

ALASKA STATE LEGISLATURE
SENATE LABOR & COMMERCE COMMITTEE

February 21, 2002
1:40 p.m.

MEMBERS PRESENT

Senator Ben Stevens, Chair
Senator Loren Leman
Senator Bettye Davis

MEMBERS ABSENT

Senator Alan Austerman
Senator John Torgerson

COMMITTEE CALENDAR

CS FOR HOUSE BILL NO. 291(L&C)
"An Act relating to the requirements for obtaining a residential contractor endorsement."

MOVED CSHB 219(L&C) OUT OF COMMITTEE

CS FOR HOUSE BILL NO. 245 (L&C) am
"An Act relating to marital and family therapists."

MOVED SCSHB 245(L&C) OUT OF COMMITTEE

SENATE BILL NO. 267
"An Act establishing the Alaska veterans' memorial endowment fund and providing for credits against certain taxes for contributions to that fund; relating to other tax credits for certain contributions; and providing for an effective date."

MOVED SB 267 OUT OF COMMITTEE

CS FOR SENATE BILL NO. 235(STA)
"An Act relating to emergency and disaster relief forces as state employees for purposes of workers' compensation benefits; relating to the Emergency Management Assistance Compact and the implementation of the compact; and providing for an effective date."

MOVED CSSB 235(STA) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

HB 291 - No previous action to record.

HB 245 - No previous action to record.

SB 267 - See State Affairs minutes dated 2/12/02.

SB 235 - See State Affairs minutes dated 1/24/02 and 1/31/02.

WITNESS REGISTER

Representative Kevin Meyer
State Capitol Bldg.
Juneau AK 99811

POSITION STATEMENT: Sponsor of HB 291.

Ms. Robin Ward, Co-Chair
Legislative Affairs
Alaska State Home Builders Association
P.O. Box 91443
Anchorage AK 99509

POSITION STATEMENT: Supported HB 291.

Representative Peggy Wilson
State Capitol Bldg.
Juneau AK 99811

POSITION STATEMENT: Sponsor of HB 245.

Ms. Catherine Reardon, Director
Division of Occupational Licensing
Department of Community and Economic Development
P.O. Box 110806
Juneau AK 99811

POSITION STATEMENT: Supported HB 245.

Mr. Laddie Shaw, State Director
Veterans' Affairs
Department of Military &
Veterans Affairs
PO Box 5800

Ft Richardson, AK 99505-0800

POSITION STATEMENT: Supported SB 267.

Colonel Pat Carothers, Chairman
Alaska Veterans Advisory Council
P.O. Box 32926
Juneau AK 99803

POSITION STATEMENT: Supported SB 267.

MR. Larry Persily, Deputy Commissioner
Department of Revenue
PO Box 110400
Juneau, AK 99811-0400
POSITION STATEMENT: Supported SB 267.

Mr. Wayne Rush
Division of Emergency Services
Department of Military &
Veterans Affairs
PO Box 5800
Ft Richardson, AK 99505-0800
POSITION STATEMENT: Supported SB 235.

ACTION NARRATIVE

TAPE 02-7, SIDE A

Number 001
#HB291

HB 291-LICENSING OF RESIDENTIAL CONTRACTORS

CHAIRMAN BEN STEVENS called the Senate Labor & Commerce Committee meeting to order at 1:40 p.m. and announced HB 291 to be up for consideration.

REPRESENTATIVE KEVIN MEYER, sponsor of HB 291, said under current law a person must apply for a residential contractor endorsement within six months of successfully completing the exam. His constituent, Don Devore, was out of the state on a family emergency and missed the six-month deadline. Mr. Devore is concerned that the law did not allow of extenuating circumstances. If a person misses the six-month deadline, his only recourse is to take the residential contractor exam again. It is four hours long and costs \$75 each time the test is taken.

REPRESENTATIVE MEYER said that Catherine Reardon, Director, Division of Occupational Licensing, agreed that the law could have some flexibility and that others had also missed the deadline. The bill extends the timeline to apply from six months to two years, which has been amended to one year. Ms. Reardon said that a common cause for people missing the six-month deadline was because of processes involved in starting a new construction business, whether sole proprietor or corporation. Other examples include health and family emergencies.

MS. ROBIN WARD, said she is a residential contractor in Anchorage and Co-chair of Legislative Affairs for the Alaska State Homebuilders Association. She supported HB 291. She said that it

creates a little bit of flexibility without taking it too far.

SENATOR LEMAN moved to pass CSHB 291(L&C) from committee with individual recommendations. There were no objections and it was so ordered.

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#HB245

HB 245-MARITAL & FAMILY THERAPISTS

CHAIRMAN STEVENS announced HB 245 to be up for consideration.

REPRESENTATIVE PEGGY WILSON, sponsor, said that HB 245 adds the Board of Marital and Family Therapy to the list of professionals that the department can now contract with to provide treatment. It gives them the ability to order a licensed therapist to submit to a reasonable physical or mental examination if the board has credible evidence sufficient to conclude that the therapist's physical or mental capacity to practice safely is an issue.

Section 3 allows for an individual client contact to be used as hours towards licensing. Section 4 requires that the therapist must communicate to a potential victim or law enforcement officer if serious harm has been identified. The next section imposes disciplinary sanctions with regards to the therapist for sexual misconduct. The Board of Marital and Family Therapy group will be added with the social workers and counselors and other medical people.

SENATOR DAVIS moved to adopt the CS to HB 245, 22LS0892\F. There were no objections and it was so ordered.

MS. CATHERINE REARDON, Director, Division of Occupational Licensing, said that Ms. Samaniego is Chairman of the Board and she supports this legislation.

SENATOR DAVIS moved to pass SCS HB 245(L&C) from committee with the \$0 fiscal note and with individual recommendations. There were no objections and it was so ordered.

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#SB267

SB 267-ALASKA VETERANS' MEM.ENDOWMENT FUND

CHAIRMAN STEVENS announced SB 267 to be up for consideration.

Mr. Laddie Shaw, State Director, Veterans Affairs, Department of Military and Veterans Affairs said they established this fund to

support the veterans' memorials around the state, of which there are 41. This fund would allow them to manage the memorials, do regular maintenance, and put up new memorials. They presently have \$125,000 in the bank that has been donated by private companies throughout the state and they are asking the legislature to assist them in putting the fund completely in place.

CHAIRMAN STEVENS asked how they maintain the memorials now.

MR. SHAW replied that many of the signs are under the Department of Transportation, but the Byers Lake Memorial is done by volunteers on their own time and donated money.

CHAIRMAN STEVENS asked what their long-term objective was for the fund.

MR. SHAW answered that they want a fund that is established forever to support all existing institutional memorials in the state. He used the example of the flagpole at the park strip in Anchorage that might have to be replaced in 20 years.

He said they want to start the fund at \$250,000 and put it in an interest bearing account and let it grow on its own.

COLONEL PAT CAROTHERS, Chairman, Alaska Veterans Advisory Council, said the Archie Van Winkel Memorial that is in front of the tram is an example of what can be done. Van Winkel is the only Alaska born Medal of Honor recipient. After the monument was purchased and put in place, there was an excess of \$2,000. At about 2 percent interest, it earned \$47 last year. This has given them all the money they need for the upkeep.

You can see that within five years there would be more than enough to go around and support all the rest of these memorials as they should. The bottom line is that we feel very strongly that the memory of those veterans that have preceded us in death and those veterans who are here now have certain memorials honoring them for their sacrifice not only to America, but to the citizens of this state, that the legislature should come up with the other half of the money to insure that these memorial do not deteriorate and if they do, that they immediately are taken care of - that any of the memorials in this state do not dishonor the memory of these veterans. This is what we are seeking. The people have already put their money up, that's in the bank. We

ask fervently that you pass this important legislation favorably out of this committee.

CHAIRMAN STEVENS asked if there were plans for any future memorials and would this fund help do that.

COLONEL CAROTHERS replied absolutely. PFC Martinez, a native of Colorado who, probably unknown to anyone, was the only one to receive the Medal of Honor for action in Alaska during World War II. He died on Attu and received the Medal posthumously. "He is not a native of Alaska, neither was Sergeant Dicks and neither was Sergeant Bonsteel, but they're all good people and they in one measure or another, have contributed to the greatness of this state through their personal service..."

He told them that Sergeant Bonsteel, who died recently, came to Juneau annually and visited many service organizations to instill the spirit of patriotism in the community. He said that we are indebted to all five of those people. He said that the U.S. Juneau memorial on our waterfront bearing the names of everybody that was on her when she went down hasn't been polished in probably 20 years. This fund would take care of that adequately.

SENATOR DAVIS said she supported this bill in State Affairs and she was supporting it here, too.

MR. LARRY PERSILY, Deputy Commissioner, Department of Revenue, said he would explain briefly how the tax credit would work.

Pretty simply this would work just like the education tax credit program works. We have had that on the books since 1987. The way it works and the way this would work is a taxpayer could get a tax credit against their corporate taxes of 50 percent up to the first \$100,000 donation and 100 percent of the second \$100,000 donation. At a maximum, if someone donated \$200,000 to this fund in a given year, they would a \$150,000 tax credit against their corporate income taxes to the state.

In FY 01 we had about \$2 million in education tax credits that were used by 37 taxpayers. To get the education tax credit, your donation has to be to an accredited college or university in the state. So, we're looking at the University of Alaska system, APU, Sheldon Jackson. Of the \$2 million in credits 97 percent was used by 16 taxpayers. So you had 21 other taxpayers who used a very small portion of it.

The way this legislation is written, a corporate donor would have that \$150,000 a year maximum credit total. It wouldn't be per program. So they could give to this fund or a combination of this fund and the university, but they would max out at \$150,000.

CHAIRMAN STEVENS asked if the money that's already been donated has been eligible for this tax credit yet.

MR. PERSILY replied that it hadn't been. "Any donations to the tax credit now are limited solely to the education tax credit program, which would be to accredited colleges and universities."

CHAIRMAN STEVENS asked, "Do they get any kind of deduction at all?"

COLONEL CAROTHERS indicated that they didn't get any at all.

CHAIRMAN STEVENS said that indicated how much people like this program.

MR. PERSILY said the funds would endow the program.

SENATOR LEMAN said at some time they should review the tax credit percentage structure.

MR. PERSILY said that a lot of corporations give the maximum.

SENATOR LEMAN moved to pass SB 267 from committee with individual recommendations. There were no objections and it was so ordered.
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#SB235

SB 235-EMERGENCY MANAGEMENT ASSISTANCE COMPACT

MR. WAYNE RUSH, Alaska Division of Emergency Services, Department of Military and Veterans Affairs, said this bill accomplishes two things. The following is his written statement:

It repeals the outdated Interstate Civil Defense Disaster Compact and replaces it with the Emergency Management Assistance Compact (EMAC). Secondly, it updates AS26.30.244 to provide Workers Compensation for specific categories of disaster volunteers, namely those who perform duties in another state under EMACV or those who perform duties in Alaska under the Division of Emergency Services.

EMAC allows states to assist one another during emergencies. It offers a quick and easy way for states

to send personnel and equipment to help disaster relief efforts in other states. There are times when state and local resources are overwhelmed and federal assistance is inadequate or unavailable. Our-of-state aid through EMAC helps fill such shortfalls.

EMAC establishes a firm legal foundation. Requests for EMAC assistance are legally binding, contractual arrangement which make state that ask for help responsible for reimbursing all out-of-state costs and liable for out-of-state personnel. States that send aid will not incur a financial burden.

EMAC provides fast and flexible assistance. EMAC allows states to ask for whatever assistance they need for any emergency from earthquakes to acts of terrorism. At the same time, EMAC makes no requirement for a state to send assistance unless they determine to provide the requested assistance.

While Alaska is capable of handling most disaster/emergencies, as demonstrated by past events, there are times when disasters exceed state and local resources and therefore require outside assistance. Normally this assistance comes from federal agencies through the Federal Emergency Management Agency (FEMA). However, not all disasters qualify for a Presidential Disaster Declaration and therefore are not eligible for federal assistance.

EMAC provides a means for Alaska to receive interstate assistance when federal assistance is not merited or available. Even when federal assistance is merited, EMAC assistance may be more readily available or more cost effective, or it may be necessary to supplement federal assistance. In any case, EMAC allows other member states to assist Alaska by rapidly providing their unique resources and expertise in the event of a large-scale disaster. EMAC costs incurred for a disaster that receives a presidential Disaster Declaration are reimbursable by FEMA at the same cost share (75/25) as other costs incurred by the state.

Membership in EMAC will also allow Alaska to rapidly provide requested assistance to other states in a process that provides mutually agreed upon and understood requirements for reimbursement and

responsibility for the welfare of personnel and resources.

CHAIRMAN STEVENS asked him if the Pacific Northwest Emergency Management Arrangement would supercede EMAC.

MR. RUSH replied that they are separate agreements. It doesn't affect the international agreement with the Canadians.

CHAIRMAN STEVENS asked if the Canadians were involved with EMAC at all.

MR. RUSH answered that they are not at this time, but he wouldn't rule it out the future. We would be the 44th state to adopt this. There is no fiscal note.

SENATOR LEMAN asked if there was a provision for amendments or modifications to the compact, since there typically is on interstate compacts.

MR. RUSH replied that he didn't think there was.

SENATOR DAVIS moved to pass CSSB 235 (STA) from committee with individual recommendations and \$0 fiscal note. There were no objections and it was so ordered.

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CHAIRMAN STEVENS adjourned the meeting at 2:18 p.m.