



Representative Sam Kito

Alaska State Legislature

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House Bill 90 Sponsor Statement

"An Act relating to occupational licensing fees; relating to an occupational investigation surcharge; and providing for an effective date."

Under current law, the Department of Commerce, Community, and Economic Development is required to review a professional licensing program's revenues and expenses each year and make adjustments to balance them. If a professional licensing program receives a single complaint and a complex investigation ensues, an enforcement action could exceed \$100,000. Recovering investigation costs of this magnitude during one licensing cycle (two years) would cause significant increases in fees, especially in licensing programs with fewer licensees to share the burden of the cost.

Currently, all licensees for a particular profession bear the entire cost of enforcement of that profession's license violations. House Bill 90 proposes to spread the total cost of investigation charges across all licensees regardless of profession. This new investigative surcharge would be in lieu of the current amount that licensees pay in their overall license fee. This bill would have no impact on boards running deficits; those boards would still be required to pay off their deficit.

The Department will continue to work in partnership with boards, commissions, and the public when considering any fee changes. All fees are set through the state's public regulations process, with formal public notice, and licensees are always informed of how they can provide input at least 30 days in advance of a proposed fee change. As provided by law, the Department makes the final fee-setting decision after careful consideration of board, licensee and public comments received.

Thank you for your consideration of House Bill 90.