

**ALASKA STATE LEGISLATURE**  
**SENATE LABOR AND COMMERCE STANDING COMMITTEE**

April 28, 2005

1:38 p.m.

**MEMBERS PRESENT**

Senator Ralph Seekins, Chair  
Senator Ben Stevens, Vice Chair  
Senator Johnny Ellis  
Senator Bettye Davis

**MEMBERS ABSENT**

Senator Charlie Huggins

**COMMITTEE CALENDAR**

CONFIRMATION HEARINGS

Alcohol Beverage Control Board

Michael Gordon - Anchorage

William Tull - Palmer

Board of Marine Pilots

Dale Collins - Ketchikan

Real Estate Commission

Gene DuVal - Fairbanks

Roger Stone - Ketchikan

CS FOR HOUSE BILL NO. 61(FIN)

"An Act relating to Calcutta pools and crane classics as authorized forms of charitable gaming."

MOVED SCS HB 61(L&C) OUT OF COMMITTEE

CS FOR HOUSE BILL NO. 211(FIN)

"An Act extending the termination date of the Board of Dental Examiners; and relating to dentists and dental hygienists."

MOVED CSHB 211(FIN) OUT OF COMMITTEE

SENATE BILL NO. 173

"An Act relating to the requirements to qualify as a newspaper in which notices of property sales are published."

HEARD AND HELD

CS FOR HOUSE BILL NO. 216(L&C)(title am)

"An Act relating to policy forms and rates that require filing; requiring the filing of certain rates, rating schedules, loss cost adjustments, and rating plans with the director of the

division of insurance; establishing a procedure for the director of the division of insurance to obtain additional supporting information from an insurer for a filing; relating to an application for a rate other than that in an applicable rate filing; requiring prior approval for certain rating systems and the procedure for approving a filing; providing for the issuance of orders relating to nonconforming filings after a hearing; relating to the regulation of joint underwriting and joint reinsurance; relating to flex rating; relating to file and use, filing of rates, supplementary rate information, and supporting information; authorizing the director of the division of insurance to require prior approval; relating to form filing subject to prior approval and form filing subject to file and use; and providing for penalties relating to file and use."

MOVED CSHB 216(L&C)(TITLE AM) OUT OF COMMITTEE

#### PREVIOUS COMMITTEE ACTION

BILL: HB 61

SHORT TITLE: GAMING: CALCUTTA POOLS & CRANE CLASSICS

SPONSOR(S): REPRESENTATIVE(S) MCGUIRE

01/10/05	(H)	READ THE FIRST TIME - REFERRALS
01/10/05	(H)	L&C, FIN
01/31/05	(H)	L&C AT 3:15 PM CAPITOL 17
01/31/05	(H)	Moved CSHB 61(L&C) Out of Committee
01/31/05	(H)	MINUTE(L&C)
02/02/05	(H)	L&C RPT CS(L&C) 3DP 3NR
02/02/05	(H)	DP: KOTT, LEDOUX, ANDERSON;
02/02/05	(H)	NR: LYNN, GUTTENBERG, ROKEBERG
02/09/05	(H)	FIN AT 1:30 PM HOUSE FINANCE 519
02/09/05	(H)	<Bill Hearing Postponed>
03/16/05	(H)	FIN AT 1:30 PM HOUSE FINANCE 519
03/16/05	(H)	Heard & Held
03/16/05	(H)	MINUTE(FIN)
03/17/05	(H)	FIN AT 1:30 PM HOUSE FINANCE 519
03/17/05	(H)	Moved CSHB 61(FIN) Out of Committee
03/17/05	(H)	MINUTE(FIN)
03/18/05	(H)	FIN RPT CS(FIN) NT 3DP 5NR
03/18/05	(H)	DP: HAWKER, FOSTER, CHENAULT;
03/18/05	(H)	NR: HOLM, STOLTZE, KELLY, CROFT, MEYER
03/29/05	(H)	TRANSMITTED TO (S)
03/29/05	(H)	VERSION: CSHB 61(FIN)
03/29/05	(S)	READ THE FIRST TIME - REFERRALS
03/29/05	(S)	L&C, FIN
04/14/05	(S)	L&C AT 1:30 PM BELTZ 211
04/14/05	(S)	Heard & Held

04/14/05 (S) MINUTE(L&C)  
04/28/05 (S) L&C AT 1:30 PM BELTZ 211

BILL: HB 211

SHORT TITLE: DENTISTS; HYGIENISTS; BD OF DENTAL EXAM.  
SPONSOR(s): REPRESENTATIVE(s) KELLY

03/07/05 (H) READ THE FIRST TIME - REFERRALS  
03/07/05 (H) L&C, FIN  
04/01/05 (H) L&C AT 3:15 PM CAPITOL 17  
04/01/05 (H) Moved Out of Committee  
04/01/05 (H) MINUTE(L&C)  
04/04/05 (H) L&C RPT 4DP 2NR  
04/04/05 (H) DP: CRAWFORD, LYNN, ROKEBERG, ANDERSON;  
04/04/05 (H) NR: LEDOUX, GUTTENBERG  
04/14/05 (H) FIN AT 1:30 PM HOUSE FINANCE 519  
04/14/05 (H) Moved CSHB 211(FIN) Out of Committee  
04/14/05 (H) MINUTE(FIN)  
04/15/05 (H) FIN RPT CS(FIN) 4DP 6NR  
04/15/05 (H) DP: CROFT, FOSTER, KELLY, MEYER;  
04/15/05 (H) NR: HAWKER, STOLTZE, HOLM, MOSES,  
WEYHRAUCH, CHENAULT  
04/20/05 (H) TRANSMITTED TO (S)  
04/20/05 (H) VERSION: CSHB 211(FIN)  
04/21/05 (S) READ THE FIRST TIME - REFERRALS  
04/21/05 (S) L&C, FIN  
04/26/05 (S) L&C AT 1:30 PM BELTZ 211  
04/26/05 (S) -- Meeting Canceled --  
04/28/05 (S) L&C AT 1:30 PM BELTZ 211

BILL: SB 173

SHORT TITLE: NEWSPAPER PROPERTY SALES NOTICES  
SPONSOR(s): SENATOR(s) COWDERY

04/14/05 (S) READ THE FIRST TIME - REFERRALS  
04/14/05 (S) L&C, FIN  
04/26/05 (S) L&C AT 1:30 PM BELTZ 211  
04/26/05 (S) -- Meeting Canceled --  
04/28/05 (S) L&C AT 1:30 PM BELTZ 211

BILL: HB 216

SHORT TITLE: INSURANCE RATES, FORMS, & FILING  
SPONSOR(s): LABOR & COMMERCE

03/09/05 (H) READ THE FIRST TIME - REFERRALS  
03/09/05 (H) L&C, FIN  
03/18/05 (H) L&C AT 3:15 PM CAPITOL 17

03/18/05	(H)	<Bill Hearing Postponed to Mon. 3/21/05>
03/21/05	(H)	L&C AT 3:15 PM CAPITOL 17
03/21/05	(H)	Heard & Held
03/21/05	(H)	MINUTE(L&C)
04/01/05	(H)	L&C AT 3:15 PM CAPITOL 17
04/01/05	(H)	Moved CSHB 216(L&C) Out of Committee
04/01/05	(H)	MINUTE(L&C)
04/04/05	(H)	L&C RPT CS(L&C) 3DP 3NR
04/04/05	(H)	DP: CRAWFORD, ROKEBERG, ANDERSON;
04/04/05	(H)	NR: LYNN, LEDOUX, GUTTENBERG
04/19/05	(H)	FIN AT 1:30 PM HOUSE FINANCE 519
04/19/05	(H)	Moved CSHB 216(L&C) Out of Committee
04/19/05	(H)	MINUTE(FIN)
04/20/05	(H)	FIN RPT CS(L&C) 4DP 2NR
04/20/05	(H)	DP: HAWKER, CROFT, MOSES, MEYER;
04/20/05	(H)	NR: STOLTZE, CHENAULT
04/27/05	(H)	TRANSMITTED TO (S)
04/27/05	(H)	VERSION: CSHB 216(L&C)(TITLE AM)
04/28/05	(S)	L&C AT 1:30 PM BELTZ 211

**WITNESS REGISTER**

SHALON SZYMANSKI

Staff to Representative Lesil McGuire  
Alaska State Capitol  
Juneau, AK 99801-1182

**POSITION STATEMENT:** Commented on HB 61 for the sponsor.

LARRY MEYERS, Deputy Director

Tax Division  
Department of Revenue  
PO Box 110400  
Juneau, AK 99811-0400

**POSITION STATEMENT:** Available to answer questions on HB 61.

HEATH HILYARD

Staff to Representative Mike Kelly  
Alaska State Capitol  
Juneau, AK 99801-1182

**POSITION STATEMENT:** Commented on HB 211 for the sponsor.

JIM TOWLE, Executive Director

Alaska Dental Society  
9170 Jewel Lake Rd., Suite #203  
Anchorage, Alaska 99502

**POSITION STATEMENT:** Supported HB 211.

PAT DAVIDSON, Legislative Auditor  
Division of Legislative Audit  
Alaska State Capitol  
Juneau, AK 99801-1182  
**POSITION STATEMENT:** Supported HB 211.

RYAN MAKINSTER  
Staff to Senator Cowdery  
Alaska State Capitol  
Juneau, AK 99801-1182  
**POSITION STATEMENT:** Commented on SB 173 for the sponsor.

JOSH APPLEBEE  
Staff to Representative Tom Anderson  
Alaska State Capitol  
Juneau, AK 99801-1182  
**POSITION STATEMENT:** Commented on HB 216 for the sponsor.

#### **ACTION NARRATIVE**

**CHAIR RALPH SEEKINS** called the Senate Labor and Commerce Standing Committee meeting to order at [1:38:04 PM](#). Present were Senators Ellis, Davis, Ben Stevens and Chair Seekins. Senator Seekins announced that he is a temporary chair while Senator Bunde is excused and that Senator Charlie Huggins would temporary fill his seat on the committee.

[1:40:01 PM](#)

#### **CONFIRMATION HEARINGS**

Alcohol Beverage Control Board: Michael Gordon - Anchorage,  
William Tull - Palmer  
Board of Marine Pilots - Dale Collins - Ketchikan  
Real Estate Commission: Gene DuVal - Fairbanks, Roger Stone -  
Ketchikan

SENATOR BEN STEVENS moved to forward the nominees for all the boards to the full body. There were no objections and it was so ordered.

#### **CSHB 61(L&C)-GAMING: CALCUTTA POOLS & CRANE CLASSICS**

CHAIR RALPH SEEKINS announced HB 61 to be up for consideration.

SENATOR BEN STEVENS moved to adopt SCS CSHB 61(L&C), version L, 4/22/05.

SENATOR ELLIS objected for an explanation.

SHALON SZYMANSKI, staff to Representative Lesil McGuire, explained how the CS addresses concerns raised in the last meeting. Previously, the bill said at least 30 percent of proceeds must go to charities in Calcutta pools and that has been changed to no less than 50 percent.

[1:42:22 PM](#)

The second change is in section 7, which limits the number of Calcutta permits per event to only one permit. It also states that the organization hosting the event is the only organization that could be granted a permit. The Iditarod Committee could ask the Boys and Girls Club in Nome to sponsor the event, because those are non-profit organizations.

[1:43:26 PM](#)

Section 10 states that Calcutta pools cannot be held for horse racing. The last change was a technical change to make it clear that operators cannot be hired to conduct a Calcutta pool.

[1:44:14 PM](#)

SENATOR ELLIS removed his objection and version L was adopted.

[1:44:30 PM](#)

LARRY MEYERS, Deputy Director, Tax Division, Department of Revenue (DOR), was present to answer questions, but there were none.

[1:45:07 PM](#)

SENATOR BEN STEVENS moved to pass SCS CSHB 61(L&C), version L, from committee with individual recommendations and attached fiscal note. There were no objections and it was so ordered.

**CSHB 211(FIN)-DENTISTS; HYGIENISTS; BD OF DENTAL EXAM.**

CHAIR SEEKINS announced HB 211 to be up for consideration.

HEATH HILYARD, staff to Representative Mike Kelly, sponsor of HB 211, related that in addition to being a sunset extension, it does several things with regards to the regulation of the practice of dentistry and dental hygienists. It implements a change of continuing education requirements for dental hygienists to 700 hours annually rather than the current 14 hours per week. It also modifies the inspection period for radiological equipment used in dentistry to five years from four and clarifies the qualifications for licensure by broadening the

criminal activity language on page 4, lines 3 - 7. The intent was to give relatively vague language to the board so that it could determine that on a case-by-case basis rather than mandating specific examples of past activity.

The requirements of specialty licensure were also clarified and the intent is to offer the board the opportunity to accept any approved examination rather than specifying a specific examination in statute.

JIM TOWLE, Executive Director, Alaska Dental Society, supported HB 211. He offered to answer questions.

PAT DAVIDSON, Division of Legislative Audit, found that this board is operating effectively in the public's interest and suggested no changes. She recommended a non-standard six-years extension in trying to smooth out the number of boards and commissions that the legislature has to deal with in any particular year.

[1:50:57 PM](#)

SENATOR BEN STEVENS moved to pass CSHB 211(FIN) from committee with individual recommendations and attached fiscal note. There were no objections and it was so ordered.

[1:51:54 PM](#) At ease [1:52:42 PM](#)

#### **SB 173-NEWSPAPER PROPERTY SALES NOTICES**

CHAIR RALPH SEEKINS announced SB 173 to be up for consideration.

RYAN MAKINSTER, staff to Senator Cowdery, explained that SB 173 addresses an issue regarding notice of a fail on execution for real property. Currently before a sale of property on execution can take place, a public notice must be given including certified mail, mail and public notice in a newspaper. SB 173 addresses the fact that the current definition of general circulation newspaper includes one provision - that it would have a second-class federal postage permit. This was under the belief that newspapers in general circulation had that power. Nowadays there are free newspapers - the Anchorage Press, for example. And now it has an overwhelming circulation - enough to qualify in other states as a general circulation newspaper.

The intent of AS 9.35.410 is to notify the public. What better way to notify the public than a broad-reaching free newspaper? Basically, all this bill will

do is remove the requirement of a second-class mailing permit.

As the statute is currently written, periodical permits are called second-class mailing permits.

[1:55:28 PM](#)

SENATOR BEN STEVENS asked when the definition of a second-class permit was changed to periodical.

MR. MAKINSTER replied that it was changed in 1996. He added that other provisions for general circulation are that the paper has to be distributed at least once a week for 50 weeks in each year and must have a total paid circulation or distribution of 500 copies or 10 percent of the total population of the judicial district in which it is located.

SENATOR BEN STEVENS asked how many publications this would affect other than the Anchorage Press.

MR. MAKINSTER replied that the Anchorage Press is the only publication he knows of.

[1:57:27 PM](#)

SENATOR ELLIS asked if the Pulse, in Anchorage, would qualify.

MR. MAKINSTER replied that he didn't know for sure.

If they did a broad notice across all of their circulations, that would fulfill the number within the judicial district, but if you specifically went to the South side, that doesn't have a large enough circulation to fulfill that, it would have to be in every publication. I believe under that case, it would fill the obligation.

SENATOR ELLIS pointed out that there are more than just three newspapers statewide and asked if the Anchorage Daily News and Chugiak Eagle River Star would qualify also.

MR. MAKINSTER apologized and said that he was only thinking of the Anchorage area and forgot to mention that other papers qualify. The Juneau Empire is another paper that has a periodical permit, which was previously a class 2 permit.

[1:59:10 PM](#)

CHAIR SEEKINS said he had never even seen a copy of the Anchorage Press and asked how many other people would rely on a general circulation paper to keep abreast of public notices like him. He was curious if they are just trying to reach a number or really trying to fulfill the purpose of a public notice.

MR. MAKINSTER replied that his argument can be made, but on the other hand, a subscription doesn't automatically reach the people you want it to and, as a consequence, language says a publication only has to reach a large enough number to qualify for general circulation.

CHAIR SEEKINS asked if the bidding process on public notice is for each notice or to be the publisher of public notices in the community.

MR. MAKINSTER replied currently when a public notice goes out to bid, just one entity is being used. He didn't know how this would change the process.

[2:02:19 PM](#)

CHAIR SEEKINS said he was concerned that a general-purpose publication (not intended primarily for a particular professional or occupational group) that had a total paid distribution of at least 500 copies could bid competitively against a newspaper with tens of thousands of readers.

He has a high regard for trying to reach the greatest number of people possible with public notice and thought that was part of the legislature's responsibility. If he puts public notice up for bid and as a result of a lower bid, he notifies fewer people, he is not meeting his public responsibility.

MR. MAKINSTER responded that the sponsor's intent is to allow free circulation newspapers that fulfill the obligations of having a permit to bid on public notices, but he would work with Senator Seekins on language that would address his concern with the smaller-running publications.

[2:04:18 PM](#)

SENATOR BEN STEVENS said he would not classify requirement for public notice as an advertisement.

Most people that follow the public notice for sale of real property in Anchorage are almost in the business. Regardless of what publication it's in, they would know where it's going to go and they would follow it.

He wasn't quite in agreement with requiring that the public notice has to reach as many people as possible.

[2:05:29 PM](#)

CHAIR SEEKINS said he was not that concerned if the intent is to broaden the availability and distribution, but if it's an "either or" situation, he did. He thought this bill could easily be portrayed as single-interest legislation and that probably wasn't the intent of the sponsor. He asked if the large papers in the state had commented.

MR. MAKINSTER replied that he had contacted the Anchorage Daily News circulation manager who didn't have any response.

[2:07:35 PM](#)

SENATOR ELLIS asked if notices could be in the free Capital City Weekly instead of the Juneau Empire.

MR. MAKINSTER replied that he didn't know if the Capital City Weekly qualified under the circulation number.

[2:07:56 PM](#)

CHAIR SEEKINS asked if there was a definition difference between circulation and the number of copies printed.

MR. MAKINSTER replied that just printing them and leaving them in warehouses does not fulfill that obligation, they have to at least be on a stand.

[2:08:12 PM](#)

SENATOR BEN STEVENS said that numerous smaller publications have a big circulation in the west and southwest parts of the state and they that have to have the periodic bulk rate to fulfill their distribution rate from their subscription base as well as their free distribution. He knows that those circulations carry public notices in them. Their distribution might not be as big as the Anchorage Press, but because they have the bulk rate, they have been able to participate under the public notice process.

CHAIR SEEKINS replied that he wasn't trying to constrict their participation, but rather he was trying to make sure they didn't constrict it by this law. He said that he would hold SB 173 so he could at least talk to his newspaper in Fairbanks. He asserted that he is not trying to protect the economic interest of the Anchorage Daily News.

CHAIR SEEKINS announced he would hold SB 173 in committee.

**CSHB 216(FIN)TITLE AM-INSURANCE RATES, FORMS, & FILING**

[2:10:00 PM](#)

CHAIR SEEKINS announced HB 216 to be up for consideration.

JOSH APPLEBEE, staff to Representative Tom Anderson, sponsor of HB 216, said that it is an insurance rate regulation bill. He explained that under existing law, property and casualty insurance rates and forms are subject to the insurance commissioner's prior approval before they can be put in place. HB 216 maintains the commissioner's authority to oversee the rate changes, but allows an insurer to make rate increases or decreases within the flex band without having to obtain prior approval from him. The flex band is defined as a cumulative 10 percent shift in rates within a 12-month period.

He said that HB 216 has three basic purposes. It creates an environment where insurers compete more vigorously on rates and products offered to consumers; it encourages insurers who are in the Alaska market to stay here and hopefully it will attract new insurers to Alaska, which would result in more competition giving consumers more choices and more competitive pricing. Third, HB 216 is in alignment with the national movement away from strict government price controls towards a flexible more competition-oriented system for the regulation of insurance rates and insurance forms. It would modernize the state's regulation system.

[2:13:12 PM](#)

CHAIR SEEKINS asked if this is exactly the same as SB 168.

MR. APPLEBEE replied yes.

CHAIR SEEKINS asked if anyone wanted to testify against this bill. Seeing no response, he asked the will of the committee.

[2:13:30 PM](#)

SENATOR BEN STEVENS moved to pass CSHB 216(TITLE AM) from committee with individual recommendations and attached fiscal note. There were no objections and it was so ordered.

CHAIR SEEKINS adjourned the meeting at [2:14:25 PM](#).