



# ALASKA STATE LEGISLATURE

## HOUSE LABOR & COMMERCE COMMITTEE

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### Sponsor Statement

#### HB 187

“An Act relating to professional and occupational licensing fees...”

Under current law, the Department of Commerce, Community, and Economic Development is required to analyze 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) causes significant changes in fees, especially in licensing programs with fewer licensees to share the burden of the cost.

House Bill 187 will allow for; a) fee collection to balance revenues with expenses over several licensing cycles; b) the consolidation of certain fee types within a given program to reduce handling costs, and c) the use of general funds to offset the costs of professional licensing investigation and enforcement actions to protect the public.

This bill provides the opportunity for a degree of customization of the fee to meet the unique needs of each profession. Board members will play an integral role in providing recommendations on how the costs of the licensing group are spread among its licensees, as well as the timeframe to recover those costs.

Currently, all licensees for a particular profession bear the entire cost of enforcement of that program’s license violations. The bill proposes to fund the personnel costs for investigations through general funds instead of license fees, since license enforcement provides consumer protection for all Alaskans.

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.

HB 187 also requires the Department to publish information regarding fee adjustments on its website. As provided by law, the Department makes the final fee-setting decision after careful consideration of board, licensee and public comments received.