

ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE

February 7, 2003

3:15 p.m.

MEMBERS PRESENT

Representative Tom Anderson, Chair
Representative Bob Lynn, Vice Chair
Representative Nancy Dahlstrom
Representative Carl Gatto
Representative Norman Rokeberg
Representative Harry Crawford
Representative David Guttenberg

MEMBERS ABSENT

All members present

OTHER LEGISLATORS PRESENT

Representative Richard Foster

COMMITTEE CALENDAR

HOUSE BILL NO. 58

"An Act relating to the reinstatement of Native corporations; and providing for an effective date."

- MOVED HB 58 OUT OF COMMITTEE

HOUSE BILL NO. 15

"An Act relating to establishing the Alaska No-Call List, a data base of residential telephone customers who do not wish to receive telephonic solicitations; providing that the data base be compiled at no cost to the customers; requiring paid telephonic sellers and paid solicitors to purchase the data base; requiring telephonic sellers to identify themselves; requiring telephonic solicitors who are otherwise exempt from registration as telephonic solicitors to file with the Department of Law and pay the data base access fee; and providing for an effective date."

- MOVED CSHB 15(L&C) OUT OF COMMITTEE

PREVIOUS ACTION

BILL: HB 58

SHORT TITLE: REINSTATEMENT OF NATIVE CORPS

SPONSOR(S): REPRESENTATIVE(S) FOSTER

Jrn-Date	Jrn-Page		Action
01/21/03	0047	(H)	READ THE FIRST TIME - REFERRALS
01/21/03	0047	(H)	CRA, L&C
01/30/03		(H)	CRA AT 8:00 AM CAPITOL 124
01/30/03		(H)	Moved Out of Committee
01/30/03		(H)	MINUTE(CRA)
01/31/03	0100	(H)	CRA RPT 6DP
01/31/03	0100	(H)	DP: KOOKESH, CISSNA, SAMUELS
01/31/03	0100	(H)	ANDERSON, CHENAULT, MORGAN
01/31/03	0100	(H)	FN1: ZERO(CED)
01/31/03	0107	(H)	COSPONSOR(S): ANDERSON
02/07/03		(H)	L&C AT 3:15 PM CAPITOL 17

BILL: HB 15

SHORT TITLE: TELEMARKETERS NO-CALL LISTS

SPONSOR(S): REPRESENTATIVE(S) FATE

Jrn-Date	Jrn-Page		Action
01/21/03	0035	(H)	PREFILE RELEASED (1/10/03)
01/21/03	0035	(H)	READ THE FIRST TIME - REFERRALS
01/21/03	0035	(H)	L&C, STA, FIN
01/29/03		(H)	L&C AT 3:15 PM CAPITOL 17
01/29/03		(H)	<Bill Postponed> -- Time Change --
02/07/03	0153	(H)	COSPONSOR(S): CHENAULT
02/07/03		(H)	L&C AT 3:15 PM CAPITOL 17

WITNESS REGISTER

LARRY LaBOLLE, Staff
to Representative Richard Foster
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As staff for the bill's sponsor, presented
HB 58 and answered questions.

SALLY SADDLER, Legislative Liaison
Office of the Commissioner
Department of Community & Economic Development
Juneau, Alaska

POSITION STATEMENT: Testified that the department has no position on HB 58 but foresees no problems with it.

REPRESENTATIVE HUGH FATE
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As sponsor of HB 15, described the Alaska No-Call List legislation and answered questions.

JIM POUND, Staff
to Representative Hugh Fate
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Answered questions on HB 15.

ED SNIFFEN, Assistant Attorney General
Fair Business Practices Section
Civil Division (Anchorage)
Department of Law
Anchorage, Alaska

POSITION STATEMENT: Answered questions about HB 15: how the bill was adapted from the Colorado law, and enforcement under the Alaska Unfair Trade Practices and Consumer Protection Act.

MARIE DARLIN, Coordinator
Capital City Task Force
AARP
Juneau, Alaska

POSITION STATEMENT: Presented the AARP position in support of HB 15, noting related action by the Federal Trade Commission.

ROSALEE WALKER
Older Persons Action Group (OPAG)
Juneau, Alaska

POSITION STATEMENT: Spoke in support of HB 15 and urged the committee to take action regardless of unscrupulous solicitors who will circumvent any law.

JAMES CARROLL
Juneau Retired Teachers Association;
AARP
Juneau, Alaska

POSITION STATEMENT: Testified in favor of HB 15 and urged the committee members to pass the bill, despite their concern about solicitors finding loopholes.

JOHN FURUNESS

Juneau Chapter Number 2088

National Association of Retired Federal Employees (NARFE);

AARP

Juneau, Alaska

POSITION STATEMENT: Spoke in support of HB 15 and described his experience with annoying telephone solicitations.

JUDY WARWICK, Interior Regional Manager for External Affairs

GCI

Fairbanks, Alaska

POSITION STATEMENT: Testified that GCI supports the concept of HB 15 but urged the Department of Law to work closely with telephone exchanges when developing the program regulations.

ACTION NARRATIVE

TAPE 03-6, SIDE A

Number 0001

CHAIR TOM ANDERSON called the House Labor and Commerce Standing Committee meeting to order at 3:15 p.m. Representatives Anderson, Lynn, Dahlstrom, and Crawford were present at the call to order. Representatives Gatto, Rokeberg, and Guttenberg arrived as the meeting was in progress. Representative Foster was also present.

HB 58-REINSTATEMENT OF NATIVE CORPS

CHAIR ANDERSON noted the first order of business was HOUSE BILL NO. 58, "An Act relating to the reinstatement of Native corporations; and providing for an effective date."

Number 0100

LARRY LaBOLLE, Staff to Representative Richard Foster, Alaska State Legislature, presented HB 58 on behalf of Representative Foster, sponsor. He said the Legislature has considered similar legislation several times in the past. The bill addresses the situation that occurs when a village Native corporation fails to renew its corporate papers during a grace period and is involuntarily dissolved. The Native village corporations are creations of ANCSA [Alaska Native Claims Settlement Act], and they own the assets and operate the businesses of the village corporation. They could re-incorporate, but they wouldn't own those assets granted under ANCSA. Mr. LaBolle testified that the process is cleaner if the legislature provides a one-time window for them to pay their penalty fees and be reinstated

under the state corporation laws. This way, he said, there's no question that the corporation is a continuation of the original entity. The last provision of the bill allows the board of directors to legally change the corporation's name if another corporation has taken the previously used name. At this time, the bill applies to three village corporations that have been involuntarily dissolved. They are Savoonga, which requested that Representative Foster sponsor the bill, Paimiut [and Pununrimit Rinit].

Number 0263

MR. LaBOLLE, answering questions from Representative Guttenberg, said this is the third time he has staffed a similar bill. He said this "fix" is the simplest option because it falls within the corporate laws of the state.

Number 0375

SALLY SADDLER, Legislative Liaison, Office of the Commissioner, Department of Community & Economic Development, testified that the department has no position on the bill. She said staff has examined the bill and anticipates no problems with it. Back penalties and fees will generate a small amount of revenue, but they are not included in the department's zero fiscal note because they will not impact the department's ongoing operations.

CHAIR ANDERSON closed the public hearing because there were no other witnesses.

Number 0462

REPRESENTATIVE DAHLSTROM moved to report HB 58 out of committee with individual recommendations and the accompanying zero fiscal note. There being no objection, HB 58 was reported from the House Labor and Commerce Standing Committee.

HB 15-TELEMARKETERS NO-CALL LISTS

Number 0505

CHAIR ANDERSON said the next order of business was HOUSE BILL NO. 15, "An Act relating to establishing the Alaska No-Call List, a data base of residential telephone customers who do not wish to receive telephonic solicitations; providing that the data base be compiled at no cost to the customers; requiring

paid telephonic sellers to purchase the data base; requiring telephonic sellers to identify themselves; requiring telephonic solicitors who are otherwise exempt from registration as telephonic solicitors to file with the Department of Law and purchase the data base; and providing for an effective date."

CHAIR ANDERSON noted that the sponsor of HB 15 has provided a revised version of the bill for the committee's consideration.

Number 0516

REPRESENTATIVE LYNN moved to adopt the proposed committee substitute (CS) for HB 15, Version 23-LS0058\D, Craver, 2/4/03, as the working document.

Number 0537

REPRESENTATIVE GUTTENBERG objected for purposes of discussion.

Number 0550

REPRESENTATIVE HUGH FATE, Alaska State Legislature, as sponsor of HB 15, described the key points of his proposed CS. The Alaska No-Call List creates a data base of residential telephone customers who do not wish to receive telephone solicitations. Some of those solicitations are intended to defraud senior citizens. There is no cost to register a telephone number on the list. A telemarketer must purchase the no-call list from a designated agent of the Department of Law. The department will write the regulations and establish the fees for the data base. He said this will begin the process of eliminating unsolicited phone calls.

REPRESENTATIVE FATE stated that nonprofit corporations can [register with] the Department of Law, allowing them to make telephone solicitations. The fiscal note from the Department of Law is about \$140,000 for the start-up year and \$120,000 in the following years. This program is modeled after Colorado's No-Call List law. At present time, the Colorado No-call list is taking in more revenue than needed to break even.

Number 0770

REPRESENTATIVE LYNN asked how the Department of Law will handle waivers for nonprofit corporations that advocate for controversial social issues and solicit contributions. Would

the department decide which advocacy group could call and which could not?

REPRESENTATIVE FATE replied that the Department of Law will develop regulations for the program. He said if the department determines that the nonprofit agency [is a charity], then there is no cost for the no-call list. He added that solicitation for information, as in a telephone poll, is treated differently than a commercial enterprise selling goods over the phone.

Number 960

JIM POUND, Staff to Representative Hugh Fate, Alaska State Legislature, clarified that "nonprofits are not included in this; this is strictly for paid solicitors."

Number 0985

REPRESENTATIVE GUTTENBERG asked how a person could complain about an overly aggressive nonprofit organization seeking money.

REPRESENTATIVE FATE said that HB 15 includes complaint procedures.

MR. POUND answered a question from Representative Crawford about whether third parties hired by nonprofits would be required to buy the no-call list. He said yes, such a solicitor would have to buy the no-call list. He confirmed that a nonprofit organization which uses its own members to solicit funds would not be required to buy the no-call list.

Number 1126

REPRESENTATIVE GATTO asked who owns the no-call list and are there protections to prevent a business from reselling the list to other companies.

REPRESENTATIVE FATE replied that the State of Alaska owns the list, and the list may not be resold.

Number 1173

REPRESENTATIVE GATTO asked whether e-mails soliciting business received over a phone line [or cable] are covered by this bill.

REPRESENTATIVE FATE replied that the Alaska No-Call List applies to telephone calls and fax [facsimile] transmissions and but doesn't cover e-mails.

REPRESENTATIVE ROKEBERG clarified that this bill does not stop spam [unsolicited commercial e-mails].

CHAIR ANDERSON explained that electronic mail is defined separately from telephone solicitations.

Number 1400

REPRESENTATIVE DAHLSTROM asked how the Alaska No-Call List will be maintained and through which department's budget. She also asked how the list will be protected from illegal copying and distribution.

REPRESENTATIVE FATE explained the Department of Law fiscal note outlines the cost of starting and maintaining the data base. The department will decide how frequently the list is updated.

MR. POUND said the issue of unauthorized distribution of the no-call list needs to be tightened up either in the bill or the regulations. The original version of the bill allowed the list to be freely distributed, which he said, undermined the sales revenue of the list.

REPRESENTATIVE FATE said the security of the data base is of the utmost importance. He answered a question from Representative Rokeberg about which list will be sold. It will be list of do-not-call phone numbers, rather than a list of okay-to-call phone numbers.

Number 1650

REPRESENTATIVE ROKEBERG said a telemarketer will have to take the Alaska No-Call List and create a new do-call phone list. He asked if HB 15 contains a prohibition against a company creating a secondary market by compiling and selling a do-call-list. He asked how frequently the no-call list will be updated.

MR. POUND replied that anyone getting a license to do telephone solicitation must prove that they have purchased the Alaska No-Call List. The Department of Law will decide how frequently the data base should be updated; it may be every month when the data base is first compiled.

Number 1757

ED SNIFFEN, Assistant Attorney General, Fair Business Practices Section, Civil Division (Anchorage), Department of Law, testified that the updates on the data base must be done at least once a year, as noted on page 3, lines 23-27 of the bill. He answered a question from Representative Rokeberg about whether there is a prohibition against creating and selling a do-call list. Mr. Sniffen explained that nothing prevents the black market sale of do-call lists. But telemarketers still have to register with the state's agent and prove that they've purchased the no-call data base.

REPRESENTATIVE ROKEBERG asked about the current charge by phone companies for customers who request a black dot by their names in a phone book [indicating a preference for no phone solicitations under AS 45.50.475].

MR. SNIFFEN said the cost varies from area to area. In Anchorage, the charge is a one-time fee of \$5; in Juneau it costs \$10-\$12; in other places, there is no charge.

REPRESENTATIVE FATE said this bill does not affect the present "black dot" systems used by the telephone utilities.

Number 1890

REPRESENTATIVE ROKEBERG expressed concern about the size of Department of Law's fiscal note. He asked whether the public should help pay for the cost of this service. He encouraged Representative Fate to get a more conservative fiscal note from the Department of Law.

REPRESENTATIVE FATE replied that the success of the Colorado no-call list, upon which Alaska's bill is based, encouraged him to anticipate a break-even budget within a few years.

REPRESENTATIVE DAHLSTROM said she has worked for companies that buy telephone solicitation lists, and she said they are accustomed to paying for such a list. She asked Representative Fate whether he anticipated any problems getting updated lists of disconnected or reassigned phone numbers from local telephone exchange carriers. She asked whether directory assistance will give out the phone number of a person using a black dot.

REPRESENTATIVE FATE replied that it's up to the consumer to contact the State's agent about adding or changing a phone

number. He said he could not answer questions about how the phone companies' black dot systems work.

Number 2162

REPRESENTATIVE CRAWFORD stated that when he sponsored a similar bill last session, he spoke to three companies that handle no-call lists [in other states]. Those vendors told him that they continuously updated their no-call lists. In his bill last session, the Department of Law set the fee for the no-call list at \$750 in order to cover all administrative costs.

REPRESENTATIVE GUTTENBERG asked how the department would handle the out-of-state telemarketer who circumvents the law.

REPRESENTATIVE CRAWFORD pointed out in HB 15 how solicitors must state their names and phone numbers. Representative Crawford said in Louisiana [where there's a similar law], it was widely publicized that each merchant must state these facts, and that consumers should beware of solicitors who don't provide this information.

Number 2228

REPRESENTATIVE GATTO commented how easily unscrupulous telemarketers will be able to circumvent the provisions of HB 15. He said that current vendors supply political campaigns with thousands of names for \$40; he questioned whether that vendor would purchase an Alaska No-Call List for \$750. As a result, he said he thinks the true administrative costs of the program will balloon.

Number 2320

MR. SNIFFEN noted that HB 15 falls under the state's consumer protection Act [AS 45.50.471-561], which would subject violators to fines of up to \$5,000 per violation. Violations of the telephone solicitation act [AS 45.63] are class C felonies. The Department of Law would try to locate these savvy thieves, prosecute them, and get restitution.

TAPE 03-6, SIDE B

Number 2350

MR. SNIFFEN said that there's no way to stop unethical solicitors, but it's still important to notify telemarketers about the Alaska No-Call List and to educate consumers about how

to avoid scams. The department can only spend so many resources chasing down people in other countries who are making phone calls to Alaska.

MR. SNIFFEN responded to a query from Representative Rokeberg, agreeing that citizens have the right to bring a private cause of action against a company that defrauds them.

REPRESENTATIVE FATE answered a question from Representative Dahlstrom, saying that a telemarketer in Alaska needs an Alaska business license to conduct business in state.

Number 2282

MARIE DARLIN, Coordinator, Capital City Task Force, AARP, testified in favor of HB 15. She said the AARP numbers 71,000 members in Alaska, and the task force includes representatives from other senior and retiree organizations that have the same concerns. She pointed out the [February 2, 2003] AARP letter that supported HB 15 and was included in each member's bill packet. The initial work on this bill was done last legislative session. The Federal Trade Commission (FTC) is revising its telemarketing rules, but the changes will depend on a Congressional appropriation. These rules won't regulate interstate calls. She said many other states have do-not call lists, and it behooves Alaska to take this step. She said the FTC rule will not take precedence over state law. She urged the committee members to take action to get rid of these unwanted phone calls and fraudulent operations that target seniors and retirees.

Number 2166

ROSALEE WALKER, Older Persons Action Group (OPAG), explained that her group is ancillary to [a grantee of] the Alaska Commission on Aging. She noted that she supported the AARP letter [referenced by Ms. Darlin] and worked with the AARP last session on the no-call list. She commented that unscrupulous people will always find loopholes in the law. She urged the committee to act on HB 15, and to consider this bill a work-in-progress that may need future amendments.

Number 2091

JAMES CARROLL, Juneau Retired Teachers Association; AARP, testified that given today's technology, citizens value their privacy more than ever. He said that AARP and Juneau's retired

teachers believe that consumers have the right to be free from unsolicited calls. They should not be forced to pay for a caller-ID feature for their phone. In recent AARP surveys, most of the people polled indicated that they support a solution to the problem of unwanted phone calls. Mr. Carroll testified that no matter what legislation is passed in the Alaska Legislature or the U.S. Congress, somebody will find loopholes in it. He said it's a good step in the right direction. He urged the committee to vote favorably on HB 15.

Number 2024

JOHN FURUNESS, Juneau Chapter Number 2088, National Association of Retired Federal Employees (NARFE); AARP, testified that these groups favor HB 15. He said he testified in favor of similar legislation last year. He receives many solicitation calls around dinnertime. He cannot understand about half of the calls because he is hard of hearing, and many other times the line is dead when he answers the phone. He asked the committee to pass the bill.

Number 1955

JUDY WARWICK, Interior Regional Manager for External Affairs, GCI, stated that GCI wanted to go on record as not opposing the intent of the proposed CS for HB 15, but she cautioned, the devil is in the details. She urged the Department of Law to work with the local telephone exchange companies that would be responsible for keeping this data current. For example, companies like GCI would supply reassigned and disconnected phone numbers at least once a year to the Alaska No-Call List. She said telephone providers want to achieve the intent of the legislation without being overly burdened.

Number 1910

REPRESENTATIVE FATE spoke to a question from Representative Gatto about the status of the Department of Law's fiscal note. He expressed concern that the fiscal note is too high and said he would consider increasing the fee for the data base.

CHAIR ANDERSON noted that HB 15 still has two committees of referral, the House State Affairs Standing Committee and House Finance Standing Committee, and he believed the fiscal bill could be revised in one of those committees.

MR. SNIFFEN, in response to a question from Representative Lynn, said that the department is given authority under HB 15 to draft regulations to determine how much these entities will have to pay for the Alaska No-Call List. He said the department would not discriminate in any way among nonprofits in developing a fee schedule.

REPRESENTATIVE LYNN clarified that he was not talking about the fee schedule but about issues for which these nonprofits' solicitors would be advocating.

MR. SNIFFEN replied that current law contains definitions for paid solicitors, charitable organizations, and telephonic solicitations. Any entity, regardless of their cause, unless they're exempt under the bill, would be required to purchase this list. If the sponsor of HB 15 wants to exempt a group with a specific cause, he would need to write that into the bill because now there's no discrimination among causes.

Number 1720

REPRESENTATIVE DAHLSTROM asked Ms. Warwick about whether individual phone customers or local exchange companies would provide information to the data base.

MS. WARWICK explained that individuals would initiate having their numbers placed on the Alaska No-Call List, but at least annually, that list would be purged of reassigned numbers or disconnected numbers. She described the example of one phone number with two subscribers. The previous user of a phone number chose to be on the no-call list, but the subsequent user of the same number did not chose that option. The phone companies would have to provide that change in some format to the state's agent. She said she hopes that the Department of Law, when it writes regulations, will work with the local exchanges so their role will be workable.

REPRESENTATIVE CRAWFORD noted that in his bill last session, phone companies didn't have to provide any information to the no-call list; it would all be handled by a third party.

REPRESENTATIVE FATE confirmed that is also true in HB 15.

Number 1600

MR. SNIFFEN, in response to a question from Representative Rokeberg about the department's fiscal note, explained that the

bill was based on the Colorado model. He said the fiscal note adapted Colorado's figures to Alaska, for example the number of telephone subscribers and the number of registered telemarketers. He said department staff calculated possible revenue from the sale of the list at about \$20,000 to \$30,000 a year. Based on the experience of Colorado and also Idaho, he said the department anticipated large costs for getting the data base and web site set up and communicating with each other in the first year. The rest of the fiscal note was for staff in the department to oversee the attorney general's work and enforcement.

REPRESENTATIVE ROKEBERG said he was appalled at the need for 400 hours of attorney time and asked if this fiscal note was really intended to kill the bill. He asked about the origins of the \$500 price tag for the list and the idea of a sliding scale fee.

MR. SNIFFEN replied that he did not know.

Number 1484

REPRESENTATIVE DAHLSTROM asked Mr. Sniffen about his earlier reference to the four telemarketing companies registered with the Department of Law. She asked if he was aware of Alaska companies hiring telemarketers located outside the state, for example, in Arizona. She said the majority of the telemarketing activity is based outside Alaska.

MR. SNIFFEN explained that it doesn't matter whether the companies are physically located in or out of the state. If they intend to do telemarketing in Alaska, they must register with the Department of Law. Of the four registered telemarketers, two are located in Alaska and two are located out of state.

REPRESENTATIVE DAHLSTROM asked if an Alaskan business hires an out-of-state telemarketing firm that doesn't properly register with the Department of Law, which company is penalized.

MR. SNIFFEN replied the local contractor would be held responsible if the out-of-state telemarketer was engaging in illegal conduct, unless the local contractor didn't know about it. Then the out-of-state company would be held liable.

REPRESENTATIVE DAHLSTROM asked who would prosecute an Arizona company if it were to break the Alaska law.

Number 1378

MR. SNIFFEN responded that there are only two lawyers in the entire state to enforce the consumer protection act, anti-trust statutes, and other laws. When out-of-state companies violate Alaska's registration and telemarketing laws, department staff has to decide what kinds of resources are available to track them down. The department would contact the Arizona attorney general's office and inform it that somebody in Arizona is violating Alaska laws; the department would seek Arizona's assistance in prosecuting that company. The department can sue the company in Alaska court, get judgments and injunctions, and ask local authorities in Arizona to enforce them. He said the department does more work with Florida than Arizona, but it's the same process.

Number 1327

REPRESENTATIVE GATTO asked what priority the Department of Law assigns to reciprocal requests from other states' attorneys general.

MR. SNIFFEN replied that the department takes those complaints seriously and tries to find the Alaska perpetrators.

Number 1259

REPRESENTATIVE ROKEBERG asked Representative Fate whether he'd be amenable to an amendment to delete the sliding scale and to raise the fee from \$500 to \$750. A higher fee would help finance this program. The long-range goal is to make the program self-sustaining like it is in Colorado. He said the committee should do everything it can to lower the fiscal note. He doesn't favor any exemptions for nonprofit organizations because many Alaskan businesses are suffering economically.

Number 1165

REPRESENTATIVE FATE said he has no objection to these changes because he wants the program to be self-sustaining.

Number 1150

REPRESENTATIVE ROKEBERG moved to adopt Conceptual Amendment 1:

Page 2, line 19
Delete "not more than \$500"

Insert "\$750"

There being no objection, Conceptual Amendment 1 was adopted.

Number 1090

REPRESENTATIVE ROKEBERG moved to adopt Conceptual Amendment 2:

Page 2, lines 22

Delete "the Attorney General shall determine the fee on a sliding scale;"

There being no objection, Conceptual Amendment 2 was adopted.

REPRESENTATIVE ROKEBERG asked Representative Fate whether he objected to deleting the words "below the stated maximum based on revenue history of the fees" for the designated agent on page 2, line 27.

REPRESENTATIVE FATE responded that he had no objection to deleting this language.

Number 1050

REPRESENTATIVE ROKEBERG moved to adopt Conceptual Amendment 3:

Page 2, line 27

Delete "below the stated maximum based on revenue history of the fees"

REPRESENTATIVE ROKEBERG explained that this amendment will allow the attorney general to make an adjustment of the fees paid to the designated agent, but not on a stipulated formula.

Number 0976

CHAIR ANDERSON asked whether there was any objection. There being no objection, Conceptual Amendment 3 was adopted.

Number 0955

REPRESENTATIVE LYNN moved to adopt Conceptual Amendment 4:

Page 6, line 10, after "on behalf of the charitable organization"

Insert "or a nonprofit advocacy organization"

Number 0882

REPRESENTATIVE ROKEBERG objected. He said he doesn't think there's a definition in state law for an advocacy organization.

REPRESENTATIVE LYNN explained that there are various advocacy groups, such as conservation groups, Planned Parenthood, and Alaska Right to Life. He disclosed that he is a board member of Alaska Right to Life. He said he is concerned that somebody [Department of Law] doesn't discriminate against one group or the other depending upon their position on a particular issue. He explained that these advocacy groups are not charitable organizations, but they advocate positions on various issues. He said he doesn't want to eliminate those groups from making telephone solicitations.

CHAIR ANDERSON suggested that if these organizations have 501(c)(3) or 501(c)(6) status with the Internal Revenue Service, they are covered under charitable organizations in the bill.

REPRESENTATIVE ROKEBERG said he opposes expanding exemptions in HB 15. He said his goal is a zero fiscal note.

REPRESENTATIVE GATTO said a nonprofit advocacy group is not included among the exemptions on page 6, lines 9-13: charitable organization or public agency.

CHAIR ANDERSON asked Representative Lynn to clarify what adding nonprofit advocacy organization to the bill would accomplish.

REPRESENTATIVE CRAWFORD suggested that nonprofit advocacy organizations would not have to register and pay for the data base.

REPRESENTATIVE FATE said he concurred with what Representative Lynn is trying to accomplish, but if the bill were broadened to add nonprofit advocates, others, whether for profit or nonprofit, would claim to be advocacy groups, causing a nightmare of litigation.

Number 0607

REPRESENTATIVE LYNN said he liked the overall intent of the bill; he just wanted to make sure that groups that advocate a cause are not discriminated against.

Number 0577

REPRESENTATIVE GUTTENBERG said he believed advocacy groups were included in charitable organizations.

REPRESENTATIVE ROKEBERG said there was a definition of a nonprofit organization in statute. He expressed concern about adopting a generic standard whereby any nonprofit is exempt and will be allowed to do telephone solicitations. He said if he had a black dot in front of his name, he did not want advocacy calls to his house. This bill was about the public protecting itself from telemarketers; he said he did not care what they're selling.

REPRESENTATIVE CRAWFORD suggested there are two different issues in this discussion. The advocacy of ideas is exempted already on page 6, lines 14-15. Fundraising for advocacy groups is a different issue.

Number 0385

REPRESENTATIVE FATE said in AS 45.68.010 a charitable organization must register with the Department of Law. He said an advocacy group can register with the Department of Law and get a waiver.

Number 0282

REPRESENTATIVE LYNN withdrew his motion to adopt Conceptual Amendment 4 but said he would vote "no recommendation" on this bill and would continue working with the sponsor to make sure his concerns were satisfied.

REPRESENTATIVE GUTTENBERG removed his objection to Representative Lynn's original motion to adopt the proposed CS.

Number 0178

REPRESENTATIVE LYNN moved to report CSHB 15 [Version 23-LS0058\D, Craver, 2/4/03], as amended, out of committee with individual recommendations and the accompanying fiscal notes. There being no further objection, CSHB 15(L&C) was reported from the House Labor and Commerce Standing Committee.

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 4:50 p.m.