGUIRE, Ramras, Foster

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to Calcutta pools and crane classics as authorized forms of charitable
2 gaming."

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

4 * Section 1. AS 05.15.080(a) is amended to read:

5 (a) A municipality or a qualified organization issued a permit under this
6 chapter shall file a report with the department by the 45th day following each calendar
7 quarter in which the permittee had gross receipts of \$50,000 or more from activities
8 authorized under this chapter. The report must include the type of activity conducted,
9 the date and location of the activity, the amount of gross receipts, the amount of
10 authorized expenses, the value of prizes awarded, the amount of net proceeds, and
11 other information the department may require. However, if the only activity
12 conducted by a municipality or qualified organization during a calendar quarter is a
13 raffle or lottery or a Calcutta pool, then the municipality or qualified organization is
14 not required to file a report under this subsection until the raffle or lottery or a

1 Calcutta pool is completed.

2 * Sec. 2. AS 05.15.080 is amended by adding a new subsection to read:

3 (c) A permittee that conducts a Calcutta pool shall file a report for each pool
4 conducted on a form prescribed by the department that lists

5 (1) the date of the pool and the event;

6 (2) the amount of wagers;

7 (3) the amount of prizes distributed to the winners of the pool;

8 (4) the amount and nature of each expense;

9 (5) the amount remaining after the payment of the prizes and expenses;

10 (6) any other information that the department requests or requires.

11 * Sec. 3. AS 05.15.100(a) is amended to read:

12 (a) The department may issue a permit to a municipality or qualified
13 organization. The permit gives the municipality or qualified organization the privilege
14 of conducting bingo, raffles and lotteries, pull-tab games, ice classics, race classics,
15 rain classics, goose classics, mercury classics, deep freeze classics, canned salmon
16 classics, salmon classics, king salmon classics, dog mushers' contests, snow machine
17 classics, fish derbies, animal classics, crane classics, Calcutta pools, and contests of
18 skill.

19 * Sec. 4. AS 05.15.100(c) is amended to read:

20 (c) The department may issue an operator's license to a natural person to
21 conduct an activity permitted under this chapter, other than a Calcutta pool, on
22 behalf of a municipality or a qualified organization. The department may also issue an
23 operator's license to a municipality or a qualified organization to conduct an activity,
24 other than a Calcutta pool, on behalf of another municipality or qualified
25 organization.

26 * Sec. 5. AS 05.15.115(c) is amended to read:

27 (c) A permittee may not contract with more than one operator at a time to
28 conduct the same type of activity. For the purposes of this subsection, bingo games,
29 raffles, lotteries, pull-tab games, ice classics, race classics, rain classics, goose
30 classics, mercury classics, deep freeze classics, canned salmon classics, salmon
1 classics, king salmon classics, dog mushers' contests, snow machine classics, fish

1 derbies, animal classics, crane classics, and contests of skill are each a different type
2 of activity.

3 * Sec. 6. AS 05.15.160(d) is amended to read:

4 (d) The total amount of authorized expenses that may be incurred under (a) of
5 this section in connection with any gaming activity other than pull-tabs or Calcutta
6 pools may not exceed 90 percent of the adjusted gross income from that gaming
7 activity.

8 * Sec. 7. AS 05.15.160 is amended by adding a new subsection to read:

9 (e) The total amount of expenses that may be incurred and prizes that may be
10 awarded under (a) of this section in connection with a Calcutta pool may not exceed
11 50 percent of the pool of wagers.

12 * Sec. 8. AS 05.15.180(b) is amended to read:

13 (b) With the exception of raffles, lotteries, bingo games, pull-tab games, race
14 classics, rain classics, goose classics, mercury classics, deep freeze classics, dog
15 mushers' contests, snow machine classics, canned salmon classics, salmon classics,
16 animal classics, crane classics, Calcutta pools, and king salmon classics, an activity
17 may not be licensed under this chapter unless it existed in the state in substantially the
18 same form and was conducted in substantially the same manner before January 1,
19 1959. A snow machine classic may not be licensed under this chapter unless it has
20 been in existence for at least five years before the licensing. An animal classic may not
21 be licensed under this chapter unless it was in existence before November 1, 2002.

22 * Sec. 9. AS 05.15.180 is amended by adding a new subsection to read:

23 (h) Only one Calcutta pool permit may be issued for each event and is limited
24 to the permittee conducting the event or a permittee authorized by the person
25 conducting the event if the person is not eligible to be a permittee. A Calcutta pool
26 may not be conducted for elementary, secondary, or post-secondary school sporting
27 events or for youth organization events. A person may not wager on a Calcutta pool
28 unless the person is at least 18 years of age. A permittee may not accept a wager on a
29 contestant or entrant in a Calcutta pool unless the contestant or entrant is or are 18
30 years of age or older. A person may not place a wager on a contestant or entrant in a
31 Calcutta pool unless the contestant or entrant is or are 18 years of age or older. A

1 Calcutta pool may not be conducted unless the rules for the pool are publicly posted
2 and available to all participants in the pool.

3 * Sec. 10. AS 05.15.690 is amended by adding new paragraphs to read:

4 (46) "Calcutta pool" ~~means~~ a game of chance where a prize of money
5 is awarded from a pool of ~~wagers~~ on a contest of skill ~~limited to amateur and~~
6 professional sporting ~~events~~, other than horse racing, in ~~the~~ state in which those who
7 wager bid at auction for the exclusive right to purchase ~~or~~ wager upon a particular
8 contestant or entrant in the event;

9 (47) "crane classic" means a game of chance in which a prize of
10 money is awarded for the closest guess of the time of arrival of the first sandhill crane
11 to a particular place.

HB

64

SENATE COMMITTEE REPORT

05

FURTHER: Finance

DATE TURNED
IN TO OFFICE: _____

Commerce Committee considered HOUSE BILL NO. 64

HB 64 EXTEND BOARD OF PUBLIC ACCOUNTANCY

ending the termination date for the Board of Public Accountancy; and providing for an effective

ends:

placed with _____ CS _____ (_____)

previous _____ CS _____ (_____)

ed amendment(s)

Letter of Intent by _____ Committee

r referral to _____ Committee

Senate Bill:

- Same Title
- New Title

House Bill:

- Same Title
- Technical Title Change
- New Title w/ SCR # _____

CAL NOTE(S):

PREVIOUS FISCAL NOTE(S):

am#	Date	Fiscal	Indet.	Zero	FN#

Department	Date	Fiscal	Indet.	Zero	FN#

PROPRIATION - no fiscal note

INITIALS AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
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Representative Mike Hawker

Alaska State Legislature



House Bill 64 Sponsor Statement

"An Act extending the termination date for the Board of Public Accountancy; and providing for an effective date."

House Bill 64 extends the sunset date of the Board of Public Accountancy (BOPA) until June 30, 2009, in accordance with recommendations of the Legislative Auditor.

The board consists of five certified public accountants and two public members. Board members are appointed by the Governor and confirmed by the Legislature. The board adopts regulations to carry out the laws governing the practice of public accountancy in Alaska. It makes final licensing decisions and takes disciplinary action against people who violate the licensing laws.

The board has been working proactively with the Alaska Society of Certified Public Accountants (ASCPA) and individual CPAs to bring Alaska into conformance with national professional testing standards and to make Alaska more attractive to multi-state businesses by making our accountancy statutes more consistent with the American Institute of the Certified Public Accountants Uniform Accountancy Act.

The legislative auditor has concluded the BOPA meets the statutory requirements of public need and is in compliance with AS 08.01.065(c), which requires occupational licensing fees to cover the regulatory costs of that occupation. A letter from the ASCPA, the accountants' professional organization, endorsing reauthorization of the BOPA is included in the bill package.

Accordingly, the best interests of Alaska's business and professional communities will be served by your support of this reauthorization.

Session

State Capitol
Juneau, AK 99801
907 465-4949 direct
800 478-4950 toll free
907 465-4979 fax

Interim

716 W 4th Avenue
Anchorage, AK 99501
907 269-0244 office
907 269-0248 fax

Member

House Finance Committee
Legislative Budget
& Audit Committee

House District 32

Eagle River
Anchorage
Rainbow
Indian
Bird
Girdwood
Portage
Whittier
Sunrise
Hope

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: HB 64
 (H) Publish Date: 1/24/05

Revision Date/Time (Note if correction):
 Title Extend Board of Public Accountancy
 Sponsor HAWKER, Stoltze
 Requester House Labor and Commerce

Dept. Affected: Commerce
 RDU Occupational Licensing (117)
 Component Occupational Licensing
 Component No. 2360

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 20076	FY 2008	FY 2009	FY 20010	FY 2011
Personal Services	0.0	51.6	51.6	51.6	51.6	
Travel	0.0	19.5	19.5	19.5	19.5	
Contractual	0.0	54.9	54.9	54.9	54.9	
Supplies		1.0	1.0	1.0	1.0	
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	127.0	127.0	127.0	127.0	

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (1156)	0.0	127.0	127.0	127.0	127.0	
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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 1156 - Receipt Supported Services	0.0	127.0	127.0	127.0	127.0	
TOTAL	0.0	127.0	127.0	127.0	127.0	

Estimate of any current year (FY2005) cost: 127.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time					
Part-time					
Temporary					

ANALYSIS: (Attach a separate page if necessary)

The bill extends the Board of Public Accountancy to June 30, 2009. In accordance with AS 08.03.020, funding is extended one year following the termination date allowing the Board to conclude its affairs. FY 2006 funding is included in the Operating Budget request. The costs shown for subsequent fiscal years reflect the direct costs included in the FY 2006 budget. New funds are not required to implement this bill.

Prepared by: Jennifer Strickler, Administrative Manager Phone (907) 465-2144
 Division Occupational Licensing Date/Time 1/21/05 12:27 PM
 Approved by: Edgar Blatchford, Commissioner Date 1/21/2005
 Agency Commerce, Community & Economic Development



ALASKA SOCIETY OF CPAs
341 W. TUDOR #105
ANCHORAGE, AK 99503
(907) 562-4334
800-478-4334
FAX (907) 562-4025

January 14, 2005

Representative Mike Hawker
State Capital, Room 502
Juneau, AK 99801-1182

Honorable Mike Hawker:

I would like to inform the State Legislature that the Alaska Society of Certified Public Accountants would like you to reauthorize the Alaska State Board of Accountancy.

If you have any questions regarding this, please feel free to contact me at anytime in Anchorage at 907-272-1421.

Sincerely,

Donovan W. Rulien, CPA
Chairman of the Legislative Committee
Past President of the Alaska Society of Certified Public Accountants

November 5, 2004

Members of the Legislative Budget
and Audit Committee:

In accordance with the provisions of Title 24 and Title 44 of the Alaska Statutes, the attached report is submitted for your review.

DEPARTMENT OF COMMERCE, COMMUNITY,
AND ECONOMIC DEVELOPMENT
BOARD OF PUBLIC ACCOUNTANCY

October 25, 2004

Audit Control Number
08-20027-05

This audit was conducted as required by AS 44.66.050 and under the authority of AS 24.20.271(1). Alaska Statute 44.66.050(c) lists criteria to be used to assess the demonstrated public need for a given board, commission, agency, or program subject to the sunset review process. Currently under AS 08.03.010(c)(1), the Board of Public Accountancy is scheduled to terminate on June 30, 2005 and has one year in which to conclude its administrative operations. We recommend that the legislature extend the board's termination date to June 30, 2009.

Article IX, Section 14 of the Alaska Constitution, requires that the position of Legislative Auditor be filled by a certified public accountant (CPA). Likewise, the professional staff at the Division of Legislative Audit are either licensed or are pursuing licensure as CPAs. Since the board is responsible for licensing and regulating CPAs, our agency does not meet the independence standard required by generally accepted government auditing standards. Therefore, we are disclosing our lack of independence and the resulting lack of adherence to that auditing standard.

Except for the issue related to the independence standard discussed above, the audit was conducted in accordance with generally accepted government auditing standards. Fieldwork procedures utilized in the course of developing the findings and discussion presented in this report are set out on page one of this report.

Pat Davidson, CPA
Legislative Auditor

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OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with Title 24 and Title 44 of the Alaska Statutes, we have reviewed the activities of the Board of Public Accountancy (BOPA). As required by AS 44.66.050(a), the legislative committees of reference are to consider this report during the legislative oversight process involved in determining if the board should be reestablished. Currently, AS 08.03.010(c)(1) states that the board will terminate on June 30, 2005. If the legislature does not extend the termination date for the board, BOPA will have one year to conclude its administrative operations.

Objectives

The three central, interrelated objectives of our report are:

1. To determine if the termination date of the board should be extended.
2. To determine if the board is operating in the public interest.
3. To determine if the board has exercised appropriate regulatory oversight of certified public accountants.

The assessment of the operations and performance of the board was based on criteria set out in AS 44.66.050(c). Criteria set out in this statute relates to the determination of a demonstrated public need for the board.

Scope and Methodology

Another auditor at our direction, and under our supervision, conducted a majority of this review. We are satisfied that the contractor's work was competent and sufficient. The other auditor is subject to the licensing and regulatory oversight of the Board of Public Accountancy. However, neither the other auditor nor our agency is independent as to the licensing and oversight of the board. Government audit standards require that any time the auditor is not free both in fact and appearance from personal, external, or organizational impairments, the "...impairment should be reported in the scope section of the audit report." This lack of independence is so noted.

Our audit reviewed the operations and activities of the Board of Public Accountancy for the period FY 01 through FY 04.

During the course of our examination, we reviewed and evaluated the following:

1. Compliance with statutes and regulations related to the certification of public accountants. Our evaluation addressed considerations of applications, testing of candidates, and continuing education necessary for a certified public accountant to maintain their license in good standing.
2. Minutes of meetings of the Board of Public Accountancy.
3. Annual reports issued by the board.
4. Complaints filed with the Division of Occupational Licensing.
5. The contract between the National Association of State Boards of Accounting, the American Institute of Certified Public Accountants, and a private corporation – Thomson Prometric related to the administration of the Uniform Certified Public Accountant Examination.
6. We also conducted interviews with employees of the Division of Occupational Licensing within the Department of Commerce, Community, and Economic Development.
7. We attended a teleconference of a subcommittee of the board charged with trying to arrange for additional testing sites in Alaska for CPA licensure applicants.
8. Other documents deemed pertinent.

ORGANIZATION AND FUNCTION

The Board of Public Accountancy is established under the authority of AS 08.04.010. The seven member board is appointed by the governor to four-year staggered terms.

Board Membership

Five of the members must be certified public accountants or public accountants currently licensed in the State of Alaska. Two members represent the general public. See the listing to the right for board members as of June 24, 2004.

The board is responsible for safeguarding the public interest by ensuring the competence and integrity of those who hold themselves out to the public as certified public accountants.

Board Duties

The board evaluates the qualifications of candidates, administers examinations, issues certificates and licenses to practice, promulgates rules of professional conduct, and takes disciplinary action.

The board charged by statute with granting a certificate of "Certified Public Accountant" (CPA) to individuals at least 19 years of age and of good moral character that:

1. Have satisfied the applicable education requirements;
2. Have passed written examination requirements; and,
3. Have provided evidence of satisfactory work experience.

The Department of Commerce, Community, and Economic Development, Division of Occupational Licensing

The Department of Commerce, Community, and Economic Development, Division of Occupational Licensing provides administrative and investigative assistance to the Board of Public Accountancy. Administrative assistance includes budgetary services and functions

Board of Public Accountancy (As of June 24, 2004)

Professional Members

Steven R. Tarola, Chair, CPA
Marjorie J. Kaiser, CPA
Sandra R. Wilson, CPA
Dan F. Kennedy, CPA

Public Member

Laura Welles

such as collecting fees, maintaining files, receiving and issuing application forms, and publishing notices of examinations and meetings.

Alaska Statute 08.01.065, mandates the Department of Commerce, Community, and Economic Development, with the concurrence of the Board, adopt regulations to establish the amount and manner of payment of application fees, examination fees, license fees, registration fees, permit fees, investigation fees, and all other fees as appropriate for the occupations covered by the statute.

Alaska Statute 08.01.087 empowers the Division of Occupational Licensing (OccLic) with the authority to act on its own initiative or in response to a complaint. OccLic may:

1. Conduct an investigation if it appears a person is engaged or is about to engage in a prohibited professional practice.
2. Bring an action in Superior Court to enjoin the act.
3. Examine the books and records of an individual.
4. Issue subpoenas for the attendance of witnesses and records.

R E R P O R T C O N C L U S I O N S

In our opinion, the termination date for the Board of Public Accountancy (BOPA) should be extended. The board is serving a public interest by operating in an effective manner in its licensing and regulation of certified public accountants and public accountants. The board is acting in the public interest by promoting the competence and integrity of those who hold themselves out to the public as certified public accountants (CPAs) or public accountants (PAs).

The board continues to make regulation changes, improving its effectiveness of monitoring CPAs and PAs licensed in the State of Alaska; making sure they are competent and capable of maintaining the integrity of the profession. The board is proactively attempting to restore testing sites to Juneau and Fairbanks for the Uniform Certified Public Accountant Examination – which have been closed with the implementation of a new testing process by the American Institute of Certified Public Accountants.

Alaska Statute 08.03.010(c)(1) requires the Board of Public Accountancy be terminated on June 30, 2005. Under AS 08.03.020, if the termination date is not extended by the legislature, the board will have a one-year period to administratively conclude its affairs. We recommend the legislature extend the board's termination date to June 30, 2009.

FINDINGS AND RECOMMENDATIONS

Recommendation No. 1

BOPA should continue to be proactive in providing better access to its primary licensing examination – the Uniform Certified Public Accountant Examination (CPA Exam).

In 2004, the manner in which the CPA Exam is administered in Alaska was changed. Previously, the examination was administered twice a year at a minimum of three testing sites typically located in Anchorage, Fairbanks, and Juneau. The examination spread over two and one-half days; although individuals, who passed previous segments, only had to sit for the parts they had yet to successfully pass.

In 2004, in conjunction with changes of format and structure that were made nationally by the American Institute of Certified Public Accounts (AICPA), the examination was changed to an all-computerized format that could be taken in whole or in parts up to three, and eventually four, times a year. By increasing the availability of the examination across the full year, access for applicants was improved. However, as the new testing regimen was implemented in Alaska, this improved access was offset to a large degree by the restriction in the number of available testing sites. Under the new testing regimen, applicants can only take the examination at one test site located in Anchorage.

Such circumstances make taking the examination much more expensive for applicants in the Interior and Southeast Alaska. Applicants from these regions must now travel to Anchorage, arrange for transportation and accommodations, in addition of having to pay a higher examination fee.

Administration of the examination is beyond the direct control of BOPA.

The board has reported, and we confirmed, that the current testing arrangements are beyond its direct control. The examination was in effect privatized, and the manner in which it is administered is subject to the necessity of a private sector corporation, Thomson Prometric, to make an operating profit.

The manner and number of locations involved with administration of the licensing examination are set under terms of a contract between Thomson Prometric,¹ the National

¹ Thomson Prometric is a subsidiary of the Thomson Corporation which states on its website that it is a "leading global provider of integrated information solutions to business and professional customers." One of the more recognizable "brand names" of the Thomson Corporation is Westlaw, publisher and provider of legal and regulatory research information.

Association of State Boards of Accounting (NASBA),² and the AICPA. Under the contract, Prometric is only required to provide a minimum of one testing site in Alaska. Prometric reports that setup costs involved in providing necessary electronic security over the examination to meet AICPA standards,³ along with operating costs involved with keeping a testing site open throughout the year, make it cost-prohibitive to have more sites in a state such as Alaska – given the level of demand statewide for taking the CPA Exam. From Prometric's perspective, there is just not enough volume to provide them with a profit from opening additional test sites.

According to the BOPA, it took NASBA intervention with AICPA and Prometric to maintain at least one testing site in Alaska.⁴ Essentially, the AICPA has turned the availability of the CPA Exam into a profit-driven decision. The result, particularly in Alaska, has been to develop a restrictive practice that may unduly limit access to the profession which could be adverse to the public interest if the supply of CPAs become restricted.

BOPA has been proactive to make the CPA Exam available at more test sites in Alaska.

BOPA has adopted a resolution requesting that more testing sites be made available in Alaska for the CPA Exam. BOPA is actively working with NASBA, negotiating on the board's behalf, to modify the existing contract to provide for more test sites. The board, representatives of the University of Alaska, the state professional society, CPA firms – as well as individual CPAs – recognized the problems involved with having only one test site in Alaska. Individually, and in tandem, some of these groups have been trying to work with NASBA and Prometric to set up an additional testing site.

A central tenet of occupational licensing is that regulatory boards for given professions primarily exist to provide public and consumer protection without unduly restricting or limiting entry into the regulated profession. Accordingly, the board must continue to be proactive, and NASBA should be proactive with the AICPA, to be sure the licensing procedures conform with the public policy objectives of occupational regulation and oversight.

² NASBA represents 54 boards of accounting throughout the United States and its possessions. The organization includes accounting licensing board from 49 states, the Illinois board of examiners (which determines who may sit for the CPA examination), and the Illinois Public Accountant Registration Committee (which determines who is licensed to be a CPA), the District of Columbia, Virgin Islands, and Guam.

³ In correspondence with us, the BOPA chair comments that the CPA exam is *"the most secure exam of any professional exam and its passage is renowned and sought after worldwide."*

⁴ In correspondence with us, the BOPA chair observed there are *"a half dozen other states including Hawaii, Montana, and Idaho who have only one test site where long distances must be traveled. No state has been successful in getting Prometric to increase testing sites where they did fit the profitability clauses in [the contract between NASBA, Prometrics, and the AICPA]."*

A ANALYSIS OF PUBLIC NEED D

The following analyses of board activities relate to the public need factors defined in AS 44.66.050(c). These analyses are not intended to be comprehensive, but address those areas we were able to cover within the scope of our review.

The extent to which the board, commission, or program has operated in the public interest.

As discussed in Recommendation No. 1, BOPA implemented a testing procedure for its primary licensing examination – the Uniform CPA Examination. The new examination is a 14-hour test divided into four sections: Auditing and Attestation; Financial Accounting and Reporting; Regulation; and, Business Environment and Concepts.

The computer-based Uniform CPA Examination is offered the first two months of each calendar quarter. Subject to availability of test site capacity, applicants can now take examinations four times in a calendar year as opposed to the previous twice-a-year schedule. This makes taking the examination more accessible to individuals seeking licensure as a CPA by examination.

In Alaska, this advantage is offset to a large degree by having the testing site limited to one location within the State. The board's actions and options regarding this area are discussed further in Recommendation No. 1 of this letter.

Additionally, in response to national concern over ethics violations by Certified Public Accountants, the board unanimously supported regulation changes that would require four hours of continuing professional education in ethics during the preceding 24 months for license renewal.

The board also put in place regulations mandating a peer review process for practitioners who issue audits and various other attestation services. Such a requirement installs a quality control mechanism on auditing firms and practitioners that should contribute to higher audit integrity by the state's CPAs.

The extent to which the operation of the board, commission, or agency program has been impeded or enhanced by existing statutes, procedures, and practices that it has adopted, and any other matter, including budgetary, resource, and personnel matters.

As discussed in Recommendation No. 1, although the adoption of the new computer-based CPA examination provided greater accessibility for applicants seeking licensure by examination by making the examination available up to four times a year, the current

restriction to a single testing site in Anchorage limits the accessibility of individuals in Interior and Southeast Alaska due to the expense involved of getting to, and staying at, the Anchorage test site.

Alaska Statute 08.01.065(c) states, "...that the total amount of fees collected for an occupation approximately equals the actual regulatory costs for the occupation." As shown in the financial schedule below, BOPA is in a surplus situation at the end of FY 04 and fees appear to appropriately cover the board's projected FY 05 operating costs.

Licensing and renewal fees for licensees were increased in fiscal year 2000 from \$180 to \$220. This increase was necessary at the time to ensure the deficit was repaid and the total fees collected approximated the overall regulatory costs for the occupation. Based upon our analysis of the summary schedule on the following page, BOPA licensing fees are adequate in order to cover the regulatory costs of the profession.

State of Alaska Board of Public Accountancy FY 02 - FY 04 Schedule of License Revenues and Board Expenditures (Unaudited)			
	<u>FY 04</u>	<u>FY 03</u>	<u>FY 02</u>
Revenue	\$ <u>301,200</u>	\$ <u>119,800</u>	\$ <u>320,300</u>
Direct Expenditures			
Personal Services	51,600	37,600	40,000
Travel	19,500	26,900	20,600
Contractual	54,900	80,000	73,900
Supplies	<u>100</u>	<u>200</u>	<u>100</u>
Total Direct Expenditures	126,100	144,700	134,600
Indirect Expenditures	<u>68,200</u>	<u>62,500</u>	<u>46,700</u>
Total Expenditures	194,300	207,200	181,300
Net Income (Loss)	<u>106,900</u>	<u>(87,400)</u>	<u>139,000</u>
Beginning Cumulative Surplus (Deficit)	84,200	171,600	32,600
Ending Cumulative Surplus (Deficit)	\$ <u>191,100</u>	\$ <u>84,200</u>	\$ <u>171,600</u>

The extent to which the board, commission, or agency has recommended statutory changes that are generally of benefit to the public interest.

The board testified in favor of 2003 legislation relating to the examination process. Such legislation was necessary in order for the State to implement the new computer-based Uniform CPA Examination process. While change in the examination process doubles the number of opportunities an applicant has to test in one year, this advantage is offset by having only one test site available in Alaska. For further discussion, see Recommendation No. 1 of this letter.

The extent to which the board, commission, or agency has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of service, economy of service, and availability of service that it has provided.

The location, date, and time of upcoming board meetings and notices of proposed changes in regulations are published in the *Anchorage Daily News*, the board's internet website and the State's on-line public notice internet website. The State also offers a subscription service whereby the State will e-mail the subscriber requested public notices.

The board's meeting agendas consistently set aside time for the board to take public comment. Minutes from the meetings of the board reflect public participation throughout the meeting. Proposed regulations are often circulated to those affected by the proposed regulations through professional trade journals, public notice advertisement, or direct mail correspondence from the Division of Occupational Licensing (OccLic).

The extent to which the board, commission, or agency has encouraged public participation in the making of its regulations and decisions.

Public notices of proposed regulations are published in major newspapers. Overall, meetings are adequately advertised and time is set aside for public testimony.

Major proposed regulation changes were circulated throughout the professional community by either direct-response mailing to the affected license holders or providing the proposed changes to the State's accounting organizations. Feedback resulted in changes to the proposed regulations addressing the profession's concerns. The Alaska Society of Certified Public Accountants has requested the board's support for legislation sought by the Society.

The efficiency with which public inquiries or complaints regarding the activities of the board, commission, or agency filed with it, with the department to which a board or commission is administratively assigned, or with the office of victims' rights or the office of the ombudsman have been processed and resolved.

In the 35-month period between July 1, 2001 and late May 2004, OccLic's investigative section conducted 25 investigations involving complaints related to licensees, or applicants for licensure, of BOPA. Five investigations originated from complaints made by CPA clients, while another three complaints were received from the general public. The remaining 17 complaints stemmed from internal OccLic application and renewal procedures. All complaints were ranked as a low priority by OccLic's investigation section.

In June 2004, 13, or just over half, of the complaints were still open. Six of those 13 complaints had been opened for longer than 120 days. We reviewed five of these six complaints in detail. Four of the five complaints had no evidence of having any investigative activity for the last 90 days. Based on our review, we concluded the public inquiries and complaints regarding BOPA activities were not being resolved efficiently.

Efficiency issues related to investigations are being evaluated in another audit report. This report addresses the history, and evaluates the effectiveness, of the State's overall sunset process.

No complaints or investigations specifically involving the actions and activities of BOPA were received, or undertaken by, either the Office of the Ombudsman or the Office of Victim's Rights within the past three fiscal years.

The extent to which state personnel practices, including affirmative action requirements, have been complied with by the board, commission, or agency to its own activities and the area of activity or interest.

We did not find any evidence that the board was not complying with state personnel practices, including affirmative action in qualifying applicants. In no instance did the board deny an applicant a license based on personal attributes.

The extent to which a board or commission that regulates entry into an occupation or profession has presented qualified applicants to serve the public.

The application process for licensing, followed by BOPA's OccLic staff, appears reasonable and appropriate. The board relies on a national exam for testing of qualified applicants. Additional educational requirements and experience hours are also required before an

applicant can be approved for licensure. After the initial licensing period, continuing education is required and adequately monitored by the board.

Listed below is a summary of new licenses and permits issued by the board for the period under review. This information was compiled from annual reports issued by the board.

New Permits Issued (Exclusive of Renewals)	FY01	FY02	FY03	FY 04	Current Licenses (as of June 30, 2004)
Certified Public Accountants	58	50	35	69	831
Resident Partnerships, Corporations and Limited Liability Companies	8	6	3	5	82
Nonresident General Permits	3	6	8	11	32

The extent to which statutory, regulatory, budgeting, or other changes are necessary to enable the agency, board, or commission to better serve the interest of the public and to comply with the factors enumerated in AS 44.66.050.

The board, with the assistance of AICPA and NASBA, has recognized the need to evaluate and explore implementation of a "substantial equivalency" concept to simplify the licensing of applicants from other jurisdictions by reciprocity. This will allow Certified Public Accountants to practice across state lines in states that meet Uniform Accountancy Act Standards.

Nationally, the public accounting profession continually considers issues that may have an impact on industry standards. The board continues to be active in addressing these issues ensuring certified public accountants licensed in the State of Alaska are represented.

BOPA believes that, to effectively address these issues and serve the best interest of the public, it is essential for participation and attendance to be encouraged at National forums sponsored by the AICPA and NASBA. Travel costs for board members have been restricted in recent years. This has led board members to seek financial support from other sources enabling them to travel to national conferences regarding the licensing of CPAs. Participation in nationwide issues should be a primary responsibility of the Board of Public Accountancy.



OFFICE OF THE COMMISSIONER

1000 North Steese Avenue

December 30, 2004

Pat Davidson
Legislative Auditor
Legislative Budget and Audit Committee
Division of Legislative Audit
P.O. Box 113000
Juneau, AK 99811

Elmer Ruppel, Legislative Auditor

Dear Mr. Ruppel:

We appreciate your request to review and comment on the Board of Public Accountancy (BOPA) Proposed Audit Report.

Our comments and Recommendations follow below.

Recommendation No. 1

Both the proposed audit report and the proposed better access to information (BOPA) report are excellent. Please see Attachment 1 and Attachment 2.

The proposed audit report does not detail the computer program used to examine candidates' compliance with the department's understanding of the exam site availability.

The proposed audit report also does not detail the computer program used to examine candidates' compliance with the department's understanding of the exam site availability.

Moreover, Alaska is currently providing national exams which are being given at the same time. We would suggest that facing CPA exam candidates will be a challenge. The fact that some nationally recognized exams may also be given at the same time to candidates who must travel to the one Alaska exam site in Alaska poses a professional development challenge. We would suggest that the department consider other alternatives to other candidates would be to be approved.

In our understanding the BOPA continues to work with ACPA, NASBA and Prometric to establish an additional testing site in Fairbanks. In fact, the BOPA is relatively certain it has secured a testing site in Fairbanks that meets the security requirements of the testing service.

P.O. Box 110800, Juneau, Alaska 99811-0800

Telephone: 907-465-2500 Fax: 907-465-5112 Text Telephone: 907-465-5111

Email: questions@commerce.state.ak.us Website: <http://www.commerce.state.ak.us>

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Steven R. Tarola, CPA
P.O. Box 2074, Homer, Alaska 99603
907-235-3610 (Home/Fax) 907-399-3393 (Cell Phone) starola@xyz.net (E-mail)

December 21, 2004

Pat Davidson, CPA, Legislative Auditor
Division of Legislative Audit
Alaska State Legislature
P.O. Box 113300
Juneau, Alaska 99811-3300

Dear Ms. Davidson:

Thank you for giving me the chance to respond to the Preliminary Report of the Sunset Review of the Department of Commerce, Community, and Economic Development, Board of Public Accountancy, October 25, 2004.

I am pleased to see that you are recommending that the termination date for the Board of Public Accountancy (BOPA) should be extended. I concur with your findings and recommendation regarding the Uniform Certified Public Accountant Examination (CPA Exam) as well as the rest of the Report.


It is unfortunate that the change to the computerized CPA Exam restricted access and increased expense for rural applicants in Alaska. There are, however, new rules under the computerized exam which provide some significant benefits to applicants. These are as follows:

- Applicants no longer have to take all un-passed sections of the exam each time they sit, which saves exam re-take costs and allows them to concentrate on individual sections.
- Applicants are able to condition (keep) any single passed exam section rather than having to initially pass two sections in order to condition under the written exam.
- Pass rates have increased dramatically under the computerized exam, which allows some applicants to save costs by not having to sit for the exam as many times as required under the written exam

- Applicants now have flexibility to schedule the timing of the exam to fit their situation, while under the written exam the test was given only twice a year on specific dates.
- Applicants may take the exam at any testing center they chose in the United States, Guam, Puerto Rico, or the U.S. Virgin Islands.
- Applicants are able to take the exam in a medium they are familiar with rather than paper and pencil.

Please let me know if you have any questions.

Respectfully yours,


Steven R. Tarola, Chair
Alaska Board of Public Accountancy

HB

81

SENATE COMMITTEE REPORT

DATE: 3/18/05

FURTHER: Judiciary

DATE TURNED
IN TO OFFICE: _____

Labor and Commerce Committee considered CS FOR HOUSE BILL NO. 81(L&C)

HB 81 CONTRACTOR LICENSE ENFORCEMENT

An Act establishing an administrative fine and procedure for construction contractors in certain circumstances; increasing the amount of a civil penalty for persons acting in the capacity of contractors or some inspectors; modifying the elements of a crime involving contractor registration and residential contractors; modifying the exemptions from regulation under AS 08.18 for contractors; and exempting the administrative hearings for imposing an administrative fine on construction contractors from the hearings conducted by the office of administrative hearings in the Department of Administration."

and recommends:

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

CS Senate Bill:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	New Title
SCS House Bill:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	Do PASS	Do NOT PASS	No REC	AMEND
<i>Bettye Davis</i>			X	
<i>John Jones</i>	X			
<i>Ralph Jenkins</i>				
<i>Ben ...</i>				
CHAIR: <i>C. Brando</i>				

24-LS0144L
Mischel
4/18/05

**SENATE CS FOR CS FOR HOUSE BILL NO. 81(L&C)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FOURTH LEGISLATURE - FIRST SESSION**

BY THE SENATE LABOR AND COMMERCE COMMITTEE

**Offered:
Referred:**

Sponsor(s): REPRESENTATIVES ANDERSON, Crawford

A BILL

FOR AN ACT ENTITLED

1 "An Act establishing an administrative fine and procedure for construction contractors
2 in certain circumstances; increasing the amount of a civil penalty for persons acting in
3 the capacity of contractors or home inspectors; modifying the elements of a crime
4 involving contractor registration and residential contractors; modifying the exemptions
5 from regulation under AS 08.18 for contractors; and exempting the administrative
6 hearings for imposing an administrative fine on construction contractors from the
7 hearings conducted by the office of administrative hearings in the Department of
8 Administration."

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

10 * Section 1. AS 8.18.117 is amended to read:

11 **Sec. 08.18.117. Issuance of citations. Except as provided in AS 08.18.125,**
12 **either [EITHER] the Department of Commerce, Community, and Economic**

1 Development or the Department of Labor and Workforce Development may issue a
2 citation for a violation if there is probable cause to believe a person has violated this
3 chapter with respect to contractor activities. The Department of Commerce,
4 Community, and Economic Development may issue a citation for a violation if there is
5 probable cause to believe a person has violated this chapter with respect to home
6 inspection activities. Each day a violation continues after a citation for the violation
7 has been issued constitutes a separate violation.

8 * **Sec. 2.** AS 08.18 is amended by adding a new section to read:

9 **Sec. 08.18.125. Administrative fine and procedure.** (a) Notwithstanding
10 any other remedy available under this chapter and except as provided in (e) of this
11 section, the department may impose an administrative fine of not more than \$1,000 for
12 the first violation and not more than \$1,500 for a second or subsequent violation of
13 either AS 08.18.011 or 08.18.025.

14 (b) The department shall issue a written notice of an administrative fine
15 imposed under (a) of this section, together with a statement of the reason for the fine, a
16 copy of the applicable procedures, and notice of an opportunity to request a hearing,
17 including the contact information for making the request, within 30 days after the date
18 of the notice of the fine.

19 (c) If a person who is issued a notice of an administrative fine under (b) of this
20 section fails to request a hearing within 30 days after the date of the notice, the right to
21 a hearing is waived and the administrative fine is not subject to judicial review. A
22 hearing request must be in writing and must clearly state the issues to be raised at the
23 hearing. The department shall schedule a hearing before a hearing officer not earlier
24 than 10 days after receiving the request for a hearing.

25 (d) A decision of a hearing officer under this section is a final administrative
26 decision subject to review by a superior court under AS 44.62 (Administrative
27 Procedure Act).

28 (e) The department may not impose an administrative fine on a person who is
29 acting as a contractor or home inspector in an area with a population of 1,000 or less
30 that is not connected by road or rail to Anchorage or Fairbanks.

31 * **Sec. 3.** AS 08.18.131 is amended to read:

1 **Sec. 08.18.131. Injunction; civil penalty.** In an action instituted in the
2 superior court by the Department of Commerce, Community, and Economic
3 Development or the Department of Labor and Workforce Development, the court may
4 enjoin a person from acting in the capacity of a contractor in violation of this chapter.
5 In an action instituted in the superior court by the Department of Commerce,
6 Community, and Economic Development, the court may enjoin a person from acting
7 in the capacity of a home inspector in violation of this chapter. In addition to other
8 relief, the court may impose a civil penalty of not more than \$1,000 [\$250] for each
9 violation. Each day that an unlawful act continues constitutes a separate violation.

10 * **Sec. 4.** AS 08.18.141 is repealed and reenacted to read:

11 **Sec. 08.18.141. Violations.** (a) A contractor or a person acting in the
12 capacity of a contractor is guilty of a class B misdemeanor if the person

13 (1) knowingly violates AS 08.18.011 or 08.18.025; and

14 (2) has been previously

15 (A) convicted of violating AS 08.18.011 or 08.18.025;

16 (B) found guilty of a violation under AS 08.18.117 if the
17 violation involved AS 08.18.011 or 08.18.025; or

18 (C) fined under AS 08.18.125.

19 (b) A contractor or a person acting in the capacity of a contractor who violates
20 a provision of this chapter, other than a violation under (a) of this section, is guilty of a
21 violation punishable under AS 12.

22 (c) Criminal prosecution for a violation of this chapter does not preclude the
23 Department of Commerce, Community, and Economic Development or the
24 Department of Labor and Workforce Development from seeking available civil or
25 administrative remedies

26 * **Sec. 5.** AS 08.18.161 is amended to read:

27 **Sec. 08.18.161. Exemptions.** To the extent that this chapter governs
28 contractors, this chapter does not apply to

29 (1) an authorized representative of the United States government, the
30 State of Alaska, or a political subdivision or agency of the state;

31 (2) an officer of a court when acting within the scope of office:

1 (3) a public utility operating under the regulations of the public service
2 commission in construction, maintenance, or development work incidental to its own
3 business;

4 (4) a construction, repair, or operation incidental to the discovering or
5 producing of petroleum or gas, or the drilling, testing, abandoning, or other operation
6 of a petroleum or gas well or a surface or underground mine or mineral deposit when
7 performed by an owner or lessee;

8 (5) the sale or installation of finished products, materials, or articles of
9 merchandise that are not actually fabricated into and do not become a permanent,
10 fixed part of a structure;

11 (6) construction, alteration, or repair of personal property;

12 (7) a person who only furnished materials, supplies, or equipment
13 without fabricating them into, or consuming them in the performance of, the work of
14 the contractor;

15 (8) work on one project under one or more contracts, the aggregate
16 contract price of which for labor and materials and all other items is less than \$5,000;
17 this exemption does not apply when the work is only a part of a larger or major
18 operation, whether undertaken by the same or a different contractor, or when the work
19 is divided into contracts of amounts less than \$5,000 for the purpose of evasion of this
20 chapter or otherwise; this exemption does not apply to a person who advertises or puts
21 out a sign or card or other device that might indicate to the public that the person is a
22 contractor, or that the person is qualified to engage in the contracting business; a
23 contractor who performs work priced at \$2,500 or more, under this exemption, shall
24 nevertheless keep in force public liability and property damage insurance with
25 coverage in at least the amounts set out in AS 08.18.101;

26 (9) an owner who contracts for a project with a registered contractor;

27 (10) a person working on that person's own property, whether occupied
28 by the person or not, and a person working on that person's own residence, whether
29 owned by the person or not;

30 (11) an owner or tenant of commercial property who uses the owner's
31 or tenant's own employees to do maintenance, repair, and alteration work upon that

1 property:

2 (12) an owner who acts as the owner's own contractor and in doing so
3 hires workers on an hourly basis, hires subcontractors, purchases materials and, as
4 such, sees to the paying for all labor, subcontractors, and materials; in this case, the
5 owner shall be limited to construction of one home, duplex, triplex, four-plex, or one
6 commercial building every two years [A YEAR]

7 (13) a person performing construction work incidental to farming,
8 dairying, agriculture, horticulture, stock or poultry raising, mining, logging, fishing,
9 clearing, or other work upon the land in rural districts for fire prevention purposes, or
10 access road building, unless the person is a licensee.

11 * Sec. 6. AS 44.64.030(a)(6) is amended to read:

12 (6) AS 08 (occupational licensing), other than AS 08.08,
13 AS 08.18.125, and AS 08.62.046;

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

16 APPLICABILITY. (a) AS 08.18.125, 08.18.131, and 08.18.141, as added or
17 amended by secs. 2 - 4 of this Act, apply to a violation occurring on or after the effective date
18 of this Act. However, for the purposes of AS 08.18.141, a previous conviction or fine may
19 have occurred before, on, or after the effective date of this Act.

20 (b) AS 08.18.161(12), as amended by sec. 5 of this Act, applies to contract work
21 begun on or after the effective date of this Act.

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

24 REVISOR'S INSTRUCTION. The amendment to AS 44.64.030(a)(6) by sec. 6 of this
25 Act is to be reconciled with secs. 82 and 96, ch. 163, SLA 2004, so that both are given effect.

Suzanne Mullen

From: Thomas H. Smith [tsmith@northcountrybuilders.com]
Sent: Thursday, April 07, 2005 11:36 AM
To: Sen. Ralph Seekins; Sen. Johnny Ellis; Sen. Con Bunde; Sen. Bettye Davis; Sen. Ben Stevens
Cc: John Bitney
Subject: HB 81

Dear Senators,

Please give HB 81 due consideration. I am a builder in the Mat-Su Valley. We have had an epidemic of unlicensed builders here that advertise and build. In the subdivision I live in, I have received numerous calls from homeowners who want me to come look at the house they just bought from an unlicensed builder. The things I am seeing are usually not major problems but they are always surprised to learn that you can build a home and sell it without being licensed, bonded and insured.

There are no controls in place to monitor the 1 per year house and I believe this is greatly abused. It makes all legal builders look bad in the eyes of the public. There have been numerous articles in the local paper about poor construction and the ability of the public to be protected from unlicensed builders.

I do not believe that these unlicensed builders have greatly effected my business but we have seen a rash of them recently. I believe that with cost of liability insurance and workers comp going up rapidly that these kinds of people will look more appealing to the public without knowing the consequences.

Thank you for your time.

Thomas H Smith
North Country Builders of AK, LLC
PO Box 871902
Wasilla, AK 99687
(907)373-7060

Alaska State Public Opinion Message System:

Sen. Con Bunde's office

Poms about HB 81

Save all poms about HB 81 or Delete all poms about HB 81

Sort poms by: District or Date or Last Name

Supporters of HB 81

Save all or Delete all

Opposers of HB 81

Save all or Delete all

About HB 81

On 3/28/2005 Matthew Erickson of Fairbanks (Dist 09) wrote:

This bill wastes time. Budget more money to prosecute. Do not make it easier to fine citizens without due process. The public is not being served by it. Please.. serve the people's interest. Avoid making new laws unless it serves the greater good, not the good of some greaters. Thank you.
Save this pom or Delete this pom

On 4/4/2005 Sharon Dalton of Delta Junction (Dist 12) wrote:

Free enterprise is based upon individual economic initiative. It stresses private, NOT GOVERNMENTAL economic decisions! This country was founded on free enterprise and is now declining rapidly because of socialism. This bill only stifles private business. Let the buyer beware; give the "little" guy the chance he is entitled to.
Save this pom or Delete this pom

On 4/7/2005 Patrick Dalton of Delta Junction (Dist 12) wrote:

Hundreds of handymen

around the state of Alaska are not aware of HB 81! I only found out after it already passed the House! It will strip hundreds of carpenters of the right to work. Many of these can not afford contractor licenses, but must work. Find a better solution!

[Save this pom](#) or [Delete this pom](#)

On 4/7/2005 James Weidner of Fairbanks (Dist 07) wrote:

I oppose this legislation because it disrupts the free enterprise system & increases the cost of living for people who have very limited resources & cannot afford unionized \$60 & \$70 hour labor. Also, the local general contractors around here don't want to do small jobs because they can't make enough money.

[Save this pom](#) or [Delete this pom](#)

On 4/7/2005 Judy Steele of Fairbanks (Dist 09) wrote:

I don't agree with this bill - HB 81. Please vote no.

[Save this pom](#) or [Delete this pom](#)

On 4/7/2005 Gloria Desrochers of Fairbanks (Dist 09) wrote:

HB81 is just another law to limit our freedoms especially for the little guy & the consumers of lower income, creating a monopoly benefitting the bigger contractors; creating financial burdens unnecessarily for both consumer & handyman. It doesn't guarantee competence or safety. Vote absolutely no.

[Save this pom](#) or [Delete this pom](#)

On 4/7/2005 Craig Loudon of

Fairbanks (Dist 07) wrote:

HB 81 modifies AS08.18.161(3) by lowering exemption to being a contractor from \$10K to \$5K. This will affect every small business and rental unit owner who does work him/herself to stay profitable. Please vote against this bill or amend this section. Save this pom or Delete this pom

On 4/8/2005 Ron Kovalik of Fairbanks (Dist 08) wrote:

This act does nothing to promote safety or quality construction. It only promotes, protects and perpetuates monopoly, artificially raises prices, stifles initiative and free enterprise. During the busy season you cannot hire a contractor. Your 'administrator' law excludes many qualified competent people who could contribute to our state. Save this pom or Delete this pom

[Go to Main Menu](#)

Suzanne Mullen

From: cloudon@alaska.com
Sent: Thursday, April 07, 2005 2:41 PM
To: Sen. Con Bunde
Subject: HB81NEEDS IMPROVEMENT

Email For: Senator Con Bunde
From: cloudon@alaska.com
Name: Craig Loudon
Street: 1095 Steel Creek Road
City: Fairbanks
Zip Code: 99710

Subject: HB81NEEDS IMPROVEMENT

Was wondering if you were aware of certain changes to AS 08.18.161 (8) \"Exemptions\" that are contained in HB 81. HB81 has passed the House and is now in the Senate. In 08.18.161(8), the exemption limit for a person who may want to contract labor and buy his own materials is lowered from \$10,000 to \$5,000. I and a lot of others have a problem with this as it will impact us as landlords and small business owners.

As an example, this past year I hired several laborers, rented equipment, and bought materials to construct an arctic-designed skirting around a large 4 plex. The aggregate cost of that was in the \$7,800 range. The work was completed and I enjoyed lower heating bills and no freeze ups as a result. Under the changes to this bill, I will have to hire a contractor to do the work if I were to do a similar project. Prior to starting the work, I had several contractors bid on it and guess what their bids were? About \$13K - which is why I decided to get it done myself.

In these times of increased costs for materials and the lack of available contractors and workers, it seems backwards to impose this change on the small businessmen and businesswomen who are just trying to keep a sliver of a profit margin going. It's inconceivable that I should be forced to go through a contractor to do many things I do myself at this time... hire workers to paint buildings, do yard work, lay carpet, do rental remodels and the like. \$5,000 doesn't go very far these days.

In closing, you'll have to compare the changes with HB 81 with existing AS 08.18.161(8) since this change wasn't identified by being underlined as all the other changes were. Why do you suppose that happened? This bill is NOT just about Contractor Enforcement as it title states and it doesn't protect the average citizen nor benefit the small businessperson whatsoever. Please, either amend this section or vote against this bill.

Sincerely,
Craig Loudon
255 Fairhill Road
Fairbanks, AK 99712
457-1625

http://www.legis.state.ak.us/basis/get_bill_text.asp?hsid=HB0081B&session=24



Alaska State Legislature

Re: HB 81

Please enter into the record my testimony to the Labor and Commerce
HB 81 committee name
committee on Labor and Commerce, dated 04-7-05
bill/ subject

It is my opinion that HB 81 is the wrong approach to solving a large problem. True, many home owners have been victims of slothful craftsmanship, sloppy carpenters, plumbers, electricians, etc have done poor work for hire and the homeowner suffered because of this. Likewise, many buyers have bought a poor product from a homeowner/builder.

you must, however, consider another side of the equation. Many small and independant craftsmen are unable to afford licensing and bonding. I know quite a few craftsmen who do superior work, yet struggle to survive through the long winter slump. When spring arrives and building season starts, they face a grim choice; Ignore the regulations and work without a contractors license or simply starve.

Please consider the impact your decision will have on the many people who need to work! We don't need to put enforcement teeth into a poor law or regulation!

It is quite common knowlege in the building industry, that many people are currently working unlicensed. There will be an acute shortage of labor in the small home building sector of our economy with this bill!

Many homeowners employ these people and the benefits are mutual. If the home owner is knowlegeable enough to act as his own general contractor it works fine.

I'd rather see home buyers or home builders (that are owners) educated in proper building construction. If they are ignorant of good building techniques, they should have a contractor.

Most ~~is~~ important, it is best if we keep our economy a "Free Market" economy. The state cannot and should not intrude into individual freedom. This would hurt Free enterprize.

Signed: Patrick Anthony Patton

Testifier
Self

Representing (Optional)

PO Box 1413 Delta Junction AK 99737

Address
895-5011

Phone No.

MIKE PRAY
IS CONCERNED WITH
UNDELINED PORTIONS:

24-LS0144V

CS FOR HOUSE BILL NO. 81(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - FIRST SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

Offered: 2/2/05

Referred: Judiciary, Finance

Sponsor(s): REPRESENTATIVES ANDERSON, Crawford

A BILL

FOR AN ACT ENTITLED

1 "An Act establishing an administrative fine and procedure for construction contractors
2 in certain circumstances; increasing the amount of a civil penalty for persons acting in
3 the capacity of contractors or home inspectors; modifying the elements of a crime
4 involving contractor registration and residential contractors; modifying the exemptions
5 from regulation under AS 08.18 for contractors; and exempting the administrative
6 hearings for imposing an administrative fine on construction contractors from the
7 hearings conducted by the office of administrative hearings in the Department of
8 Administration."

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

10 * Section 1. AS 08.18.117 is amended to read:

11 Sec. 08.18.117. Issuance of citations. Except as provided in AS 08.18.125,

12 either [EITHER] the Department of Commerce, Community, and Economic

*This needs to be changed
deleted*

Development or the Department of Labor and Workforce Development may issue a citation for a violation if there is probable cause to believe a person has violated this chapter with respect to contractor activities. The Department of Commerce, Community, and Economic Development may issue a citation for a violation if there is probable cause to believe a person has violated this chapter with respect to home inspection activities. Each day a violation continues after a citation for the violation has been issued constitutes a separate violation.

* Sec. 2. AS 08.18 is amended by adding a new section to read:

This is a wopping fine.

Sec. 08.18.125. Administrative fine and procedure. (a) Notwithstanding any other remedy available under this chapter and except as provided in (e) of this section, the department may impose an administrative fine of not more than \$1,000 for the first violation and not more than \$1,500 for a second or subsequent violation of either AS 08.18.011 or 08.18.025.

Amended

(b) The department shall issue a written notice of an administrative fine imposed under (a) of this section, together with a statement of the reason for the fine, a copy of the applicable procedures, and notice of an opportunity to request a hearing, including the contact information for making the request, within 30 days after the date of the notice of the fine.

(c) If a person who is issued a notice of an administrative fine under (b) of this section fails to request a hearing within 30 days after the date of the notice, the right to a hearing is waived and the administrative fine is not subject to judicial review. A hearing request must be in writing and must clearly state the issues to be raised at the hearing. The department shall schedule a hearing before a hearing officer not earlier than 10 days after receiving the request for a hearing.

(d) A decision of a hearing officer under this section is a final administrative decision subject to review by a superior court under AS 44.62 (Administrative Procedure Act).

(e) The department may not impose an administrative fine on a person who is acting as a contractor or home inspector in an area with a population of 1,000 or less that is not connected by road or rail to Anchorage or Fairbanks.

* Sec. 3. AS 08.18.131 is amended to read:

1 **Sec. 08.18.131. Injunction; civil penalty.** In an action instituted in the
 2 superior court by the Department of Commerce, Community, and Economic
 3 Development or the Department of Labor and Workforce Development, the court may
 4 enjoin a person from acting in the capacity of a contractor in violation of this chapter.
 5 In an action instituted in the superior court by the Department of Commerce,
 6 Community, and Economic Development, the court may enjoin a person from acting
 7 in the capacity of a ~~home inspector~~ in violation of this chapter. In addition to other
 8 relief, the court may impose a civil penalty of not more than \$1,000 [\$250] for each
 9 violation. Each day that an unlawful act continues constitutes a separate violation.

10 * **Sec. 4.** AS 08.18.141 is repealed and reenacted to read:

11 **Sec. 08.18.141. Violations.** (a) A contractor or a person acting in the
 12 capacity of a contractor is guilty of a class B misdemeanor if the person

13 (1) knowingly violates AS 08.18.011 or 08.18.025; and

14 (2) has been previously

15 (A) convicted of violating AS 08.18.011 or 08.18.025;

16 (B) found guilty of a violation under AS 08.18.117 if the
 17 violation involved AS 08.18.011 or 08.18.025; or

18 (C) fined under AS 08.18.125.

19 (b) A contractor or a person acting in the capacity of a contractor who violates
 20 a provision of this chapter, other than a violation under (a) of this section, is guilty of a
 21 violation punishable under AS 12.

22 (c) Criminal prosecution for a violation of this chapter does not preclude the
 23 Department of Commerce, Community, and Economic Development or the
 24 Department of Labor and Workforce Development from seeking available civil or
 25 administrative remedies.

26 * **Sec. 5.** AS 08.18.161 is amended to read:

27 **Sec. 08.18.161. Exemptions.** To the extent that this chapter governs
 28 contractors, this chapter does not apply to

29 (1) an authorized representative of the United States government, the
 30 State of Alaska, or a political subdivision or agency of the state;

31 (2) an officer of a court when acting within the scope of office;

1 (3) a public utility operating under the regulations of the public service
2 commission in construction, maintenance, or development work incidental to its own
3 business;

4 (4) a construction, repair, or operation incidental to the discovering or
5 producing of petroleum or gas, or the drilling, testing, abandoning, or other operation
6 of a petroleum or gas well or a surface or underground mine or mineral deposit when
7 performed by an owner or lessee;

8 (5) the sale or installation of finished products, materials, or articles of
9 merchandise that are not actually fabricated into and do not become a permanent
10 fixed part of a structure;

11 (6) construction, alteration, or repair of personal property;

12 (7) a person who only furnished materials, supplies, or equipment
13 without fabricating them into, or consuming them in the performance of, the work of
14 the contractor;

15 (8) work on one project under one or more contracts, the aggregate
16 contract price of which for labor and materials and all other items is less than \$5,000;
17 this exemption does not apply when the work is only a part of a larger or major
18 operation, whether undertaken by the same or a different contractor, or when the work
19 is divided into contracts of amounts less than \$5,000 for the purpose of evasion of this
20 chapter or otherwise; this exemption does not apply to a person who advertises or puts
21 out a sign or card or other device that might indicate to the public that the person is a
22 contractor, or that the person is qualified to engage in the contracting business; a
23 contractor who performs work priced at \$2,500 or more, under this exemption, shall
24 nevertheless keep in force public liability and property damage insurance with
25 coverage in at least the amounts set out in AS 08.18.101;

26 (9) an owner who contracts for a project with a registered contractor;

27 (10) a person working on that person's own property, whether occupied
28 by the person or not, and a person working on that person's own residence, whether
29 owned by the person or not;

30 (11) an owner or tenant of commercial property who uses the owner's
31 or tenant's own employees to do maintenance, repair, and alteration work upon that

1 property;

2 (12) an owner who occupies the property after construction for not *more than*
 3 less than two consecutive years and acts as the owner's own contractor and in doing
 4 so hires workers on an hourly basis, hires subcontractors, purchases materials and, as
 5 such, sees to the paying for all labor, subcontractors, and materials; in this case, the
 6 owner shall be limited to construction of one home, duplex, triplex, four-plex, or one
 7 commercial building every two years; however, if the construction under this
 8 paragraph is for an improvement that is the owner's primary residence and the
 9 owner can demonstrate to the satisfaction of the department that the two-year
 10 occupancy requirement will cause undue hardship, the department may waive
 11 the occupancy requirement [A YEAR]; *i.e. proof him self innocent*

12 (13) a person performing construction work incidental to farming,
 13 dairying, agriculture, horticulture, stock or poultry raising, mining, logging, fishing,
 14 clearing, or other work upon the land in rural districts for fire prevention purposes, or
 15 access road building, unless the person is a licensee.

16 * Sec. 6. AS 44.64.030(a)(6) is amended to read:

17 (6) AS 08 (occupational licensing), other than AS 08.08,
 18 AS 08.18.125, and AS 08.62.046;

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

21 APPLICABILITY. (a) AS 08.18.125, 08.18.131, and 08.18.141, as added or
 22 amended by secs. 2 - 4 of this Act, apply to a violation occurring on or after the effective date
 23 of this Act. ~~However, for the purposes of AS 08.18.141, a previous conviction or fine may~~
 24 ~~have occurred before, on, or after the effective date of this Act.~~ *ex-post facto*

25 (b) AS 08.18.161(12), as amended by sec. 5 of this Act, applies to contract work
 26 begun on or after the effective date of this Act.

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

29 REVISOR'S INSTRUCTION. The amendment to AS 44.64.030(a)(6) by sec. 6 of this
 30 Act is to be reconciled with secs. 82 and 96, ch. 163, SLA 2004, so that both are given effect.

TODD LARKIN

~~and employee overhead. Your \$160,000 dollar home project would have around \$60,000 dollars in requirements and modest profit over the costs of labor and materials.~~

Some falsehoods:

- HEARD ON: [unclear] [unclear] [unclear] [unclear]
- HB81 will protect consumers. This is totally unfounded. The consumer who does not have the money to hire the fully licensed trade or general contractor will either complete projects on their own with no expertise at all or they will begin to hire totally unlicensed "under the table" labor that may have even greater disadvantages than the 8101 license holder.
 - HB81 will ensure that construction will not be performed by "unlicensed" or "improperly licensed" workers. This is flawed logic. Very few workers on a construction site are licensed but, they perform most of the work. What happens is that the general and subcontractors have the necessary licenses and insurance to allow their UNLICENSED employees to do the work. Now I ask you: what is the difference whether a general contractor has his unlicensed employee do the work or a self employed laborer? None, the general is liable for the work in both cases.
 - If homes and large projects are handled exclusively by general contractors, poor construction and consumer complaints will stop... Does anyone really believe that statement?
 - Competition from unlicensed contractors is hurting fully licensed contractors. This is false for two reasons. First, most contractors will admit that they have more work than can be finished and; second, the cost burdens of regulation and insurance are the real damaging factors, not competition.
 - Workman's compensation coverage is unavailable to some workers. May or may not be true but, is totally unrelated to HB81 and irrelevant.
 - This bill absolutely does not change any of the laws affecting "handymen." True but, deceiving because there are no handyman laws on the books at all.
 - The current route for enforcement will clog up the court systems. I cannot recall even one case that has made it to court so it must be false to suggest that current practices will clog the courts.

CORRECTION

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



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

1 property;

2 (12) an owner who occupies the property after construction for not *more than*
 3 less than two consecutive years and acts as the owner's own contractor and in doing
 4 so hires workers on an hourly basis, hires subcontractors, purchases materials and, as
 5 such, sees to the paying for all labor, subcontractors, and materials; in this case, the
 6 owner shall be ~~limited to construction of one home, duplex, triplex, four-plex, or one~~
 7 ~~commercial building every two years;~~ however, if the construction under this
 8 paragraph is for an improvement that is the owner's primary residence and the
 9 owner can demonstrate to the satisfaction of the department that the two-year
 10 occupancy requirement will cause undue hardship, the department may waive
 11 the occupancy requirement [A YEAR]; *is proof him self innocent*

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 22 amended by secs. 2 - 4 of this Act, apply to a violation occurring on or after the effective date
 23 of this Act. ~~However, for the purposes of AS 08.18.141, a previous conviction or fine may~~
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 30 Act is to be reconciled with secs. 82 and 96, ch. 163, SLA 2004, so that both are given effect.

THE TWO OTHER
ASSIGNMENTS
MENTIONED BY
MIKE PRAX

- Hold the bill in committee until you the proponents can demonstrate that there is clear and convincing evidence that consumers are being harmed by those who this bill attempts to regulate.
- ② That ^{the proper} the market and civil law cannot address
- ③ That that harm rises to the level of significance that justifies ~~the~~ state intervention that deprives us of our right to contract with our neighbors, and
- ④ That the benefits of the legislation to the ^{weaken} ~~weaken~~ of all citizens outweighs the cost of ^{an additional} ~~an additional~~ ~~regulation~~ ~~of the~~ ~~structure~~ ~~to~~ market.

Mr Chairman, the sponsor of HB 81 claims that this bill closes a loophole in current law. I am concerned that the house pass the bill in haste because they focused on the nose instead of the loop.

What is the loop?

The loop is a nose of onerous state laws and regulations that are strangling the citizens of the state of Alaska.

This bill tightens the nose.

As stated in the bill the state can already issue citations based on probable cause. The bill gives them additional authority to levy onerous fines of \$1000 dollars based only on probable cause and leave the citizen to face complicated administrative procedures to prove himself innocent. The citizen is even deprived of the right to judicial review if he ~~cannot~~ ~~cannot~~ cannot comply.

TODD WARKIN

~~and employee overhead. Your \$160,000 dollar home project would have around \$60,000 dollars in requirements and modest profit over the costs of labor and materials.~~

Some falsehoods:

- 51
- HB81 will protect consumers. This is totally unfounded. The consumer who does not have the money to hire the fully licensed trade or general contractor will either complete projects on their own with no expertise at all or they will begin to hire totally unlicensed "under the table" labor that may have even greater disadvantages than the 3101 license holder.
 - HB81 will ensure that construction will not be performed by "unlicensed" or "improperly licensed" workers. This is flawed logic. Very few workers on a construction site are licensed but, they perform most of the work. What happens is that the general and subcontractors have the necessary licenses and insurance to allow their UNLICENSED employees to do the work. Now I ask you: what is the difference whether a general contractor has his unlicensed employee do the work or a self employed laborer? None, the general is liable for the work in both cases.
 - If homes and large projects are handled exclusively by general contractors, poor construction and consumer complaints will stop... Does anyone really believe that statement?
 - Competition from unlicensed contractors is hurting fully licensed contractors. This is false for two reasons. First, most contractors will admit that they have more work than can be finished and; second, the cost burdens of regulation and insurance are the real damaging factors, not competition.
 - Workman's compensation coverage is unavailable to some workers. May or may not be true but, is totally unrelated to HB81 and irrelevant.
 - This bill absolutely does not change any of the laws affecting "handymen." True but, deceiving because there are no handyman laws on the books at all.
 - The current route for enforcement will clog up the court systems. I cannot recall even one case that has made it to court so it must be false to suggest that current practices will clog the courts.

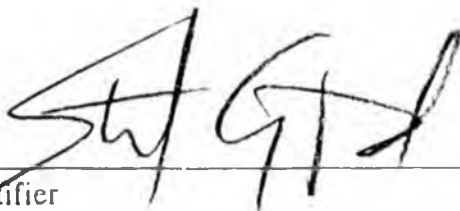


ALASKA STATE LEGISLATURE

Please enter into the record my testimony to the Senate Labor + Commerce
 Committee on HB 81 (Handyman) Committee Name Dated 4/7/05
Bill / Subject

The way this bill restricts
 the ability of private individuals
 to be SELF-employed is DEPLORABLE.
 Please REMOVE this bill's feeding
 tube. Give it a merciful death.

SIGNED:

 Steve Floyd
Testifier

Representing

921 Cowles Street 458-0495
Address / Phone Number

I am speaking today for Roger L. Hansen. Roger is a 100% disabled Veteran who owns several rental units. The income from these units affords Mr. Hansen the opportunity to continue living in Alaska. As a disabled veteran on a fixed income, he will not be able to afford the increased cost of using a general contractor.

Under HB 81, he would be forced to try and hire a general contractor to handle some of the more extensive repairs that previously had been taken care of by a "handyman" or more appropriately an 8101 licensed worker.

And what of the construction or maintenance project estimated to be under \$5,000.00 that turns into a much bigger project once construction begins due to unforeseen structural or weather damage. Is the project to be left unfinished until a general contractor can be found to complete it?

Quite frankly, what we see happening is more and more consumers being forced to compete for the attention and business of a few general contractors who have in the past ignored the smaller construction and home repair or renovation projects. With the outcome being that more home owners and property owners such as Mr. Hansen will have to take a long hard look at the cost involved of continuing to maintain existing property versus selling the property and leaving the State in order to live.

It appears that HB 81 is a poorly written piece of legislation with very little thought given to the outcome, consequences and burdens that this proposed Bill places on those in the State who live on the Road system, who are on a fixed income and who utilize extensively the 8101 licensees.

Roger L. Hansen
RB [Signature]

I am basically opposed to the passage of HB Nr 81

Roger C. Burggrat
830 Sheep Creek Rd
Fairbanks, AK 99709-6130

Suggested changes to HB Nr. 81 if the Senate feels it is absolutely necessary to pass the bill.

1. the language that speaks to advertising on page 4, line 21 needs to be more specific. It should only allow for a violation when the advertising: "clearly indicates to the public that the person is a construction contractor, home builder or specialty trade contractor..." other than handyman or general labor Svc.,
2. Labor/handyman svcs should be allowed to perform under ~~\$5000~~ \$10,000 dollars of work for "different" licensed contractors or owner builders. This practice is precluded on page 4, line 18. The words "[whether]" and "[or a different]" should be removed. The remaining sentence would ensure that an "independent laborer" could not simply break up the same job into \$5000 dollar chunks and skirt the law.
3. The proposed occupancy requirement at the top of page 5 should be abandoned altogether. It is amazing that an Alaskan owner builder should be forced to ask the department of labor for permission to sell their home! The entire idea of limiting how often a person can better their financial status by sweat equity, is borderline communist. And totally anti-Alaskan.
4. The proposed occupancy requirement at the top of page 5 must at least be expanded to allow a second option. A 3 year ownership and rental history should satisfy it or... maybe ownership alone would meet the goal. I pick three years for an important reason. less time is not long enough for serious construction flaws to surface and more years would simply be burdensome since the requirement is already unnecessary.

Increase
to → \$10,000

5. Page 2, paragraphs b) and c) are very troubling. These fines are just like traffic tickets (but way bigger). They should be challengeable in court before a magistrate just like traffic tickets. We do not need to create new government positions and legal recourse should not be delayed, regardless. If the department has proof of wrongdoing then they can present it to the lower court and the inspector who issued the ticket should have to appear. This satisfies the stated intent of not having to rely on the department of law or the AG's office. The references to "administrative hearings" should be deleted and replaced with district court language. No "administrative hearings"!
6. A statutory warranty should be created. Let the builders write it and then put it in statute. Everyone lives under the same warranty language so no one can claim that the requirements are unfair. This might actually protect consumers if that is a real goal.
7. Jobs valued at under \$5000 dollars for labor AND MATERIALS, do not support or justify an insurance policy. If they did, then the "licensed and insured" tradesmen contractors would be accepting those small jobs. Most are not bidding or accepting these small jobs. Therefore, the language requiring insurance over \$2500 on page 4 lines 23-25 should be deleted.

These are the main changes that should be made for now. Some are changes to existing law so that when the new enforcement actions are approved, regular folks and independent labor won't be criminals.

Suzanne Mullen

From: Rita Hamilton [GGRita@gci.net]
Sent: Wednesday, April 06, 2005 1:41 PM
To: Sen. Johnny Ellis; Senator_Ben_Stevenms@legis.state.ak.us; Sen. Con Bunde
Subject: HB81

Dear Senator,

I am contacting you to ask for your support of HB81 when it comes before the Senate Labor & commerce Committee. HB81 does NOT amend any laws relating to handyman services but does give the State enforcement authority to assess civil fines for violations of laws related to licensing of contractors.

Thank you for your consideration of my request.

Rita Hamilton
Immediate Past President
Alaska State Home Building Association

4/6/2005

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: **HB081-DOLWD-MI-1-20-05**
() Publish Date: _____

Revision Date/Time (Note if correction): _____
Title: **Contractor License Enforcement**

Department: **Labor and Workforce Development**
RDU: **Labor Standards and Safety**
Component: **Mechanical Inspection**

Sponsor: **Representative Anderson**
Requester: **House Labor and Commerce**

Component Number: **346**

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

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

FUND SOURCE (Thousands of Dollars)

*002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Worker Safety Account)						
Other (Worker Safety Account)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2005) cost: None

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill proposes to establish a civil administrative fine to allow for an alternative to the current criminal penalty for contractor licensing violations. Criminal penalties are difficult to pursue for contractor licensing violations. The standard of proof and the formality required in the investigation process are much higher in a criminal case and the District Attorney must agree to pursue the case to achieve a penalty. When weighed against other criminal violations competing for the District Attorney's time, licensing violations are generally a low priority and may not be prosecuted. The administrative civil fine is expected to provide a more efficient means of enforcement. The fiscal impacts of the administrative fine and hearing process are not expected to be significant and will be absorbed at current funding levels. The administrative fines are expected to produce unrestricted General Fund revenues. The specific amount of revenue cannot be accurately estimated.

Prepared by: Grey Mitchell, Director
Division: Labor Standards and Safety
Approved by: Greg O'Claray, Commissioner
Agency: Department of Labor and Workforce Development

Phone: (907) 465-4855
Date/Time: 1/20/05 1:23 PM
Date: 1/20/2005

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 81
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Commerce
 Title Contractor License Enforcement RDU Occupational Licensing (117)
 Component Occupational Licensing
 Sponsor Anderson
 Requester House Labor and Commerce Component No. 2360

Expenditures/Revenues (Thousands of Dollars)
 Note: Amounts do not include inflation unless otherwise noted below.

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

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

CHANGE IN REVENUES ()	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 (FY2005) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

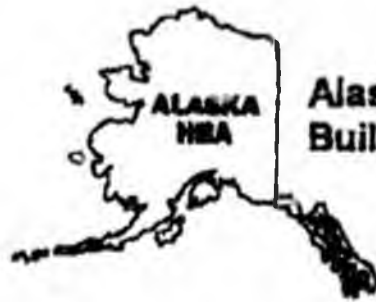
POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

HB 81 establishes an administrative fine and procedure for construction contractors in certain circumstances. New funds are not required to implement this bill.

Prepared by: Jennifer Strickler, Administrative Manager Phone (907) 465-2144
 Division Occupational Licensing Date/Time 1/21/05 2:31 PM
 Approved by: Edgar Blatchford, Commissioner Date 1/21/2005
 Agency Commerce, Community & Economic Development



**Alaska State Home
Building Association**

6301 Schoon, Ste 200
Anchorage, Alaska 99518

A Resolution of the Alaska State Homebuilding Association (ASHBA) in Support of legislation to issue civil penalties against first-time violations by unregistered construction contractors

WHEREAS the Division of Occupational Licensing reports that there are over 1,600 business licenses for construction contractors who are not registered to perform construction projects over \$5,000; and

WHEREAS unregistered contractors are not required by state law to obtain general liability insurance or meet educational standards that are required for registered contractors; and

WHEREAS many builders and consumers have reported incidences where unregistered contractors are offering construction services in violation of state law; and

WHEREAS prosecution of violations by unregistered must done by the Department of Law through criminal procedures under current law; and

WHEREAS the Department of Law often gives a low priority to prosecuting these types of violations in consideration of budget restraints and the pursuit of more serious criminal violations; and

WHEREAS enforcement officers within the Department of Labor and/or the Department of Community & Economic Development could be given the authority to issue a civil penalty against first-time violations of construction contract laws;

BE IT THEREFORE RESOLVED that the ASHBA supports legislation to allow enforcement officers within the Department of Labor and/or the Department of Community & Economic Development to have the authority to issue civil penalties for first-time violations of construction contract laws by unregistered contractors, and

BE IT FURTHER RESOLVED that the ASHBA Board of Directors requests the Alaska Legislature to sponsor and pass such legislation during the 2005 Legislative Session.

Adopted, this the 28th day of October 2004.

Signed:

R. F. Hamilton
President

Attest:

[Signature]
Past President

FACT SHEET FOR HB81

Submitted by Todd Larkin

First point of understanding: The term "handyman license" is a myth; a nickname given to the 8101 license category. The 8101 license is for "unclassified services" and is more truly described as an independent laborers license. It was originally referred to as an "unclassified specialty contractor" and allowed a laborer to contract his/her personal labor out to various customers from home owners to general contractors to landlords and so on. The nickname, however, has been taken literally and now the legislature is trying to create the handyman while putting independent labor out of business.

Second point of understanding: most of the problems with HB81 relate to the proposed enforcement of what is already prohibited in law. Most consumers and license holder were never aware that their daily practices were in violation of law because the law lacked enforcement. Since HB81 seeks to enforce very poorly written law with unreasonable methods, the underlying law must now be addressed.

Now onto the bill basics:

- Sponsored by Representative Tom Anderson of Anchorage along with Representative Harry Crawford (Democrat). *Despite winning the house by 36 to 2 votes, it has picked up no other sponsors.*
- Bill was brought at the urging of HBA Department of Labor and likely other interests.
- Bill seeks to enforce current (poorly written) law by switching the burden of proof to the accused and levying a \$1000-\$1500 dollar daily fine on workers in the \$20per hr - \$45per hr pay range.
- Gives new ticketing/prosecution powers to the department of Labor and the department of economic development.
- Delays citizen access to the state courts
- Further regulates home inspections and subjects the inspectors to fines in specific circumstances. *Compliance will likely lead to higher costs.*
- Creates a statutory occupancy requirement where none existed. (fines apply)
- The proposed occupancy requirements start AFTER the completion. If you lived in a house for 5 years while building and finished, you would need to wait 2 more years before selling. (fines apply)
- Extends the time between owner builder projects from 1 year to 2 years and six months in practice.
- Regulates every state citizen except registered contractors.
- Prohibits owner builders from building a house in all but, one circumstance i.e. you must live in the home for two years and only hire certain professionals if help is desired. (fines apply)
- If the citizen wants to sell a home early they must seek permission from Department of labor. (fines apply)
- If you or a fully licensed and insured contractor engaged in any project worth over \$5000 dollars, an "8101" license holder is prohibited from doing even \$1 dollar worth of work for you. (this is in the existing law that HB81 seeks to enforce. It is the "poorly written" section I previously mentioned). (fines apply)
- potentially raises building costs approximately 40% for the consumer that had intended to take on the project without a general contractor.
- revises and increases criminal penalty for building to a class B Misdemeanor (see attached statutes).

A few unstated results:

- One unstated result of this bill is reduced available labor by prohibiting (8101) workers from assisting in major repair or construction.
- Another unstated result of HB81 is raising costs to consumers (substantially) i.e. if I (an 8101 licensee) were to fully comply, my rates (currently \$30 per hr) would probably move up to \$45 per hour or if an owner builder were forced to hire a General contractor, a \$100,000 dollar project would quickly move to \$140,000 dollars (round numbers)
- Another unstated result of HB81 is to remove the existing financial incentive for building a house without a general contractor. These savings sometimes mean the difference between building and owning a home or continuing to rent.
- Another unstated result of HB81 is to raise housing costs statewide by limiting building activity to the most expensive method available. That method is fully licensed insured and bonded general contractors. They are not the most expensive because of greed but, because of the costs of workers compensation, general liability, performance bonding and employee overhead. Your \$160,000 dollar home project would have around \$60,000 dollars in requirements and modest profit over the costs of labor and materials.

Some falsehoods:

- HB81 will protect consumers. This is totally unfounded. The consumer who does not have the money to hire the fully licensed trade or general contractor will either complete projects on their own with no expertise at all or they will begin to hire totally unlicensed "under the table" labor that may have even greater disadvantages than the 8101 license holder.
- HB81 will ensure that construction will not be performed by "unlicensed" or "improperly licensed" workers. This is flawed logic. Very few workers on a construction site are licensed but, they perform most of the work. What happens is that the general and subcontractors have the necessary licenses and insurance to allow their UNLICENSED employees to do the work. Now I ask you: what is the difference whether a general contractor has his unlicensed employee do the work or a self employed laborer? None, the general is liable for the work in both cases.
- If homes and large projects are handled exclusively by general contractors, poor construction and consumer complaints will stop... Does anyone really believe that statement?
- Competition from unlicensed contractors is hurting fully licensed contractors. This is false for two reasons. First, most contractors will admit that they have more work than can be finished and; second, the most burdens of regulation and insurance are the real damaging factors, not competition.
- Workman's compensation coverage is unavailable to some workers. May or may not be true but, is totally unrelated to HB81 and irrelevant.
- This bill absolutely does not change any of the laws affecting "handymen." True but, deceiving because there are no handyman laws on the books at all.
- The current route for enforcement will clog up the court systems. I cannot recall even one case that has made it to court so it must be false to suggest that current practices will clog the courts.

Un-intended consequence:

In order to see newly constructed rental properties on the market they must be financially viable. The single family home has a very low profit margin as a rental when constructed by owners with freelance labor and some donated personal time. That small margin becomes a deficit when the project is undertaken by a homebuilder general contractor because no time can be donated, a portion must be set aside for profit and the regulatory costs for the general contractor must be borne by the project. This route will result in a home that can barely support market sale prices and cannot support a profit margin as a rental home. So these enforcement measures for existing law may very well result in an absence of new construction in the single family rental market (heavily utilized by our military).

This example would also apply to a smaller project like adding an apartment over a garage.

This enforcement action will greatly reduce the availability of cheap willing local labor in the free market.

It will stretch the resources of consumers for projects and has to result in less overall economic activity.

Critical language references:

Page four, exemption #8 is problematic for anyone who wants to hire an 8101 licensee if there overall project is of any large size. The licensee is subject to fines in most hiring situations and therefore unavailable. Also an insurance requirement is cited for any work over \$2,500 dollars. The policy alone would be over \$2000 dollars a year IF available at all.

Page 2, section 2, a/b/c/d/ are switching the burden of proof and trying to delay access to courts.

Page 3, lines 1-9 increase the penalties for home inspectors and therefore, costs to consumers.

Page 3, sec. 4. the section dealing with the criminal charge has been "repealed" and reenacted. The existing law is more permissive. (as it should be).

Page 4, lines 20,21,21 will allow for over broad or selective enforcement. It should be changed to more concise language. "might indicate" should be replaced with "clearly indicates".

Page 5, lines 8,9,10,11. Owners who want to sell there home in a certain time frame, must now ask permission from department of labor? We suddenly trust government to be the arbiter of what qualifies as hardship?

Pg 5, line 21, applicability, A & B seem to be in direct conflict.

Concept for amendment to Statute 8.18.161 "exemptions" referenced in HB81 before existing statutes are supplemented by new enforcement provisions proposed in HB81.

Basis and background:

Currently, AS 8.18.161 (8) allows for an "8101" license holder to be exempted from existing and proposed enforcement provisions in AS 8.18 if... the license holder does not exceed charges of \$5000 dollars per project; however, the license holder loses this exemption if he works on a *higher value* project owned or operated by a *different* contractor even when his work totals less than the \$5000 dollar limit.

In the practical application, this construction of the law simply precludes an "8101" license holder from ever doing any work of any amount on a new construction project without being subject to the proposed \$1500 dollar per day fines; even when the project is run or owned by a fully licensed bonded and insured contractor; and when the work is performed at the invitation of that contractor.

Goal:

Amend AS 8.18 to ensure that an "8101" License holder can perform no more than \$5000 dollars worth of work on any project without regard to overall project size. Clarify the statute language to specify that the \$5000 dollar limit on work shall be measured against the overall project whether the work was performed for a licensed subcontractor or the acting general contractor.

Previous attempt:

A previously suggested amendment was given to accomplish one part of this goal. That amendment would have deleted the words "whether" and "or a different" from line 18 on page 4 of HB81.

Request:

The committee and other members were concerned that the proposed amendment language was incomplete and not properly drafted so it may have unforeseen consequences. Please draft an amendment that accomplishes the stated goals above, possibly in "exemption (8)" of AS 8.18.161 or elsewhere.

Thank you.

Todd Larkin

Todd Larkin is a constituent of Representative Coghill's. He asked me to deliver this proposed amendment to members of the Senate Labor & Commerce Committee for their consideration. If you need additional information from him his phone number is 378-8633 and his email is todd@wdlenterprises.com. Thanks for your consideration.



HB 81 → NO

I see no advantage to the home owner with this bill other than to increase the costs which are already prohibitive.

The city requires permits - zoning and plans for any new construction which increases the cost due to ^{construction} delays - and the price of the permits

I am a home owner and I wish to build a garage-shop on my property. I will have to meet all the city codes and pay all the permits. If I have to hire a General Contractor my cost will increase 20% which would prevent me from building. My alternative would be to sell my home of thirty five years and move. The move would send me down to the lower forty eight looking for a warmer climate. I am not sure what Mr. Anderson was thinking about but whatever it was I am sure that he did not think it through carefully and realize the ^{negative} impact would have on the Alaskan people.

KMB.

Kenneth O Brewer

1701 Tamarack ST

907-452-2919

FBXS AK 99709

Siegfried and Patricia Fink
688 Chena Ridge Road
Fairbanks, Alaska 99709
907-457-4614

April 2, 2005

Dear Senator Stevens,

RE: HB 81

We are very disturbed about HB 81 that will be coming up for vote very soon in the Senate. The fact that these modifications have passed in the House is shocking to us. We assume this is prompted by the Labor Department that wants every contractor to be subject to "Workman's Comp" and pressure from the Home Builders Association. However, we opposed the bill for the following reasons:

1. Instead of modifying the original bill and restricting the role of "Handyman," we should give them greater working latitude and encourage more small business enterprise.
2. This bill will make home improvement projects unaffordable to the ordinary consumer.
3. HB81 will not protect consumers. Inspections on the job for code compliance would do more for that concern.

The remedy for modification of the original bill must be to INCREASE rather than decrease the "Handyman" exemption. (The exemption for projects should be increased to \$15,000 rather than decreased to \$5,000.) We might add that a limitation of building one house or cabin per year is unwarranted. Changing the time limit of living in a newly built home from one to two years is restrictive. We believe in less government intrusion into private business and the encouragement of small business enterprise. This bill as proposed will certainly be punitive and quash the entrepreneurial spirit of the small business man. The exemption for small businesses in federal regulations recognizes the need for these exceptions.

Sincerely,

Dr. and Mrs. Siegfried Fink

Home Builders Protect Consumers From Illegal Contractors

Prepared by John Bitney, ASHBA lobbyist

April 13, 2005

During a meeting of the Board of Directors, the Alaska State home Building Association (ASHBA) voted in early March 2004 to pursue solutions to the growing issue of unregistered contractors providing construction services illegally under the guise of a "handyman license".

Background

A handyman is a person providing construction services without a state registration as a contractor or subcontractor. Instead of meeting qualification standards and insurance requirements, the Division of Occupational Licensing currently has sold 1,678 business licenses in Alaska for "Construction-related EXEMPT from contractor registration" (code 2360).

Under current state law (AS .08.18) there is a minimum requirement for persons who represent themselves as either contractors or specialty contractors. For example, contractors and specialty contractors must have a bond, general liability insurance, education/qualification standards and may not offer more than three trade services.

There is also an exemption from registering for work on a project where labor and materials and all other items is less than \$5,000. This exemption does not apply when the work is divided into contracts of amounts less than \$5,000 for the purpose of evasion of the law. For work priced at \$2,500 or more, some public liability and property damage insurance is required.

These exemption areas in state law have allowed the establishment and growth of over 1,600 unregistered contractor businesses in Alaska. Numerous reports have been made about these unregistered businesses offering construction services in violation of these laws, but enforcement efforts have proven to be difficult. The problem is that many consumers are unaware that their contractor may not be qualified to provide construction services, and even worse, have little or no insurance and warranty protections.

HB 81 – Unregistered Contractor Legislation

Under current law, the State of Alaska investigates and enforces violations construction contractor laws. Both the Departments of Labor and the Department of Commerce, Community and Economic Development have the authority to pursue violations of work performed by contractors. For the most part, they rely upon the public to complain, and then they investigate (depending on the availability of resources).

Under current laws, these agencies enforce violations by issuing citations. After a citation is issued, it is then up to the Department of Law whether or not to prosecute the matter in Court.

HB 81 will amend the law to allow the DCCED or the DoL to issue civil penalties for violations. Those fines are set at \$1,000 for the first violation and \$1,500 for subsequent violations, which can be appealed to an administrative hearing officer at the violators' request.

This system will be much more effective towards penalizing first-time violations quickly and effectively.

Handyman Issue Background

A handyman is a person providing construction services without a state registration as a contractor or subcontractor. In 2003, the Division of Occupational Licensing issued 1,678 business licenses in Alaska for "Construction-related EXEMPT from contractor registration" (code 2360).

Under current state law (AS .08.18) there are certain requirements for persons who represent themselves as either registered contractors or specialty contractors. For example, each must have a bond, general liability insurance, education/qualifications standards, and may not offer more than three specific construction trade services. There is an exemption for construction work on projects less than \$5,000.

Josh Applebee

From: Sally Saddler [sally_saddler@commerce.state.ak.us]
Sent: Wednesday, January 19, 2005 11:57 AM
To: Josh Applebee
Cc: Bill J Rolfzen
Subject: List of Communities
Attachments: PopListforRepAnderson 011905.xls

Hi Josh!

Bill Rolfzen has pulled together the attached list of communities you requested.

This list is our best estimate of the communities that "are" and "are not" connected by road or rail to Anchorage or Fairbanks. The list is sorted by *No* and *Yes* and *Population*. You can change your population cutoff thresholds as you play with this! The Community list was pulled from our community database which includes Alaska Native Village Statistical Areas (ANVSAs), Census Designated Places (CDPs), Incorporated Cities, and Incorporated Boroughs.

Let me know if you need additional info!

Sally Saddler
Department of Commerce, Community & Economic Development
PO Box 110800
Juneau, AK 99811-0800
Phone: 907.465.2503
Fax: 907.465.5442
Email: sally_saddler@commerce.state.ak.us

Community	2003 Population	On Road or Rail to Anchorage or Fairbanks
Afognak	0	N
Alpine	0	N
Belkofski	0	N
Bill Moore's Slough	0	N
Chuloonawick	0	N
Council	0	N
Cube Cove	0	N
Ekuik	0	N
Flat	0	N
Hamilton	0	N
Kaguyak	0	N
Kanatak	0	N
King Island	0	N
Mary's Igloo	0	N
Napaimute	0	N
Ohogamiut	0	N
Paimiut	0	N
Pauloff Harbor	0	N
Port William	0	N
Umkumiute	0	N
Unga	0	N
Woody Island	0	N
Hobart Bay	1	N
Telida	2	N
Georgetown	3	N
Ivanof Bay	3	N
Prudhoe Bay	4	N
Prudhoe Bay	4	N
Solomon	4	N
Pope-Vannoy Landing	10	N
Thom's Place	11	N
Chisana	12	N
Excursion Inlet	12	N
Ugas, k	12	N
Meyers Chuck	18	N
Alatna	21	N
Evansville	21	N
Rampart	21	N
Port Clarence	22	N
Lake Minchumina	23	N
Attu Station	24	N
Karluk	24	N
Halibut Cove	25	N
Beluga	26	N
Shemya Station	27	N
Wiseman	29	N
Kupreanof	30	N
Elfin Cove	32	N
Bettles	33	N

Community	2003 Population	Fairbanks
Birch Creek	33	N
Healy Lake	33	N
Point Baker	33	N
Red Dog Mine	35	N
Game Creek	36	N
Lutak	36	N
New Allakaket	38	N
Jakolof Bay	39	N
Platinum	40	N
Nikolski	41	N
Red Devil	41	N
Lime Village	43	N
Euna Bay	45	N
Peuro Bay	45	N
Chiniak	49	N
Stony River	49	N
Igiugig	50	N
Akhiok	51	N
Kasaan	55	N
Aleneva	56	N
Port Protection	57	N
Whitestone Logging Camp	60	N
Portage Creek	61	N
Oscarville	62	N
Takotna	63	N
Nelson Lagoon	64	N
Beaver	65	N
Hughes	65	N
Clark's Point	66	N
Whale Pass	67	N
False Pass	69	N
Pilot Point	70	N
Port Alexander	70	N
Levelock	71	N
Sleetmute	72	N
Twin Hills	75	N
Hyder	77	N
Egegik	84	N
Chalkyitsik	86	N
Stevens Village	86	N
Port Heiden	87	N
Chignik	89	N
Chignik Lagoon	92	N
Iliamna	92	N
Skwentra	94	N
Atka	95	N
Cold Bay	95	N
Larsen Bay	96	N
Chenega Bay	99	N
Allakaket	102	N
Chuathbaluk	102	N

Community	2003 Population	Fairbanks
South Naknek	102	N
Port Alsworth	105	N
Perryville	106	N
Tenakee Springs	106	N
Pitkas Point	107	N
Anvik	108	N
Naukati Bay	109	N
Koyukuk	111	N
Tatitlek	111	N
Chignik Lake	113	N
Pelican	113	N
Kobuk	125	N
Covenant Life	126	N
Nikolai	127	N
Ekwok	128	N
Diomedes	129	N
Deering	131	N
Tetlin	137	N
Seldovia Village	138	N
Crooked Creek	146	N
Golovin	146	N
Shageluk	146	N
Andreafsky	149	N
Mud Bay	149	N
Saint George	149	N
Adak	150	N
Wales	158	N
Coffman Cove	163	N
Port Graham	165	N
Arctic Village	166	N
Grayling	166	N
Newhalen	167	N
Ruby	169	N
Ouzinkie	170	N
Hollis	178	N
Kokhanok	182	N
Tyonek	193	N
Venetie	199	N
Koliganek	200	N
Nunam Iqua	204	N
Nunam Iqua	204	N
Mekoryuk	205	N
Holy Cross	209	N
Old Harbor	211	N
Nanwalek	214	N
White Mountain	214	N
Nondalton	217	N
Mosquito Lake	219	N
Shaktolik	223	N
Nightmute	228	N
Kaltag	229	N

Community	2003 Population	Fairbanks
Upper Kalskag	231	N
Aleknagik	235	N
Teller	242	N
Goodnews Bay	245	N
Atkasuk	247	N
Port Lions	251	N
Shungnak	264	N
Point Lay	265	N
Lower Kalskag	267	N
Atmautluak	279	N
Eek	290	N
Tanana	290	N
Ambler	291	N
Huslia	291	N
Kaktovik	295	N
Seldovia	300	N
Tununak	304	N
Russian Mission	310	N
Bering Mission	314	N
Anaktuvuk Pass	319	N
Newtok	329	N
Akiak	337	N
Koyuk	340	N
Elim	341	N
Nulato	342	N
Kwigillingok	343	N
Marshall	368	N
Hydaburg	370	N
Napakiak	380	N
Tuntutuliak	381	N
Kiryg Salmon	385	N
Kivalina	388	N
Kongiganak	401	N
Manokotak	405	N
Kiana	408	N
Buckland	410	N
Saint Michael	413	N
McGrath	415	N
Nuiqsut	416	N
Napaskiak	419	N
Saxman	425	N
Chefornak	434	N
Gustavus	438	N
Tuluksak	464	N
Noatak	469	N
Scammon Bay	470	N
Thorne Bay	480	N
New Stuyahok	493	N
Nunapitchuk	498	N
Angoon	505	N
Kasigluk	529	N

Community	2003 Population	Fairbanks
Saint Paul	539	N
Aniak	551	N
Wainwright	553	N
Fox River	563	N
Pilot Station	564	N
Stebbins	570	N
Toksook Bay	572	N
Fort Yukon	574	N
Orinagak	579	N
Saint Mary's	585	N
Shishmaref	594	N
Kotlik	609	N
Naknek	614	N
Akiachak	633	N
Gambell	647	N
Kipnuk	649	N
Noorvik	649	N
Alakanuk	666	N
Womens Bay	667	N
Kake	682	N
Yakuat	691	N
Savoonga	704	N
Point Hope	725	N
Kwethluk	730	N
King Cove	737	N
Unalakleet	741	N
Mountain Village	750	N
Emmonak	763	N
Galena	763	N
Akutan	787	N
Selawik	821	N
Togiak	824	N
Hoonah	851	N
Klawock	851	N
Cnevak	884	N
Sand Point	947	N
Bristol Bay Borough	1105	N
Hooper Bay	1115	N
Craig	1174	N
Lazy Mountain	1188	N
Metlakatla	1398	N
Lake & Peninsula Borough	1628	N
Wrangell	2113	N
Kodiak Station	2192	N
Haines Borough	2327	N
Fishhook	2342	N
Cordova	2372	N
Dillingham	2373	N
Aleutians East Borough	2700	N
Butte	2931	N
Petersburg	3060	N

Community	2003 Population	Fairbanks
Kotzebue	3076	N
Nome	3448	N
Unalaska	4388	N
Unalaska	4388	N
Barrow	4417	N
Meadow Lakes	5443	N
Douglas	5483	N
Bethel	5899	N
Kodiak	6138	N
Northwest Arctic Borough	7301	N
Ketchikan	8002	N
Sitka	8891	N
Ketchikan Gateway Borough	13548	N
Kodiak Island Borough	13811	N
Juneau	31283	N
Uganik		N
Miller Landing	0	Y
Fort Greely	6	Y
Alcan Border	13	Y
Petersville	14	Y
Coldfoot	15	Y
Sunrise	15	Y
Livengood	20	Y
Chicken	21	Y
Tolsona	28	Y
Ferry	32	Y
Dot Lake	33	Y
Chase	34	Y
Four Mile Road	36	Y
Dot Lake Village	37	Y
Susitna	38	Y
Paxson	44	Y
McCarthy	53	Y
Eagle Village	59	Y
Nelchina	66	Y
Mendeltna	67	Y
Manley Hot Springs	73	Y
Crown Point	78	Y
Northway	82	Y
Chistochina	85	Y
Primrose	87	Y
Lowell Point	89	Y
Northway Village	95	Y
Circle	96	Y
Gulkana	98	Y
Northway Junction	98	Y
Tonsina	106	Y
Dry Creek	109	Y
Lake Louise	109	Y
Central	113	Y
Central	113	Y

Community	2003 Population	Fairbanks
Klukwan	114	Y
Siana	118	Y
Eagle	126	Y
Chitina	132	Y
McKinley Park	133	Y
Mentasta Lake	143	Y
Eyak	144	Y
Tanacross	144	Y
Silver Springs	148	Y
Hope	161	Y
Willow Creek	174	Y
Clam Gulch	176	Y
Copperville	176	Y
Whittier	178	Y
Tazlina	192	Y
Point MacKenzie	194	Y
Harding-Birch Lakes	210	Y
Gakona	214	Y
Moose Pass	221	Y
Cantwell	226	Y
Minto	234	Y
Chickaloon	242	Y
Glacier View	256	Y
Nikolaevsk	313	Y
Fox	316	Y
Cooper Landing	358	Y
Kenny Lake	369	Y
Copper Center	400	Y
Trapper Creek	426	Y
Eklutna	427	Y
Kachemak	473	Y
Happy Valley	503	Y
Nenana	519	Y
Kasilof	571	Y
Glennallen	574	Y
Moose Creek	574	Y
Anderson	592	Y
Two Rivers	592	Y
Knik River	654	Y
Pleasant Valley	677	Y
Big Delta	699	Y
Funny River	705	Y
Buffalo Soapstone	756	Y
Ninilchik	777	Y
Skagway	845	Y
Talkeetna	847	Y
Salcha	865	Y
Salamatof	902	Y
Delta Junction	984	Y
Healy	1022	Y
Diamond Ridge	1086	Y