

HOUSE FINANCE COMMITTEE
May 5, 2007
9:09 A.M.

CALL TO ORDER

Co-Chair Meyer called the House Finance Committee meeting to order at [9:09:57 AM](#).

MEMBERS PRESENT

Representative Mike Chenault, Co-Chair
Representative Kevin Meyer, Co-Chair
Representative Bill Stoltze, Vice-Chair
Representative Harry Crawford
Representative Richard Foster
Representative Les Gara
Representative Mike Hawker
Representative Reggie Joule
Representative Mike Kelly
Representative Mary Nelson
Representative Bill Thomas Jr.

MEMBERS ABSENT

None

ALSO PRESENT

Representative Kurt Olson; Representative Carl Gatto; Representative Max Gruenberg; John Bitney, Director, Legislative Office, Office of the Governor; Rick Urion, Director, Division of Occupational Licensing, Department of Community & Economic Development; Rick Svobodny, Chief Assistant Attorney General, Legal Services Section-Juneau, Criminal Division, Department of Law; Suzanne Cunningham, Staff, Representative Meyer

SUMMARY

HB 88 An Act relating to televisions, monitors, portable computers, and similar devices in motor vehicles; and providing for an effective date.

CS HB 88 (FIN) was reported out of Committee with a "no recommendation" and with zero note #1 by the Department of Law.

HB 111 An Act decreasing the fee for a business license; and providing for an effective date.

CS HB 111 (FIN) was reported out of Committee with a "do pass" recommendation and with one new fiscal

note by the Office of the Governor and three new fiscal notes by the Department of Commerce, Community & Economic Development.

[9:10:48 AM](#)

#HB111

HOUSE BILL NO. 111

An Act decreasing the fee for a business license; and providing for an effective date.

Vice Chair Stoltze MOVED to ADOPT work draft #25-GH1065\M, Bannister, 5/4/07, as the version of the bill before the Committee. There being NO OBJECTION, it was adopted.

[9:11:38 AM](#)

JOHN BITNEY, DIRECTOR, LEGISLATIVE OFFICE, OFFICE OF THE GOVERNOR, commented that the bill was written to reduce the business licenses fees. He noted the reduction to State revenues. The Governor believes that such issues are insignificant in relationship to the message sent to small business throughout the State; there are other options for revenue generating. Mr. Bitney urged that the Committee pass the bill.

Representative Gara pointed out that a person is only required to purchase a business license if they are regularly engaged in business. He recommended that the bill offer a provision that clarifies whether a person needs to purchase that license. Language should be tailored in statute.

[9:15:20 AM](#)

RICK URION, DIRECTOR, DIVISION OF OCCUPATIONAL LICENSING, DEPARTMENT OF COMMUNITY & ECONOMIC DEVELOPMENT, advised that the Administration had introduced the legislation, changing the cost of a business license from \$100 dollars to \$50 dollars a year. Additionally, it provides the Department authority to issue a \$300 dollar citation to the person doing business without a license; in existing law, the fine is \$2,000 dollars and six months in jail and has never been enforced.

Mr. Urion addressed the new fiscal notes, indicating the reduced revenue to the State. Representative Hawker asked how much the bill actually will cost the State. Mr. Urion replied in excess of \$2.9 million dollars a year.

Representative Hawker inquired if all notes were relevant. Mr. Urion stated that the Department had not yet drafted notes to the current version. Representative Hawker worried about passing the bill without knowing the true costs.

Co-Chair Meyer pointed out that revenue from the fee would be cut in half from last year. He added that new notes would follow the bill.

[9:19:57 AM](#)

Co-Chair Chenault asked if sole proprietor-ship would remain at \$50 dollars.

[9:20:38 AM](#)

SUZANNE CUNNINGHAM, STAFF, REPRESENTATIVE MEYER, explained that all licenses under the proposed legislation would be \$50 dollars; currently, sole proprietors over the age of 65 can apply for a 50-year license.

Representative Gara requested that the Department make a determination regarding whether a person qualifies for an exemption for those not regularly engaged in business. Representative Kelly emphasized that the cost of the license was being reduced to \$50 dollars. He did not agree that the Department should be required to make a determination.

Representative Nelson inquired the types of business Representative Gara was referring to. Representative Gara commented, it affects those who only offer the service maybe one time a year. He recommended that the Department have a definition in place of what "regularly engaged in business" means. He thought that for an honest person, not regularly engaged in business, such as a craft, the fee is "huge".

Mr. Urion countered, the Administration would not enforce a business license fee against someone making a one-time small craft. That is not the intent of the bill, rather, the Division goes after "substantial businesses". Representative Gara agreed that most would not be investigated; however, there are people who want to know they are not violating the law. Consequently, there should be clarity in the regulation.

Representative Foster commented on vendor activity in Nome during the Iditarod, which damages local economy.

Mr. Urion noted that the cost of a business license would be a write off.

[9:28:47 AM](#)

Representative Gara MOVED to ADOPT Amendment #1, inserting new language on Page 3, Line 17. Co-Chair Meyer OBJECTED.

Representative Gara explained that the amendment adds language:

© "The Department shall adopt rules or regulations permitting a person to ascertain from the department whether they qualify for the exemption under (a) (6) of this section. There shall be no charge by the department for this determination."

In referencing the amendment, Representative Thomas asked if seasonal fishermen & plow truck drivers would be affected.

Representative Kelly reiterated the fine had been reduced; he spoke against the amendment.

[9:31:28 AM](#)

Mr. Urion understood that the amendment would require the Department to establish guidelines. He thought that the person referenced by Representative Thomas would have to get a business license. Representative Gara said that is precisely the concern; the answer to that question is currently written into the Department's statute. The amendment does not say that the Department needs guidelines. Representative Gara requested that the Department provide a determination if a person should ask for it. Mr. Urion advised that he is not the person that would receive those questions and that there are dedicated employees, employed at a low range, who would be responsible for making such a decision.

Representative Gara emphasized the concern, pointing out that it is in statute and that Mr. Urion should know that. The guidelines are not indicated and that the amendment only provides for the determination of guidelines.

Representative Crawford noted he was a range 10 & was capable of making such a determination.

[9:33:24 AM](#)

Co-Chair Chenault indicated frustration with people who do not purchase a business license. He worried about liability & tracking if something should happen with their product. A business is responsible for their actions. He said he was a no vote on the amendment.

[9:35:55 AM](#)

Representative Gara stressed that whether the person is liable or not, has nothing to do with whether that person has a business license. The amendment does not attempt to change the law. He encouraged that the person being addressed is the one that really does not own a business, yet is required to pay the \$50 dollar business license fee.

Representative Crawford noted that selling anything at a "Saturday" market demands a business license. He believed that the statutes are written to provide some leeway & hoped that the Department would use "common sense". He indicated support for the amendment.

Mr. Urion acknowledged that there are guidelines, which have been established within the Division, encouraging the use of good common sense for the investigators. He reiterated, the Division goes after "big" business people.

Representative Joule questioned if the concern could be accomplished through regulation. Mr. Urion said he intended to do that. Co-Chair Meyer believed the issue could be addressed without inclusion in actual bill.

Mr. Bitney reiterated that the intent of the bill was to lower the fee, thus making licensing more affordable. Currently, the statute indicates the exemption and hoped that the Department does apply that exemption.

[9:40:29 AM](#)

Representative Gara requested that Mr. Urion determine guidelines for the Division regarding business license enforcement. He asked to receive those commitments in writing.

Representative Gara WITHDREW Amendment #1.

Representative Foster MOVED to REPORT CS HB 111 (FIN) out of Committee with individual recommendations and with the accompanying fiscal notes. There being NO OBJECTION, it was so ordered.

CS HB 111 (FIN) was reported out of Committee with a "do pass" recommendation and with one new fiscal note by the Office of the Governor and three new fiscal notes by the Department of Commerce, Community & Economic Development.

[9:42:14 AM](#)

#HB88

HOUSE BILL NO. 88

An Act relating to televisions, monitors, portable computers, and similar devices in motor vehicles; and providing for an effective date.

REPRESENTATIVE CARL GATTO, SPONSOR, referenced language on Page 1, Line 11, "in full view", the major change made to the work draft. He indicated that language was best used for television (T.V.) monitors.

REPRESENTATIVE MAX GRUENBERG, SPONSOR, reiterated that the \0 version only made that one change.

[9:43:37 AM](#)

Representative Foster wondered if it would cover the use of a telephone. Representative Gatto pointed out the exclusions, sub-Section (c). Primarily, it addresses a driver viewing, while driving.

Representative Gara agreed that it is a problem.

[9:46:48 AM](#)

Representative Kelly worried about how the legislation would affect utility workers, working with emergency response concerns. Representative Gruenberg replied that there is a regulation in place, making that a violation if the person is negligently driving. The bill clarifies that if a person is driving and the monitor is operating and in full view, it would be classified as negligence. The language clarifies it for the judge, jury & law enforcement. Representative Gatto added that the problem is the inadvertent distractions.

[9:49:33 AM](#)

Representative Gara noted that the most important part of the bill is that it makes it a crime to install such devices, where someone could actually watch T.V. while driving.

[9:50:16 AM](#)

Vice Chair Stoltze asked the range of penalties for installation of a Class A misdemeanor.

RICK SVOBODNY, CHIEF ASSISTANT ATTORNEY GENERAL, LEGAL SERVICES SECTION-JUNEAU, CRIMINAL DIVISION, DEPARTMENT OF LAW, advised that the fine would be up to a year in jail and a \$10 thousand dollar fine-fee.

Vice Chair Stoltze questioned, if in a parked vehicle, equipment installed, could a person be sentenced with to that penalty. Representative Gruenberg responded that if the person could prove that someone had actually disabled it, they could be fined.

Representative Gruenberg reference language on Page 2. Vice Chair Stoltze noted that the burden of proof of it being altered was not necessary. Representative Gruenberg argued it definitely is necessary. The burden of proof is always on the prosecution.

Representative Gruenberg & Vice Chair Stoltze discussed the installation of the equipment and the disabling of it. Representative Gatto referenced language on Page 2, the "disabled equipment", Article (e). Representative Gruenberg corrected, meaning the disabling of the disable device.

Co-Chair Meyer asked why there were no fiscal notes from all the agencies affected through the legislation. He pointed out the note from the Department of Law. Representative Gruenberg understood that there would be few prosecutions resulting from passage of the bill.

Representative Gara advised that the legislation makes it a crime to install the device & worried about including "alter". Representative Gruenberg referenced Page 2, Line 2, "alters the equipment so that it allows the images to be viewed by the driver". Representative Gara emphasized that is not what the language suggests; he recommended the record reflect the intention. Representative Gruenberg agreed.

[9:56:05 AM](#)

Representative Foster MOVED to REPORT CS HB 88 (FIN) out of Committee with individual recommendations and the zero note. There being NO OBJECTION, it was so ordered.

CS HB 88 (FIN) was reported out of Committee with a "no recommendation" and with zero note #1 by the Department of Law.
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ADJOURNMENT

The meeting was adjourned at 9:56 A.M.