

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

April 13, 2007

3:17 p.m.

**MEMBERS PRESENT**

Representative Kurt Olson, Chair  
Representative Mark Neuman, Vice Chair  
Representative Gabrielle LeDoux  
Representative Jay Ramras  
Representative Robert L. "Bob" Buch  
Representative Berta Gardner

**MEMBERS ABSENT**

Representative Carl Gatto

**COMMITTEE CALENDAR**

HOUSE BILL NO. 205

"An Act relating to real estate broker and real estate salesperson licensing; and providing for an effective date."

- MOVED CSHB 205(L&C) OUT OF COMMITTEE

HOUSE BILL NO. 209

"An Act relating to the chair of and the membership of and qualifications of members of the Regulatory Commission of Alaska; adding positions to the partially exempt service; creating an administrative law division and natural gas and oil pipeline division within the commission; amending the timeline requirements for a final order of the commission; relating to the commission's regulatory cost charges; and adding to the duties of the Alaska Judicial Council as they relate to the presentation of nominees for consideration for appointment to the commission."

- HEARD AND HELD

HOUSE BILL NO. 110

"An Act extending the termination date for the Regulatory Commission of Alaska; and providing for an effective date."

- HEARD AND HELD

**PREVIOUS COMMITTEE ACTION**

BILL: HB 205

SHORT TITLE: REAL ESTATE BROKERS/SALESPERSONS

SPONSOR(S): LABOR & COMMERCE BY REQUEST

03/16/07 (H) READ THE FIRST TIME - REFERRALS  
03/16/07 (H) L&C, FIN  
04/13/07 (H) L&C AT 3:00 PM CAPITOL 17

BILL: HB 209

SHORT TITLE: REGULATORY COMMISSION OF ALASKA

SPONSOR(S): LABOR & COMMERCE

03/19/07 (H) READ THE FIRST TIME - REFERRALS  
03/19/07 (H) L&C, JUD, FIN  
04/13/07 (H) L&C AT 3:00 PM CAPITOL 17

BILL: HB 110

SHORT TITLE: EXTEND REGULATORY COMMISSION OF ALASKA

SPONSOR(S): LABOR & COMMERCE

01/30/07 (H) READ THE FIRST TIME - REFERRALS  
01/30/07 (H) L&C, FIN  
03/16/07 (H) L&C AT 3:00 PM CAPITOL 17  
03/16/07 (H) -- MEETING CANCELED --  
04/13/07 (H) L&C AT 3:00 PM CAPITOL 17

**WITNESS REGISTER**

DAVE FEEKEN, Chair  
Industry Issues Working Group  
Alaska Association of Realtors (AAR)  
Kenai, Alaska  
POSITION STATEMENT: Presented HB 205.

RUTH BLACKWELL, Chair  
Professional Development Working Group  
Alaska Association of Realtors (AAR)  
Juneau, Alaska  
POSITION STATEMENT: Testified in support of HB 205.

RICK URION, Director  
Division of Corporations, Business and Professional Licensing  
Department of Commerce, Community, & Economic Development  
Juneau, Alaska  
POSITION STATEMENT: Answered questions and offered comments during hearing on HB 205.

KATE GIARD, Commissioner, Chair  
Regulatory Commission of Alaska (RCA)  
Department of Commerce, Community, & Economic Development  
Anchorage, Alaska  
POSITION STATEMENT: Answered questions and offered comments  
during hearing on HB 209 and HB 110.

MARK JOHNSON, Commissioner  
Regulatory Commission of Alaska (RCA)  
Department of Commerce, Community, & Economic Development  
Anchorage, Alaska  
POSITION STATEMENT: Answered questions and offered comments  
during hearing on HB 209 and HB 110.

JAN WILSON, Commissioner  
Regulatory Commission of Alaska (RCA)  
Department of Commerce, Community, & Economic Development  
Anchorage, Alaska  
POSITION STATEMENT: Answered questions and offered comments  
during hearing on HB 209 and HB 110.

DAVE HARBOUR, Commissioner  
Regulatory Commission of Alaska (RCA)  
Department of Commerce, Community, & Economic Development  
Anchorage, Alaska  
POSITION STATEMENT: Answered questions and offered comments  
during hearing on HB 209 and HB 110.

#### **ACTION NARRATIVE**

**CHAIR KURT OLSON** called the House Labor and Commerce Standing Committee meeting to order at [3:17:40 PM](#). Representatives LeDoux, Ramras, Gardner, Neuman, and Olson were present at the call to order. Representative Buch arrived as the meeting was in progress.

#### **HB 205-REAL ESTATE BROKERS/SALESPERSONS**

[3:17:55 PM](#)

CHAIR OLSON announced that the first order of business would be HOUSE BILL NO. 205, "An Act relating to real estate broker and real estate salesperson licensing; and providing for an effective date."

[3:18:02 PM](#)

DAVE FEEKEN, Chair, Industry Issues Working Group, Alaska Association of Realtors (AAR), referring to a committee substitute for HB 205, said that this is a modernization of existing statutes relating to real estate brokerage, and addresses the education of real estate licensees and the supervisory relationship between brokers and licensees. He stated that the real estate industry is "dramatically changing," and the current pre-licensing education requirements are outdated. He explained that nearly 80 percent of current buyers use the internet to search for property. There are also hundreds of loan programs available from around the country. He detailed additional concerns, such as wetland maps, disclosure of property condition, and predatory lending issues. The Real Estate Commission continues to increase the required course material for pre-licensing education, but the hourly requirement has remained the same. He said that HB 205 increases the hourly requirement from 20 hours to 40 hours. He pointed out that even with the hourly increase, Alaska will continue to have the lowest hourly requirements in the country.

MR. FEEKEN then stated that the post-licensing education would be increased from 20 to 30 hours. This is necessary to adequately teach the required materials. The AAR supports these increases, in order to meet the public need for competent real estate practitioners. He said that HB 205 clarifies that an individual convicted of a felony must wait seven years after completion of the sentence, prior to obtaining licensure. This gives the Real Estate Commission the ability to protect the public. He then referred to Section 4, and said that this section states that a real estate office must employ an associate broker to directly supervise all licensees. He noted that there have been difficulties between Legislative Legal and Research Services and the Department of Law (DOL) regarding the language in this section. He said that if a single broker owns, operates, or is employed by multiple corporations, HB 205 would require that all of the business organizations share a single physical address. He explained that many brokerage firms are multiple companies for insurance or other reasons.

MR. FEEKEN then discussed Section 9. He explained that according to a Supreme Court ruling, the broker is not responsible for conduct that he or she had no knowledge of. He said that HB 205 requires the broker to have a written policy and procedures manual that addresses supervisory issues. The licensee is required to inform the broker of issues regarding the licensee's compliance with state law, and conduct with

clients. He said that this would allow complaints to be handled in a more cost-effective manner. The AAR is requesting an implementation date of February 1, 2008, in order to comply with the additional education requirements.

[3:24:07 PM](#)

REPRESENTATIVE NEUMAN made a motion to adopt CSHB 205(L&C), Version 25-LS0684\M, Bullard, 4/12/07 as the working document. There being no objection, Version M was before the committee.

[3:24:26 PM](#)

REPRESENTATIVE GARDNER shared her understanding that this would place the responsibility for "good behavior" on the licensee, and inquired as to whether this is a shift of responsibility.

MR. FEEKEN replied that the broker has always been responsible for supervising the licensee. He reiterated that following a US Supreme Court ruling in the 1980s, the broker was required to know of the misconduct. This clarifies that a policy manual is required.

REPRESENTATIVE GARDNER asked if, in the event of a lawsuit, the broker would be protected, on the basis that the licensee has failed to inform him or her of the misconduct.

MR. FEEKEN replied yes. He explained that currently, brokers are not aware of a lawsuit until served with the paperwork. In response to additional questions, he stated that the AAR is in support of the legislation. The AAR is a trade organization, and its membership includes all licensees, whether brokers or sales associates. He said that around 25 percent of members are brokers, and 75 percent are licensees.

[3:27:05 PM](#)

REPRESENTATIVE NEUMAN referring to Section 2, asked why the education requirement was changed to 40 hours. He noted that the original bill contained a 30 hour requirement, while the existing statute contains a 20 hour requirement.

MR. FEEKEN explained that there are two types of education. Pre-licensing education has been changed from 20 hours to 40 hours. Post licensing education has been changed from 20 hours to 30 hours. In response to additional questions, he explained that the cost for pre-licensing education in Anchorage is around

\$275. He said that it is most likely higher outside of Anchorage, although in Kenai, it is the same. He shared his belief that this cost would not double. He has not heard any quotes from instructors as to what the price would be changed to. He stated that the AAR does not recommend prices, as it is a free market.

[3:29:07 PM](#)

RUTH BLACKWELL, Chair, Professional Development Working Group, Alaska Association of Realtors, said that she is an associate broker and a certified instructor. She stated that she spent two terms on the Real Estate Commission. During her first term, the current education requirements were implemented. She said that when this occurred, the loan process was not nearly as complicated as it is now. She said that 20 hours is not enough time to get someone started. She urged members to support the increase in both pre-licensing and post-licensing education requirements.

[3:30:56 PM](#)

RICK URION, Director, Division of Corporations, Business and Professional Licensing, Department of Commerce, Community, & Economic Development (DCCED), said that he agrees with the previous testimony. However, the Department of Law (DOL) feels is concerned with Section 7(e), as it implies that there is a residency requirement in the real estate law, which is incorrect. He explained that the Constitution of the United States does not allow this. The requirements must be the same for both in-state and out-of-state brokers. This section should be deleted, or modified to include both.

[3:33:35 PM](#)

REPRESENTATIVE NEUMAN shared his understanding that this section should be changed to include the words "in-state", or "may reside out-of-state", or simply be removed completely.

MR. URION agreed that this is correct.

[3:34:00 PM](#)

CHAIR OLSON closed public testimony.

REPRESENTATIVE NEUMAN offered Amendment 1, which would delete Section 7.

CHAIR OLSON stated his intention to hold the bill over in order to allow specific concerns to be discussed with Legislative Legal and Research Services.

REPRESENTATIVE NEUMAN withdrew Amendment 1.

[HB 205 was brought up again later during the hearing]

HB 209-REGULATORY COMMISSION OF ALASKA  
HB 110-EXTEND REGULATORY COMMISSION OF ALASKA

[Contains brief discussion of SB 16]

[3:34:50 PM](#)

CHAIR OLSON announced that the next order of business would be HOUSE BILL NO. 209, "An Act relating to the chair of and the membership of and qualifications of members of the Regulatory Commission of Alaska; adding positions to the partially exempt service; creating an administrative law division and natural gas and oil pipeline division within the commission; amending the timeline requirements for a final order of the commission; relating to the commission's regulatory cost charges; and adding to the duties of the Alaska Judicial Council as they relate to the presentation of nominees for consideration for appointment to the commission."; and HOUSE BILL NO. 110, "An Act extending the termination date for the Regulatory Commission of Alaska; and providing for an effective date."

CHAIR OLSON stated that a committee substitute (CS) has been drafted for HB 209. He suggested that the committee take an at-ease to allow members of the Regulatory Commission of Alaska (RCA) to consider the changes made by the CS.

The committee took an at-ease from 3:36 PM to 3:56 PM.

CHAIR OLSON turned the discussion to HB 209.

[3:56:50 PM](#)

REPRESENTATIVE NEUMAN made a motion to adopt CSHB 209, Version 25-LS0717\M, Kane, 4/12/07, as the working document. There being no objection, Version M was before the committee.

CHAIR OLSON informed the committee that the discussion would be limited to members of the RCA. He indicated that HB 209 would be held for further consideration.

[3:57:53 PM](#)

KATE GIARD, Commissioner, Chair, Regulatory Commission of Alaska (RCA), Department of Commerce, Community, & Economic Development (DCCED), noted that the sunset for the RCA expires on June 30, 2007. She explained that the RCA's legislative mandate is to set just and reasonable rates for public utilities and pipeline services. Over the past four years, the RCA has had the opportunity to create a more transparent and accountable commission that is easier for regulated entities to work with. She said that the RCA has been able to involve the regulated entities in regulatory and planning activities. She added that members of the public were also included in considering the statutory changes that the RCA should pursue during the current legislative session. This was done previously, as well. As a result, the commission has approximately \$2.2 million to develop electronic filing systems for all pipeline carriers and public utilities in the state. This cooperative effort gave the RCA the opportunity to learn, and empowered the utilities and pipeline carriers to have more control.

MS. GIARD went on to say that 2007 is a reauthorization year, and therefore the RCA has a "very aggressive legislative agenda" for statutory change. The RCA knew that by restructuring the agency and meeting with the regulated entities, it could make substantial changes. However, the RCA works from a legislative mandate which requires that statutory changes are made. She explained that the RCA went through a public process and informal docket R-06-10, and sought comment regarding changes and improvements, as well as how to come up with the statutory language that can provide this change. This process was completed on February 22, 2007, and the RCA voted on statutory changes. She explained that the members studied the proposals and created a packet that was sent to the governor. The governor's intention was to support a bill that would enact many of the changes requested by the RCA. The governor was later unable to pursue the legislation, and requested that the RCA work with the legislature. She said that she has met with the legislature to discuss the opportunity for change in Alaska. While she has not had a significant amount of time to look at Version M, it does not appear to contain many of the changes included in docket R-06-10. However, it does address the

statutory timelines. The RCA is happy to see the timeline changes moving forward, and believes this is good for Alaska.

4:03:03 PM

CHAIR OLSON stated that SB 16 included information that did not appear to be addressed by the full commission. He asked whether there is additional information that he has not seen.

MS. GIARD explained that SB 16 is a reauthorization of the RCA, and provides a six-year reauthorization period. Additionally, she sought a provision which would require biannual audits. Certain timeline and benchmark information that is included in the RCA's annual report would be examined by the legislative auditor, who would then create a report to tell the legislature how the RCA is doing with regard to meeting the aforementioned timelines and benchmarks. She stated that the Senate Community and Regional Affairs Standing Committee included this in its CS, as a result of positive public testimony. This would provide feedback that was missing previously, and would allow the legislature to address concerns brought up by the audit. She agreed that this was not included in docket R-06-10.

CHAIR OLSON pointed out that the final paragraph in the transmittal letter dealt with salary increases.

MS. GIARD replied that the CS for SB 16 has 3 sections, which deal with the aforementioned audit provisions.

4:06:31 PM

REPRESENTATIVE GARDNER requested that the documents in question be distributed to the committee prior to discussing them.

CHAIR OLSON said that this would be discussed at a later time.

4:07:03 PM

REPRESENTATIVE NEUMAN asked how often the RCA is audited. He shared his understanding that yearly audits are performed. He inquired as to what requested statutory changes are new for the 2007 legislative agenda.

MS. GIARD replied that the Division of Legislative Audit performs a sunset audit each time the RCA reaches the end of its sunset date. This results in an audit every four years. The RCA believes it is appropriate to have additional reporting, and

therefore requested the aforementioned biannual audit. The statutory changes include timeline changes, changes to the attorney general that provides legal council to the RCA, and increased fines, among others. She stated that the RCA is "quasi-judicial" in nature, and has attempted to treat the agency as a "quasi-judicial" body.

REPRESENTATIVE NEUMAN commented that timeline discussions are repetitive. He questioned whether the RCA is improving.

MS. GIARD stated that the commissioners have made an effort to respond to criticisms that occurred during the 2003 sunset. The RCA was not timely or viewed as responsive to the utilities. She explained that the RCA has been on a plan of improvement for the last three years, which involved public utilities, pipeline carriers, and outreach efforts. The results of this are reflected in the annual audit. She pointed out that in 2004, there were 163 dockets pending. At the end of June, 2006, there were 101. Both the work volume and productivity have increased.

[4:12:06 PM](#)

MARK JOHNSON, Commissioner, Regulatory Commissioner of Alaska, Department of Commerce, Community, & Economic Development (DCCED), pointed out that the commission must strike a balance between disposing of the dockets as expeditiously as possible, and the quality of the decisions made. He shared his belief that all members of the RCA are aware of this, and make an effort to balance both factors. He stated that he is actively engaged in the case management portion of the work being done, and meets weekly with staff to examine each docket and assess its status. He stated that in the past, the principal complaint has been that the decisions are not rendered in a timely manner. The RCA has tried to be responsive to this.

[4:13:42 PM](#)

REPRESENTATIVE NEUMAN commented that with all the changes, 56 percent of utilities questioned said that the RCA was doing a "somewhat good job," and pointed out that this leaves 54 percent that feel "the other way."

CHAIR OLSON asked whether the timelines in Version M are reasonable.

MS. GIARD, referring to Section 4, explained that this applies to public utility timelines, and does not include any

substantive changes. This section simply allows the computer system to calculate 180 days.

4:15:32 PM

REPRESENTATIVE NEUMAN inquired as to whether 180 working days or 180 consecutive days.

MS. GIARD replied that this is consecutive days, adding that it would read "business days" if it only counted Monday through Friday. Moving on to Sections 5, 6, 7, and 8, she stated that these sections do not include any substantive changes. She stated that the first substantive change is included in Section 9, adding that she is not comfortable with this section. She explained that currently, the RCA makes a discretionary determination of "good cause" and can extend a timeline once. She shared her understanding that this section attempts to define when the RCA can extend the timeline. She stated that this calls into question what is an "unusually complex and novel" question of law. She expressed fear that the litigant could appeal the extension decision, and say that an issue is not "unusually complex and novel." She explained that the law states that if the commission does not render a decision by the statutory timeline, the matter goes into effect by force of law. She said that this is troubling, was not heavily advocated during the open public process, and was not added by the RCA.

4:18:47 PM

REPRESENTATIVE LEDOUX shared her understanding that an individual could appeal to the superior court, stating that it is not an "unusually complex and novel" question of law, and asked for clarification regarding what may result.

MS. GIARD explained that if the RCA did not properly extend the timeline, the matter would go into effect by force of law. She reiterated that this is a troubling provision.

REPRESENTATIVE LEDOUX said that the extension is needed because the RCA has not reached a decision, and questioned how the decision could be implemented.

MR. JOHNSON said that this further restricts the RCA's ability to act. He does not see this leading to better decisions. He shared his belief that this would lead to decisions made under time pressure, which creates a greater risk that the RCA will make decisions that are unwise.

4:21:03 PM

REPRESENTATIVE LEDOUX replied that this may be correct. She opined that in reality, it would take the court 90 days to reach a decision regarding whether or not the extension was "unusually complex and novel." She opined that there would not be many appeals.

MS. GIARD explained that if the statutory timeline is miscalculated and extended erroneously, the matter would go into effect by force of law. Additionally, any matter that is not addressed within the statutory timeline, would go into effect by force of law. The RCA currently has the discretion to look at the workload and when the hearing was held, and may extend the timeline one time, for 90 days. This section specifically states under what conditions the timeline can be extended, which she believes is not necessary. In response to an additional question, she explained that the issue might be a rate filing, or a tariff filing, or a contract, which would be considered approved, and go into effect immediately.

CHAIR OLSON requested written comments regarding Section 9.

REPRESENTATIVE GARDNER asked if "good cause" is closely defined.

4:24:58 PM

JAN WILSON, Commissioner, Regulatory Commission of Alaska (RCA), Department of Commerce, Community, & Economic Development (DCCED), stated that any extension done for good cause can be challenged. However, the term "good cause" has had a lot of use over the years, which allows more comfort with this term. She surmised that the commission could become comfortable with the new language, although she has not seen it used before. She said that if there is precedent or case law that interprets this, the RCA would like to see this. She stated that when the RCA is coming down to the wire of a statutory deadline, this might be a distraction, as debate may be necessary to determine whether or not the items being debated are "novel or complex."

4:26:44 PM

REPRESENTATIVE LEDOUX asked how often a finding of good cause has been appealed over the last five years.

MR. JOHNSON replied that the RCA is unaware of any time this has occurred.

REPRESENTATIVE LEDOUX inquired as to the RCA's definition of "good cause."

MS. WILSON replied that there is no definition in statute or in RCA regulations. She said that the RCA does not take "for good cause" lightly, and always states the cause. The parties are able to look at the explanation of what the cause is, and determine whether or not they believe this is good cause. Petitions for reconsideration can be filed.

MS. GIARD, in response to a question from Representative LeDoux, said that in 2006, the timelines were extended 6 times out of approximately 200 cases. In 2005, the timelines were extended 3 times, and in 2004 they were extended 4 times. She pointed out that the parties can extend as often as is desired, and need only be in agreement. She explained that good cause can mean that staff resources are limited, or that a number of deadlines are pending. She said "It's really the trust that you have in us to make good but infrequent use of the extension."

[4:31:11 PM](#)

DAVE HARBOUR, Commissioner, Regulatory Commission of Alaska (RCA), Department of Commerce, Community, & Economic Development (DCCED), said that statute requires that all decisions made by the RCA be supported by reasons, which are subject to the courts review. He opined that the very best barometer as to how well the RCA is doing would be reflected in the decisions of the courts. He pointed out that the decisions of the courts have been very supportive of the commission, having upheld the majority of appealed decisions. With regard to the term "good cause," he said that this is required in virtually all the decisions made by the RCA. He gave an example of a stipulation, and said that the due process required of the RCA is more extensive than is required in the legislative process. He explained that the RCA must find the stipulation to be in the public interest. He said "You can't really ... tear [apart an agreement] and analyze one part, and determine that that's good, and throw the other one out because it was a bargain."

MR. HARBOUR then discussed Section 9(c). He opined that it is not in the public interest to say that the RCA may not use its work schedule as "good cause" for an extension. He explained that the workload ebbs and flows, and the commission might have

several complex and time consuming dockets at once. He stated that this may result in complaints regarding due process. He said that if the commission is required to work under restricted timeframes, additional employees would be needed, resulting in a more expensive process. If this was a concern, he would recommend that the legislature consider this, however, he does not think this is a "huge problem."

CHAIR OLSON stated that the utilities feel that "oftentimes, the timeline is too lengthy," which is the crux of the issue.

[4:38:30 PM](#)

REPRESENTATIVE RAMRAS, with regard to a pending appeal involving a utility in Fairbanks, stated that it has been difficult to find an advocate for his concerns, as the utilities are more concerned with time and money issues. He said that he previously thought that the RCA was a "great adjudicator." He stated that the RCA attempts to use a "one-size fits all" approach, which does not work for all adjudicated matters.

MR. HARBOUR said that every citizen has a right to his or her day in court. When a utility applies for a rate increase, others have the opportunity to protest. The RCA is the forum for this. He explained that legislatures across the country have determined that regulating monopoly interest is not easily done by a legislative body that does not maintain a year-round expertise and the time to do so, and therefore this is delegated to a regulatory agency. He said that the monopoly must be given an opportunity to present its case, and the rate payers and the other affected parties must be given the opportunity to comment. If the RCA did not provide this opportunity, the court system would be "batting back" the decisions, and the legislative auditor would be reporting that the RCA's decisions "lack legal perfection on a regular basis." He shared his hope that the RCA's regulatory process will be seen as a solid process.

REPRESENTATIVE RAMRAS said that according to the utilities, it costs \$1 million each time it must go before the RCA. He reiterated that his concerns were not addressed, because of the utilities concern with cost concerns. He said that it is not appropriate to stereotype people or organizations. However, stereotypes often grow out of behavioral patterns, and may indicate a pattern of behavior that is not working well. He explained that every time an issue is raised, the utility can not afford the \$1 million cost. He expressed concern that the "size of the process" is the same for the producers as it is for

the small, private utilities. He said that this is the impression of the broader community.

4:49:36 PM

MS. GIARD said that the 15 month timeline is too long. When the legislature established this timeline, it used a one-size fits all methodology. She stated that when the RCA makes an effort to move forward in the legislative arena to discuss methodologies, the effort becomes "hijacked," which is detrimental to the RCA. The improvements and efforts of four years are incremental. She said "You are not going to change an institution, or create a pipeline, overnight." She stated that the RCA has been "rolling the ball uphill" for four years. The commission is doing a better job, which has been independently verified. She stated that the RCA is 65 percent of the way to meeting its potential. She shared her belief that the RCA can fulfill the legislature's vision, but to do this requires help from the legislature. She said "Working with us means helping us, and looking at the statutory provisions that we're asking you for. And addressing them in one legislative session. Not two, not three, or not four. Help us, because we can not make it better without you."

4:51:44 PM

REPRESENTATIVE NEUMAN asked how the dockets are organized. He commented that Section 1 allows the governor to choose the chair of the commission, adding that the governor will also be selecting a gas pipeline coordinator. He noted that the RCA regulates intrastate commerce, and opined that this gives a lot of power to the governor. He suggested that the committee consider this.

MR. JOHNSON pointed out that the discussion began with timelines, at Chair Olson's request, thereby passing over Section 1. With regard to the timelines, he reiterated that he meets with staff to review the status of each docket. He stated that issues of complexity are always kept in mind. However, some of the smallest in scope create some of the most difficult issues. There are cases involving small utilities that pose danger to the customers. He assured the committee that the RCA is continually weighing which dockets can be addressed quickly.

REPRESENTATIVE NEUMAN reiterated that the committee should consider Section 1.

REPRESENTATIVE LEDOUX questioned whether the high cost affects the timelines.

MS. GIARD said that the number of parties protesting a utility's rates significantly contributes to the cost of a case. If many customers participate, this increases the cost substantially. If the rate case is processed through a hearing and approved, this is a low cost.

[4:57:41 PM](#)

CHAIR OLSON stated his intention to hold the bill over in order to allow further consideration of Version M. He noted that items related to staff, personnel, and salaries are not included in the bill. While he believes the salaries should be adjusted, he is not the person to do so. He shared his understanding that a resolution would be introduced to establish a working group that will review these issues. Referring to HB 110, he noted that the timeline is two years. He stated his intention to further discuss this bill at a future hearing.

[4:59:41 PM](#)

REPRESENTATIVE NEUMAN made a motion to adopt the CS for HB 110, Version 25-LS0449\M as the working document. There being no objection, Version M was before the committee.

CHAIR OLSON stated that when the aforementioned working group has completed its task, an audit would be completed. Following this audit, the RCA would return to the normal extension cycle.

MR. JOHNSON shared his understanding that the governor supports a 6 year extension.

MS. GIARD shared her understanding that the audit recommended an eight-year extension, and the Senate proposed a six-year extension.

CHAIR OLSON stated that the governor's office and the Senate have been notified of changes that have been made.

MS. GIARD expressed appreciation for the opportunity to come before the committee.

CHAIR OLSON requested written comments on HB 209.

The committee took an at-ease from 5:01 PM to 5:03 PM.

[HB 209 and HB 110 were held over.]

[5:03:43 PM](#)

HB 205-REAL ESTATE BROKERS/SALESPERSONS

[5:03:54 PM](#)

CHAIR OLSON announced that as the final order of business, the committee would return to HOUSE BILL NO. 205, "An Act relating to real estate broker and real estate salesperson licensing; and providing for an effective date."

REPRESENTATIVE NEUMAN offered Conceptual Amendment 1, which would remove Section 7. There being no objection, Conceptual Amendment 1 was adopted.

[5:04:30 PM](#)

REPRESENTATIVE NEUMAN moved to report HB 205, as amended, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSHB 205(L&C) was reported from the House Labor and Commerce Standing Committee.

[5:04:50 PM](#)

**ADJOURNMENT**

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 5:05 PM.