

ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE

April 4, 2005

3:43 p.m.

MEMBERS PRESENT

Representative Tom Anderson, Chair
Representative Pete Kott
Representative Gabrielle LeDoux
Representative Norman Rokeberg
Representative Harry Crawford
Representative David Guttenberg

MEMBERS ABSENT

Representative Bob Lynn

COMMITTEE CALENDAR

HOUSE BILL NO. 192

"An Act relating to requirements to obtain and maintain a fisheries business license; relating to security required of fish processors and primary fish buyers; and providing for an effective date."

- MOVED HB 192 OUT OF COMMITTEE

SENATE BILL NO. 25

"An Act relating to labeling and identification of genetically modified fish and fish products."

- MOVED SB 25 OUT OF COMMITTEE

HOUSE BILL NO. 180

"An Act relating to a special deposit for workers' compensation and employers' liability insurers; relating to assigned risk pools; relating to workers' compensation insurers; stating the intent of the legislature, and setting out limitations, concerning the interpretation, construction, and implementation of workers' compensation laws; relating to the Alaska Workers' Compensation Board; establishing a division of workers' compensation within the Department of Labor and Workforce Development, assigning certain Alaska Workers' Compensation Board functions to the division and the department, and authorizing the board to delegate administrative and enforcement duties to the division; establishing a Workers' Compensation

Appeals Commission; providing for workers' compensation hearing officers in workers' compensation proceedings; relating to workers' compensation medical benefits and to charges for and payment of fees for the medical benefits; relating to agreements that discharge workers' compensation liability; relating to workers' compensation awards; relating to reemployment benefits and job dislocation benefits; relating to coordination of workers' compensation and certain disability benefits; relating to division of workers' compensation records; relating to release of treatment records; relating to an employer's failure to insure and keep insured or provide security; providing for appeals from compensation orders; relating to workers' compensation proceedings; providing for supreme court jurisdiction of appeals from the Workers' Compensation Appeals Commission; providing for a maximum amount for the cost-of-living adjustment for workers' compensation benefits; relating to attorney fees; providing for the department to enter into contracts with nonprofit organizations to provide information services and legal representation to injured employees; providing for administrative penalties for employers uninsured or without adequate security for workers' compensation; relating to fraudulent acts or false or misleading statements in workers' compensation and penalties for the acts or statements; providing for members of a limited liability company to be included as an employee for purposes of workers' compensation; establishing a workers' compensation benefits guaranty fund; relating to the second injury fund; making conforming amendments; providing for a study and report by the medical services review committee; and providing for an effective date."

- HEARD AND HELD

HOUSE BILL NO. 227

"An Act relating to the Alaska Small Loans Act; and providing for an effective date."

- SCHEDULED BUT NOT HEARD

HOUSE BILL NO. 179

"An Act relating to the wrongful recording of a notice of pendency of an action relating to title to or right to possession of real property."

- SCHEDULED BUT NOT HEARD

PREVIOUS COMMITTEE ACTION

BILL: HB 192

SHORT TITLE: FISHERIES BUSINESS LICENSE; BOND

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

03/02/05 (H) READ THE FIRST TIME - REFERRALS
03/02/05 (H) FSH, L&C, FIN
03/09/05 (H) FSH AT 8:30 AM CAPITOL 124
03/09/05 (H) Heard & Held
03/09/05 (H) MINUTE(FSH)
03/16/05 (H) FSH AT 8:30 AM CAPITOL 124
03/16/05 (H) Scheduled But Not Heard
03/21/05 (H) FSH AT 8:30 AM CAPITOL 124
03/21/05 (H) -- Meeting Canceled --
03/23/05 (H) FSH AT 8:30 AM CAPITOL 124
03/23/05 (H) Moved CSHB 192(FSH) Out of Committee
03/23/05 (H) MINUTE(FSH)
03/29/05 (H) FSH RPT CS(FSH) 4DP 1NR
03/29/05 (H) DP: WILSON, ELKINS, LEDOUX, THOMAS;
03/29/05 (H) NR: SALMON
04/04/05 (H) L&C AT 3:15 PM CAPITOL 17

BILL: SB 25

SHORT TITLE: GENETICALLY MODIFIED FISH

SPONSOR(S): SENATOR(S) ELTON, STEVENS G

01/11/05 (S) PREFILE RELEASED 12/30/04
01/11/05 (S) READ THE FIRST TIME - REFERRALS
01/11/05 (S) L&C, RES
02/01/05 (S) L&C AT 1:30 PM BELTZ 211
02/01/05 (S) -- Meeting Rescheduled to 02/08/05 --
02/08/05 (S) L&C AT 1:30 PM BELTZ 211
02/08/05 (S) Moved SB 25 Out of Committee
02/08/05 (S) MINUTE(L&C)
02/09/05 (S) L&C RPT 4DP 1NR
02/09/05 (S) NR: BUNDE
02/09/05 (S) DP: ELLIS, DAVIS, SEEKINS, STEVENS B
02/23/05 (S) RES AT 3:30 PM BUTROVICH 205
02/23/05 (S) Moved SB 25 Out of Committee
02/23/05 (S) MINUTE(RES)
02/24/05 (S) RES RPT 4DP
02/24/05 (S) DP: WAGONER, DYSON, STEDMAN, ELTON
03/07/05 (S) TRANSMITTED TO (H)
03/07/05 (S) VERSION: SB 25
03/09/05 (H) READ THE FIRST TIME - REFERRALS
03/09/05 (H) FSH, L&C, RES
03/16/05 (H) FSH AT 8:30 AM CAPITOL 124
03/16/05 (H) Moved Out of Committee

03/16/05 (H) MINUTE(FSH)
 03/17/05 (H) FSH RPT 5DP
 03/17/05 (H) DP: ELKINS, KAPSNER, WILSON, LEDOUX,
 THOMAS
 04/04/05 (H) L&C AT 3:15 PM CAPITOL 17

BILL: HB 180

SHORT TITLE: WORKERS' COMPENSATION

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

02/25/05 (H) READ THE FIRST TIME - REFERRALS
 02/25/05 (H) L&C, JUD, FIN
 03/09/05 (H) L&C AT 3:15 PM CAPITOL 17
 03/09/05 (H) Heard & Held
 03/09/05 (H) MINUTE(L&C)
 03/16/05 (H) L&C AT 3:15 PM CAPITOL 17
 03/16/05 (H) Scheduled But Not Heard
 03/21/05 (H) L&C AT 3:15 PM CAPITOL 17
 03/21/05 (H) Scheduled But Not Heard
 03/22/05 (H) L&C AT 1:00 PM CAPITOL 17
 03/22/05 (H) Heard & Held
 03/22/05 (H) MINUTE(L&C)
 03/30/05 (H) L&C AT 3:15 PM CAPITOL 17
 03/30/05 (H) Heard & Held
 03/30/05 (H) MINUTE(L&C)
 04/01/05 (H) L&C AT 3:15 PM CAPITOL 17
 04/01/05 (H) Heard & Held
 04/01/05 (H) MINUTE(L&C)
 04/04/05 (H) L&C AT 3:15 PM CAPITOL 17

WITNESS REGISTER

CHUCK HARLAMERT, Juneau Section Chief
 Tax Division
 Alaska Department of Revenue
 Juneau, Alaska
 POSITION STATEMENT: Presented HB 192.

GREY MITCHELL, Director
 Division of Labor Standards and Safety
 Department of Labor & Workforce Development
 POSITION STATEMENT: Testified in support of HB 192.

PATRICK SHIER, Acting Deputy Director
 Division of Employment Security
 Department of Labor and Workforce Development
 POSITION STATEMENT: Testified in support of HB 192.

SENATOR KIM ELTON
Alaska State Legislature
Juneau, Alaska
POSITION STATEMENT: Presented SB 25 as sponsor.

JOHN TWOMLEY, Middle School Student
Juneau, Alaska
POSITION STATEMENT: Testified in support of SB 25

PAUL LISANKIE, Director
Division of Workers' Compensation
Department of Labor and Workforce Development
Juneau, Alaska
POSITION STATEMENT: Answered questions regarding HB 180.

LINDA HALL, Director
Division of Insurance
Department of Commerce, Community, & Economic Development
POSITION STATEMENT: Answered questions regarding HB 180.

ACTION NARRATIVE

CHAIR TOM ANDERSON called the House Labor and Commerce Standing Committee meeting to order at [3:43:55 PM](#). Representatives Anderson and Rokeberg were present at the call to order. Representatives LeDoux, Crawford, Guttenberg, and Kott arrived as the meeting was in progress.

HB 192-FISHERIES BUSINESS LICENSE; BOND

CHAIR ANDERSON announced that the first order of business would be HOUSE BILL NO. 192 "An Act relating to requirements to obtain and maintain a fisheries business license; relating to security required of fish processors and primary fish buyers; and providing for an effective date."

[3:44:56 PM](#)

CHUCK HARLAMERT, Juneau Section Chief, Tax Division, Alaska Department of Revenue, said HB 192 makes the licensing for fisheries business tax more responsive to taxpayer needs, improves the protections for employees and fishermen, and requires "more accountability from processors to cover the obligations that they pay to support the industry." He noted that Section 1 adds to the existing requirement to pay all taxes due under Title 43, including a marketing assessment,

contributions for employment security tax, Occupational Safety and Health Administration fines, and local fisheries taxes. Mr. Harlamert said Section 2 allows taxpayers to use the same security for two separate tax years during the bridge period. Section 3 makes the bonding requirements more responsive to risks that are evidenced by taxpayer behavior. Under current law, each processor and buyer is required to present a \$10,000 security bond, and under certain conditions, it can be increased to \$100,000. "We found those conditions to be not responsive enough, and the bill introduces more responsiveness," he told the committee.

[3:47:10 PM](#)

MR. HARLAMERT added that the bill also reduces the administrative burden for the department to attach the bond for payment of unpaid employment security taxes. A recent amendment, he said, adds tenders in as bond beneficiaries.

REPRESENTATIVE ROKEBERG asked if the department has asked underwriters if they will write bonds for these amounts.

MR. HARLAMERT answered that before the department drafted the bill, it surveyed 11 bond providers. Bonds are an extension of credit, he noted, and when the bond level is increased, the taxpayer will have to come up with extra cash.

[3:49:01 PM](#)

REPRESENTATIVE ROKEBERG asked, "Are we raising the initial bond amount on all processors?"

MR. HARLAMERT said there is no change to existing processors in the basic bond level or the right to use real property in lieu of bonds. He said the change is that the requirement for a bond increase is easier under the proposal, and the right to use real property is restricted to those processors who don't have a record of failing to pay fishermen, employees or tenders.

[3:49:54 PM](#)

REPRESENTATIVE ROKEBERG asked if the bonds are increased for those with a history of not paying.

MR. HARLAMERT said if someone has a judgment from a fisherman, an employee, or a tender in excess of \$10,000, the bond will be increased from the \$10,000 level to \$50,000 under this bill. He

added that the mere existence of that judgment now triggers the increase.

[3:50:55 PM](#)

REPRESENTATIVE ROKEBERG said currently if the licensee satisfies the judgment, then he or she won't have to pay the increased bond.

MR. HARLAMERT said that is exactly how it works. "If they pay it directly, under current law, they escape the consequence of having their bond level increase."

REPRESENTATIVE ROKEBERG asked if a more common problem is a major default or bankruptcy.

MR. HARLAMERT said, yes, "under current law they do simply pay it directly," escaping the consequence. There is no limit on the amount of times that can happen, he said.

REPRESENTATIVE ROKEBERG asked if the security bond is for failure to make wage payments.

[3:52:34 PM](#)

MR. HARLAMERT said under current law, the bond covers unpaid wages, fishermen who weren't paid for their fish, and unpaid employment security contributions. Now tender operators are added, he explained.

REPRESENTATIVE ROKEBERG said he doesn't want to add an additional burden to the beleaguered fishing industry, but \$10,000 sounds like a low amount.

MR. HARLAMERT said the department did not want to punish the majority of processors who are responsible. Alaska has the highest bond requirement of all other states, he noted.

REPRESENTATIVE ROKEBERG spoke of an "unfortunate circumstance" of a fish buying company. "Had they had any kind of negative track record with a higher bond, or would they have been covered by this new bill?" he asked.

[3:53:49 PM](#)

MR. HARLAMERT said HB 192 would have made a substantial difference in the amount of funds available to protect employees and fishermen in that case.

GREY MITCHELL, Director, Division of Labor Standards and Safety, Department of Labor & Workforce Development, said his department supports the bill.

[3:54:53 PM](#)

REPRESENTATIVE ROKEBERG asked if there are similar bonds required under other licensed industries.

MR. MITCHELL said general and specialty contractors also have a bond that can be used to satisfy the costs of labor.

[3:56:26 PM](#)

REPRESENTATIVE GUTTENBERG asked if processors are singled out because of historical problems.

[3:56:59 PM](#)

MR. MITCHELL said it was a big problem last year. There were two or three large processors with significant problems paying fishermen, employees, and suppliers. He said those are what caused the state to look at bond and licensing requirements.

[3:58:09 PM](#)

PATRICK SHIER, Acting Deputy Director, Division of Employment Security, Department of Labor and Workforce Development, said he is also Chief of Unemployment Insurance in the department. He stated that he supports HB 192.

[3:58:48 PM](#)

CHAIR ANDERSON asked if there is any opposition to the bill.

MR. SHIER said he hasn't heard any.

REPRESENTATIVE ROKEBERG said the committee packet contained little input from the public.

CHAIR ANDERSON said he assumed if there was opposition, the committee would have heard about it. It already passed out of the House Special Committee on Fisheries, he noted.

REPRESENTATIVE LEDOUX said she couldn't remember if there was outside testimony when the fisheries committee heard the bill. She added that it is based on a couple of "really, really bad" incidents, so the committee supported it.

4:01:04 PM

REPRESENTATIVE LEDOUX moved to report HB 192 out of committee with individual recommendations and the accompanying fiscal notes.

There being no objection, HB 192 moved out of the House Labor and Commerce Standing Committee.

SB 25-GENETICALLY MODIFIED FISH

CHAIR ANDERSON announced that the next order of business would be SENATE BILL NO. 25 "An Act relating to labeling and identification of genetically modified fish and fish products."

SENATOR KIM ELTON, Alaska State Legislature, said the United Fishermen of Alaska support SB 25, which is called the Frankenfish bill. It is a product of the Joint Legislative Salmon Industry Task Force, he noted, where members of the fishing industries and legislators came together to tackle the challenges facing the industry. He defined genetically modified fish as those fish whose genetic structure has been altered at the molecular level by means not naturally possible. A glow-in-the-dark aquarium fish has been allowed on the market, but now there is a pending application for genetically modified farmed Atlantic salmon. He said it is assumed that many other species will follow. A United States and Canadian company is creating genetically modified fish to sell around the world. He said SB 25 is simply consumer notification, which is all the state can do on this issue. It requires labeling for retail sales, he concluded.

REPRESENTATIVE ROKEBERG asked about a naval blockade.

SENATOR ELTON said it is a difficult situation for Alaska. In this arena, all Alaska can do is to try and draw a bright line between wild, natural fish and industrially farmed fish.

REPRESENTATIVE GUTTENBERG noted that the biotech industry said it has struck down mandatory labeling in the courts.

[4:07:25 PM](#)

SENATOR ELTON said at the federal level there is debate on labeling regulations, but there have been no problems with consumer notification on labels at the state level. In Alaska, farmed fish must be labeled, he added.

JOHN TWOMLEY, Middle School Student, Juneau, said SB 25 is a good idea because there are unknown concerns about genetically modified seafood on humans and the environment. Consumers could be physically at risk, he said, and people will be unable to avoid that risk. Genetically modified fish will affect Alaska's economy as well by transmitting diseases to wild salmon. They may also take over the habitat of wild salmon, he noted. Short of ending this industry, genetically modified fish should be labeled, he concluded.

[4:11:53 PM](#)

REPRESENTATIVE CRAWFORD moved to report SB 25 out of committee with individual recommendations and zero fiscal notes.

There being no objection, SB 25 was passed out of the House Labor and Commerce Standing Committee.

HB 180-WORKERS' COMPENSATION

[4:14:37 PM](#)

CHAIR ANDERSON announced that the final order of business would be HOUSE BILL NO. 180 "An Act relating to a special deposit for workers' compensation and employers' liability insurers; relating to assigned risk pools; relating to workers' compensation insurers; stating the intent of the legislature, and setting out limitations, concerning the interpretation, construction, and implementation of workers' compensation laws; relating to the Alaska Workers' Compensation Board; establishing a division of workers' compensation within the Department of Labor and Workforce Development, assigning certain Alaska Workers' Compensation Board functions to the division and the department, and authorizing the board to delegate administrative and enforcement duties to the division; establishing a Workers' Compensation Appeals Commission; providing for workers' compensation hearing officers in workers' compensation proceedings; relating to workers' compensation medical benefits and to charges for and payment of fees for the medical benefits; relating to agreements that discharge workers' compensation

liability; relating to workers' compensation awards; relating to reemployment benefits and job dislocation benefits; relating to coordination of workers' compensation and certain disability benefits; relating to division of workers' compensation records; relating to release of treatment records; relating to an employer's failure to insure and keep insured or provide security; providing for appeals from compensation orders; relating to workers' compensation proceedings; providing for supreme court jurisdiction of appeals from the Workers' Compensation Appeals Commission; providing for a maximum amount for the cost-of-living adjustment for workers' compensation benefits; relating to attorney fees; providing for the department to enter into contracts with nonprofit organizations to provide information services and legal representation to injured employees; providing for administrative penalties for employers uninsured or without adequate security for workers' compensation; relating to fraudulent acts or false or misleading statements in workers' compensation and penalties for the acts or statements; providing for members of a limited liability company to be included as an employee for purposes of workers' compensation; establishing a workers' compensation benefits guaranty fund; relating to the second injury fund; making conforming amendments; providing for a study and report by the medical services review committee; and providing for an effective date."

PAUL LISANKIE, Director, Division of Workers' Compensation, Department of Labor and Workforce Development, said Section 2 of the bill "is a change of the benefit payments from an insurers insolvency by requiring instate deposits to back the insurers' loss reserves." He said the section is designed "to have actual assets deposited instate so that if we have another untoward incident like we did with 'Freemont,' where we did have to come to the legislature last session and ask for a special fix to bail out the guarantee association, that there would, in any future insolvency, be these deposits instate that would be available and would be keyed to the next section, which is Section 3." He said Section 3 refers to the deposits, which would be releasable by the Director of the Division of Insurance to the Alaska Insurance Guarantee Association--the group that pays the benefits to injured workers whose employers insurance has "gone under."

[4:16:30 PM](#)

REPRESENTATIVE LEDOUX asked to go back to Section 22 as it relates to Section 2. Section 22 sets up a different guarantee

fund for uninsured employers, she noted, and she said it might make sense to put the money from the fines into the Alaska Insurance Guarantee Association. "Then you wouldn't have to set up another fund and you would avoid the question of what happens if there wasn't enough in the fund," she said. She asked the number of these instances and the amount of money.

MR. LISANKIE said he doesn't have a firm number. He said he believes there were 25 injuries that involved companies that were not properly insured, but he said he didn't know the severity of the injuries and what a reasonable reserve might have been.

LINDA HALL, Director, Division of Insurance, Department of Commerce, Community, & Economic Development, said the purpose of the guarantee fund is to protect claimants and policyholders from insolvency of an insurer. The cost is passed back to policyholders. There is a situation today "where workers' compensation policy holders are paying a four percent surcharge to make up for the insolvent insurers' claims, and to add a whole other burden to Alaska policy holders could create some inequities."

REPRESENTATIVE ROKEBERG said if Representative LeDoux understood the guaranteed fund better, she would understand why it couldn't be combined with the other fund. It covers all property and casualty policies in the entire state, he said. "We made a significant policy change last year by using that fund to entirely finance the stop gap requirements for the insolvency of the Freemont situation," he added.

MS. HALL said there were four insolvent workers' compensation insurers, and the largest was Freemont, who had about \$60 million in outstanding claims reserves. She said the assessment is made annually to insurance companies to put funds into the guarantee association to ensure that claims are paid.

[4:23:08 PM](#)

MS. HALL said the assessments can be passed back to policyholders. In extreme situations, "we could have a personal auto policy assessed for a workers' compensation claim, or whatever it might be." She said her concern is that it gives employers the idea that they don't need to buy coverage because their workers are going to be covered someplace else.

REPRESENTATIVE ROKEBERG agreed that it would be a disincentive to insure, and "you would have socialized state insurance."

REPRESENTATIVE LEDOUX thought there were criminal penalties for failing to have insurance.

MR. LISANKIE said it can be a criminal offense.

[4:25:21 PM](#)

REPRESENTATIVE ROKEBERG asked how the four percent assessment will work.

MS. HALL said several states require additional deposits for workers' compensation. It is intended to protect against the insurers' piece of the assigned risk pool, as well, she said. She added that the bill has been through the Department of Law and she is unaware of any legal problems.

[4:26:56 PM](#)

REPRESENTATIVE ROKEBERG asked Ms. Hall to explain the impact on the high-risk pool.

MS. HALL said, "When the premiums collected for the assigned risk pool are less than the claims paid out, that difference is a direct assessment on insurance companies. That assessment is not given back to the policyholder, but is a direct offset to the profits of an insurance company. When Freemont, who had a large market share, became insolvent, their share of those losses was reallocated out among the insurance companies who were remaining in our marketplace. So in addition to having ... the highest assigned risk burden given back to insurers, that added even more to that burden, making our market even less attractive to insurance companies."

MR. LISANKIE said Section 42 is designed to quickly resolve disputed benefits and allows a fee of up to \$300 to be paid to an attorney. He noted that currently it is illegal for anyone to accept an attorney's fee for a workers' compensation matter unless the board approves the payment first. That stifled getting basic legal advice, he said.

[4:30:16 PM](#)

MR. LISANKIE said Section 42 will allow in statute what is being done by many people now under the board's regulations.

REPRESENTATIVE ROKEBERG asked if the source of funds is the actual claim that's paid. Is that where the \$300 is coming from? he asked.

[4:31:17 PM](#)

MR. LISANKIE said initially the source of funds is the pocket of the injured worker who is asking for legal advice. If the attorney takes the worker on as a client, he or she will be paid if the case is successful.

[4:32:06 PM](#)

MR. LISANKIE said the statute now says no one can pay a fee unless it is approved by the board in advance, and this would cut that out, he said.

MR. LISANKIE explained that Section 9 has two parts. "It allows the Department of Labor and Workforce Development to contract with a nonprofit organization in order to seek to provide information and legal assistance to injured workers who are unable to obtain private council." He said this is an attempt to address the disputed claims of people who are turned down by every attorney. He said it would give the department discretion to seek such a contract on a limited basis to see if it works.

[4:35:38 PM](#)

CHAIR ANDERSON noted that Representatives Lynn, Kott, LeDoux, Rokeberg, and Anderson were present, and Representatives Crawford and Guttenberg left for a minority caucus.

REPRESENTATIVE ROKEBERG asked about a fiscal note for Section 9.

MR. LISANKIE said it is about \$75,000 for the first partial year, and \$50,000 for the fraction of the second year. The nonprofit would have to have an attorney to actually represent people, he added. It is designed to get an attorney if one is not available elsewhere. A worker can get other advice, to some degree, from the division, he said.

[4:37:16 PM](#)

MR. LISANKIE said, "Section 11 would allow injured workers who are represented by attorneys who are licensed in Alaska to settle their claims without having review by the Workers'

Compensation Board." The board would then continue to focus reviews on settlements of workers who are unrepresented by council, minors, incompetent, and others that need extra scrutiny to their settlements, he explained.

[4:37:56 PM](#)

MR. LISANKIE said people who have licensed attorneys will "be able to just sign and resolve their disputes."

[4:38:17 PM](#)

MR. LISANKIE said Section 7 allows the state to use hearing officers. Current statute requires that the commissioner is the chair of each hearing, but the volume of hearings requires the use of hearing officers, and this has been done for nearly 25 years, he said. Section 7 includes conflict of interest protections.

[4:40:08 PM](#)

CHAIR ANDERSON said that labor interests feel that the hearing officer being designated by the commissioner lent a bias to the process. He asked how the panel will be comprised.

MR. LISANKIE said the panels are still comprised of three people representing labor, management, and the hearing officer. The bill doesn't change that, he said.

REPRESENTATIVE LEDOUX asked if there are any general regulations regarding ethics for board members.

[4:41:18 PM](#)

MR. LISANKIE said yes but this would give the board the ability to set its own standards.

REPRESENTATIVE LEDOUX asked if there have been problems.

MR. LISANKIE said two claims, which involved ex-party contacts, ended up in the supreme court.

[4:42:09 PM](#)

REPRESENTATIVE KOTT asked if the commissioner isn't part of the panel, why does the language say "commissioner".

MR. LISANKIE said he didn't know but perhaps the commissioner would like to be able to join the panel in some instances. It hasn't happened in recent memory, he noted.

[4:43:58 PM](#)

MR. LISANKIE said there are a number of fulltime hearing officers, and the department rarely uses contractors.

[4:44:15 PM](#)

REPRESENTATIVE LEDOUX asked if the hearing officers are exempt.

MR. LISANKIE said the current hearing officers are represented.

[4:45:48 PM](#)

MR. LISANKIE said page 3, Section 2, proposes to cap non-resident compensation rates to the same rates as Alaska's.

[4:48:46 PM](#)

MR. LISANKIE said Section 36 calls for the coordination of payments between workers' compensation benefits and disability benefits that are paid under a plan to which the employer has already contributed. The goal of this section is to make sure that the employee doesn't get more than regular take-home pay. He said he erroneously stated in another hearing that it would offset a private disability benefit, but this is tied only to the benefits that an employer contributes to, he clarified.

[4:51:30 PM](#)

CHAIR ANDERSON said the committee is a third through HB 180.

[4:52:08 PM](#)

REPRESENTATIVE ROKEBERG said there are modifications being made to HB 180, and he would like to see what those are.

CHAIR ANDERSON asked Mr. Lisankie to keep the committee abreast.

[HB 180 was held over.]

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting adjourned at [4:53 PM](#).