



## Alaska State Home Building Association

April 13, 2017

Rep. Matt Claman, Chairman  
House Judiciary Committee  
Alaska State Legislature  
Juneau, Alaska

Subject: HB79, Workers' Compensation

Dear Chairman Claman:

Thank you for the opportunity to comment on a proposed amendment to HB79, workers' compensation. The Alaska State Home Building Association has been closely following HB79 this session, and has endeavored to keep our members informed about the bill and its effort to define "independent contractors".

In February, our State Board of Directors met with Governor Walker to express some concerns regarding the bill. His office connected us with Commissioner Heidi Drygas and Director Marie Marx. Through their efforts, amendments in the House Labor & Commerce Committee addressed some shortcomings we saw within the initial version. Please allow me to express appreciation to everyone involved for those efforts.

There are many different examples and circumstances that create independent contracting relationships in the business world, and we respect the concerns and interests of fellow stakeholders. For that reason, this letter is express support for specific amendment language (shown below) relating to the definition of an independent contractor. The amendment addresses concerns of the NFIB and Alaska Trucking Association, and it also creates a standard that fits with typical construction contracting.

"On page 16, beginning at line 28, amend CSHB79(L&C) as follows:

(H) meets at least two of the following criteria:

(i) **the person is responsible for the satisfactory completion of the services that the person has contracted to perform and is subject to liability for a failure to complete the contracted work, or** the person maintains liability insurance or other insurance policies necessary to protect the employees, financial interests, and customers of the person's business;

(ii) the person maintains a business location, **or a business mailing address** separate from the location ,of the individual for whom, or the entity for which, the services are performed;

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(iii) the person provides contracted services for two or more different persons within a 12 month period, or the person engages in any kind of business advertising, solicitation, or other marketing efforts reasonably calculated to obtain new contracts to provide similar services;

~~(iv) the person holds a bank account in the name of the business entity for the purpose of paying business expenses or expenses related to the work or services performed;~~

~~(v) the person engages in a trade, occupation, profession, or business to provide services that are outside the usual course of business for the individual for whom, or the entity for which, the services are performed.”~~

With the inclusion of this amendment, this letter is also to express support for HB79 in its entirety. We will continue to monitor the progress of this bill through the process, and will update our position and our comments based on any further changes to the bill.

Thank you and members of the House Judiciary Committee for considering the concerns of residential contractors as part of your deliberations.

Sincerely,



Aaron Welterlen, President  
Alaska State Home Building Association

CC: Commissioner Heidi Drygas

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**Alaska Trucking Association, Inc.**

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*The authoritative voice of the trucking industry in Alaska*

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April 13, 2017

Rep. Matt Claman, Chairman  
House Judiciary Committee  
Alaska State Legislature  
Juneau, Alaska

Re: HB79 Workers Compensation Omnibus

Dear Chairman Claman,

We are pleased to support the amendments that you propose as Amendment #8 to CSHB79 relative to paragraph (H) dealing with independent contractors.

This amendment will allow for the orderly conduct of traditional business relationships that have existed for decades. Thank to you and to Commissioner Drygas and Director Marx for their willingness to work through the issues to a satisfactory conclusion.

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I will be available on line for question at the HJUD hearing at 5:30 pm.

Sincerely,



Aves Thompson  
Executive Director

Cc: Commissioner Heidi Drygas, DOLWD  
Director Marie Marx, Division Director, WC Division

# NFIB

The Voice of Small Business.®

ALASKA

April 13, 2017

The Honorable Matt Claman, Chair  
House Judiciary Committee  
State Capitol Building  
Juneau, Alaska 99801-1182

RE: House Bill 79

Dear Representative Claman:

On behalf of the National Federation of Independent Business/Alaska, I wish to respectfully withdraw our opposition to House Bill 79. The National Federation of Independent Business is the largest small-business advocacy group in Alaska.

We have reviewed Representative Reinbold's propose amendment to Section 28 that would amend AS 23.30.230(a). We believe that it reflects what an independent contractor is and should be enacted into law as the amendment is written.

We believe that the proposed bill reflects a fair compromise and should move forward with the amendments that will be adopted in the House Judiciary Committee Substitute. We hope to see it become law in the form it is leaving the House Judiciary Committee.

NFIB appreciates the efforts of Representative Reinbold, the Department of Labor and Workforce Development, and yourself in developing this language that protects Alaska's small businesses and independent contractors from unnecessary government intrusion into their ability work together and contribute to our economy.

Sincerely yours,



Dennis L. DeWitt  
Alaska State Director

Cc: NFIB/AK Leadership Council  
Representative Reinbold