

**CS FOR HOUSE BILL NO. 68(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FIRST LEGISLATURE - FIRST SESSION

**BY THE HOUSE FINANCE COMMITTEE**

**Offered: 5/7/19**

**Referred: Rules**

**Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to the division of labor standards and safety; relating to the division of**  
2 **workers' compensation; establishing the division of workers' safety and compensation;**  
3 **relating to employment of a minor; and providing for an effective date."**

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

5 \* **Section 1.** AS 18.20.410(b) is amended to read:

6 (b) Immediately after declaring a temporary nurse staffing emergency under  
7 (a) of this section, a health care facility shall file with the division of **workers' safety**  
8 **and compensation** [LABOR STANDARDS AND SAFETY], Department of Labor  
9 and Workforce Development, a report that includes a copy of the signed writing  
10 required under (a) of this section. A report under this subsection is a public document.

11 \* **Sec. 2.** AS 18.20.410(b), as amended by sec. 1 of this Act, is amended to read:

12 (b) Immediately after declaring a temporary nurse staffing emergency under  
13 (a) of this section, a health care facility shall file with the division of **labor standards**  
14 **and safety** [WORKERS' SAFETY AND COMPENSATION], Department of Labor

1 and Workforce Development, a report that includes a copy of the signed writing  
2 required under (a) of this section. A report under this subsection is a public document.

3 \* **Sec. 3.** AS 18.20.450(a) is amended to read:

4 (a) A health care facility shall file with the division of **workers' safety and**  
5 **compensation** [LABOR STANDARDS AND SAFETY], Department of Labor and  
6 Workforce Development, a semiannual report on a form provided by the department.  
7 The report for the six-month period ending June 30 must be filed before the following  
8 August 1, and the report for the six-month period ending December 31 must be filed  
9 before the following February 1. The report must include, for each nurse employed by  
10 the health care facility or under contract with the health care facility, the number of  
11 overtime hours worked and the number of hours the nurse was on call. A health care  
12 facility that does not employ a nurse who worked overtime hours or who was on call  
13 during the reporting period is not required to describe hours worked as overtime and  
14 on-call hours for individual nurses but may instead complete the report by stating on  
15 the form that there are no reportable hours.

16 \* **Sec. 4.** AS 18.20.450(a), as amended by sec. 3 of this Act, is amended to read:

17 (a) A health care facility shall file with the division of **labor standards and**  
18 **safety** [WORKERS' SAFETY AND COMPENSATION], Department of Labor and  
19 Workforce Development, a semiannual report on a form provided by the department.  
20 The report for the six-month period ending June 30 must be filed before the following  
21 August 1, and the report for the six-month period ending December 31 must be filed  
22 before the following February 1. The report must include, for each nurse employed by  
23 the health care facility or under contract with the health care facility, the number of  
24 overtime hours worked and the number of hours the nurse was on call. A health care  
25 facility that does not employ a nurse who worked overtime hours or who was on call  
26 during the reporting period is not required to describe hours worked as overtime and  
27 on-call hours for individual nurses but may instead complete the report by stating on  
28 the form that there are no reportable hours.

29 \* **Sec. 5.** AS 18.60.055 is amended to read:

30 **Sec. 18.60.055. Division of workers' safety and compensation [LABOR**  
31 **STANDARDS AND SAFETY].** As established by AS 23.10.075, there is in the

1 department a division of **workers' safety and compensation** [LABOR STANDARDS  
2 AND SAFETY]. Minimum qualifications shall be established for employees of the  
3 department acting as safety inspectors under AS 18.60.010 - 18.60.105. These  
4 qualifications must include, as a minimum requirement, at least five years general  
5 work experience in the field they are assigned to inspect. Training in safety principles,  
6 codes, and standards may be substituted for work experience up to a maximum of  
7 three years.

8 \* **Sec. 6.** AS 18.60.055, as amended by sec. 5 of this Act, is amended to read:

9 **Sec. 18.60.055. Division of labor standards and safety [WORKERS'**  
10 **SAFETY AND COMPENSATION].** As established by AS 23.10.075, there is in the  
11 department a division of **labor standards and safety** [WORKERS' SAFETY AND  
12 COMPENSATION]. Minimum qualifications shall be established for employees of  
13 the department acting as safety inspectors under AS 18.60.010 - 18.60.105. These  
14 qualifications must include, as a minimum requirement, at least five years general  
15 work experience in the field they are assigned to inspect. Training in safety principles,  
16 codes, and standards may be substituted for work experience up to a maximum of  
17 three years.

18 \* **Sec. 7.** AS 18.60.058(a) is amended to read:

19 (a) In the event of an employment accident that is fatal to an employee or that  
20 results in an employee's in-patient hospitalization, an employee's loss of an eye, or an  
21 employee's amputation, the employer shall report the accident. The report must be  
22 made by telephone or in person to the nearest office of the division of **workers' safety**  
23 **and compensation** [LABOR STANDARDS AND SAFETY] or by telephone to the  
24 federal toll-free number provided by the division. The report must relate the name of  
25 the establishment, the location of the accident, the time of the accident, a contact  
26 person and the telephone number of the contact person, a brief description of the  
27 accident, the number of fatalities or injured employees, and the extent of any injuries.  
28 The report must be made immediately but in no event later than eight hours after  
29 receipt by the employer of information that the accident has occurred. However, if the  
30 employer first receives information of a fatality, in-patient hospitalization, loss of an  
31 eye, or amputation eight or more hours after the accident but not later than 30 days

1 after the accident, the employer must make the report not later than eight hours after  
 2 receiving the information. This subsection does not apply to an employer that first  
 3 receives information of a fatality, in-patient hospitalization, loss of an eye, or  
 4 amputation more than 30 days after the accident.

5 \* **Sec. 8.** AS 18.60.058(a), as amended by sec. 7 of this Act, is amended to read:

6 (a) In the event of an employment accident that is fatal to an employee or that  
 7 results in an employee's in-patient hospitalization, an employee's loss of an eye, or an  
 8 employee's amputation, the employer shall report the accident. The report must be  
 9 made by telephone or in person to the nearest office of the division of **labor**  
 10 **standards and safety** [WORKERS' SAFETY AND COMPENSATION] or by  
 11 telephone to the federal toll-free number provided by the division. The report must  
 12 relate the name of the establishment, the location of the accident, the time of the  
 13 accident, a contact person and the telephone number of the contact person, a brief  
 14 description of the accident, the number of fatalities or injured employees, and the  
 15 extent of any injuries. The report must be made immediately but in no event later than  
 16 eight hours after receipt by the employer of information that the accident has occurred.  
 17 However, if the employer first receives information of a fatality, in-patient  
 18 hospitalization, loss of an eye, or amputation eight or more hours after the accident but  
 19 not later than 30 days after the accident, the employer must make the report not later  
 20 than eight hours after receiving the information. This subsection does not apply to an  
 21 employer that first receives information of a fatality, in-patient hospitalization, loss of  
 22 an eye, or amputation more than 30 days after the accident.

23 \* **Sec. 9.** AS 18.60.235(a) is amended to read:

24 (a) In addition to the deputy inspectors employed under AS 18.60.230 and the  
 25 special inspectors commissioned under AS 18.60.240, the commissioner of labor and  
 26 workforce development may appoint an employee of the Department of Labor and  
 27 Workforce Development as an approved inspector if the employee has completed  
 28 training by the chief inspector and has passed an examination that has been approved  
 29 by the director of the division of **workers' safety and compensation** [LABOR  
 30 STANDARDS AND SAFETY] to perform inspections under AS 18.60.180 -  
 31 18.60.395 of cast iron boilers and domestic hot water heaters. An employee does not

1 have to pass the examination described in AS 18.60.290 in order to be appointed an  
2 approved inspector under this subsection.

3 \* **Sec. 10.** AS 18.60.235(a), as amended by sec. 9 of this Act, is amended to read:

4 (a) In addition to the deputy inspectors employed under AS 18.60.230 and the  
5 special inspectors commissioned under AS 18.60.240, the commissioner of labor and  
6 workforce development may appoint an employee of the Department of Labor and  
7 Workforce Development as an approved inspector if the employee has completed  
8 training by the chief inspector and has passed an examination that has been approved  
9 by the director of the division of **labor standards and safety** [WORKERS' SAFETY  
10 AND COMPENSATION] to perform inspections under AS 18.60.180 - 18.60.395 of  
11 cast iron boilers and domestic hot water heaters. An employee does not have to pass  
12 the examination described in AS 18.60.290 in order to be appointed an approved  
13 inspector under this subsection.

14 \* **Sec. 11.** AS 23.05.067(a) is amended to read:

15 (a) Each insurer providing workers' compensation insurance and each  
16 employer who is self-insured or uninsured for purposes of AS 23.30 in this state shall  
17 pay an annual service fee to the department for the administrative expenses of the state  
18 for workers' safety programs under AS 18.60 and the workers' compensation program  
19 under AS 23.30 as follows:

20 (1) for each employer,

21 (A) except as provided in (b) of this section, the service fee  
22 shall be paid each year to the department at the time that the annual report is  
23 required to be filed under AS 23.30.155(m) or (n); and

24 (B) the service fee is 2.9 percent of all payments reported to the  
25 division of workers' **safety and** compensation in the department under  
26 AS 23.30.155(m) or (n), except second injury fund payments; and

27 (2) for each insurer, the director of the division of insurance shall,  
28 under (e) of this section, deposit from funds received from the insurer under  
29 AS 21.09.210 a service fee of 2.5 percent of the direct premium income for workers'  
30 compensation insurance received by the insurer during the year ending on the  
31 preceding December 31, subject to all the deductions specified in AS 21.09.210(b).

1 \* **Sec. 12.** AS 23.05.067(a), as amended by sec. 11 of this Act, is amended to read:

2 (a) Each insurer providing workers' compensation insurance and each  
3 employer who is self-insured or uninsured for purposes of AS 23.30 in this state shall  
4 pay an annual service fee to the department for the administrative expenses of the state  
5 for workers' safety programs under AS 18.60 and the workers' compensation program  
6 under AS 23.30 as follows:

7 (1) for each employer,

8 (A) except as provided in (b) of this section, the service fee  
9 shall be paid each year to the department at the time that the annual report is  
10 required to be filed under AS 23.30.155(m) or (n); and

11 (B) the service fee is 2.9 percent of all payments reported to the  
12 division of workers' [SAFETY AND] compensation in the department under  
13 AS 23.30.155(m) or (n), except second injury fund payments; and

14 (2) for each insurer, the director of the division of insurance shall,  
15 under (e) of this section, deposit from funds received from the insurer under  
16 AS 21.09.210 a service fee of 2.5 percent of the direct premium income for workers'  
17 compensation insurance received by the insurer during the year ending on the  
18 preceding December 31, subject to all the deductions specified in AS 21.09.210(b).

19 \* **Sec. 13.** AS 23.10.075 is repealed and reenacted to read:

20 **Sec. 23.10.075. Division of workers' safety and compensation.** The division  
21 of workers' safety and compensation is established in the department. The  
22 commissioner shall appoint the director of the division. The director shall administer  
23 AS 18.60.010 - 18.60.105, AS 23.10.050 - 23.10.150, and AS 23.30.001 - 23.30.400.

24 \* **Sec. 14.** AS 23.10.075 is repealed and reenacted to read:

25 **Sec. 23.10.075. Labor standards and safety division.** There is established in  
26 the department the division of labor standards and safety. The director of the division  
27 is responsible to the commissioner. The director shall administer AS 18.60.010 -  
28 18.60.105 and AS 23.10.050 - 23.10.150.

29 \* **Sec. 15.** AS 23.10.080 is amended to read:

30 **Sec. 23.10.080. Powers and duties of division.** The director, or an authorized  
31 representative of the director, shall

1 (1) investigate and ascertain the wages and related conditions and  
2 standards of employment of any employee in the state;

3 (2) enter the place of business or employment of an employer at  
4 reasonable times for the purpose of inspecting payroll records that relate to the  
5 question of wages paid or hours worked;

6 (3) require and subpoena from an employer a statement in writing,  
7 when the director or the representative considers it necessary, of hours worked by and  
8 the wages paid to a person in the employ of the employer, and the commissioner may  
9 require the employer to make the statement under oath;

10 (4) question an employee in a place of employment during work hours  
11 with respect to the wages paid and the hours worked by the employees;

12 (5) compel the attendance of witnesses and the production of books,  
13 papers, and documents by subpoena when necessary for the purpose of a hearing or  
14 investigation provided for in AS 23.10.050 - 23.10.150;

15 **(6) facilitate the quick, efficient, fair, and predictable delivery of**  
16 **indemnity and medical benefits to injured workers at a reasonable cost to**  
17 **employers who are required to provide workers' compensation.**

18 \* **Sec. 16.** AS 23.10.330(a) is amended to read:

19 (a) AS 23.10.325 - 23.10.370 do not prohibit employment of a child under the  
20 direct supervision of a parent **or grandparent of the child** in a business owned and  
21 operated by the parent **or grandparent** or the work of a child on a boat owned and  
22 operated by **a** [THE] parent **or grandparent** of the child.

23 \* **Sec. 17.** AS 23.10.332(a) is amended to read:

24 (a) Except for employment exempted under AS 23.10.330 and other  
25 employment specifically exempted by regulations adopted by the department, a minor  
26 under **16** [17] years of age may not be employed or allowed to work without the  
27 written authorization of the commissioner unless authorized under AS 23.10.360 or  
28 under (c) of this section.

29 \* **Sec. 18.** AS 23.10.340(a) is amended to read:

30 (a) A minor under 16 years of age may not be employed for more than a  
31 combined total of nine hours **of** school attendance and employment in one day. **Except**

1 **as provided in (c) of this section, if** [IF] employed, the minor's work

2 **(1)** may be performed only

3 **(A)** between **7:00 a.m. and 9:00 p.m.;**

4 **(B)** [5 a.m. AND 9 p.m. EMPLOYMENT] outside school  
5 hours; **and**

6 **(2)** may not exceed 23 hours in one week, domestic work and baby-  
7 sitting excepted.

8 \* **Sec. 19.** AS 23.10.340 is amended by adding a new subsection to read:

9 (c) A minor who is 14 or 15 years of age may be employed during the period  
10 beginning June 1 and ending the first Monday of September each year, if

11 (1) the work is performed between the hours of 7:00 a.m. and 10:00  
12 p.m.;

13 (2) the total number of hours worked does not exceed 40 hours in one  
14 week or eight hours in one day; and

15 (3) the minor is not enrolled in a school term.

16 \* **Sec. 20.** AS 23.30 is amended by adding a new section to read:

17 **Sec. 23.30.003. Division of workers' compensation; director.** The division  
18 of workers' compensation is established in the department. The commissioner shall  
19 appoint the director of the division of workers' compensation.

20 \* **Sec. 21.** AS 23.30.025(a) is amended to read:

21 (a) An insurer may not enter into or issue a policy of insurance under this  
22 chapter until its policy form has been submitted to and approved by the director of the  
23 division of insurance. The director of the division of insurance may not approve the  
24 policy form of an insurance company until the company files with it the certificate of  
25 the director of the division of insurance showing that the company is authorized to  
26 transact the business of workers' compensation insurance in the state. The filing of a  
27 policy form by an insurance company with the division of workers' **safety and**  
28 compensation for approval constitutes, on the part of the company, a conclusive and  
29 unqualified acceptance of the provisions of this chapter, and an agreement by it to be  
30 bound by them.

31 \* **Sec. 22.** AS 23.30.025(a), as amended by sec. 21 of this Act, is amended to read:

1 (a) An insurer may not enter into or issue a policy of insurance under this  
 2 chapter until its policy form has been submitted to and approved by the director of the  
 3 division of insurance. The director of the division of insurance may not approve the  
 4 policy form of an insurance company until the company files with it the certificate of  
 5 the director of the division of insurance showing that the company is authorized to  
 6 transact the business of workers' compensation insurance in the state. The filing of a  
 7 policy form by an insurance company with the division of workers' [SAFETY AND]  
 8 compensation for approval constitutes, on the part of the company, a conclusive and  
 9 unqualified acceptance of the provisions of this chapter, and an agreement by it to be  
 10 bound by them.

11 \* **Sec. 23.** AS 23.30.280(e) is amended to read:

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

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

19 (2) the division of workers' **safety and** compensation, the division of  
 20 insurance in the Department of Commerce, Community, and Economic Development,  
 21 or an agency in another state that regulates insurance or workers' compensation;

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

24 \* **Sec. 24.** AS 23.30.280(e), as amended by sec. 23 of this Act, is amended to read:

25 (e) Except as provided in (f) of this section, a person is not liable for civil  
 26 damages for filing a report concerning a suspected, anticipated, or completed  
 27 fraudulent act or a false or misleading statement or representation with, or for  
 28 furnishing other information, whether written or oral, concerning a suspected,  
 29 anticipated, or completed fraudulent act or false or misleading statements or  
 30 representation to

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

1 (2) the division of workers' [SAFETY AND] compensation, the  
 2 division of insurance in the Department of Commerce, Community, and Economic  
 3 Development, or an agency in another state that regulates insurance or workers'  
 4 compensation;

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

7 \* **Sec. 25.** AS 23.30.395(15) is amended to read:

8 (15) "director" means the director of the division of workers' **safety**  
 9 **and** compensation in the department;

10 \* **Sec. 26.** AS 23.30.395(15), as amended by sec. 25 of this Act, is amended to read:

11 (15) "director" means the director of the division of workers'  
 12 [SAFETY AND] compensation in the department;

13 \* **Sec. 27.** AS 23.30.395(17) is amended to read:

14 (17) "division" means the division of workers' **safety and**  
 15 compensation in the department;

16 \* **Sec. 28.** AS 23.30.395(17), as amended by sec. 27 of this Act, is amended to read:

17 (17) "division" means the division of workers' [SAFETY AND]  
 18 compensation in the department;

19 \* **Sec. 29.** AS 39.25.120(c)(14) is amended to read:

20 (14) the rehabilitation administrator of the division of workers' **safety**  
 21 **and** compensation;

22 \* **Sec. 30.** AS 39.25.120(c)(14), as amended by sec. 29 of this Act, is amended to read:

23 (14) the rehabilitation administrator of the division of workers'  
 24 [SAFETY AND] compensation;

25 \* **Sec. 31.** AS 39.25.158(b) is amended to read:

26 (b) After an employee requests to return to work, the reemployment benefits  
 27 administrator of the division of workers' **safety and** compensation or the director of  
 28 vocational rehabilitation in the Department of Labor and Workforce Development  
 29 shall review the request and certify that the employee is able to return to work under  
 30 (c), (d), (e), or (f) of this section, or defer certification until the employee completes  
 31 retraining under (f) of this section.

1 \* **Sec. 32.** AS 39.25.158(b), as amended by sec. 31 of this Act, is amended to read:

2 (b) After an employee requests to return to work, the reemployment benefits  
3 administrator of the division of workers' [SAFETY AND] compensation or the  
4 director of vocational rehabilitation in the Department of Labor and Workforce  
5 Development shall review the request and certify that the employee is able to return to  
6 work under (c), (d), (e), or (f) of this section, or defer certification until the employee  
7 completes retraining under (f) of this section.

8 \* **Sec. 33.** AS 23.30.002 is repealed.

9 \* **Sec. 34.** AS 23.10.080(6) is repealed.

10 \* **Sec. 35.** The uncodified law of the State of Alaska is amended by adding a new section to  
11 read:

12 MERGER OF DIVISIONS IN THE DEPARTMENT OF LABOR AND  
13 WORKFORCE DEVELOPMENT: TRANSITION. (a) Notwithstanding the temporary  
14 merger under this Act of the division of labor standards and safety with the division of  
15 workers' compensation in the Department of Labor and Workforce Development, all  
16 litigation, administrative proceedings, investigations, orders, certificates, regulations,  
17 contractual obligations, rights, and liabilities continue in effect.

18 (b) Records, equipment, allocations, and other property of each affected division may  
19 be transferred as necessary to implement the changes made by this Act.

20 \* **Sec. 36.** Sections 2, 4, 6, 8, 10, 12, 14, 20, 22, 24, 26, 28, 30, 32, and 34 of this Act take  
21 effect July 1, 2022.

22 \* **Sec. 37.** Sections 16, 17, 18, and 19 of this Act take effect immediately under  
23 AS 01.10.070(c).

24 \* **Sec. 38.** Except as provided in secs. 36 and 37 of this Act, this Act takes effect July 1,  
25 2019.