

Alaska State Legislature

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Serving Wasilla & Meadow Lakes

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Sponsor Statement House Bill 385

The current scheme by which licensing fees are calculated by the Division of Corporations, Business, and Professional Licensing (CBPL) results in widely different license fee amounts from one year to another and from one career occupation to another. The factor most often prone to volatility in the calculation is the cost of investigations for each type of license, resulting in the potential for excessively high license fees in any given year, exacerbated when the pool of licensees for a particular career field is small.

House Bill 385 will adjust AS 08.01.065 to refine the fee-setting process for occupational licenses, ensuring that fees collected cannot be greater than one-fifth of the total gross income a licensee receives from work associated with the license once the licensee presents income information to the department. If this new approach is widely used this approach will result in the shifting of costs from all licensees to only those licensees who perform work associated with the license in a given year. It is likely that this approach will result in higher license fees for some, up to the amount of the 20% cap. The benefit is certainty for new and renewing licensees that the license fees for a particular license will not exceed the 20% cap, but this approach is not without downsides. The department will not be able to exclusively use online applications as the license application process for this new type of application will need to be personalized to each applicant based on their reported gross annual income. Also, this fix, if applied across the board will negatively impact occupations that are not currently experiencing the volatility in license fees that is experienced by occupations with the smallest pool of licensees.

House Bill 314 avoids many, if not all, of these downsides by shifting the costs of investigations to the department. While this approach is preferable to the one outlined above, it may be beneficial to assign investigation costs, as much as possible, to those who engage in misconduct. It may also be preferable to ensure that complaints may only be initiated by those with direction knowledge of concerning activity who are willing to provide specificity as to the conduct in question, thereby discouraging the filing of unnecessary or inappropriate complaints and the resulting costs to the department.