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Governor Walker introduces legislation to cut bureaucracy and red tape
Removes obsolete statutes; streamlines Dept. of Commerce, Community, and Economic Development

February 8, 2018 JUNEAU – Governor Bill Walker today introduced four pieces of legislation to remove Department of Commerce, Community, and Economic Development statutes that do not serve the public and create regulatory confusion. The bills repeal obsolete statutes and help downsize government operations.

“My Administration is taking seriously our commitment to streamline government and find efficiencies, as demonstrated through things like consolidation of state building space, and centralized IT operations,” Governor Walker said. “We continue to look at every way to downsize government, and repealing unnecessary statutes is a way to increase efficiency. I look forward to seeing these bills come across my desk for signature this session.”

The “repealer bills”, as they are commonly known, remove unnecessary DCCED statutes in four areas:

- **Repeals requirements related to the federal Uniform Land Sales Practices Act.** This model act was withdrawn by the National Conference of Commissioners of Uniform State Laws in 2012.
- **Repeals the Athletic Commission, and the licensing requirements for boxing and wrestling.** The Athletic Commission was deactivated in 1997 and the boxing and wrestling licensing program has been discontinued since 2002. Professional licensing programs are required to generate enough fees to cover the cost of operation. The Athletic Commission did not meet that statutory requirement which resulted in its discontinuation due to lack of funding.
- **Repeals the BIDCO Loan Assistance Program and removes the annual examination requirement.** A “BIDCO” is an organization licensed by DCCED to provide financial and management assistance to businesses. The ability to examine a BIDCO is retained in this legislation. The loan assistance program was never funded, and thus has never been used.
- **Repeals mandatory 18-month examination requirements for premium finance companies.** Premium finance companies (PFCs) are typically located outside Alaska, which makes the State’s regulatory scheduled examinations redundant. Costs of examinations are billed to the licensed company. PFCs will remain subject to examination as needed under existing statute.

Attached: Transmittal letters for the DCCED Repealer Bills.

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February 8, 2018

The Honorable Bryce Edgmon
Speaker of the House
Alaska State Legislature
State Capitol, Room 208
Juneau, AK 99801-1182

Dear Speaker Edgmon:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill that would amend and repeal registration filing provisions of the Uniform Land Sales Practices Act.

The Uniform Land Sales Practices Act requires that a person may not offer or dispose of certain subdivided land in Alaska unless the person is registered and offers a public offering statement to the purchaser. The current law provides that the Department of Commerce, Community and Economic Development implement the Act through regulation. The Department has authority to accept registrations for the sale of subdivided land, but no registration filings have been received since before 2000. Further, the National Conference of Commissioners on Uniform State Laws reports that this Act was withdrawn as obsolete in 2012.

While the bill would remove the filing and registration requirements, which are unnecessary and burdensome, it would retain the laws that impose criminal penalties for fraudulent or prohibited practices. Therefore, it would still be unlawful for a person, in connection with the sale of land, to attempt to defraud the purchaser, or to make an untrue statement of material fact, or otherwise engage in an act to operate as a fraud or deceive the person. Any action for a fraudulent sale of private land would be a private one, and not overseen by a state agency. However, to the extent offers, dispositions, or sales were made before the effective date of the Act, those offers, dispositions, or sales would be governed by the law in existence at the time.

I urge your prompt and favorable action on this measure.

Sincerely,

Bill Walker
Governor

Enclosure
February 8, 2018

The Honorable Bryce Edgmon  
Speaker of the House  
Alaska State Legislature  
State Capitol, Room 208  
Juneau, AK 99801-1182

Dear Speaker Edgmon:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill relating to repealing the athletic commission, and requirements for boxing and wrestling to obtain licenses.

The athletic commission is established in title 5, chapter 5 and consists of four members appointed by the governor. However, the commission has not been staffed, nor have Commissioners been appointed, since 1997 when the commission was deactivated by the Governor's Office.

The Department of Commerce, Community, and Economic Development continued to issue licenses for boxing and wrestling matches under AS 05.10.010, but in 2002 notified the Alaska Boxing Commission that the Department had stopped licensing professional and club boxers, wrestlers, and events. Since the fees established in AS 05.10.120 are insufficient to cover the costs of licensing and oversight of boxing and wrestling, and since the program has not been funded adequately for a number of years, this bill would repeal this unused statute. Currently, there are federal law provisions that apply to boxing. Further, under the Muhammad Ali Boxing Reform Act, the Attorney General, as chief law enforcement officer, could maintain a civil action in federal district court to enjoin a professional boxing match, enforce compliance with federal law, or obtain fines.

I urge your prompt and favorable action on this measure.

Sincerely,

[Signature]

Bill Walker  
Governor

Enclosure
February 8, 2018

The Honorable Bryce Edgmon
Speaker of the House
Alaska State Legislature
State Capitol, Room 208
Juneau, AK 99801-1182

Dear Speaker Edgmon:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill that would repeal the BIDCO loan assistance program.

A “BIDCO” is a person licensed by the Department of Commerce, Community, and Economic Development to provide financial and management assistance to businesses. Under current law, the Department is required to examine a BIDCO annually and the cost for these examinations borne by the BIDCO. This bill would remove the requirement for an annual examination of a BIDCO, but continue to allow the Department to examine a BIDCO at any time. Repealing the annual schedule while leaving in place the ability to conduct these examinations when necessary to protect the public while removing unnecessary, burdensome, and costly requirements.

The bill would also repeal the BIDCO assistance program (AS 37.17), including the Alaska BIDCO fund. The assistance program has not been funded, since it has not been used, and is unnecessary and should be repealed.

I urge your prompt and favorable action on this measure.

Sincerely,

Bill Walker
Governor

Enclosure
February 8, 2018

The Honorable Bryce Edgmon
Speaker of the House
Alaska State Legislature
State Capitol, Room 208
Juneau, AK 99801-1182

Dear Speaker Edgmon:

Under the authority of Article III, Section 18 of the Alaska Constitution, I am transmitting a bill relating to the examination of premium financing companies.

This bill makes a change to the banks and financial institutions code relating to the examination of financial institutions (AS 06.01).

The bill amends section AS 06.01.015 by exempting premium finance companies from the required examination, at least every 18 months, of financial institutions licensed under the banks and financial institutions code. Premium finance companies are licensed and regulated under AS 06.40 and are defined under AS 06.40.190(4) as “a person engaged in the business of entering into premium finance agreements with borrowers or of acquiring premium finance agreements from insurance agents, brokers or other premium finance companies.” A premium finance agreement is defined in AS 06.40.190(3) as an agreement where the borrower agrees to pay a premium finance company for an amount advanced by the premium finance company to an insurer, or agent, or broker, in payment of premiums on an insurance policy.

Historically, premium finance companies are located outside of Alaska; the Division of Banking and Securities staff have found no substantive problems with violations of Alaska law by these companies. Additionally, premium finance companies primarily fund commercial insurance premiums, not premiums for individual consumers.

Under this bill, premium finance companies would no longer be subject to the mandatory examination requirement of AS 06.01.015, but would still be subject to examination as needed under AS 06.40.100. This would reduce the regulatory burden on both the companies and division of banking and securities staff and resources to focus on higher risk areas.

I urge your prompt and favorable action on this measure.

Sincerely,

Bill Walker
Governor

Enclosure