

HOUSE BILL NO. 63

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE PRUITT

Introduced: 1/18/17

Referred:

A BILL

FOR AN ACT ENTITLED

1 "An Act transferring duties among departments in the executive branch of state
2 government; relating to the duties of departments and commissioners in the executive
3 branch; relating to the duties of the Office of the Governor; relating to state boards and
4 commissions; and providing for an effective date."

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

6 * **Section 1.** AS 03.09.010(a) is amended to read:

7 (a) There is established in the **Department of Revenue** [DEPARTMENT] the
8 Board of Agriculture and Conservation composed of members as set out in
9 AS 03.10.050(b).

10 * **Sec. 2.** AS 03.09.020(a) is amended to read:

11 (a) The **commissioner of revenue** [DIRECTOR OF THE DIVISION OF THE
12 DEPARTMENT WITH RESPONSIBILITY FOR AGRICULTURE] shall serve as the
13 director of the Board of Agriculture and Conservation. The director may employ staff
14 and, as directed by the board, is responsible for the daily operations of the agricultural

1 revolving loan fund (AS 03.10.040).

2 * **Sec. 3.** AS 03.09.050 is amended to read:

3 **Sec. 03.09.050. Agricultural land.** The Board of Agriculture and
4 Conservation may recommend to the commissioner of natural resources that land in
5 the land disposal bank established under AS 38.04.020 be classified as suitable for
6 agriculture. The board may identify state land for agricultural disposal and request the
7 commissioner of natural resources to provide for the survey and disposal of the land.

8 * **Sec. 4.** AS 03.10.050(g) is amended to read:

9 (g) The board may dispose of property acquired by the agricultural revolving
10 loan fund through foreclosure, default, or other action arising out of agricultural loans
11 or the sale of agricultural land. Disposals shall be conducted under regulations
12 approved by the commissioner of revenue. The regulations must ensure that the
13 property is disposed of so as to maximize the return to the state and must require that
14 the parcels of land that are composed primarily of cropland soils be restricted to
15 agricultural uses and disposed of only to persons who are residents of the state.

16 * **Sec. 5.** AS 06.01.050(1) is amended to read:

17 (1) "commissioner" means the commissioner of revenue
18 [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT] or a designee
19 of the commissioner;

20 * **Sec. 6.** AS 06.01.050(2) is amended to read:

21 (2) "department" means the Department of Revenue [COMMERCE,
22 COMMUNITY, AND ECONOMIC DEVELOPMENT];

23 * **Sec. 7.** AS 06.05.473(c) is amended to read:

24 (c) A safe deposit box whose contents have not been removed within 30 days
25 after demand shall be opened. The department shall retain the contents of the box and
26 the other unclaimed property held by the bank as bailee until the conclusion of the
27 liquidation proceedings. At the conclusion of the liquidation proceedings, the property
28 held by the department under this subsection is considered abandoned, and the
29 department shall handle [TURN] the property [OVER TO THE DEPARTMENT OF
30 REVENUE FOR HANDLING] under AS 34.45.110 - 34.45.780.

31 * **Sec. 8.** AS 06.05.990(7) is amended to read:

(7) "commissioner" means the commissioner of revenue [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT] or a designee of the commissioner;

* **Sec. 9.** AS 06.05.990(9) is amended to read:

(9) "department" means the Department of Revenue [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT];

* **Sec. 10.** AS 06.10.030 is amended to read:

Sec. 06.10.030. Filing statement. Before engaging in this state in any of the activities specified in AS 06.10.020, a foreign bank shall execute and file with the commissioner of revenue [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT] a statement. The statement shall list its name, state of incorporation or organization and principal place of business and shall appoint irrevocably the commissioner of revenue [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT] and the commissioner's successors its agents on [UPON] whom may be served process against it in any proceeding or cause of action arising out of its engaging in this state in any of the activities referred to in AS 06.10.020. Until the statement is filed the immunities provided by this chapter do not become operative, but failure to file the statement has no other effect.

* **Sec. 11.** AS 06.15.010 is amended to read:

Sec. 06.15.010. Declaration of policy. In providing authority for the establishment of mutual savings banks it is the intent of the legislature to make available the benefits of mutual savings banking, thereby encouraging the practice of thrift and promoting the accumulation of funds for investment to develop the economy. For the accomplishment of these purposes, the legislature intends by this chapter to vest in mutual banks those powers generally possessed by state-chartered mutual savings banks and to grant authority to the Department of Revenue [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT] to define powers and to adopt regulations designed to enable mutual savings banks to perform their functions and to carry out the above purposes, subject to the provisions of AS 06.05 (Alaska Banking Code) that are not inconsistent with this chapter.

* **Sec. 12.** AS 06.15.370(2) is amended to read:

(2) "department" means the Department of Revenue [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT];

* **Sec. 13.** AS 06.20.900(1) is amended to read:

(1) "commissioner" means the commissioner of revenue [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT] or a designee of the commissioner;

* **Sec. 14.** AS 06.20.900(2) is amended to read:

(2) "department" means the Department of Revenue [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT];

* **Sec. 15.** AS 06.26.790(c) is amended to read:

(c) A safe deposit box whose contents have not been removed within 30 days after demand shall be opened. The department shall retain the contents of the box and the other unclaimed property held by the trust company as bailee until the conclusion of the liquidation proceedings. At the conclusion of the liquidation proceedings under this section, the property held by the department under this subsection is considered abandoned, and the department shall handle [DELIVER] the property [TO THE DEPARTMENT OF REVENUE] under AS 34.45.110 - 34.45.780.

* **Sec. 16.** AS 06.26.790(j) is amended to read:

(j) Unclaimed property remaining after the completion of the liquidation proceedings under this section is presumed abandoned, and the department shall handle the property [SHALL BE DELIVERED TO THE DEPARTMENT OF REVENUE FOR HANDLING] under AS 34.45.110 - 34.45.780.

* **Sec. 17.** AS 06.26.990(5) is amended to read:

(5) "commissioner" means the commissioner of revenue [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT];

* **Sec. 18.** AS 06.26.990(7) is amended to read:

(7) "department" means the Department of Revenue [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT];

* **Sec. 19.** AS 06.35.010(d) is amended to read:

(d) The Department of Revenue [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT] may adopt regulations under AS 44.62

(Administrative Procedure Act) to implement this section.

* **Sec. 20.** AS 06.40.190(1) is amended to read:

(1) "commissioner" means the commissioner of revenue [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT] or a designee of the commissioner;

* **Sec. 21.** AS 06.40.190(2) is amended to read:

(2) "department" means the Department of Revenue [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT];

* **Sec. 22.** AS 06.45.400(1) is amended to read:

(1) "commissioner" means the commissioner of revenue [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT];

* **Sec. 23.** AS 06.50.900(5) is amended to read:

(5) "department" means the Department of Revenue [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT];

* **Sec. 24.** AS 06.55.990(7) is amended to read:

(7) "department" means the Department of Revenue [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT];

* **Sec. 25.** AS 06.60.990(5) is amended to read:

(5) "department" means the Department of Revenue [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT];

* **Sec. 26.** AS 09.38.025(b) is amended to read:

(b) A judgment creditor or other claimant of an insurer may not levy upon any of the assets or securities held in this state as a deposit for the protection of the insurer's policyholders or policyholders and creditors. Deposits under AS 21.09.270 may be levied upon if provided in the order of the director of insurance, Department of Revenue [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT], under which the deposit is made.

* **Sec. 27.** AS 16.10.360(2) is amended to read:

(2) "commissioner" means the commissioner of revenue [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT];

* **Sec. 28.** AS 16.10.360(4) is amended to read:

(4) "department" means the Department of Revenue [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT];

* **Sec. 29.** AS 16.10.505(a) is amended to read:

(a) There is created within the Department of Revenue [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT] a revolving fund to be known as the fisheries enhancement revolving loan fund. Except as provided in (b) and (c) of this section, the fund shall be used to carry out the purposes of AS 16.10.500 - 16.10.560 and for no other purpose. All principal and interest payments, and money chargeable to principal or interest that is collected through liquidation by foreclosure or other process on loans made under AS 16.10.500 - 16.10.560, shall be paid into the fisheries enhancement revolving loan fund.

* **Sec. 30.** AS 16.10.555 is amended to read:

Sec. 16.10.555. Disposal of property acquired by default or foreclosure.

The Department of Revenue [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT] shall dispose of property acquired through default or foreclosure of a loan made under AS 16.10.500 - 16.10.560. Disposal shall be made in a manner that serves the best interests of the state, and may include the amortization of payments over a period of years.

* **Sec. 31.** AS 16.10.560(1) is amended to read:

(1) "commissioner" means the commissioner of revenue [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT];

* **Sec. 32.** AS 18.45.030 is amended to read:

Sec. 18.45.030. Conduct of studies concerning changes in laws and regulations with a view to atomic industrial development. Each of the following departments and agencies of the state are directed to initiate and to pursue continuing studies as to the need for changes in the laws and regulations administered by it that would arise from the presence within the state of special nuclear, by-product, and radioactive materials, from the operation of production or utilization facilities, and from the generation of radiation, and, on the basis of these studies, to make the recommendations for the enactment of laws or amendments to law administered by it, and the proposals for amendments to the regulations issued by it that it considers

1 necessary:

2 (1) the Department of Health and Social Services particularly as to
3 hazards to the public health and safety;

4 (2) the Department of Labor and Workforce Development particularly
5 as to hazardous working conditions;

6 (3) the Department of Labor and Workforce Development particularly
7 as to the time and character of proof of claims of injuries and the extent of the
8 compensation allowable;

9 (4) the Department of Transportation and Public Facilities particularly
10 as to the transportation of special nuclear, by-product, and radioactive materials on
11 highways of the state;

12 (5) the Department of Transportation and Public Facilities particularly
13 as to the transportation of special nuclear, by-product, and radioactive materials by
14 common carriers not in interstate commerce and as to the participation by public
15 utilities subject to its jurisdiction in projects for the development of production or
16 utilization facilities for industrial or commercial use;

17 (6) the Department of **Revenue** [COMMERCE, COMMUNITY, AND
18 ECONOMIC DEVELOPMENT] particularly as to the insurance of persons and
19 property from hazards to life and property resulting from atomic development;

20 (7) the Department of Fish and Game particularly as to the hazards to
21 the natural resources of the state, including wildlife, and as to the protection of rivers,
22 streams, and airspace from pollution;

23 (8) the Department of Natural Resources particularly as to the hazards
24 involved in the mining of radioactive minerals;

25 (9) departments and agencies the governor directs and for the purposes
26 specified by the governor, and other departments and agencies provided by law.

27 * **Sec. 33.** AS 18.60.340(b) is amended to read:

28 (b) A company authorized by the Department of **Revenue** [COMMERCE,
29 COMMUNITY, AND ECONOMIC DEVELOPMENT] under AS 21.09 to insure
30 boilers or unfired pressure vessels shall notify the Department of Labor and
31 Workforce Development each time it discontinues the insurance for a boiler or unfired

1 pressure vessel located in the state. The Department of Labor and Workforce
 2 Development shall terminate the inspection certificate and require a reinspection if the
 3 insurance was terminated because of a condition dangerous to life or property.

4 * **Sec. 34.** AS 21.06.010 is amended to read:

5 **Sec. 21.06.010. Appointment of director.** The commissioner of revenue
 6 [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT] shall appoint
 7 the director, division of insurance, Department of Revenue [COMMERCE,
 8 COMMUNITY, AND ECONOMIC DEVELOPMENT]. The director serves at the
 9 pleasure of the commissioner.

10 * **Sec. 35.** AS 21.06.020 is amended to read:

11 **Sec. 21.06.020. Division of insurance.** (a) There is created within the
 12 Department of Revenue [COMMERCE, COMMUNITY, AND ECONOMIC
 13 DEVELOPMENT] a division of insurance [, WHICH SHALL BE LOCATED IN OR
 14 CONVENIENT TO THE OFFICE OCCUPIED BY THE COMMISSIONER OF
 15 COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT].

16 (b) The division of insurance shall be under the administrative control of the
 17 commissioner of revenue [COMMERCE, COMMUNITY, AND ECONOMIC
 18 DEVELOPMENT] and the supervision of the director of the division of insurance.

19 * **Sec. 36.** AS 21.09.242(a) is amended to read:

20 (a) An insurer, including a pharmacy benefits manager, with respect to
 21 medical assistance programs under AS 47.07, shall cooperate with the Department of
 22 Health and Social Services to

23 (1) provide, with respect to an individual who is eligible for or is
 24 provided medical assistance under AS 47.07, on the request of the Department of
 25 Health and Social Services [DEPARTMENT], information to determine during what
 26 period the individual or the individual's spouse or dependents may be or may have
 27 been covered by the insurer and the nature of the coverage that is or was provided by
 28 the insurer, including the name and address of the insurer and the identifying number
 29 of the health care insurance plan;

30 (2) accept the [DEPARTMENT'S] right of recovery of the
 31 Department of Health and Social Services and the assignment to the Department of

1 **Health and Social Services** [DEPARTMENT] of any right of an individual or other
 2 entity to payment from the party for an item or service for which payment has been
 3 made under AS 47.07;

4 (3) respond to any inquiry by the **Department of Health and Social**
 5 **Services** [DEPARTMENT] regarding a claim for payment for any health care item or
 6 service that is submitted not later than three years after the date of the provision of the
 7 health care item or service; and

8 (4) agree not to deny a claim submitted by the **Department of Health**
 9 **and Social Services** [DEPARTMENT] solely on the basis of the date of submission
 10 of the claim, the type or format of the claim form, or a failure to present proper
 11 documentation at the point-of-sale that is the basis of the claim if

12 (A) the claim is submitted by the **Department of Health and**
 13 **Social Services** [DEPARTMENT] within the three-year period beginning on
 14 the date on which the item or service was furnished; and

15 (B) any action by the **Department of Health and Social**
 16 **Services** [DEPARTMENT] to enforce its rights with respect to the claim is
 17 commenced within six years after the [DEPARTMENT'S] submission of the
 18 claim **by the Department of Health and Social Services.**

19 * **Sec. 37.** AS 21.55.430(b) is amended to read:

20 (b) The legislature may use the annual estimated balance in the Alaska
 21 comprehensive health insurance fund to make appropriations to the Department of
 22 **Revenue** [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT] to
 23 fund the reinsurance program under this chapter.

24 * **Sec. 38.** AS 21.78.295 is amended to read:

25 **Sec. 21.78.295. Unclaimed and withheld money.** (a) All unclaimed money
 26 that is subject to distribution and remains in the receiver's hands when the receiver is
 27 ready to apply to the court for discharge, including the amount distributable to a
 28 creditor, shareholder, member, or other person who is unknown and cannot be found,
 29 shall be deposited with the **department** [DEPARTMENT OF REVENUE] and shall
 30 be paid, without interest, to the person entitled to receive it or to the person's legal
 31 representative upon proof satisfactory to the **department** [DEPARTMENT OF

1 REVENUE] of the person's right to it. Notwithstanding the provisions of AS 34.45, an
 2 amount on deposit with the **department** [DEPARTMENT OF REVENUE] that is not
 3 claimed within six years after the discharge of the receiver is considered to be
 4 abandoned and shall, without further proceedings, be deposited in the general fund.

5 (b) All money retained for claims described in AS 21.78.280 and not
 6 distributed, shall, upon discharge of the receiver, be deposited with the **department**
 7 [DEPARTMENT OF REVENUE] and paid in accordance with AS 21.78.260. Any
 8 amount remaining that, under AS 21.78.260, would revert to the undistributed assets
 9 of the insurer, shall be transferred to the **department** [DEPARTMENT OF
 10 REVENUE]. Remaining amounts become the property of the state under (a) of this
 11 section, unless the director, in the director's discretion, petitions the court to reopen the
 12 liquidation under AS 21.78.297.

13 * **Sec. 39.** AS 21.97.900(10) is amended to read:

14 (10) "commissioner" means the commissioner of **revenue**
 15 [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT];

16 * **Sec. 40.** AS 21.97.900(13) is amended to read:

17 (13) "division" means the division of insurance, Department of
 18 **Revenue** [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT];

19 * **Sec. 41.** AS 21.97.900 is amended by adding a new paragraph to read:

20 (48) "department" means the Department of Revenue.

21 * **Sec. 42.** AS 23.15.580(g) is amended to read:

22 (g) The board shall assess the programs listed in this subsection and make
 23 recommendations to the legislature in its report required under (b)(9) of this section
 24 about whether to include one or more of **the following** [THESE] programs under the
 25 requirements of (f) of this section:

26 (1) in the Department of Commerce, Community, and Economic
 27 Development or operated by the department: [(A)] local government assistance
 28 training and development, including the rural utility business advisory program;

29 **(2) in the Department of Revenue or operated by the department:**
 30 [(B)] energy operations, providing training in management and administration of
 31 electric utilities and bulk fuel storage systems;

1 **(3)** [(2)] in the Department of Corrections:

2 (A) Correctional Academy, training individuals applying for a
3 correctional officer position;

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

7 (C) employment of prison inmates, providing inmates with jobs
8 while they are incarcerated;

9 **(4)** [(3)] in the Department of Environmental Conservation:

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

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

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

15 **(5)** [(4)] in the Department of Military and Veterans' Affairs:
16 educational benefits for members of the Alaska National Guard and the Alaska Naval
17 Militia;

18 **(6)** [(5)] in the Department of Public Safety:

19 (A) fire service training to maintain emergency training skills
20 for existing firefighter staff and volunteers and individuals interested in
21 becoming firefighters;

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

23 **(7)** [(6)] in the Department of Transportation and Public Facilities:

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

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

29 (C) local technical assistance program, transferring technical
30 expertise to local governments;

31 (D) Native technical assistance program, transferring technical

1 expertise to Native governments;

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

4 **(8)** [(7)] in the Department of Labor and Workforce Development:
5 vocational rehabilitation client services and special work projects, employment
6 services, including job development, assisting individuals in finding employment, and
7 assisting employed individuals in finding other employment.

8 * **Sec. 43.** AS 23.30.280(e) is amended to read:

9 (e) Except as provided in (f) of this section, a person is not liable for civil
10 damages for filing a report concerning a suspected, anticipated, or completed
11 fraudulent act or a false or misleading statement or representation with, or for
12 furnishing other information, whether written or oral, concerning a suspected,
13 anticipated, or completed fraudulent act or false or misleading statements or
14 representation to

15 (1) law enforcement officials or their agents and employees;

16 (2) the division of workers' compensation, the division of insurance in
17 the Department of **Revenue** [COMMERCE, COMMUNITY, AND ECONOMIC
18 DEVELOPMENT], or an agency in another state that regulates insurance or workers'
19 compensation;

20 (3) an insurer or adjuster or its agents, employees, or designees, or the
21 risk manager of a self-insured employer under this chapter.

22 * **Sec. 44.** AS 26.15.010(a) is amended to read:

23 (a) The Department of **Revenue** [COMMERCE, COMMUNITY, AND
24 ECONOMIC DEVELOPMENT] shall administer the laws and regulations relating to
25 the veterans' loan program, adopt new regulations, and recommend legislation.

26 * **Sec. 45.** AS 26.15.030(a) is amended to read:

27 (a) The Department of **Revenue** [COMMERCE, COMMUNITY, AND
28 ECONOMIC DEVELOPMENT] shall formulate general policies and adopt
29 regulations, including regulations to establish reasonable fees for services provided.

30 * **Sec. 46.** AS 26.15.040 is amended to read:

31 **Sec. 26.15.040. Veterans' loans.** (a) The commissioner of **revenue**

1 [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT] may, under
2 regulations and policies, make the following loans:

3 (1) personal loans may be made for educational, domestic, remote area
4 family housing and other personal purposes, not exceeding \$10,000; the loans shall be
5 secured by acceptable collateral when available but if not available the commissioner
6 may make loans on the basis of good character; the rate of interest may not exceed
7 nine and one-half percent a year on the unpaid balance;

8 (2) [REPEALED]

9 (3) business loans not exceeding \$125,000 may be made to acquire,
10 finance or refinance or equip businesses, including mining and fishing but not
11 including farming, if the loan applicant has had three or more years of general
12 business experience; the loans shall be secured by acceptable collateral and may not
13 exceed 75 percent of the appraised value of the collateral offered as security; the rate
14 of interest may not exceed nine and one-half percent a year on the unpaid balance;

15 (4) multiple dwelling loans not exceeding \$110,000 may be made to
16 purchase, remodel, repair, build, furnish, refinance or equip multiple dwellings; the
17 loans shall be secured by acceptable collateral and may not exceed 75 percent of the
18 appraised value of the collateral offered as security; the rate of interest may not exceed
19 nine and one-half percent a year on the unpaid balance.

20 (b) The commissioner of revenue [COMMERCE, COMMUNITY, AND
21 ECONOMIC DEVELOPMENT] may enter into agreements with private banks, other
22 lending institutions and individuals for the purpose of guaranteeing loans made to
23 qualified applicants. The guarantees may not exceed 90 percent of the amount loaned
24 and the loans shall be secured in the same manner provided for direct loans under this
25 section. A loan made under this subsection and guaranteed by the commissioner of
26 revenue [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT] and
27 the state shall bear an interest rate not exceeding nine and one-half percent a year on
28 the unpaid balance.

29 (c) Loans authorized by former (a)(2) of this section or (a)(3) and (4) of this
30 section may not be made unless the commissioner of revenue [COMMERCE,
31 COMMUNITY, AND ECONOMIC DEVELOPMENT] is satisfied that money at a

comparable rate of interest is not available to the applicant from private lending institutions on a guaranteed basis as set out in (b) of this section. An applicant is eligible for more than one type of loan, but the total may not exceed \$125,000 at any one time.

(d) Money loaned shall be disbursed to the borrower from the treasury, vouchered in the manner prescribed for state disbursing officers, and charged against the Alaska World War II veterans' revolving fund. Each voucher shall be approved by the commissioner of revenue [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT] or any bonded deputy authorized to act as a certifying officer. Upon repayment of loans by installments, or otherwise, in accordance with the prescribed terms, or upon liquidation by foreclosure or other process, or upon receipt of interest, the commissioner of revenue shall deposit money so received [SHALL BE TURNED OVER TO THE COMMISSIONER OF REVENUE FOR DEPOSIT] in the Alaska World War II veterans' revolving fund.

(e) If a loan made under (a)(3) of this section is assigned by the borrower or if the real property that secures a loan made under former (a)(2) or under (a)(4) of this section is transferred by the borrower, the commissioner of revenue [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT] shall allow the assignee or transferee to assume the outstanding indebtedness on the loan unless the commissioner determines in writing that the credit of the assignee or transferee is not satisfactory to ensure [ASSURE] repayment of the loan. The assignee or transferee may assume the outstanding indebtedness on the loan at the existing interest rate on the loan.

* **Sec. 47.** AS 26.15.070(a) is amended to read:

(a) The commissioner of revenue [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT] may sell or transfer at par value or at a premium or discount to any bank or other private purchaser for cash or other consideration the mortgages and notes held by the Department of Revenue [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT] as security for loans made under this chapter.

* **Sec. 48.** AS 26.15.085 is amended to read:

Sec. 26.15.085. Disposal of property acquired by default or foreclosure.

1 The Department of Revenue [COMMERCE, COMMUNITY, AND ECONOMIC
 2 DEVELOPMENT] shall dispose of property acquired through default or foreclosure
 3 of a loan made under this chapter. Disposal shall be made in a manner that serves the
 4 best interests of the state, and may include the amortization of payments over a period
 5 of years.

6 * **Sec. 49.** AS 26.15.095(b) is amended to read:

7 (b) The commissioner of revenue [COMMERCE, COMMUNITY, AND
 8 ECONOMIC DEVELOPMENT] may expend money credited to the foreclosure
 9 expense account when necessary to protect the state's security interest in collateral on
 10 loans made under AS 26.15.040 or to defray expenses incurred during foreclosure
 11 proceedings after a default by an obligor.

12 * **Sec. 50.** AS 26.15.160 is amended to read:

13 **Sec. 26.15.160. Extension of chapter to members of the Alaska Territorial**
 14 **Guard and to veterans of the armed forces of the United States.** The provisions of
 15 this chapter, except those provisions relating to the payment of bonuses, are extended
 16 to persons who served in the Alaska Territorial Guard and to veterans of the armed
 17 forces of the United States, who served other than dishonorably on active duty
 18 between June 25, 1950, and January 31, 1955, between August 4, 1964, and
 19 November 7, 1975, between August 2, 1990, and January 2, 1992, beginning
 20 September 11, 2001, and ending on the day prescribed by Presidential proclamation or
 21 by law as the last date of Operation Iraqi Freedom, or during any time period listed in
 22 5 U.S.C. 2108(1) and to dependents of those persons, subject to the following
 23 provisions and eligibility qualifications:

24 (1) persons are eligible

25 (A) who served in the Alaska Territorial Guard, who were
 26 discharged other than dishonorably from the armed forces of the United States,
 27 or who are released to a reserve component; and

28 (B) who, at the time of entry into the service, were bona fide
 29 residents of the territory or State of Alaska and had been residents of the
 30 territory or state for not less than one year before their entry into the service;
 31 and who have returned to the territory or state within a reasonable length of

1 time after the end of their service in the Alaska Territorial Guard or their
 2 discharge or separation as residents with the intention of remaining in the
 3 territory or state; or who, not being bona fide residents of the territory before
 4 their entry into the service, have lived in the territory or state for at least five
 5 years following their release from active military service; and

6 (C) who served in the armed forces of the United States for 90
 7 days or more, or whose service was for a lesser period because of injury or
 8 disability incurred in line of duty, between June 25, 1950, and January 31,
 9 1955, between August 4, 1964, and July 1, 1977, between August 2, 1990, and
 10 January 2, 1992, beginning September 11, 2001, and ending on the day
 11 prescribed by Presidential proclamation or by law as the last date of Operation
 12 Iraqi Freedom, or during any time period listed in 5 U.S.C. 2108(1), or who
 13 served in the Alaska Territorial Guard for 90 days or more or whose service in
 14 the Alaska Territorial Guard was for a lesser period because of injury or
 15 disability incurred in the line of duty;

16 (2) persons are eligible who were dependent on [UPON] a member of
 17 the Alaska Territorial Guard or armed forces or on [UPON] a veteran, including
 18 persons who served in the Alaska Territorial Guard, eligible for the benefits of this
 19 chapter at the time of the member's or veteran's death if the member or veteran was a
 20 resident of the territory for one year before entry into service; dependents must be
 21 unmarried and the deceased veteran or member of the armed forces must have been
 22 their chief means of support and they must be [EITHER] a widow, widower, minor
 23 child, or a mother, father, sister, or brother incapable of self-support; dependents must
 24 be residents of the state at the time of application and shall intend to remain residents
 25 in the state permanently; the rights of minor children under this chapter may be
 26 exercised only if they have no surviving parent and have an appointed guardian who
 27 may apply on their behalf for the benefits of this chapter for their care, support, or
 28 education;

29 (3) a person who is eligible for veteran's benefits under the laws of any
 30 other state or territory is not eligible for the benefits of this section unless the person
 31 has lived in the state or territory for at least five years following the end of the person's

1 service in the Alaska Territorial Guard or release from active military service; a World
 2 War II veteran who received a bonus under former AS 26.15.120 and former
 3 AS 26.15.150 need not repay the bonus in order to qualify under the loan provisions of
 4 this section;

5 (4) for persons otherwise eligible for the benefits under this section,
 6 who did not return to the state or territory not later than one year after the end of the
 7 persons' service in the Alaska Territorial Guard or separation from the service unless
 8 prevented from doing so for medical, educational, or other valid purposes approved by
 9 the Department of **Revenue** [COMMERCE, COMMUNITY, AND ECONOMIC
 10 DEVELOPMENT] not later than one year after the end of the persons' service in the
 11 Alaska Territorial Guard or separation from the service, an additional requirement of
 12 four years' residence in the state or territory before their entry into the service is
 13 imposed to entitle them to the benefit provisions of this section.

14 * **Sec. 51.** AS 27.09.010(a) is amended to read:

15 (a) There is established in the Department of **Revenue** [COMMERCE,
 16 COMMUNITY, AND ECONOMIC DEVELOPMENT] the mining loan fund. The
 17 department may make loans from the fund to underwrite advanced mineral
 18 exploration, development, or mining in the state.

19 * **Sec. 52.** AS 27.09.015(b) is amended to read:

20 (b) The commissioner of **revenue** [COMMERCE, COMMUNITY, AND
 21 ECONOMIC DEVELOPMENT] may expend money credited to the foreclosure
 22 expense account when necessary to protect the state's security interest in collateral on
 23 loans made under AS 27.09.010 or to defray expenses incurred during foreclosure
 24 proceedings after a default by an obligor.

25 * **Sec. 53.** AS 27.09.050 is amended to read:

26 **Sec. 27.09.050. Regulations.** The department may adopt regulations necessary
 27 to carry out the provisions of this chapter, including regulations to establish reasonable
 28 fees for services provided. Regulations adopted under this section shall be prepared
 29 after consultation with the Department of Natural Resources or after consultation with
 30 a person who, in the opinion of the commissioner of **revenue** [COMMERCE,
 31 COMMUNITY, AND ECONOMIC DEVELOPMENT] or a designee, has broad

1 experience in and is highly qualified in advanced mineral exploration, development,
2 and mining.

3 * **Sec. 54.** AS 27.09.060(3) is amended to read:

4 (3) "department" means the Department of **Revenue** [COMMERCE,
5 COMMUNITY, AND ECONOMIC DEVELOPMENT];

6 * **Sec. 55.** AS 28.20.580 is amended to read:

7 **Sec. 28.20.580. Assigned risk plans.** After consultation with the insurance
8 companies authorized to issue motor vehicle liability policies in this state, the director
9 of the division of insurance shall approve a reasonable plan, fair to the insurers and
10 equitable to their policyholders, for the apportionment among these companies of
11 applicants for motor vehicle policies and other vehicle coverages who are in good faith
12 entitled to but are unable to procure policies through ordinary methods. When a plan is
13 approved, all the insurance companies shall subscribe to it and participate in it, except
14 a reciprocal insurer formed by and only insuring a group of municipalities or nonprofit
15 utilities under AS 21.75, or a reciprocal insurer formed under AS 21.75 to provide
16 marine insurance. An applicant for an assigned risk policy, a person insured under an
17 assigned risk plan, and an insurance company affected may appeal to the
18 commissioner of **revenue** [COMMERCE, COMMUNITY, AND ECONOMIC
19 DEVELOPMENT] from a ruling or decision of the authority designated to operate the
20 plan. Failure to adopt an assigned risk plan does not relieve any person from
21 responsibility under this chapter.

22 * **Sec. 56.** AS 31.25.010 is amended to read:

23 **Sec. 31.25.010. Structure.** The Alaska Gasline Development Corporation is a
24 public corporation and government instrumentality acting in the best interest of the
25 state for the purposes required by AS 31.25.005, located for administrative purposes in
26 the Department of **Revenue** [COMMERCE, COMMUNITY, AND ECONOMIC
27 DEVELOPMENT], but having a legal existence independent of and separate from the
28 state. The corporation may not be terminated as long as it has bonds, notes, or other
29 obligations outstanding. The corporation may dissolve when no bonds, notes, or other
30 obligations of the corporation or a subsidiary of the corporation are outstanding and
31 the corporation or a subsidiary of the corporation is no longer engaged in the

development, financing, construction, or operation of an in-state natural gas pipeline or an Alaska liquefied natural gas project. Upon termination of the corporation, its rights and property pass to the state.

* **Sec. 57.** AS 36.30.322(a) is amended to read:

(a) Only timber, lumber, and manufactured lumber products originating in this state from Alaska forests may be procured by an agency or used in construction projects of an agency unless

(1) the manufacturers and suppliers who have notified the **Office of the Governor** [COMMISSIONER OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT] of their willingness to manufacture or supply Alaska forest products have been given reasonable notice of the forest product needs of the procurement or project; and

(2) a manufacturer or supplier who has notified the **Office of the Governor** [COMMISSIONER OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT] of its willingness to manufacture or supply Alaska forest products is not the low bidder after all applicable preferences have been applied to the price of the qualifying forest product under AS 36.30.336.

* **Sec. 58.** AS 36.30.322(c) is amended to read:

(c) During the period of performance of a state contract, the contractor shall maintain records showing efforts made in using Alaska forest products or evidence of Alaska forest products not being available or reasonably competitive. The contractor shall provide the records to the procurement officer on a periodic basis, as required by regulations adopted by the **Office of the Governor** [COMMISSIONER OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT].

* **Sec. 59.** AS 36.30.330(c) is amended to read:

(c) The procurement officer shall report to the **Office of the Governor** [COMMISSIONER OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT] each contractor penalized under (a) of this section. The **Office of the Governor** [COMMISSIONER OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT] shall maintain a list of contractors determined not to be responsible bidders under (b) of this section.

1 * **Sec. 60.** AS 36.30.332(a) is amended to read:

2 (a) The **Office of the Governor** [COMMISSIONER OF COMMERCE,
3 COMMUNITY, AND ECONOMIC DEVELOPMENT] shall adopt regulations
4 establishing the value added in the state for materials and supplies produced or
5 manufactured in the state that are used in a state procurement and establishing whether
6 a product qualifies as a recycled Alaska product. The **Office of the Governor**
7 [COMMISSIONER] shall publish a list of the products annually. A supplier may
8 request inclusion of its product on the appropriate list.

9 * **Sec. 61.** AS 37.05.146(c)(33) is amended to read:

10 (33) receipts of the Department of **Revenue** [COMMERCE,
11 COMMUNITY, AND ECONOMIC DEVELOPMENT], division of insurance, from
12 license fees and fees for services;

13 * **Sec. 62.** AS 37.05.146(c)(34) is amended to read:

14 (34) receipts of the Department of Commerce, Community, and
15 Economic Development from its functions relating to [BANKING,] securities [,] and
16 corporations;

17 * **Sec. 63.** AS 37.05.146(c) is amended by adding a new paragraph to read:

18 (90) receipts of the Department of Revenue from its functions relating
19 to banking.

20 * **Sec. 64.** AS 39.25.110(30) is amended to read:

21 (30) a person employed as an actuary or assistant actuary by the
22 division of insurance in the Department of **Revenue** [COMMERCE, COMMUNITY,
23 AND ECONOMIC DEVELOPMENT];

24 * **Sec. 65.** AS 39.25.120(c) is amended to read:

25 (c) The following positions in the state service constitute the partially exempt
26 service:

27 (1) deputy and assistant commissioners of the principal departments of
28 the executive branch, including the assistant adjutant general of the Department of
29 Military and Veterans' Affairs;

30 (2) the directors of the major divisions of the principal departments of
31 the executive branch and the regional directors of the Department of Transportation

1 and Public Facilities;

2 (3) attorney members of the staff of the Department of Law, of the
3 public defender agency, and of the office of public advocacy in the Department of
4 Administration;

5 (4) one private secretary for each head of a principal department in the
6 executive branch;

7 (5) employees of councils, boards, or commissions established by
8 statute in the Office of the Governor or the office of the lieutenant governor, unless a
9 different classification is provided by statute;

10 (6) not more than two special assistants to the commissioner of each of
11 the principal departments of the executive branch, but the number may be increased if
12 the partially exempt service is extended under AS 39.25.130 to include the additional
13 special assistants;

14 (7) the principal executive officer of the following boards, councils, or
15 commissions:

16 (A) Alaska Public Broadcasting Commission;

17 (B) Professional Teaching Practices Commission;

18 (C) Parole Board;

19 (D) Board of Nursing;

20 (E) Real Estate Commission;

21 (F) Alaska Royalty Oil and Gas Development Advisory Board;

22 (G) Alaska State Council on the Arts;

23 (H) Alaska Police Standards Council;

24 (I) Alaska Commission on Aging;

25 (J) Alaska Mental Health Board;

26 (K) State Medical Board;

27 (L) Governor's Council on Disabilities and Special Education;

28 (M) Advisory Board on Alcoholism and Drug Abuse;

29 (N) Statewide Suicide Prevention Council;

30 (O) State Board of Registration for Architects, Engineers, and

31 Land Surveyors;

- (P) Alaska Health Care Commission;
- (8) Alaska Pioneers' Home and Alaska Veterans' Home managers;
- (9) hearing examiners in the Department of Revenue;
- (10) the comptroller in the division of treasury, Department of Revenue;
- (11) airport managers in the Department of Transportation and Public Facilities employed at the Anchorage and Fairbanks International Airports;
- (12) the deputy director of the division of insurance in the Department of Revenue [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT];
- (13) the executive director and staff of the Alaska Public Offices Commission;
- (14) the rehabilitation administrator of the division of workers' compensation;
- (15) guards employed by the Department of Public Safety for emergencies;
- (16) marine pilot coordinator of the Board of Marine Pilots;
- (17) guards employed by the Department of Corrections, other than in state correctional facilities, to carry out the responsibility of the commissioner of corrections under AS 33.30.071(b);
- (18) hearing officers and administrative law judges of the Regulatory Commission of Alaska;
- (19) the compact administrator appointed under AS 33.36.130;
- (20) the chief administrative law judge and administrative law judges of the office of administrative hearings;
- (21) the executive secretary of the Board of Public Accountancy.

* **Sec. 66.** AS 40.25.110(e) is amended to read:

(e) Notwithstanding other provisions of this section to the contrary, the Bureau of Vital Statistics and the library archives in the Department of Education and Early Development may continue to charge the same fees that they were charging on September 25, 1990, for performing record searches, and may increase the fees as necessary to recover agency expenses on the same basis that was used by the agency

1 immediately before September 25, 1990. Notwithstanding other provisions of this
 2 section to the contrary, the Department of Commerce, Community, and Economic
 3 Development may continue to charge the same fees that the former Department of
 4 Commerce and Economic Development was charging on July 1, 1999, for performing
 5 record searches for matters related to [BANKING,] securities [,] and corporations, and
 6 may increase the fees as necessary to recover agency expenses on the same basis that
 7 was used by the former Department of Commerce and Economic Development
 8 immediately before July 1, 1999. **Notwithstanding other provisions of this section**
 9 **to the contrary, the Department of Revenue may charge the same fees that the**
 10 **Department of Commerce, Community, and Economic Development was**
 11 **charging on the effective date of this section for performing record searches for**
 12 **matters related to banking immediately before the effective date of this section.**

13 * **Sec. 67.** AS 41.35.350(a) is amended to read:

14 (a) The duties of the commission are to

- 15 (1) survey, evaluate, and catalog Alaska prehistory and history
 16 materials now in print;
- 17 (2) ascertain and register what Alaska prehistory and history work is
 18 now in progress;
- 19 (3) identify the existing gaps in the coverage of Alaska's past in
 20 presently available published works and establish priorities for bridging them;
- 21 (4) prepare a thematic study of Alaska's history for historic
 22 preservation;
- 23 (5) identify the sources of Alaska's history;
- 24 (6) coordinate the production and publication of works that will
 25 adequately present all aspects of Alaska's past;
- 26 (7) cooperate with the federal government in programs relating to
 27 history and archaeology;
- 28 (8) develop criteria for the evaluation of state monuments and historic
 29 sites and all real and personal property that may be considered to be of historic,
 30 prehistoric, or archeological significance as would justify their acquisition and
 31 ownership by the state;

1 (9) cooperate with the department in formulating and administering a
2 statewide historic sites survey under 16 U.S.C. 470-470n (P.L. 89-665, National
3 Historic Preservation Act of 1966);

4 (10) review those surveys and historic preservation plans that may be
5 required, and approve properties for nomination to the National Register as provided
6 for in 16 U.S.C. 470-470n (P.L. 89-665, National Historic Preservation Act of 1966);

7 (11) provide necessary assistance to the governor and the legislature
8 for achieving balanced and coordinated state policies and programs for the
9 preservation of the state's historic, prehistoric, and archeological resources;

10 (12) consult with local historical district commissions regarding the
11 establishment of historical districts under AS 29.55.010 - 29.55.020 and the approval
12 of project alterations under AS 45.98.040; recommend, if appropriate, the formulation
13 of additional criteria for the designation of historical districts under AS 29.55.020(b);
14 approve plans for and evaluate the suitability of specific structures for purposes of
15 loan eligibility and continuance under the historical district revolving loan fund
16 (AS 45.98); and consult with the Department of Revenue [COMMERCE,
17 COMMUNITY, AND ECONOMIC DEVELOPMENT] relative to the adoption of
18 regulations for historical district loans under AS 45.98;

19 (13) determine the correct and most appropriate names of the lakes,
20 streams, places, and other geographic features in the state and their spelling;

21 (14) pass upon and give names to lakes, streams, places, and other
22 geographic features in the state for which no single generally acceptable name has
23 been in use;

24 (15) cooperate with local subdivisions of government and, with their
25 approval, change the names of lakes, streams, places, and other geographic features to
26 eliminate duplication of names in the state;

27 (16) prepare and publish an official state dictionary of geographic
28 names and publish it for sale, either as a complete whole or in parts when ready; and

29 (17) serve as the state representatives of the United States Board on
30 Geographic Names and cooperate with that board so that there is no conflict between
31 the state and federal designations of geographic features in the state.

1 * **Sec. 68.** AS 42.45.250(a) is amended to read:

2 (a) The bulk fuel revolving loan fund is established in the **department**
 3 [DIVISION] to assist communities, utilities providing power in communities, and fuel
 4 retailers in communities in purchasing bulk fuel to generate power or supply the public
 5 with fuel for use in communities. A community, or a person generating power or
 6 selling fuel in a community or maintaining community facilities or infrastructure is
 7 eligible for a bulk fuel loan under AS 42.45.260 or a bulk fuel bridge loan under
 8 AS 42.45.270 to purchase bulk fuel to be used in the community.

9 * **Sec. 69.** AS 42.45.250(p) is amended to read:

10 (p) The **department** [DIVISION] shall establish and implement a technical
 11 assistance program for borrowers. Technical assistance shall be provided to borrowers
 12 who need assistance in applying for a loan or who have received a bulk fuel loan to
 13 help those borrowers improve creditworthiness or other financial criteria likely to be
 14 considered by the **department** [DIVISION] if the borrower applies for another bulk
 15 fuel loan in the future. The **department** [DIVISION] may contract with a state agency
 16 or private contractor to administer or implement the technical assistance program.

17 * **Sec. 70.** AS 42.45.260 is amended to read:

18 **Sec. 42.45.260. Bulk fuel loan account; loans.** (a) The bulk fuel loan account
 19 is established as a separate account within the fund. The **department** [DIVISION]
 20 may make loans from the bulk fuel loan account as provided in AS 42.45.250 -
 21 42.45.299.

22 (b) The **department** [DIVISION] shall establish by regulation criteria under
 23 which communities or entities eligible under AS 42.45.250(a) may obtain a bulk fuel
 24 loan. The criteria must require the **department** [DIVISION] to consider the
 25 applicant's creditworthiness and repayment history and may require the consideration
 26 of other factors.

27 (c) The **department** [DIVISION] shall evaluate each application for a bulk
 28 fuel loan and shall make findings if the application is denied.

29 (d) Loans made from the bulk fuel loan account to one borrower
 30 (1) may not exceed \$750,000 or, if the borrower is a cooperative
 31 corporation organized under AS 10.15 or an electric cooperative organized under

AS 10.25 and uses the loan to purchase bulk fuel on behalf of more than one community, may not exceed \$750,000 multiplied by the number of communities on whose behalf the bulk fuel is to be purchased or \$1,800,000, whichever is less;

(2) shall be repaid within one year after the date of the loan disbursement; and

(3) may include additional terms and conditions required by the department [DIVISION].

(e) The department [DIVISION] may contract with a private contractor to administer the loan account.

* **Sec. 71.** AS 42.45.270(a) is amended to read:

(a) The bulk fuel bridge loan account is established as a separate account within the fund. Subject to availability of funds in the account, the department [DIVISION] may make bulk fuel bridge loans from the bulk fuel bridge loan account as provided in AS 42.45.250 - 42.45.299.

* **Sec. 72.** AS 42.45.270(c) is amended to read:

(c) Loans made from the bulk fuel bridge loan account to one borrower in a fiscal year

(1) may not exceed \$750,000;

(2) shall be repaid within one year after the date of the loan disbursement; and

(3) may include additional terms and conditions required by the department [DIVISION].

* **Sec. 73.** AS 42.45.270(d) is amended to read:

(d) The department [DIVISION] shall implement a technical assistance and counseling plan for borrowers who have received a bulk fuel bridge loan to help those borrowers improve creditworthiness or other financial criteria likely to be considered by the department [DIVISION] if the borrower applies for another bulk fuel loan in the future. The department [DIVISION] may contract with a state agency or outside contractor to administer or implement the technical assistance and counseling plan.

* **Sec. 74.** AS 42.45.280(b) is amended to read:

(b) The department [DIVISION] may establish by regulation a program to

1 reduce the interest rate on the second and subsequent bulk fuel loans obtained by a
 2 borrower. In evaluating a potential interest rate reduction, the department
 3 [DIVISION] shall consider the borrower's repayment history and any other criteria
 4 that may be established by regulation. The department [DIVISION] may by
 5 regulation reduce the interest rate on a bulk fuel loan made by the department
 6 [DIVISION] by one percent for a borrower who has had at least one previous bulk fuel
 7 loan made by the department [DIVISION] or by two percent for a borrower who has
 8 had two or more previous bulk fuel loans made by the department [DIVISION]. The
 9 department [DIVISION] shall make findings if an application for an interest rate
 10 reduction is denied.

11 * **Sec. 75.** AS 42.45.299 is amended by adding a new paragraph to read:

12 (5) "department" means the Department of Revenue.

13 * **Sec. 76.** AS 43.76.020(b) is amended to read:

14 (b) A salmon enhancement tax shall be terminated by the commissioner of
 15 revenue under (a) of this section following an election in a region if

16 (1) a petition is presented to the commissioner of commerce,
 17 community, and economic development requesting termination of the salmon
 18 enhancement tax that [WHICH] is signed by at least 25 percent of the number of
 19 persons who voted under AS 43.76.015 in the election approving the salmon
 20 enhancement tax in the region;

21 (2) the commissioner of revenue [COMMERCE, COMMUNITY,
 22 AND ECONOMIC DEVELOPMENT] determines that there are no outstanding loans
 23 to the qualified regional association under AS 16.10.510 that are secured by the tax;

24 (3) an election is held in accordance with AS 43.76.015; the ballot
 25 must ask the question whether the salmon enhancement tax for the region shall be
 26 terminated; the ballot must be worded so that a "yes" vote is for continuation of the
 27 salmon enhancement tax and a "no" vote is for termination of the salmon enhancement
 28 tax;

29 (4) a majority of the eligible interim-use permit and entry permit
 30 holders who vote in the election cast a ballot for the termination of the salmon
 31 enhancement tax; and

(5) the qualified regional association provides notice of the election in accordance with AS 43.76.015 within two months after receiving notice from the commissioner of commerce, community, and economic development that a valid petition under (1) of this subsection has been received.

* **Sec. 77.** AS 44.19 is amended by adding new sections to read:

Article 6. Film Office.

Sec. 44.19.685. Film production promotion program. (a) The film production promotion program is established in the Office of the Governor.

(b) The purpose of the film production promotion program is to

(1) work with organizations in the private sector for the expansion and development of film production industries in the state;

(2) promote the state as an appropriate location for film production;

(3) provide production assistance through connecting film directors, makers, and producers with state location scouts and contractors, including contractors providing assistance with permit applications; and

(4) certify Alaska film production internship training programs and promote the employment of program interns by eligible productions.

Article 7. Tourism.

Sec. 44.19.730. Tourism purposes. The purposes of AS 44.19.730 - 44.19.736 are to

(1) encourage the expansion and growth of the state's visitor industry for the benefit of the citizens of the state;

(2) ensure that the economic benefits to be derived from tourism in the state are retained in the state, to the greatest extent possible;

(3) ensure that a maximum number of residents of the state are employed in the tourism industry;

(4) ensure that consideration is given in the development and implementation of the tourism program to local community goals and objectives, to effects on existing private enterprises, and to effects on recreational and subsistence opportunities for the residents of the state;

(5) promote the development of tourism opportunities throughout the

1 state, including along the highway system of the state, the marine highway, and in
 2 rural areas of the state.

3 **Sec. 44.19.732. Tourism duties.** The Office of the Governor shall

4 (1) cooperate with organizations in the private sector for the promotion
 5 and development of tourism into and within the state;

6 (2) coordinate with municipal, state, and federal agencies for the
 7 development of tourism resources in the state;

8 (3) promote and develop the state's tourist industry;

9 (4) cooperate with the private sector and the Alaska Tourism
 10 Marketing Board in the planning and execution of a destination tourism marketing
 11 campaign that is in the public interest;

12 (5) promote the development of visitor industry facilities, both in the
 13 public sector and the private sector, through the use of state resources, as appropriate;

14 (6) plan and advocate for tourism and tourism development in
 15 coordination with the private sector, municipalities, and state and federal agencies;

16 (7) administer a visitor information center located in Tok; and

17 (8) conduct research related to tourism.

18 **Sec. 44.19.734. Grants for promotion or development of visitor travel.** (a)

19 A municipality, a nonprofit corporation formed under AS 10.20, or a bona fide
 20 nonprofit civic, fraternal, or service organization may receive, as a grant, matching
 21 money from the state for up to 50 percent of the costs of a program or project that the
 22 Office of the Governor determines is consistent with the purposes of AS 44.19.730
 23 and is likely to promote or develop visitor travel, including

24 (1) the promotion of conventions;

25 (2) the construction, improvement, or operation of visitor destination
 26 facilities and tourist attractions; and

27 (3) the development and preservation of attractions of historical,
 28 contemporary, recreational, or cultural interest.

29 (b) The Office of the Governor shall adopt regulations to carry out the
 30 provisions of this section.

31 (c) A grant awarded under this section may not be used for tourism marketing.

1 **Sec. 44.19.736. Alaska Tourism Marketing Board.** (a) The Alaska Tourism
2 Marketing Board is created in the Office of the Governor.

3 (b) The board consists of 21 members as follows:

4 (1) 18 members appointed by the governor who are members of the
5 leading statewide nonprofit tourism association and who represent different segments
6 of the tourism industry and company sizes and the following regions of the state:

7 (A) Southeast;

8 (B) Southcentral;

9 (C) Southwest;

10 (D) Interior; and

11 (E) Far North;

12 (2) the commissioner of commerce, community, and economic
13 development or the commissioner's designee;

14 (3) one member of the senate appointed by the president of the senate,
15 who shall serve ex officio as a nonvoting member of the board; and

16 (4) one member of the house of representatives appointed by the
17 speaker of the house of representatives, who shall serve ex officio as a nonvoting
18 member of the board.

19 (c) Before making the appointments under (b)(1) of this section, the governor
20 shall identify the leading statewide nonprofit tourism marketing association.

21 (d) The governor may appoint the members under (b)(1) of this section from a
22 list of nominees for each seat submitted by the leading statewide nonprofit tourism
23 marketing association. The governor may reject a list for any seat submitted under this
24 subsection and request that another list be submitted.

25 (e) The term of office of a member of the board appointed under (b)(1) of this
26 section is three years.

27 (f) The board shall annually elect a chair and vice-chair from among its
28 members. Nine members of the board, including at least one member representing
29 each region listed under (b)(1) of this section, constitute a quorum. The board shall
30 meet at least twice a year. The chair shall set the time and place of the meeting, either
31 on the chair's own motion or on written request by three members of the board. The

board is encouraged to meet electronically.

(g) The members of the board do not receive a salary for service on the board. The members of the board appointed under (b)(2) - (4) of this section are entitled to per diem and travel expenses authorized by law for other boards and commissions under AS 39.20.180. The members of the board appointed under (b)(1) of this section are not entitled to per diem or travel expenses.

(h) The board shall

(1) cooperate with the Office of the Governor to plan and execute a destination tourism marketing campaign that is in the public interest; and

(2) make recommendations to the Office of the Governor regarding tourism marketing.

(i) In this section, "board" means the Alaska Tourism Marketing Board.

* **Sec. 78.** AS 44.25.020 is amended to read:

Sec. 44.25.020. Duties of department. The department [DEPARTMENT OF REVENUE] shall

(1) enforce the tax laws of the state;

(2) collect, account for, have custody of, invest, and manage all state funds and all revenue [REVENUES] of the state except revenue [REVENUES] incidental to a program of licensing and regulation carried on by another state department, funds managed and invested by the Alaska Retirement Management Board, and as otherwise provided by law;

(3) invest and manage the balance of the power development fund in accordance with AS 44.83.386;

(4) administer the surety bond program for licensure as a fish processor or primary fish buyer;

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

(6) enforce state laws regarding banking and insurance;

(7) administer economic development programs.

* **Sec. 79.** AS 44.25.028(a) is amended to read:

(a) The commissioner [OF REVENUE] may designate employees of the department [DEPARTMENT OF REVENUE] who are subject to the provisions of

AS 39.50 because of their responsibility for participating in the management or investment of the funds for which the Alaska Retirement Management Board is responsible.

* **Sec. 80.** AS 44.25.028(b) is amended to read:

(b) If an officer or employee of the department [DEPARTMENT OF REVENUE] with responsibility for funds for which the Alaska Retirement Management Board is responsible acquires, owns, or controls an interest, direct or indirect, in an entity or project in which assets under the control of the board are invested, the officer or employee shall immediately disclose the interest to the board. The disclosure is a matter of public record and shall be included in the minutes of the board meeting next following the disclosure. The commissioner shall adopt regulations to restrict officers and employees of the department from having a substantial interest in an entity or project in which assets under the control of the board are invested.

* **Sec. 81.** AS 44.25.040(a) is amended to read:

(a) A person applying for a license as a fish processor or primary fish buyer shall file with the commissioner [OF REVENUE] a performance bond, conditioned upon the promise to pay the following:

- (1) wages owing to all persons employed by the fish processor or primary fish buyer, including contractual employee benefits;
- (2) independent registered commercial fishermen for the price of the raw fishery resource purchased from them;
- (3) fees owing for the service of transporting raw fish;
- (4) contributions imposed under AS 23.20 (Alaska Employment Security Act).

* **Sec. 82.** AS 44.25.040(g) is amended to read:

(g) If an applicant for a license as a fish processor or primary fish buyer has complied with this section, the department [DEPARTMENT OF REVENUE] may issue that applicant a license to engage in the business of fish processor or primary fish buyer.

* **Sec. 83.** AS 44.25.135(a) is amended to read:

(a) The **department** [DEPARTMENT OF REVENUE] may review, audit, and bring legal proceedings to recover any amount of a tax credit awarded under former AS 44.25.125 and former AS 44.33.235 from a producer or production that received the credit if the **department** [DEPARTMENT OF REVENUE] determines that the film producer or production is liable for damages to the state or any political subdivision of the state.

* **Sec. 84.** AS 44.25 is amended by adding new sections to read:

Article 4. Alaska Capstone Avionics Revolving Loan Fund.

Sec. 44.25.200. Declaration of policy. It is the policy of the state, under AS 44.25.200 - 44.25.270, to increase the safety of air carrier, air taxi, and general aviation intrastate air transportation in the state by providing low interest loans to qualified applicants for the purpose of purchasing and installing capstone avionics equipment.

Sec. 44.25.210. Alaska capstone avionics revolving loan fund. (a) The Alaska capstone avionics revolving loan fund is created in the department to carry out the purposes of AS 44.25.200 - 44.25.270.

(b) The Alaska capstone avionics revolving loan fund consists of the following:

(1) money appropriated, transferred, or received by gift, devise, bequest, or donation to the fund;

(2) principal and interest payments or other income earned on loans or investments of the fund;

(3) money chargeable to principal or interest that is collected through liquidation by foreclosure or other process on loans made under AS 44.25.200 - 44.25.270.

(c) Money in the fund may be used by the legislature to make appropriations for costs of administering AS 44.25.200 - 44.25.270.

Sec. 44.25.220. Powers and duties of the department. The department may

(1) make loans to eligible applicants under AS 44.25.230 for the purchase and installation of capstone avionics equipment;

(2) receive, take, hold, and administer any appropriation, gift, grant,

1 bequest, devise, or donation of money for the fund;

2 (3) establish amortization plans for repayment of loans, including
3 extensions of the terms of loans;

4 (4) allow an assumption of a loan if the applicant meets the
5 requirements established under this section;

6 (5) establish the rate of interest for loans consistent with law;

7 (6) charge and collect fees for services provided under AS 44.25.200 -
8 44.25.270;

9 (7) adopt regulations under AS 44.62 necessary to carry out the
10 provisions of AS 44.25.200 - 44.25.270, including regulations to establish reasonable
11 fees for services provided; and

12 (8) designate agents and delegate powers as necessary to the agents.

13 **Sec. 44.25.230. Eligibility.** (a) For an applicant to be eligible for a loan under
14 AS 44.25.200 - 44.25.270, the applicant must be the owner or lessee of an aircraft that
15 logs a substantial percentage of flight hours in the state as determined by the
16 department. For purposes of this subsection, an applicant may be an individual,
17 corporation, partnership, limited liability corporation, limited liability partnership,
18 limited liability company, joint venture, or nonfederal governmental entity.

19 (b) After consultation with the Department of Transportation and Public
20 Facilities, the Department of Revenue shall establish by regulation the standards for
21 capstone avionics equipment eligible for loans.

22 **Sec. 44.25.240. Limitations on loans.** A loan established under AS 44.25.200
23 - 44.25.270

24 (1) may not exceed a term of 10 years, except for extensions under
25 AS 44.25.220;

26 (2) may not bear interest less than four percent a year;

27 (3) must be secured by collateral acceptable to the department; and

28 (4) may not exceed 80 percent of the cost of the eligible capstone
29 avionics equipment purchased with proceeds of the loan.

30 **Sec. 44.25.250. Special account established.** (a) The foreclosure expense
31 account is created as a special account within the Alaska capstone avionics revolving

1 loan fund.

2 (b) The department may expend money credited to the foreclosure expense
3 account when necessary to protect the state's security interest in collateral on loans
4 granted under AS 44.25.230 or to defray expenses incurred during foreclosure
5 proceedings after a default by an obligor.

6 **Sec. 44.25.260. Disposal of property acquired by default or foreclosure.**

7 The department shall dispose of property acquired through default or foreclosure of a
8 loan made under AS 44.25.200 - 44.25.270. Disposal must be made in a manner that
9 serves the best interest of the state and may include the amortization of payments over
10 a term of years.

11 **Sec. 44.25.270. Definitions.** In AS 44.25.200 - 44.25.270,

12 (1) "capstone avionics equipment" means aviation navigation
13 performance and technological safety equipment, global-positioning-system-based
14 avionics equipment, and data link communications suites;

15 (2) "capstone program" means a technology-focused aviation program
16 administered by the Federal Aviation Administration in this state.

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

18 **Sec. 44.25.300. Child care facility revolving loan fund.** (a) The child care

19 facility revolving loan fund is created in the department to carry out the purposes of
20 AS 44.25.300 - 44.25.370. Except as provided in (b) and (c) of this section, the fund
21 may not be used for any other purpose.

22 (b) The department may use money in the fund for the costs of administering
23 AS 44.25.300 - 44.25.370.

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

27 **Sec. 44.25.310. Special account established.** (a) The foreclosure expense

28 account is established as a special account within the child care facility revolving loan
29 fund. The account is established as a reserve from fund equity.

30 (b) The commissioner may expend money credited to the foreclosure expense
31 account when necessary to protect the state's security interest in collateral on loans

made under AS 44.25.320 or to defray expenses incurred during foreclosure proceedings after a default by an obligor.

Sec. 44.25.320. Powers and duties of the department in administering the fund. (a) The department may

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

(2) adopt regulations necessary to carry out the provisions of AS 44.25.300 - 44.25.370, including regulations to establish reasonable fees for services provided and charges for collecting the fee; and

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

(b) The department shall

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

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

Sec. 44.25.330. Loan terms. (a) A loan to a child care facility under AS 44.25.300 - 44.25.370 may not exceed \$50,000.

(b) The rate of interest charged is seven percent a year on the unpaid balance of the loan.

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

(d) All principal and interest payments, and any money chargeable to principal or interest that is collected through liquidation by foreclosure or other process on loans made under AS 44.25.300 - 44.25.370, shall be paid into the child care facility revolving loan fund.

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

Sec. 44.25.340. Eligibility for loans. A child care facility is eligible for a loan under AS 44.25.300 - 44.25.370 if the applicant

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

(2) meets additional eligibility standards established by the department under AS 44.25.320(b)(1).

Sec. 44.25.350. Sale or transfer of mortgages and notes. The commissioner

may sell or transfer at par value or at a premium to a bank or other private purchaser for cash or other consideration the mortgages and notes held by the department as security for loans made under AS 44.25.300 - 44.25.370.

Sec. 44.25.360. Disposal of property acquired by default or foreclosure.

The department shall dispose of property acquired through default or foreclosure of a loan made under AS 44.25.300 - 44.25.370. Disposal shall be made in a manner that serves the best interests of the state and may include the amortization of payments over a period of years.

Sec. 44.25.370. Definition. In AS 44.25.300 - 44.25.370, "child care facility" means an establishment the principal purpose of which is to provide care for children not related by blood, marriage, or legal adoption, including day care centers, family day care homes, and schools for preschool age children.

Article 6. Rural Development.

Sec. 44.25.400. Powers and duties. To promote development of rural areas of the state, the department may

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

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

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

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

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

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

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

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

Sec. 44.25.410. Limitations. The cost of a program of the department under AS 44.25.400 in a rural area may not exceed \$100,000 a year.

Sec. 44.25.420. Bulk fuel storage facilities grant fund. (a) The bulk fuel storage facilities grant fund is established in the department. The department may make grants from this fund to a community to acquire and install community bulk storage facilities.

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

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

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

Article 7. General Provisions.

Sec. 44.25.500. Definitions. In this chapter, unless the context otherwise requires,

(1) "commissioner" means the commissioner of revenue;

(2) "department" means the Department of Revenue.

*** Sec. 85.** AS 44.33.020(a) is amended to read:

(a) The Department of Commerce, Community, and Economic Development shall

(1) advise and assist local governments;

1 (2) advise the governor and other commissioners on the delivery of
2 government services to rural areas, including services relating to public safety, justice,
3 economic development, natural resource management, education, and public health;

4 (3) make recommendations to the governor and other commissioners
5 about policy changes that would affect rural governments and rural affairs;

6 (4) serve as staff for the Local Boundary Commission;

7 (5) conduct studies and carry out experimental and pilot projects for
8 the purpose of developing solutions to community and regional problems;

9 (6) promote cooperative solutions to problems affecting more than one
10 community or region, including joint service agreements, regional compacts, and other
11 forms of cooperation;

12 (7) serve as a clearinghouse for information useful in solution of
13 community and regional problems, and channel to the appropriate authority requests
14 for information and services;

15 (8) advise and assist community and regional governments on matters
16 of finance, including but not limited to bond marketing and procurement of federal
17 funds;

18 (9) prepare suggested guidelines relating to the content of notice of
19 bond sale advertisements, prospectuses, and other bonding matters issued by local
20 governments;

21 (10) administer state funds appropriated for the benefit of unorganized
22 regions within the state, allowing for maximum participation by local advisory
23 councils and similar bodies;

24 (11) as assigned through a delegation by the governor, administer and
25 implement the state's role in the federal community development quota program
26 established under 16 U.S.C. 1855(i) or a successor federal program; the department
27 may adopt regulations under a delegation from the governor to implement duties under
28 this paragraph;

29 (12) carry out those administrative functions in the unorganized
30 borough that the legislature may prescribe;

31 (13) study existing and proposed laws and state activities that affect

community and regional affairs and submit to the governor recommended changes in those laws and activities;

(14) coordinate activities of the state that affect community and regional affairs;

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

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

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

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

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

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

(21) administer the state programs relating to commerce or community development, enforce the laws relating to these programs, and adopt regulations under these laws;

(22) register corporations;

(23) collect corporation franchise taxes;

(24) enforce state laws regulating public utilities and other public service enterprises, [BANKING AND] securities, [INSURANCE,] and other businesses and enterprises touched with a public interest;

(25) [MAKE VETERANS' LOANS;

(26)] furnish the budgeting, clerical, and administrative services for

1 regulatory agencies and professional and occupational licensing boards not otherwise
2 provided for;

3 (26) [(27)] conduct studies, enter into contracts and agreements, and
4 make surveys relating to the economic development of the state and, when
5 appropriate, assemble, analyze, and disseminate the findings obtained;

6 (27) [(28)] provide factual information and technical assistance for
7 potential industrial and commercial investors;

8 (28) [(29)] receive gifts, grants, and other aid that facilitate the powers
9 and duties of the department from agencies and instrumentalities of the United States
10 or other public or private sources;

11 (29) [(30)] establish and activate programs to achieve balanced
12 economic development in the state and advise the governor on economic development
13 policy matters;

14 (30) [(31)] formulate a continuing program for basic economic
15 development and for the necessary promotion, planning, and research that will
16 advance the economic development of the state;

17 (31) [(32)] cooperate with private, governmental, and other public
18 institutions and agencies in the execution of economic development programs;

19 (32) [(33)] review the programs and annual reports of other
20 departments and agencies as they are related to economic development and prepare an
21 annual report on the economic growth of the state;

22 (33) [(34)] administer [THE] economic development programs [OF
23 THE STATE];

24 (34) [(35)] perform all other duties and powers necessary or proper in
25 relation to economic development and planning for the state;

26 (35) [(36)] request tourism-related businesses in the state to provide
27 data regarding occupancy levels, traffic flow and gross receipts and to participate in
28 visitor surveys conducted by the department; data collected under this paragraph that
29 discloses the particulars of an individual business is not a matter of public record and
30 shall be kept confidential; however, this restriction does not prevent the department
31 from using the data to formulate tourism economic impact information including

1 expenditure patterns, tax receipts and fees, employment and income attributable to
 2 tourism, and other information considered relevant to the planning, evaluation, and
 3 policy direction of tourism in the state;

4 **(36)** [(37)] provide administrative and budgetary services to the Real
 5 Estate Commission under AS 08.88 as requested by the commission;

6 **(37)** [(38)] sell at cost, to the extent possible, publications and
 7 promotional materials developed by the department;

8 **(38)** [(39)] as delegated by the governor, administer under 16 U.S.C.
 9 1856 the internal waters foreign processing permit procedures and collect related fees;

10 **(39)** [(40)] administer state laws relating to the issuance of business
 11 licenses;

12 **(40)** [(41)] comply with AS 15.07.055 to serve as a voter registration
 13 agency to the extent required by state and federal law, including 42 U.S.C. 1973gg
 14 (National Voter Registration Act of 1993);

15 **(41)** [(42)] carry out other functions and duties, consistent with law,
 16 necessary or appropriate to accomplish the purpose of this chapter;

17 **(42)** [(43)] administer the Alaska BIDCO assistance program under
 18 AS 37.17.500 - 37.17.690 and adopt regulations to carry out the provisions of those
 19 statutes;

20 **(43)** [(44)] supply necessary clerical and administrative services for the
 21 Alcoholic Beverage Control Board and the Marijuana Control Board.

22 * **Sec. 86.** AS 44.33.780 is amended to read:

23 **Sec. 44.33.780. Definitions.** In **AS 44.33.755 - 44.33.780** [AS 44.33.740 -
 24 44.33.780],

25 (1) "commissioner" means the commissioner of commerce,
 26 community, and economic development;

27 (2) "department" means the Department of Commerce, Community,
 28 and Economic Development.

29 * **Sec. 87.** AS 44.37.030 is amended by adding a new subsection to read:

30 (b) The director of agriculture shall be appointed to the partially exempt
 31 service by the commissioner of natural resources. The director may be removed by the

commissioner at any time, and the office shall remain vacant until a new director is appointed under this subsection.

* **Sec. 88.** AS 44.37 is amended by adding new sections to read:

Article 4. Alaska Minerals Commission.

Sec. 44.37.230. Alaska Minerals Commission established. (a) The Alaska Minerals Commission is established in the Department of Natural Resources.

(b) The commission is composed of 11 members. The commission shall be composed of individuals who have at least five years of experience in the various aspects of the minerals industries in the state. The governor shall appoint five members of the commission, one of whom shall reside in a rural community. The president of the senate shall appoint three members of the commission. The speaker of the house of representatives shall appoint three members of the commission. Each member serves at the pleasure of the appointing authority.

(c) The commission shall make recommendations to the governor and to the legislature on ways to mitigate the constraints, including governmental constraints, on development of minerals in the state, including coal.

(d) The commission shall report its recommendations to the governor each year during the first 10 days of the regular session of the legislature. The commission shall deliver the report to the senate secretary and the chief clerk of the house of representatives and notify the legislature that the report is available.

(e) Members of the commission are appointed for staggered terms of three years. Except as provided in AS 39.05.080(4), a member of the commission serves until a successor is appointed, and an appointment to fill a vacancy on the commission is for the remainder of the unexpired term. A member who has served all or part of two successive terms on the commission may not be reappointed to the commission unless three years have elapsed since the individual last served on the commission.

(f) The commission shall elect two of its members to serve as chair and vice-chair. When a vacancy occurs in the office of chair or vice-chair, the commission shall elect one of its members to serve the remaining term as chair or vice-chair. The term as chair or vice-chair is for three years. The chair and vice-chair may not be elected to more than two successive terms as chair or vice-chair. After three years of not serving

as chair or vice-chair, the member is eligible for election as chair or vice-chair again.

Article 5. Alaska Forest Products Research and Marketing Program.

Sec. 44.37.240. Alaska forest products research and marketing program.

(a) The Alaska forest products research and marketing program is established in the Department of Natural Resources.

(b) The program is established to provide a statewide information clearinghouse and coordinator to gather and disseminate information relating to research and development, including technical, logistical, financing, marketing, and other relevant information regarding the manufacture of specific value-added wood products and the establishment of new high-value-added manufacturing facilities in the state, and to assist in coordinating existing research and development efforts by state and federal agencies and other public and private entities.

(c) The program coordinator shall identify unfilled needs and problems impeding the development of a high value-added wood products industry in the state, gather information and conduct analyses, and propose solutions by exploring successful models in other states and nations.

* **Sec. 89.** AS 44.66.010(a)(11) is amended to read:

(11) Alaska Tourism Marketing Board (AS 44.19.736)
[(AS 44.33.136)] - June 30, 2018;

* **Sec. 90.** AS 44.81.275(d) is amended to read:

(d) In this section,

(1) "commissioner" means the commissioner of revenue
[COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT];

(2) "department" means the Department of Revenue [COMMERCE,
COMMUNITY, AND ECONOMIC DEVELOPMENT].

* **Sec. 91.** AS 44.83.020 is amended to read:

Sec. 44.83.020. Creation of authority. There is created the Alaska Energy Authority. The authority is a public corporation of the state in the Department of Revenue [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT] but with separate and independent legal existence.

* **Sec. 92.** AS 44.88.020 is amended to read:

1 **Sec. 44.88.020. Creation of authority.** There is created the Alaska Industrial
 2 Development and Export Authority. The authority is a public corporation of the state
 3 and a body corporate and politic constituting a political subdivision within the
 4 Department of **Revenue** [COMMERCE, COMMUNITY, AND ECONOMIC
 5 DEVELOPMENT], but with separate and independent legal existence.

6 * **Sec. 93.** AS 45.65.020(a) is amended to read:

7 (a) The **Office of the Governor** [COMMISSIONER OF COMMERCE,
 8 COMMUNITY, AND ECONOMIC DEVELOPMENT] is responsible for the
 9 administration of the provisions of AS 45.65.010 - 45.65.070 relating to the emblem
 10 that is authorized under AS 45.65.010(b), including

11 (1) the supervision of the use of the emblem;

12 (2) subject to AS 45.65.030(c), the design, issuance, and control of
 13 emblems;

14 (3) the issuance of permits to agents to issue permits to use the
 15 emblems; and

16 (4) the enforcement of AS 45.65.010 - 45.65.070 regarding the
 17 emblem authorized under AS 45.65.010(b).

18 * **Sec. 94.** AS 45.65.030(c) is amended to read:

19 (c) The official emblem for an article that is made in the state is a design
 20 approved by the **Office of the Governor** [COMMISSIONER] under
 21 AS 45.65.020(a)(2) that depicts a mother bear with a cub and states the words "Made
 22 in Alaska."

23 * **Sec. 95.** AS 45.65.045 is amended to read:

24 **Sec. 45.65.045. Emblem and emblem agent permits.** (a) The emblem
 25 authorized under AS 45.65.010(b) may not be used without receiving a permit from
 26 the **Office of the Governor** [COMMISSIONER] or from an agent who possesses a
 27 current permit under (b) of this section.

28 (b) A resident of the state may apply to the **Office of the Governor**
 29 [COMMISSIONER] for a permit to act as an agent to issue permits to use the emblem.
 30 An agent may report alleged violations of AS 45.65.010 - 45.65.070 regarding
 31 emblems to the **Office of the Governor** [COMMISSIONER].

(c) The **Office of the Governor** [COMMISSIONER] shall establish forms and fees for the applications and permits to be used or issued under this section, the period for which the permits are valid, and the procedures for renewing the permits.

(d) Before issuing a permit for an article under this section, the **Office of the Governor** [COMMISSIONER] or the agent shall determine that the article is eligible for the emblem.

* **Sec. 96.** AS 45.81.050 is amended to read:

Sec. 45.81.050. Definition. For purposes of AS 45.81.010 - 45.81.050, "department" means the Department of **Revenue** [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT].

* **Sec. 97.** AS 45.81.100(a) is amended to read:

(a) There is created in the Department of **Revenue** [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT] a tourism revolving fund. All principal and interest payments, and money chargeable to principal or interest that is collected through liquidation by foreclosure or other process on loans made under AS 45.81.100 - 45.81.190, shall be paid into the tourism revolving fund.

* **Sec. 98.** AS 45.81.110(b) is amended to read:

(b) The commissioner of **revenue** [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT] may expend money credited to the foreclosure expense account when necessary to protect the state's security interest in collateral on loans made under AS 45.81.120 or to defray expenses incurred during foreclosure proceedings after a default by an obligor.

* **Sec. 99.** AS 45.81.140(a) is amended to read:

(a) The commissioner of **revenue** [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT] may sell or transfer at par value or at a premium or discount to any bank or other private purchaser for cash or other consideration the mortgages and notes held by the Department of **Revenue** [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT] as security for loans made under AS 45.81.100 - 45.81.190.

* **Sec. 100.** AS 45.81.190 is amended to read:

Sec. 45.81.190. Disposal of property acquired by default or foreclosure.

The Department of **Revenue** [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT] shall dispose of property acquired through default or foreclosure of a loan made under AS 45.81.100 - 45.81.190. Disposal shall be made in a manner that serves the best interests of the state, and may include the amortization of payments over a period of years.

* **Sec. 101.** AS 45.81.200(a) is amended to read:

(a) The Department of **Revenue** [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT] shall formulate general policies and adopt regulations necessary to carry out the provisions of AS 45.81.200 - 45.81.290, including regulations to establish fees for services provided and charges for collecting the fees. The department may collect the fees and collection charges established.

* **Sec. 102.** AS 45.81.220(a) is amended to read:

(a) The commissioner may sell or transfer at par value or at a premium or discount to any bank or other private purchaser for cash or other consideration the mortgages and notes held by the Department of **Revenue** [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT] as security for loans made under AS 45.81.200 - 45.81.290.

* **Sec. 103.** AS 45.81.230 is amended to read:

Sec. 45.81.230. Disposal of property acquired by default or foreclosure.

The Department of **Revenue** [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT] shall dispose of property acquired through default or foreclosure of a loan made under AS 45.81.200 - 45.81.290. Disposal shall be made in a manner that serves the best interests of the state, and may include the amortization of payments over a period of years.

* **Sec. 104.** AS 45.81.260 is amended to read:

Sec. 45.81.260. Eligibility for loans. A person is eligible for a loan under AS 45.81.200 - 45.81.290 if

(1) the person can establish or demonstrate good character, capacity for financial responsibility, ability to provide sufficient collateral and knowledge of Alaska economic conditions;

(2) the person is a resident of the state; and

(3) [IN THE JUDGMENT OF] the Department of **Revenue**
determines [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT]

(A) the business shows a definite potential for growth;

(B) the borrower will be able to repay the loan; and

(C) the loan will potentially create more jobs and provide
 additional services in the community.

* **Sec. 105.** AS 45.81.290 is amended to read:

Sec. 45.81.290. Definition. In AS 45.81.200 - 45.81.290, "commissioner"
 means the commissioner of **revenue** [COMMERCE, COMMUNITY, AND
 ECONOMIC DEVELOPMENT].

* **Sec. 106.** AS 45.88.010(a) is amended to read:

(a) There is established in the Department of **Revenue** [COMMERCE,
 COMMUNITY, AND ECONOMIC DEVELOPMENT] the alternative energy
 conservation revolving loan fund to carry out the purposes of AS 45.88.010 -
 45.88.090. Loans made under AS 45.88.010 - 45.88.090 are to be used

(1) to develop means of energy production utilizing one or more
 alternative energy systems; and

(2) to purchase, construct, and install energy conservation
 improvements in commercial buildings.

* **Sec. 107.** AS 45.88.015(b) is amended to read:

(b) The commissioner of **revenue** [COMMERCE, COMMUNITY, AND
 ECONOMIC DEVELOPMENT] may expend money credited to the foreclosure
 expense account when necessary to protect the state's security interest in collateral on
 loans made under AS 45.88.020 or to defray expenses incurred during foreclosure
 proceedings after a default by an obligor.

* **Sec. 108.** AS 45.88.050 is amended to read:

Sec. 45.88.050. Disposal of property acquired by default or foreclosure.
 The Department of **Revenue** [COMMERCE, COMMUNITY, AND ECONOMIC
 DEVELOPMENT] shall dispose of property acquired through default or foreclosure
 of a loan made under AS 45.88.010 - 45.88.090. Disposal shall be made in a manner
 that serves the best interests of the state, and may include the amortization of

1 payments over a period of years.

2 * **Sec. 109.** AS 45.88.100(a) is amended to read:

3 (a) There is established in the Department of **Revenue** [COMMERCE,
4 COMMUNITY, AND ECONOMIC DEVELOPMENT] the residential energy
5 conservation fund to carry out the purposes of AS 45.88.100 - 45.88.190. Loans and
6 grants made under AS 45.88.100 - 45.88.190 may be used to purchase, construct, and
7 install an energy conservation improvement in residential buildings.

8 * **Sec. 110.** AS 45.88.190(1) is amended to read:

9 (1) "commissioner" means the commissioner of **revenue**
10 [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT];

11 * **Sec. 111.** AS 45.88.190(2) is amended to read:

12 (2) "department" means the Department of **Revenue** [COMMERCE,
13 COMMUNITY, AND ECONOMIC DEVELOPMENT];

14 * **Sec. 112.** AS 45.98.010(a) is amended to read:

15 (a) There is created in the Department of **Revenue** [COMMERCE,
16 COMMUNITY, AND ECONOMIC DEVELOPMENT] a historical district revolving
17 loan fund. All principal and interest payments, and money chargeable to principal or
18 interest that is collected through liquidation by foreclosure or other process on loans
19 made under this chapter, shall be paid into the historical district revolving loan fund.

20 * **Sec. 113.** AS 45.98.015(b) is amended to read:

21 (b) The commissioner of **revenue** [COMMERCE, COMMUNITY, AND
22 ECONOMIC DEVELOPMENT] may expend money credited to the foreclosure
23 expense account when necessary to protect the state's security interest in collateral on
24 loans made under this chapter, or to defray expenses incurred during foreclosure
25 proceedings after a default by an obligor.

26 * **Sec. 114.** AS 45.98.020 is amended to read:

27 **Sec. 45.98.020. Historical district loans.** Upon endorsement and plan
28 approval by a local historical district commission established under AS 29.55.010 or
29 former AS 29.48.108 and the recommendation of a majority of the members of the
30 Alaska Historical Commission, the Department of **Revenue** [COMMERCE,
31 COMMUNITY, AND ECONOMIC DEVELOPMENT] may make loans to a person,

1 firm, business, or municipality subject to applicable laws for the restoration,
2 improvement, rehabilitation, or maintenance of a structure that is

3 (1) within the boundaries of a historical district established under
4 AS 29.55.020 or former AS 29.48.110 and identified as important in state or national
5 history as provided for in AS 29.55.020(b) or former AS 29.48.110(b); or

6 (2) a building or structure within a historical district, that is suitable for
7 superficial modification so that it can conform to the period or motif of the
8 surrounding buildings or structures that are the reason for the area's designation as a
9 historical district.

10 * **Sec. 115.** AS 45.98.030 is amended to read:

11 **Sec. 45.98.030. Powers and duties of the department.** For purposes of
12 administering this chapter, the Department of Revenue [COMMERCE,
13 COMMUNITY, AND ECONOMIC DEVELOPMENT] may

14 (1) prescribe the form and procedure for submitting loan applications
15 under this chapter;

16 (2) designate agents and delegate powers to them as is necessary;

17 (3) in consultation with the Alaska Historical Commission, adopt
18 regulations necessary to carry out its functions, including regulations for the process of
19 plan approval by the commission and regulations to establish reasonable fees for
20 services provided and charges for collecting the fees;

21 (4) establish amortization plans for the repayment of loans not to
22 exceed 30 years;

23 (5) collect the fees and collection charges established under this
24 section.

25 * **Sec. 116.** AS 45.98.050(a) is amended to read:

26 (a) The commissioner of revenue [COMMERCE, COMMUNITY, AND
27 ECONOMIC DEVELOPMENT] or a designee of the commissioner may sell or
28 transfer at par value or at a premium or discount to any bank or other private purchaser
29 for cash or other consideration the mortgages and notes held by the Department of
30 Revenue [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT] as
31 security for loans made under this chapter.

1 * **Sec. 117.** AS 45.98.055 is amended to read:

2 **Sec. 45.98.055. Disposal of property acquired by default or foreclosure.**

3 The Department of Revenue [COMMERCE, COMMUNITY, AND ECONOMIC
4 DEVELOPMENT] shall dispose of property acquired through default or foreclosure
5 of a loan made under this chapter. Disposal shall be made in a manner that serves the
6 best interests of the state, and may include the amortization of payments over a period
7 of years.

8 * **Sec. 118.** AS 45.98.060 is amended to read:

9 **Sec. 45.98.060. Penalty provision.** After a project for which a loan is granted
10 is commenced, if the Department of Revenue [COMMERCE, COMMUNITY, AND
11 ECONOMIC DEVELOPMENT] or a local historical district commission, in
12 consultation with the Alaska Historical Commission, determines that the project is
13 inconsistent with the guidelines or stipulations for construction, or otherwise fails to
14 conform to the requirements of the loan, the interest rate on the state's share of the
15 loan shall be increased to the highest rate of interest allowed at that time as provided
16 in AS 45.45.010. In addition, a penalty in the amount of two percent of the balance of
17 the loan shall be assessed by the Department of Revenue [COMMERCE,
18 COMMUNITY, AND ECONOMIC DEVELOPMENT].

19 * **Sec. 119.** AS 46.04.040(e) is amended to read:

20 (e) Financial responsibility may be demonstrated by (1) self-insurance, (2)
21 insurance, (3) surety, (4) guarantee, (5) letter of credit approved by the department, or
22 (6) other proof of financial responsibility approved by the department, including proof
23 of financial responsibility provided by a group of insureds who have agreed to cover
24 pollution risks of members of the group under terms the department may prescribe. An
25 action brought under AS 46.03.758, 46.03.759, 46.03.760(a) or (d), 46.03.822, or
26 AS 46.04.030(g) may be brought in a state court directly against the insurer, the group,
27 or another person providing evidence of financial responsibility; however, the liability
28 under this section of a third-party insurer is limited to the type of risk assumed and the
29 amount of coverage specified in the proof of financial responsibility furnished to and
30 approved by the department. The applicant, and an insurer, surety, guarantor, person
31 furnishing an approved letter of credit, or other group or person providing proof of

financial responsibility approved by the department shall appoint an agent for service of process in the state. For purposes of this subsection, an insurer, other than a group of insureds whose agreement has been approved by the department, must either be authorized by the Department of **Revenue** [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT] to sell insurance in the state or be an unauthorized insurer listed by the Department of **Revenue** [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT] as not disapproved for use in the state. In this subsection, "third-party insurer" means a third-party insurer, surety, guarantor, person furnishing a letter of credit, or other group or person providing proof of financial responsibility on behalf of an applicant under this section; "third-party insurer" does not include the applicant.

* **Sec. 120.** AS 46.04.055(d) is amended to read:

(d) Notwithstanding the requirements of AS 46.04.040(e) and (l) and 46.04.047, for purposes of (a) of this section, an applicant may provide evidence of financial responsibility by proof of entry of the nontank vessel in a protection and indemnity association or proof of coverage with another insurer that

(1) is financially solvent and has a favorable history of claim handling;

(2) provides coverage against pollution risks in at least the amount of the financial responsibility required under (a) of this section without any requirement for a special endorsement;

(3) does not agree to be subject to direct action in court or to appointment of an agent for service of process; and

(4) in the case of a protection and indemnity association or group of insureds, is not authorized by the Department of **Revenue** [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT] to sell insurance in the state so long as it is not listed by the Department of **Revenue** [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT] as being disapproved for use in the state.

* **Sec. 121.** Section 1, ch. 12, SLA 1998, as amended by sec. 1, ch. 17, SLA 2003, and sec. 2, ch. 34, SLA 2013, is amended to read:

Section 1. **AS 44.37.230** [AS 44.33.431] is repealed February 1, **2024** [2014].

1 * **Sec. 122.** Section 2, ch. 15, SLA 2008, is amended to read:

2 Sec. 2. AS 44.25.200, 44.25.210, 44.25.220, 44.25.230, 44.25.240, 44.25.250,
 3 44.25.260, and 44.25.270 [AS 44.33.650, 44.33.655, 44.33.660, 44.33.665, 44.33.670,
 4 44.33.675, 44.33.680, AND 44.33.690] are repealed.

5 * **Sec. 123.** Section 67, ch. 41, SLA 2016, is amended to read:

6 Sec. 67. TRANSITION: REGULATIONS. The Department of **Revenue**
 7 [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT] may adopt
 8 regulations necessary to implement this Act, except that the effective date of the
 9 regulations may not be earlier than the effective date of the statutes being
 10 implemented.

11 * **Sec. 124.** Section 20, ch. 51, SLA 2016, is amended to read:

12 Sec. 20. TRANSITION: REGULATIONS. The Department of **Revenue**
 13 [COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT] may proceed
 14 under AS 06.60.910 to adopt regulations necessary to implement this Act. The
 15 regulations take effect under AS 44.62 (Administrative Procedure Act), but not before
 16 January 1, 2017.

17 * **Sec. 125.** AS 03.09.020(b); AS 37.06.020(i); AS 42.45.299(2); AS 44.25.048(1);
 18 AS 44.33.119, 44.33.120, 44.33.135, 44.33.136, 44.33.231, 44.33.240, 44.33.242, 44.33.245,
 19 44.33.255, 44.33.260, 44.33.270, 44.33.272, 44.33.275, 44.33.431, 44.33.650, 44.33.655,
 20 44.33.660, 44.33.665, 44.33.670, 44.33.675, 44.33.680, 44.33.690, 44.33.740, 44.33.745,
 21 44.33.750, 44.33.900; and AS 45.65.070(4) are repealed.

22 * **Sec. 126.** The uncoded law of the State of Alaska is amended by adding a new section
 23 to read:

24 ALASKA TOURISM MARKETING BOARD. Notwithstanding the repeal of
 25 AS 44.33.136 under sec. 125 of this Act, all members of the Alaska Tourism Marketing Board
 26 may remain members of the Alaska Tourism Marketing Board until their terms expire.

27 * **Sec. 127.** The uncoded law of the State of Alaska is amended by adding a new section
 28 to read:

29 ALASKA MINERALS COMMISSION. Notwithstanding the repeal of AS 44.33.431
 30 under sec. 125 of this Act, all members of the Alaska Minerals Commission may remain
 31 members of the Alaska Minerals Commission until their terms expire.

1 *** Sec. 128.** The uncodified law of the State of Alaska is amended by adding a new section
2 to read:

3 TRANSITIONAL PROVISIONS. (a) Litigation, hearings, investigations, and other
4 proceedings pending in connection with functions transferred by this Act continue in effect
5 and may be completed under the applicable statute or regulation as the statute or regulation
6 read on the day before the effective date of secs. 1 - 128 of this Act notwithstanding a transfer
7 provided for in this Act.

8 (b) Certificates, orders, and regulations in effect immediately before the effective date
9 of a law affected by this Act that were issued or adopted under authority of a law amended or
10 repealed by this Act remain in effect for the term issued and shall be enforced by the agency
11 to which the function is transferred under this Act until revoked, vacated, or amended by the
12 agency to which the function is transferred.

13 (c) Contracts, rights, liabilities, and obligations created by or under a law repealed or
14 amended by this Act, and in effect on the day before the effective date of the repeal or
15 amendment, remain in effect notwithstanding this Act's taking effect.

16 (d) Records, equipment, appropriations, and other property of an agency of the state
17 whose functions are transferred under this Act shall be transferred to implement the
18 provisions of this Act.

19 (e) On the effective date of secs. 1 - 128 of this Act, employees in the Department of
20 Commerce, Community, and Economic Development whose duties have been transferred to

21 (1) the Department of Revenue under this Act shall be transferred to the
22 Department of Revenue;

23 (2) the Office of the Governor under this Act shall be transferred to the Office
24 of the Governor;

25 (3) the Department of Natural Resources under this Act shall be transferred to
26 the Department of Natural Resources.

27 *** Sec. 129.** The uncodified law of the State of Alaska is amended by adding a new section
28 to read:

29 REGULATIONS. The Department of Commerce, Community, and Economic
30 Development, the Department of Natural Resources, the Office of the Governor, and the
31 Department of Revenue may adopt regulations necessary to implement the changes made by

1 this Act. The regulations take effect under AS 44.62 (Administrative Procedure Act) but not
2 before the effective date of the corresponding statute.

3 * **Sec. 130.** Sections 123, 124, and 129 of this Act take effect immediately under
4 AS 01.10.070(c).