April 2, 2020

The Honorable Mike Dunleavy
Governor
State of Alaska
P.O. Box 110001
Juneau, Alaska 99811-0001

Re: SB 241: Extending COVID-19 Disaster Emergency (FCCS SB 241)
Our file: 2020200309

Dear Governor Dunleavy:

At the request of your legislative director, we have reviewed SB 241, extending your March 11, 2020 declaration of a public health disaster emergency in response to the novel coronavirus disease (COVID-19) pandemic. For organizational purposes, this review is arranged, as follows, by topic rather than bill section number:

I. INTRODUCTION

On March 11, 2020, under the authority of AS 26.23.020, you declared a public health disaster emergency in response to the novel coronavirus disease (COVID-19) pandemic. Your disaster declaration authority terminates after 30 days absent extension by the legislature. The Alaska Constitution requires that the legislature provide for and protect the public health and public welfare of Alaska residents.1 Consistent with that

---

1 Alaska Const., Art. VII, secs. 4, 5.
constitutional mandate, the legislature in this bill made specific findings regarding the emergency, extended the emergency duration, and granted authorities and relief necessary to respond to the emergency.

The bill has temporary effect because its provisions are subject to repeal at various dates in the near future, or by March 11, 2021 at the latest. For this reason, the bill adds new sections to the uncodified law of Alaska. The bill has immediate effect. Unless otherwise indicated in this bill review, the bill sections have a contingent retroactive application date to April 11, 2020 if the bill is in effect after that date. If you sign the bill before April 10, 2020, the contingent retroactive application never applies and those bill sections with an immediate effective date are actually effective the day after you sign the bill. Many bill sections begin with “Notwithstanding any other provision of law.” These “notwithstanding” clauses are legislative direction that the bill language following the clause is to be followed, and current law is modified if it conflicts with that bill section.

We also note that the public and legislative record have included repeated warnings by state and federal health officials that a state’s response to COVID-19 depends in large part on voluntary compliance with social distancing and other health mandates. This bill contains a variety of response measures ranging from authority for public health orders to economic relief measures. At first blush, some economic measures in the bill may not appear related to COVID-19 response. Yet without these measures, people might be less able or less willing to comply with social distancing and other mandates vital to pandemic response. Although the bill addresses many different areas of the law, the bill is confined to a single subject, COVID-19 response.

II. DISASTER EMERGENCY EXTENSION, FINANCING PLAN, AND REPORTING

Section 1 articulates important legislative findings regarding the emergency, including an express finding that it is in the best interest of the state to extend the emergency until November 15, 2020. Accordingly, sec. 2 extends the emergency declaration until November 15, 2020 unless you issue a proclamation that the emergency no longer exists before that date. The bill requires you to issue a proclamation that the

---

2 AS 01.10.070(c) (the actual effective of a bill with an immediate effective date is 12:01 a.m. the day after it is signed by the governor).

3 Nelson v. Progressive Cas. Ins. Co., 162 P.3d 1228, 1236 (Alaska 2007)(interpreting the phrase “notwithstanding any other provisions of law” to indicate that the section was an “exception to other potentially conflicting laws.”).

emergency is over before November 15, 2020 if the commissioner of health and social services certifies to you that there is no longer a present outbreak or a credible threat of an imminent outbreak. Unless otherwise indicated in this bill review, the bill sections are repealed on the earlier of November 15, 2020 or the date of your proclamation ending the emergency.

The disaster declaration statute requires legislative approval of a financing plan to cope with the disaster emergency if the expenditures in the fiscal year would be greater than $1 million. Section 3 contains a legislatively approved financing plan for the expenditure of state funds to cope with the emergency. The bill enumerates the appropriations and authorizations from other legislation that comprise the financing plan. Additionally, the bill restricts the amount of expenditures from the disaster relief fund to cope with the emergency to a total of $10 million. Additionally, sec. 3 declares that the expenditures to cope with the disaster are limited to those in that section.

Section 5 requires you to submit to the legislature a monthly report listing the expenditures and the activities of state agencies to cope with the emergency. Without including personal identifying information, the reports must include explanations of any activities related to the isolation or quarantine of individuals. The final report is due not later than January 15, 2021 or 60 days after a proclamation ending the emergency. Section 5 is repealed on January 16, 2021.

III. PUBLIC HEALTH EFFORTS

Section 4 authorizes the state’s chief medical officer to issue standing orders for public health agents and health care providers related to essential public health services and functions for COVID-19 response. Subject to certain conditions, the bill protects the chief medical officer from liability for civil damages resulting from the standing orders. With exceptions for gross negligence, recklessness, or intentional misconduct, the bill also protects a public health agent or a health care provider from liability for civil damages resulting from implementation of a standing order.

Section 17 authorizes the Department of Health and Social Services (“DHSS”) to coordinate with the Department of Military and Veterans’ Affairs to establish sanitation procedures for retail sellers located in a permanent building and that sell household goods to consumers.

\[5\] AS 26.23.020.
IV. HEALTHCARE CAPACITY EFFORTS

Section 6 provides authority to occupational licensing boards and the director of the division of occupational and professional licensing in the Department of Commerce, Community, and Economic Development (“DCCED”) to issue expedited licenses, permits, or certificates to an individual holding a corresponding license, certificate, or permit in good standing in another jurisdiction, to the extent necessary to respond to the emergency. In addition, sec. 6 authorizes those boards, the director, or the commissioner of DCCED to take other actions necessary to respond to the emergency, including waiving continuing education requirements for renewal of any license, and regulating the scope and practice of the licenses expedited under this section. But, this authority may not be used to increase licensing fees.

Section 7 allows a health care provider licensed in good standing in another jurisdiction to provide telehealth services, as defined in AS 47.05.270(e), within their authorized scope of practice without first having conducted an in-person physical examination of the patient. A health care provider providing these services could not prescribe a controlled substance listed under AS 11.71.140 – 11.71.190. The fees charged for the health care provider's services must be reasonable and ordinary, not more than five percent above the ordinary fees charged. The commissioner of DHSS may waive any state law or regulation if compliance impedes the provision of telehealth services allowed under sec. 7. Section 8 directs the applicable state agencies to coordinate for expeditious processing of applications for various medical licenses required to submit fingerprints.

Section 32 addresses the expected shortage of personal protective equipment (“PPE”) needed to protect against disease transmission, particularly for first responders and health care workers. Individuals and businesses are donating or making PPE to help meet this sudden need. But, some of this PPE may not meet federal or state safety standards or come from established sources. To address this dilemma, sec. 32 recognizes that individuals may need PPE even though it may not meet federal or state safety standards, or may not have completed federal or state testing and approval. Absent gross negligence, recklessness, or intentional misconduct, sec. 32 provides that health care providers or manufacturers who issue or manufacture PPE in good faith to respond to this emergency may not be liable for civil damages resulting from the provision of PPE in the event of injury or death of the user of the PPE. Those providing PPE are required to notify the user of the PPE that the PPE may not meet established federal standards and requirements. This limited immunity provision is similar to immunity provisions for emergency situations. 6 Importantly, this bill does not require any individual to use

6 AS 09.65.090 (civil liability for emergency aid); AS 09.65.091 (civil liability for responding to a disaster).
personal protective equipment that does not meet established federal or state safety standards. The immunity in this bill section does not limit other remedies that may be available to the user of PPE such as workers' compensation. Section 32 applies retroactively to March 11, 2020.

V. REGULATORY RELIEF

A. Elections. Section 9 gives the director of the division of elections the discretionary authority to conduct all elections in 2020 in the same manner as elections by mail for the duration of the emergency. The director is required to inform the public if elections will be conducted as elections by mail and the bill section lists different means the director may use to satisfy this requirement.

B. Permanent Fund Application Extension and Allowable Absences. Section 10 extends the application deadline for the 2020 permanent fund dividend from March 31, 2020 to April 30, 2020. The prospective extension to April 30, 2020 would apply to permanent fund dividend applications submitted after March 31, 2020. Section 16 allows an individual that would otherwise be eligible to receive a permanent fund dividend for the 2021 permanent fund dividend to remain eligible if their absence from the state was due to conduct to prevent the spread of COVID-19. The individual would have to notify the commissioner of revenue or their designee of the absence. Only those absences on or after March 11, 2020 would be effectively added to allowed absences from the physical presence in the state requirements in current law for eligibility for a permanent fund dividend by this section.

C. Extension of Tax Filing and Payment Deadlines. Section 11 extends tax filing and payment deadlines from the effective date of the bill to July 15, 2020. The extension applies for filings and payments due to the Department of Revenue (“DOR”), including charitable gaming fees, common property fishery assessments, excise taxes, and corporate income taxes. This extension is inapplicable to any filings or payments due for the oil and gas production tax, AS 43.55, or the oil and gas property tax, AS 43.56. Due to these extensions, penalties for late filing and late payment are inapplicable if the filings and payments are made on or before July 15, 2020.

D. Telecommunication and Electronic Meetings of Corporations. Section 12 authorizes shareholders to meet by electronic communication if the corporation’s board adopts guidelines for electronic meetings. This section also allows the corporation to notice or re-notice an annual meeting so that the meeting may be held by electronic communication. Similarly, sec. 12(c) allows a meeting of a nonprofit corporation to be held by telecommunication if the corporation’s bylaws allow for an electronic meeting. Section 12(d) allows a meeting of a Native corporation to be held by electronic
communication or telecommunication to the extent authorized by the corporation’s board, notwithstanding any contrary provisions of sec. 12(a)-(c), AS 10.06, or AS 10.20.

E. Extension of Municipal Deadlines. Section 13 extends statutory deadlines under AS 29, related to municipalities, that occur on or after the effective date of the bill for the duration of the emergency, the earlier of either November 15, 2020 or the date you declare the emergency is over.

F. Tolling Deadlines for Action by the Regulatory Commission of Alaska. Section 18 tolls statutory and regulatory deadlines for action by the Regulatory Commission of Alaska (“RCA”) for the duration of emergency. This tolling applies to action under the AS 42.05 (Public Utilities Regulatory Act) and AS 42.08 (In-State Pipeline Contract Carrier), but not AS 42.06 (Pipeline Act). The reason for omission of the latter is unclear.7 This section does not toll deadlines that have been extended for good cause under AS 42.05.175(f) before March 11, 2020.

G. Exclusion of Certain Money from Income for Determination of Assistance. Section 22 provides that for the duration of the emergency that permanent fund dividend payments and payments from another state or federal program in response to the COVID-19 pandemic may not be considered as income for the determination of a public assistance program administered by DHSS or for the determination of eligibility for any program administered by the state or a municipality in which eligibility is based on financial need. Notwithstanding the receipt of a permanent fund dividend payment and any payments by another state or federal program in response to the COVID-19 pandemic, the bill provides that an individual is entitled to receive the same level of medical assistance under the Social Security Act, 42 U.S.C. 1396 -1396p, and financial assistance under the state’s general relief assistance program in AS 47.25.120 – 47.25.300. Importantly, the bill recognizes that these income and eligibility determinations may be limited by federal program requirements. It is likely that for programs administered by federal agencies, the federal agency will allow Alaska to exempt from countable income, as provided in the bill, state or federal payments in response to the COVID-19 pandemic. Section 22 applies retroactively to March 11, 2020. Section 33 provides that the commissioner of DHSS may adopt regulations to implement sec. 22 that are not subject to the strict requirements of the Alaska Administrative Procedures Act (“APA”) in AS 44.62. Section 38 annuls, as of March 11, 2021, any regulations adopted to implement sec. 22.

7 The regulations implementing the Pipeline Act impose deadlines that could result in automatic denial. The RCA may waive or extend those periods by order under 3 AAC 48.805. Therefore, the omission of the Pipeline Act from the tolling under the bill section may be of less significance.
H. Tolling of Deadlines of the Office of Administrative Hearings. The Office of Administrative Hearings ("OAH") is an independent office under the direction of the Chief Administrative Law Judge and organized within the Department of Administration. With some exceptions, sec. 31 allows OAH to toll the deadlines applicable to administrative hearings as set forth in its authorizing statute (AS 44.64) and regulations. This tolling is allowed for the duration of the emergency declaration and for 30 days after. The tolling allowed in this section is inapplicable to deadlines occurring prior to March 11, 2020, deadlines occurring after the emergency, deadlines set forth under AS 44.64.060 as applicable to matters referred to OAH by DOR and DHSS, and immediate suspensions of facilities and occupational licenses. Notwithstanding its tolling provisions, this section requires OAH to make reasonable efforts to meet the timelines applicable to administrative hearings. Section 31 applies retroactively to March 11, 2020 and is repealed on March 11, 2021.

VI. ECONOMIC RELIEF DUE TO FINANCIAL HARDSHIP

The bill forbears certain state loans and establishes moratoriums on certain actions for natural persons experiencing financial hardship due to the COVID-19 emergency. To assure consistent standards, the bill sections authorizing the forbearance of certain state loans and moratoriums on utility disconnections, evictions for nonpayment of rent, repossession of motor vehicles, and real property foreclosures contain parallel definitions of “financial hardship.” “Financial hardship” in these bill sections requires consideration of whether a person’s combined “liquid assets from any source, including payments from the state or federal government because of the COVID-19” emergency would be insufficient to pay the reasonable cost of “food, housing, health care, and other goods and services vital to the health and wellness of the person and the person’s spouse and dependents.” These bill sections also contain parallel requirements that the person claiming financial hardship submit a signed, sworn statement under penalty of perjury that the person is experiencing financial hardship related to the emergency. Typically sworn statements are made before a notary. Due to the health mandates for the emergency, notaries may be unavailable. Alaska Statute 09.63.020(a) allows a sworn statement to be made without a notary if the statement includes the date and place of execution, the fact that a notary is unavailable, and this sentence, “I certify under penalty of perjury that the foregoing is true.” The bill sections requiring these sworn statements of financial hardship do not impose any duty on state agencies or businesses to provide forms for the financial hardship statements; state agencies may choose to do so to aid in the provision of economic relief during the disaster.

Legislative testimony before the committee considering the bill indicated that the intent of the these economic relief measures was to temporarily assist persons...
experiencing financial hardship due to the emergency, not to relieve existing obligations. Although under normal circumstances imposing mandates relating to loans, contracts, or other financial arrangements may raise potential constitutional questions, these provisions provide a balanced approach to ensuring as many people can remain in their homes as possible to prevent the spread of COVID-19, while also requiring that the obligation remains and is not extinguished. This makes it a delay rather than some kind of waiver of payment. Moreover, persons seeking protection under these bill sections are required to provide a sworn statement of financial hardship related to the emergency. These bill sections appear to be lawful under these emergency circumstances and narrowly tailored to accomplish their goal. The other question that may arise is federal preemption when it comes to financial institutions that are heavily regulated under federal law. If you would like further briefing on these provisions, we would be happy to set up a meeting.

A. Forbearance for Certain State Loans. Section 23 provides for a forbearance of certain state loans based on financial hardship related to the COVID-19 pandemic. Under sec. 23(a), this forbearance is for circumstances in which the state is the lender or administrator of a loan, the borrower experiences financial hardship as defined in subsection (d), and the period of forbearance is until the earlier of the end of the emergency or until November 15, 2020. The state as a lender or administrator of a loan covered by this section may not find the borrower in default, ask a court or arbitrator to find the borrower in default, or seize or otherwise obtain collateral in the possession or control of the borrower. A borrower seeking protection under sec. 23(a) must provide the sworn statement of financial hardship to the lender or administrator before the earlier of end of the emergency or until November 15, 2020. Section 23(c) provides that this forbearance does not relieve a person of the obligation to pay a debt or restrict a creditor’s ability to recover an amount due.

Section 23(d) defines “state” to mean the State of Alaska, the Alaska Industrial Development and Export Authority, the Alaska Commission on Postsecondary Education, and agencies or programs that lend or enter into agreements to lend money on behalf of the State of Alaska. Importantly, sec. 23(d) specifically excludes from the definition of “state” the following entities: the Alaska Housing Finance Corporation (“AHFC”) when the corporation is providing a loan that is not a single family residential mortgage loan or public housing assistance; Alaska Permanent Fund Corporation; Alaska Mental Health Trust Authority; Alaska Municipal Bond Bank; Alaska Retirement Management Board; or DOR, treasury division. These exclusions are for the state entities that use loan transactions for commercial and other state investment. Section 23 applies retroactively to March 11, 2020. Section 33 authorizes the commissioner of administration to adopt regulations to implement this section. Those regulations would

---

8 Testimony of Senate Finance Committee Staff, before the Free Conference Committee on Senate Bill 241, March 28, 2020.
not be subject to the APA. Section 38 annuls any regulations adopted to implement sec. 23 on March 11, 2021.

B. Residential Utilities Moratorium. Section 19 imposes a moratorium on disconnection of residential utility service for non-payment by a public utility for the duration of the emergency. In addition to the sworn statement of financial hardship, the moratorium requires negotiation and agreement to a deferred payment agreement. The duration of the repayment period may be no less than the duration of the emergency. This section does not relieve the customer of the obligation to pay, but it does prohibit the imposition of interest or late fees if the deferred payments are made as agreed. This section requires public utilities to make reasonable efforts to reconnect occupied dwellings that were disconnected for non-payment after March 11, 2020, if the occupant is experiencing financial hardship related to the emergency. The section would prohibit the RCA and the Alaska Energy Authority from denying power cost equalization payments for customers protected by the disconnection moratorium. Section 20 allows certificated utilities to record regulatory assets for the temporarily uncollectible residential utility bills and extraordinary expenses resulting from the emergency. The regulatory assets would be recovered through future rates over a duration determined by the RCA. Section 20 clarifies that a residential utility bill is not uncollectible if subject to a deferred payment agreement under sec. 19.

C. Residential Evictions Moratorium. Section 21 places a moratorium on evictions of residential tenants for nonpayment of rent, including rentals of storage units for personal property, for a person experiencing financial hardship. Before June 30, 2020, a person seeking protection under this bill section must provide the landlord the sworn statement of financial hardship. This bill section does not relieve the tenant of the obligation to pay rent, and the bill does not restrict the landlord for recovery of rent owed. Further, this suspension does not extend to evictions for reasons other than nonpayment of rent. This bill section is repealed on June 30, 2020.

D. Foreclosures of Real Property Moratorium. Section 24 establishes a moratorium on foreclosures of real property. Like the moratorium on eviction actions, a person seeking the protections of this bill section must, before June 30, 2020, provide the creditor with the sworn statement of financial hardship. This suspension does not relieve a person of the obligation to pay a debt, or restrict the creditor's ability to recover amounts due. This bill section applies retroactively to March 11, 2020 and is repealed on June 30, 2020.

E. Repossession of Vehicles, Watercraft, and Aircraft Moratorium. Section 27 suspends repossession actions for motor vehicles, aircraft, or watercraft for a person that provides the sworn statement of financial hardship to the creditor before
June 30, 2020. This suspension does not relieve a person of the obligation to pay a debt, or restrict the creditor's ability to recover amounts due. This bill section applies retroactively to March 11, 2020 and is repealed on June 30, 2020.

VII. OTHER ECONOMIC RELIEF

A. Alaska Regional Economic Assistance Program. Section 14 authorizes DCCED to make grants to organizations for the distribution of financial assistance to businesses for operating expenditures during the emergency. DCCED is to distribute the grants to organizations based on regional population. The organizations will determine the amount of financial assistance to give to a business based on the size, assets, resources, financial history, and needs of the business. The organization will develop an application procedure for businesses seeking assistance. An organization under this section is as defined in AS 44.33.896 to mean “a nonprofit organization or nonprofit corporation formed to encourage economic development within a particular region of the state that includes the entire area of each municipality within that region and that has a board of directors that represents the region’s economic, political, and social interests.”

B. Workers Compensation Presumption. For certain employees that contract COVID-19 during the emergency, sec. 15 establishes a conclusive presumption that the employee contracted an occupational disease arising out of employment for the purposes of workers’ compensation. This presumption is available for firefighters, emergency medical technicians, paramedics, health care providers, and peace officers. This section is retroactive to March 11, 2020. Given this minimal period of retroactivity to a few weeks, the temporary effect of the law, the vital public purpose in maintaining healthcare and emergency response capacity during the emergency, and the litigation burden on employees and insurers without the presumption, this section does not impose an impermissible burden on contracts. Additionally, this presumption merely constrains the ability of employers and insurers to dispute coverage; the presumption does not require that all firefighters that contract the disease will be covered. The presumption in this section still requires exposure to COVID-19 during employment.

C. Wills Witnessed by Videoconference. Under current law, wills must be in writing, signed by the testator or in the testator’s name in the testator’s conscious

---

9 Alaska Const. Art I, sec.15; Hageland Aviation Services, Inc. v. Harms, 210 P.3d 444, 452 (Alaska 2009)(noting that even in cases where there is substantial impairment, courts still consider “whether the impairment is reasonable and necessary to serve an important public purpose”).

10 Existing law would likely have exposure to COVID-19 while working to be considered a “causal link” for these workers. AS 23.30.010(a)
presence, and signed by two individuals as witnesses within a reasonable time after the testator signs or acknowledges the testator's signature. For the duration of the emergency and 10 days after, sec. 25 allows a will to be signed or witnessed by videoconference when the testator must be separated from witnesses due to being at high risk to contract COVID-19, or at the advice of a health care provider, or state, local, or federal agency. The will must contain a statement similar to the one in the bill regarding the testator’s assertion on their risk of exposure. With this bill section, a person will be able to sign their will through videoconference presence of the witnesses. Within 60 days of the testator’s signature of the will by videoconference, the witnesses are required to sign the will or exact facsimile of the will. The witnesses are required to include statements similar to the one in the bill regarding the testator’s or the witness’ risk of exposure. This section applies retroactively to March 11, 2020, and is repealed on March 11, 2021.

D. Consumer Protection. Under current law, the Attorney General may bring actions for injunctions, civil penalties, and victim restitution, and private persons may bring actions for injunctions and treble damages, against persons engaged in unlawful methods of competition or unfair or deceptive trade practices. Section 26 addresses the possibility that persons will engage in “price gouging” – the act of selling items that are in short supply due to the emergency for abnormally high prices. Accordingly, this section explicitly establishes that a person who charges more than 10 percent over the price charged for supplies in this state in the normal course of business before March 11, 2020 (the date the emergency was declared) commits an unfair or deceptive act or practice under AS 45.50.471 - 45.50.561 (Alaska Unfair Trade Practices Act). This pricing would not be considered deceptive under this bill section if a charge that exceeds 10 percent is caused by an increased cost for the seller to purchase the supplies or, for a person in the business of selling fuel, is caused by normal fluctuations in the market for fuel based on supply and demand. For the purposes of this section, “supplies” means food, medicine, fuel, sanitation and hygiene products as well as essential household supplies and other essential goods. This bill section applies retroactively to March 11, 2020, and is repealed on March 11, 2021.

D. Application for Education Emergency Funding. Section 28 instructs you to apply to the United States Department of Education for emergency funding available under the Education Stabilization Fund of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), P.L. 116-136. The Education Stabilization Fund provides emergency support to local school systems and higher education institutions. This section also requires you to make reasonable efforts to provide necessary assurances under the CARES Act to receive the maximum allowable federal funding. This section falls within the range of sections that apply retroactively to March 11, 2020. But, as the CARES Act was not in existence on that date this retroactive application is inapplicable. This bill section is repealed on March 11, 2021.
E. **State Purchase of Alaska Seafood for Distribution.** Section 29 encourages DCCED to issue a request for proposal for the purchase of Alaska seafood for distribution during the emergency to food banks, soup kitchens, Alaska Native regional corporations, and Alaska Native regional non-profit organizations for further distribution throughout the state. This section is nonbinding legislative guidance. This section applies retroactively to March 11, 2020, and is repealed on March 11, 2021.

F. **Alaska Housing Finance Corporation Address Homelessness.** Section 30 directs the AHFC for the duration of the emergency to provide financial assistance, subject to appropriation, on a statewide, regional, or community basis as necessary to address homelessness caused by the emergency. This section applies retroactively to March 11, 2020, and is repealed on March 11, 2021.

VIII. **CONCLUSION**

Although we have identified no other constitutional or legal issues in the bill outside of what is included in this letter, please be advised that it is not always possible to identify or comment on all legal issues in a bill of this complexity and in the short timeline we have had for review. However, we will assist you and the agencies impacted in interpreting and applying the provisions of the bill.

Sincerely,

KEVIN G. CLARKSON
ATTORNEY GENERAL

By:
Susan R. Pollard
Mary Hunter Gramling
Assistant Attorneys General
Legislation & Regulations Section

SRP/rjc