



LAWS OF ALASKA

1968

Source

SB 269 am H

Chapter No.

221

AN ACT

Relating to preferential hiring of Alaska residents under the Alaska Industrial Tax Credit Act; and providing for an effective date.

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

* Section 1. AS 43.26 is amended by adding a new section to read:

Sec. 43.26.095. EXTRACTING INDUSTRIES. (a) Notwithstanding any other provisions in this chapter, extracting industries shall meet the following provisions of this section as a condition to qualifying for tax exemptions set out in this chapter.

(1) A person seeking tax exempt status under this chapter shall set up and maintain an on-the-job training program approved by the Department of Labor aimed at qualifying Alaska residents presently lacking in the requisite technical skills of the activity carried on. This training program shall be geared so that Alaska residents comprise 50 per cent of the employees at the end of the first year of tax exemption. Alaska residents shall comprise 60 per cent of the employees at the end of the second year of tax exemption and 70 per cent at the end of the third year of tax exemption.

(2) The department shall set up procedures to be followed by the person seeking tax exempt status under this section and shall certify to the Department of Economic Development those persons qualifying for exempt status. In no case may the Department of Economic Development grant exempt status to a person coming under the provisions of this section without first receiving certification from the department nor continue the exempt status after revocation of certification by the department.

(3) The department shall hold formal hearings

for those persons to whom it denies certification. The purpose of these hearings is to hear evidence on the reasons for a person failing to qualify under this section. The person denied certification must show by convincing evidence that he is unable to comply with this section because

(A) the specific activity engaged in requires a greater percentage of trained personnel than the guidelines for resident hiring permits and these trained personnel are not available within the state in great enough number to preclude out-of-state recruiting; or

(B) even though the person applying for tax exempt status has set up an on-the-job training program approved by the department, he has been unable to meet the resident guideline requirements due to the inability of the local labor market to supply enough trainable personnel.

(4) A person certified for exempt status who subsequently fails to comply with the training and hiring practices set out in this section, upon a finding by the department of this failure, forfeits his exempt status. However, if the person seeking tax exempt status, within a reasonable time during the first year of exemption, has made application to the department for a hearing to show cause why he will be unable to comply with the training and hiring provisions of this section and the department determines that the failure is excusable under this section the department shall permit a maximum of six months to comply with the training and hiring practices before withdrawing certification and causing exemption to lapse. Extensions of time for compliance shall be added on to the overall time requirements in the second and third years so that a person need not comply with the higher percentages until the expiration of his extension plus the year allowed in this section.

(5) A person having certification revoked under (4) of this section may apply to the department for a hearing to show cause for recertification within six month of the revocation.

(b) In this section

(1) "department" means the Department of Labor;

(2) "extracting industry" means an industry which processes, severs, harvests or extracts a natural resource of the state as a primary activity of the industry;

(3) "resident" means a person who, with the intent to be domiciled in Alaska, resides in Alaska for at least one year.

(c) A person holding a tax exemption granted before the effective date of this section is not subject to the provisions of this section.

* Sec. 2 This Act takes effect upon the passage and approval of Senate Bill No. 409.