

HOUSE FINANCE COMMITTEE  
February 21, 2006  
3:46 P.M.

CALL TO ORDER

Co-Chair Meyer called the House Finance Committee meeting to order at 3:46:45 PM.

MEMBERS PRESENT

Representative Mike Chenault, Co-Chair  
Representative Kevin Meyer, Co-Chair  
Representative Bill Stoltze, Vice-Chair  
Representative Richard Foster  
Representative Mike Hawker  
Representative Jim Holm  
Representative Reggie Joule  
Representative Beth Kerttula  
Representative Carl Moses  
Representative Bruce Weyhrauch

MEMBERS ABSENT

Representative Mike Kelly

ALSO PRESENT

Representative Jay Ramras; Suzanne Cunningham, Staff,  
Representative Kevin Meyer; Jim Pound, Staff, Representative  
Jay Ramras; Heath Ledyard, Staff, Representative Tom  
Anderson; Laurie Herman, Regional Director, Governmental  
Affairs, Providence Hospital, Anchorage; Rick Urion,  
Director Occupational Licensing, Department of Community and  
Economic Development

PRESENT VIA TELECONFERENCE

Ed Hall, Physician Assistant (PA-C), Anchorage; Steve Van  
Sant, State Assessor, Department of Commerce, Community and  
Economic Development, Anchorage; Dan Fauske, Executive  
Director, Alaska Housing Finance Corporation, Department of  
Revenue, Anchorage; Joe Dubler, Director of Finance, Alaska  
Housing Finance Corporation, Department of Revenue,  
Anchorage; Bryan Butcher, Legislative Liaison, Alaska  
Housing Finance Corporation, Department of Revenue,  
Anchorage

SUMMARY

HB 150 An Act requiring licensure of occupations relating to radiology technology, radiation therapy, and nuclear medicine technology; and providing for an effective date.

CS HB 150 (FIN) was reported out of Committee with a "no recommendation" and with a new fiscal note by the Department of Commerce, Community & Economic Development.

HB 334 An Act relating to an exemption from and deferral of municipal property taxes for certain types of deteriorated property.

CS HB 334 (FIN) was reported out of Committee with a "no recommendation" and with zero note #1 by the Department of Commerce, Community & Economic Development and a new zero note by the Office of Management and Budget.

CS SB 236(FIN)

An Act relating to subsidiary corporations of the Alaska Housing Finance Corporation and to the dividend paid to the state by the Alaska Housing Finance Corporation; and providing for an effective date.

CS SB 236 (FIN) was reported out of Committee with a "do pass" recommendation and with fiscal note #1 by the Alaska Housing Finance Corporation, Department of Revenue.

[3:48:27 PM](#)

#SB236

CS FOR SENATE BILL NO. 236(FIN)

An Act relating to subsidiary corporations of the Alaska Housing Finance Corporation and to the dividend paid to the state by the Alaska Housing Finance Corporation; and providing for an effective date.

Co-Chair Meyer pointed out that the House companion bill had been heard in the House Finance Committee last year. The Senate bill was referred back to the House Finance Committee for approval. It is basically the same bill.

[3:49:24 PM](#)

DAN FAUSKE, (TESTIFIED VIA TELECONFERENCE), EXECUTIVE DIRECTOR, ALASKA HOUSING FINANCE CORPORATION, DEPARTMENT OF REVENUE, acknowledged that it was the same bill, although gotten better with age. The legislation provides a transfer plan, which increases the amount normally given to the State

from the Alaska Housing Finance Corporation (AHFC) from \$40 million to \$80 million dollars.

He pointed out that on the first page, language was added on Line 9, "harbors or other capital projects". That was due to change in the Government Accounting Standards Board, regarding how AHFC determines net income to net assets. The configuration prompted the adjustment in the amount.

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Vice Chair Stoltze MOVED to REPORT CS SB 236 (FIN) out of Committee with individual recommendations and with the accompanying fiscal note by the Alaska Housing Finance Corporation, Department of Revenue. There being NO OBJECTION, it was so ordered.

CS SB 236 (FIN) was reported out of Committee with a "do pass" recommendation and with fiscal note #1 by the Alaska Housing Finance Corporation, Department of Revenue.

[3:51:24 PM](#)

#HB150

HOUSE BILL NO. 150

An Act requiring licensure of occupations relating to radiology technology, radiation therapy, and nuclear medicine technology; and providing for an effective date.

[3:52:07 PM](#)

ED HALL, (TESTIFIED VIA TELECONFERENCE), PHYSICIAN ASSISTANT IN FAMILY PRACTICE (PA-C), REPRESENTING THE ALASKA ACADEMY OF PHYSICIAN ASSISTANTS, ANCHORAGE, testified against HB 150. He stated there has been a lack of justification to impose licensing through the bill and that there are no real facts to support the need for the bill.

Historically, Physician Assistants (PA) have been portrayed as the only group against the bill. Following a round-table discussion, some concerns were addressed and some wording was changed. The final bill was not supported; that was two years ago. The bill died in the House HESS Committee. Last year, the bill was reintroduced in the House Labor and Commerce Committee and then preceded to the House Judiciary Committee. That Committee asked for more objective data and was not moved forward.

Mr. Hall reiterated that the PA's have not found any harm resulting from radiation x-ray; he questioned why the bill had not been heard a second time in the House HESS Committee as it relates to health concerns.

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Mr. Hall acknowledged that the cumulative affect of radiation could cause long-term harm. However, x-rays from dentistry were excluded. The Academy of Physicians Assistants supports training and has discovered evidence of training programs in place. He advised that the Alaska Native Medical Center in Anchorage receives that training.

Mr. Hall referenced a handout demonstrating irresponsible advertising. (Copy on File). He discussed two antidotes:

- His brother has been working at the Providence Emergency Room for 32-years and has yet heard or experienced any case of a person suffering from x-ray or radiation exposure;
- He noted that his nurse attended a training program and shared her notes, indicating that x-ray exposure is minimal and that it is always important to provide quality films for reading.

Mr. Hall pointed out that the bill goes "above and beyond" addressing basic x-ray. He added clinicians working in both urban and rural areas do support some sort of training.

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Mr. Hall discussed the costs associated with the bill and that the costs of medical care are high and continue to rise. Mr. Hall stressed that most PA's would not be able to afford the training costs as individuals. Those clinics are the ones that serve the outlining areas of the State. Many PA's will opt not to have x-ray services because of costs associated with that training. He believed that people would, therefore receive sub-standard care.

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Mr. Hall acknowledged that PA's do not totally object to the bill. They do support basic x-ray being removed. Other procedures such as MRI's and CT scans involve more than the basic x-ray skills. If that change is not made, PA's advocate a 40-hour program such as the one in place at the Alaska Native Medical Center instead of the 240 recommended hour training for an on-line education course. Mr. Hall stated that would be an adequate time to train in basic radiology and radiation safety.

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Mr. Hall noted that the "physician assistant" concept was created to ease medical care costs.

He pointed out that originally the bill supported a 20-hour Continuing Medical Education (CME) component. He reiterated for a basic x-ray course the time was excessive and means that employers would have to compensate the employee's time-spent training.

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Mr. Hall concluded that the costs are going to be high and passage of the bill would create a health concern making access to x-ray unavailable.

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LAURIE HERMAN, REGIONAL DIRECTOR, GOVERNMENTAL AFFAIRS, PROVIDENCE HOSPITAL, ALASKA STATE HOSPITAL AND NURSING ASSOCIATION (ASHNA), ANCHORAGE, testified in support of the bill. Both Providence and ASHNA are in support of the bill and have been involved in working on compromise legislation. The goal is that of strengthening the quality of imaging services provided in Alaska and achieving it without creating a workforce crisis through legislative passage.

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Representative Kerttula asked about Mr. Hall's testimony regarding the 40-training hours versus the 240-hour training program. Ms. Herman needed to look at the curriculum to see what would be removed.

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Representative Kerttula asked if the training was about quality versus hours. Mr. Herman thought so.

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Vice Chair Stoltze mentioned conversations with Palmer doctors practicing rural medicine and that they worried about a diminished access to health care. He asked if the PA's were providing diagnostic services. Ms. Herman understood they were and has been debated over the past three years.

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Vice Chair Stoltze reiterated concerns with the diagnostic sections of the bill.

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Vice Chair Stoltze MOVED to ADOPT work draft #24-LS0470\B, Mischel, 2/20/06, as the version of the bill before the Committee. There being NO OBJECTION, it was adopted.

HEATH LEDYARD, STAFF, REPRESENTATIVE TOM ANDERSON, commented on the changes made to work draft \B:

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Page 2, Lines 20-26: The sponsor included language exempting medical personnel in the military and United States (US) Public Health Service, a standard statutory exemption. The language was taken directly from the same exemption for physicians found in AS 08.64.370. Alaska Legal Services recommended it would be appropriate to include the language because State statute cannot supersede federal law. Further, the sponsor noted that the federal government has licensing and training requirements that exceed those included in the bill. The change was included in response to concerns expressed by the Alaska Native Health Board.

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Page 5, Line 31 & Page 6, Lines 1-12: A new section was included, detailing standards for the examination for a limited radiological imager. The section stipulates that the Department must provide the exam at regular intervals to provide maximum access for applicants; the exam will be based on the American Registry of Radiology Technologists (ARRT) examination in consultation with the State Medical Board, the Alaska Society of Radiology Technologists, the office of Radiology Health in the Department of Health and Social Services, and a resident member of the American College of Radiology with a minimum passing score of 75%. The change resulted from discussions with the Alaska State Medical Association.

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Page 6, Lines 27-29: New (b) replaces (b) and (c) of the previous version-24-LS0470\N. That section places one standard for the issuance of a temporary permit. The new language states that a temporary permit is valid for two years from the date of issuance. The change resulted from comments made by the Alaska Primary Care Association (APCA).

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Co-Chair Chenault asked the affect the changes would have on the fiscal note. Mr. Ledyard did not know. The change would create a two-year delay effective date and once the license was obtained, it would be permanent. He deferred to Mr. Union from the Department of Commerce, Community & Economic Development.

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Representative Kerttula inquired about the 240-hour requirement. Mr. Ledyard thought that the Department would measure that concern. He added that had been included in the "N" version as well and mentioned there was concern regarding that. The "B" version on Page 5, Line 16 contains the program approval for the radiological imager. That language was included to alleviate those concerns. He referenced Line 25. The intent of that language provides that any training under a licensed practitioner and sponsored by a medical facility, constitutes training. The 240-hour reference is from the on-line training program only. It is one option but not a requirement.

[4:16:43 PM](#)

Vice Chair Stoltze asked the health risk difference between a dental hygienist and the person affected through the legislation. Mr. Ledyard stated that his understanding was based on testimony from one of the supporting physicians and that on average, dental x-rays are roughly 1/10 or less the amount of the exposure of medical x-rays.

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Vice Chair Stoltze wondered why there were so many lobbyists with conflicting views on the legislation. He voiced concern how it would affect the under-represented population of Alaska.

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Vice Chair Stoltze MOVED to ADOPT new conceptual Amendment #1. Co-Chair Meyer OBJECTED.

Vice Chair Stoltze addressed the changes:

Page 6, Lines 17-19, deleting all material.

Page 6, Line 17, inserting:

(A) Is enrolled in a program for the area approved under AS 08.89.160 and pays the appropriate fee; or

(B) Demonstrates to the satisfaction of the department that the applicant has been performing limited scope radiology diagnostic imaging under AS 08.89.150(b) for

two years preceding July 1, 2008 and pays the appropriate fee; or

SUZANNE CUNNINGHAM, STAFF, REPRESENTATIVE KEVIN MEYER, explained that during the review of the "B" version, there was concern with the temporary permit. In the revision of that statute, it was noticed that a certain class of people were being "caught in the middle" demonstrating to the Department, two years of limited scope radiology diagnostic imaging. The intent with the amendment was to guarantee that those people would still be able to obtain a limited permit under statute.

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Representative Weyhrauch asked why the imaging could not be addressed under "A or B". Ms. Cunningham replied under Section A, the limited permit would be for a person enrolled in a program, paying the appropriate fee. The full permit is for a person who has taken the examination and is waiting for the results. There was concern that if the bill passed, it has a two year delayed effective date; hence, a person with two previous years experience, who could be eligible to receive a full permit after taking the exam, would not be able to have a temporary permit to work.

Representative Weyhrauch pointed out that the language says, "passed the exam". Ms. Cunningham noted that they would be waiting for the exam results under #2, Subsection (A). Representative Weyhrauch pointed out Section 150(B).

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Mr. Ledyard added that in version "B" before the Committee and with regard to the temporary permit, item (1) applies only to those seeking a temporary permit for limited radiological imaging. He noted that 150(B) refers to qualifications for limited radiology imagers. In drafting the committee substitute, the intent was not to create disparity between those persons who had two years previous experience and those who did not and was intended to create a two-year temporary partial permit. Drafting that, an error was noticed, which left some people in "limbo" that could have experience. The amendment makes a change to allow those people the opportunity to obtain a temporary permit while waiting for their results.

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Co-Chair Meyer WITHDREW his OBJECTION to the amendment. There being NO further OBJECTION, new Amendment #1 was adopted.

[4:25:08 PM](#)

Co-Chair Meyer asked if there were new fiscal notes. Mr. Ledyard stated he did not at this time and that the Division has not yet had an opportunity to prepare the new note.

Co-Chair Chenault asked if there was on-line testimony to speak to the fiscal note.

RICK URION, DIRECTOR OCCUPATIONAL LICENSING, DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT, said he could not address the new note at this time.

AT EASE: [4:26:05 PM](#)  
RECONVENE: [4:27:58 PM](#)

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Co-Chair Meyer maintained concern with not having the revised fiscal note in Committee. He advised that if the bill does pass Committee, it would not be transmitted to the Clerk's office until the appropriate fiscal note was available. He asked the impact the proposed changes would have on the note.

Mr. Urion stated that the law requires the Department to charge the licensees to manage that program. Whatever the fiscal note is would not include general fund monies. Mr. Urion directed his testimony to the collection of fines, as supported by fees not fines.

Co-Chair Meyer requested that issue be discussed at a later date.

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Representative Weyhrauch questioned how many complaints the Division receives every year from radiology technicians. Mr. Urion responded that the Division had never received a complaint.

[4:30:31 PM](#)

Representative Foster MOVED to REPORT CS HB 150 (FIN) out of Committee with individual recommendations and with the accompanying fiscal notes. Vice Chair Stoltze OBJECTED.

A roll call vote was taken on the motion.

IN FAVOR: Holm, Joule, Kerttula, Weyhrauch, Foster,  
Hawker, Meyer, Chenault  
OPPOSED: Moses, Stoltze

Representative Kelly was not present for the vote.

The MOTION PASSED (8-2).

CS HB 150 (FIN) was reported out of Committee with a "no recommendation" and with a new fiscal note by the Department of Commerce, Community & Economic Development.

[4:33:02 PM](#)

#HB334

HOUSE BILL NO. 334

An Act relating to an exemption from and deferral of municipal property taxes for certain types of deteriorated property.

Representative Holm MOVED to RESCIND previous action taken on adopting Amendment #1, #24-LS1353\A.3, Cook, 2/14/06. There being NO OBJECTION, action was rescinded.

Representative Holm MOVED to ADOPT Amendment #2, #24-LS1353\A.4, Cook, 2/15/04. Vice Chair Stoltze OBJECTED.

JIM POUND, STAFF, REPRESENTATIVE JAY RAMRAS, spoke to the amendment. He explained that following discussions with the municipalities and other governmental members, the language of #1 was simplified. Essentially, it would accomplish giving control to the municipality for what and how to accomplish the deferrals, Page 1, Line 12, deleting language and inserting a new section. The new language will provide finality to developers trying to restore the buildings through the application process.

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Vice Chair Stoltze asked if the Fairbanks local government was in support of the legislation. Mr. Pound thought they were.

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Representative Hawker acknowledged that with the proposed amendment, the bill could accomplish "something" but questioned if it would accomplish what was intended. He explained that the amendment clarifies in Statute a requirement regarding when a municipality authorizes one of the tax deferral activities that they must establish a schedule of dates certain to trigger a tax payment.

Mr. Pound said that was correct.

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Representative Hawker advised that this Legislature would be proscribing future legislatures criteria that might not be appropriate when approaching the municipality. He worried about forcing a date limiting the criteria to a date certain, which would compromise the abilities of the municipalities to pursue that type transaction. He thought the legislation was appropriate for only one specific transaction and not sufficiently broad. Mr. Pound said they attempted to keep the language as simple as possible, but agreed some cases could change that.

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Representative Hawker stated that the amendment would prohibit such latitude, wondering if that was truly the intent. Mr. Pound noted the developers want a date certain. He added the latitude would be available to the developer and the municipality.

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Representative Hawker voiced opposition with the Legislature dictating criteria to all municipalities throughout the State.

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Representative Kerttula agreed with Representative Hawker. She recommended adding language to the Amendment on Line 5, inserting something like "unless otherwise agreed to by both parties". She thought that language could provide the option to negotiate out. Mr. Pound agreed.

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Representative Hawker asked if it would accomplish the sponsor's goal and provide latitude preserved for the municipalities, by amending Line 5 to read, "deferred tax payments due as specific by the municipality". With that language, the date would not always be the trigger point. Other criteria could be appropriate.

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REPRESENTATIVE JAY RAMRAS, SPONSOR, noted appreciation for that perspective. He asked an example for a practical application.

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Representative Hawker stressed that he was not offering advise as a Certified Public Accountant (CPA). Representative Ramras noted he would support the language offered by Representative Hawker.

Co-Chair Meyer requested that Ms. Cunningham testify regarding the proposed changes.

SUZANNE CUNNINGHAM, STAFF, REPRESENTATIVE KEVIN MEYER, commented on the concern. The primary reason for introduction of the bill was that there was vagueness in the statute regarding when the deferrals and taxes would have to be paid to the municipality. Amendment #2 does accomplish the intent of making certain and putting language into statute that the tax payments become due on the date set by the municipality at the time of the deferral. The municipalities, ultimately, are the ones that chose to enact the ordinance under the authority of the statute, so there is flexibility defining when the taxes are do.

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Representative Hawker requested that the sponsor and Ms. Cunningham discuss the proposed language amending Amendment #2.

Co-Chair Meyer advised that Amendment #2 would be set aside and that the Committee move onto Amendment #3.

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Co-Chair Meyer MOVED to ADOPT Amendment #3. Vice Chair Stoltze OBJECTED.

Ms. Cunningham explained that the amendment would delete the language: "An exemption or deferral may not be granted under this subsection after July 1, 2010", Page 2, Lines 12-13.

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Vice Chair Stoltze WITHDREW his OBJECTION. There being NO further OBJECTION, Amendment #3 was adopted.

AT EASE: [4:48:27 PM](#)

RECONVENE: [4:54:10 PM](#)

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Representative Hawker MOVED to ADOPT a conceptual language change to Amendment #2, deleting on Page 1, Line 5, "one the date set" and inserting, "as specified"; Page 1 Line 12, and deleting "include a proposed date that" and insert, "specify when". There being NO OBJECTION, Amendment #2 was amended.

Representative Kerttula pointed out that now there is no escape clause for the municipality and the party to decide

anything different, other than the date of the tax payment. She maintained that there are other mechanisms to enter into some kind of an agreement over the properties. She voiced concern and asked the sponsor if that was what he wanted.

Representative Hawker thought that concern was addressed in the conceptual amendment. In the amendment, the local authority is specifying what the payment triggers will be. He stressed it does not mean time or date certain. When the local authority provides the "when" clause, it would be up to them to determine it and leave the decision making power with the municipality.

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Representative Ramras agreed.

Representative Kerttula argued that it does not really mean, "When something happens" and is not necessarily a specific time. Additionally, she was concerned about locking the municipalities into those conditions.

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Mr. Pound suggested language, Page 1, Line 5, inserting "or on a date established by an occurrence of the events".

Representative Hawker advised that the original language change satisfied him.

There being NO OBJECTION to the amended Amendment #2, it was adopted.

Representative Foster MOVED to REPORT CS HB 334 (FIN) out of Committee with individual recommendations and with the accompanying fiscal notes. There being NO OBJECTION, it was so ordered.

CS HB 334 (FIN) was reported out of Committee with a "no recommendation" and with zero note #1 by the Department of Commerce, Community & Economic Development and a new zero note by the Office of Management and Budget.

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#### ADJOURNMENT

The meeting was adjourned at 5:01 P.M.