

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

March 11, 2009

3:18 p.m.

**MEMBERS PRESENT**

Representative Kurt Olson, Chair  
Representative Mike Chenault  
Representative John Coghill  
Representative Bob Lynn  
Representative Robert L. "Bob" Buch  
Representative Lindsey Holmes

**MEMBERS ABSENT**

Representative Mark Neuman, Vice Chair

**COMMITTEE CALENDAR**

HOUSE BILL NO. 29

"An Act increasing the minimum wage; and providing for an effective date."

- MOVED CSHB 29 (L&C) OUT OF COMMITTEE

HOUSE BILL NO. 175

"An Act relating to insurance, including treating as confidential certain information submitted to the director of insurance by the National Association of Insurance Commissioners; clarifying conditions for the release of insurer deposits; defining travel insurance that may be sold under a travel insurance limited producer license; establishing criteria for licensing of nonresident independent adjusters as resident adjusters; exempting rewards under a wellness program from treatment as insurance discrimination or rebating; making certain insurance required of the Comprehensive Health Insurance Association permissive rather than mandatory; providing for the administration of loss reimbursement policies and payments to guaranty associations during insolvency proceedings; making certain provisions relating to statements on applications and guaranteed renewability for individual health insurance applicable to hospital and medical service corporations; making public certain forms and related documents filed for approval by a hospital or medical service corporation after the filing becomes effective; relating to deposits of self-funded multiple employer welfare arrangements; repealing reasons that the

director of insurance may use to deny or revoke a license; and providing for an effective date."

- HEARD AND HELD

HOUSE BILL NO. 78

"An Act extending the termination date of the Board of Public Accountancy; and providing for an effective date."

- MOVED HB 78 OUT OF COMMITTEE

HOUSE BILL NO. 86

"An Act extending the termination date of the Board of Veterinary Examiners; and providing for an effective date."

- MOVED HB 86 OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

BILL: HB 29

SHORT TITLE: ALASKA MINIMUM WAGE

SPONSOR(S): REPRESENTATIVE(S) OLSON

01/20/09	(H)	PREFILE RELEASED 1/9/09
01/20/09	(H)	READ THE FIRST TIME - REFERRALS
01/20/09	(H)	L&C, FIN
02/23/09	(H)	L&C AT 3:15 PM BARNES 124
02/23/09	(H)	Heard & Held
02/23/09	(H)	MINUTE(L&C)
03/09/09	(H)	L&C AT 3:15 PM BARNES 124
03/09/09	(H)	Heard & Held
03/09/09	(H)	MINUTE(L&C)
03/11/09	(H)	L&C AT 3:15 PM BARNES 124

BILL: HB 175

SHORT TITLE: INSURANCE

SPONSOR(S): LABOR & COMMERCE

03/09/09	(H)	READ THE FIRST TIME - REFERRALS
03/09/09	(H)	L&C, FIN
03/11/09	(H)	L&C AT 3:15 PM BARNES 124

BILL: HB 78

SHORT TITLE: EXTEND BOARD OF PUBLIC ACCOUNTANCY

SPONSOR(S): LABOR & COMMERCE

01/21/09	(H)	READ THE FIRST TIME - REFERRALS
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01/21/09 (H) L&C, FIN  
03/11/09 (H) L&C AT 3:15 PM BARNES 124

BILL: HB 86

SHORT TITLE: EXTENDING VETERINARY BOARD

SPONSOR(s): LABOR & COMMERCE

01/26/09 (H) READ THE FIRST TIME - REFERRALS  
01/26/09 (H) L&C, FIN  
03/11/09 (H) L&C AT 3:15 PM BARNES 124

#### **WITNESS REGISTER**

JENNIFER SENETTE, Staff  
Representative Kurt Olson  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Presented HB 29 on behalf of the prime sponsor, Representative Kurt Olson.

LINDA HALL, Director  
Division of Insurance (DOI)  
Anchorage Office  
Department of Community & Economic Development (DCCED)  
Anchorage, Alaska

**POSITION STATEMENT:** Presented the bill and answered questions during the discussion of HB 175.

KONRAD JACKSON, Staff  
Representative Kurt Olson  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Speaking as staff to the House Labor and Commerce Standing Committee, sponsor of HB 78 and HB 86, presented HB 78 and HB 86.

PAT DAVIDSON, Legislative Auditor  
Division of Legislative Audit  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Presented auditor recommendations and answered questions during the discussion of HB 78 and HB 86.

#### **ACTION NARRATIVE**

[3:18:30 PM](#)

**CHAIR KURT OLSON** called the House Labor and Commerce Standing Committee meeting to order at 3:18 p.m. Representatives Chenault, Buch, Holmes, and Olson were present at the call to order. Representatives Coghill and Lynn arrived as the meeting was in progress.

The committee took an at-ease from 3:18 p.m. to 3:20 p.m.

HB 29-ALASKA MINIMUM WAGE

3:20:34 PM

CHAIR OLSON announced that the first order of business would be HOUSE BILL NO. 29, "An Act increasing the minimum wage; and providing for an effective date."

CHAIR OLSON announced that public testimony was previously closed for HB 29.

3:20:49 PM

JENNIFER SENETTE, Staff, Representative Kurt Olson, Alaska State Legislature offered to answer any questions that committee members may have.

3:21:00 PM

REPRESENTATIVE HOLMES recalled the federal and state minimum wages. She inquired as to whether both minimum wages would apply to all employers in Alaska. She also asked if employers are required to pay the higher of the two rates or if certain employers within the state were exempted.

MS. SENETTE responded that higher of the two minimum wages would apply. She pointed out that some states have a higher minimum wage than the federal level. In those instances, if an employee is covered by both, the person is entitled to the higher of the two minimum wages. She stated that even without passage of HB 29, in July the employee would be entitled to the federal minimum wage. The federal minimum wage law, the Fair Labor Standards Act (FLSA), applies to employees of enterprises that have an annual gross volume and sales of higher over \$500,000 and to smaller firms involved in interstate commerce. However, there are exceptions to the federal minimum wage law, such as broad exceptions for farmers or fishermen, which are similar to Alaska's exceptions, but include narrow exceptions for people who work at home such as wreath makers. She related that the Department of Labor & Workforce Development (DLWD) indicated

some confusion currently exists with the U.S. Department of Labor (USDOL) since the department is in flux. Thus, it is difficult to tell which exemptions at the federal level and state level will apply. She further related she will monitor the federal policies that apply.

[3:24:03 PM](#)

REPRESENTATIVE HOLMES said, "It's pretty safe to say that would be a pretty small universe and the vast majority of people working in the state would be covered under, would basically ... be whichever one is higher."

MS. SENETTE agreed. She explained that the federal exemptions were not reflected in Alaska's minimum wage would probably affect smaller numbers. She recalled the wreath makers who have an exemption.

[3:24:53 PM](#)

The committee took an at-ease from 3:24 p.m. to 3:26 p.m.

[3:26:30 PM](#)

REPRESENTATIVE HOLMES made a motion to adopt Amendment 1, labeled 26-LS0177\A.3, Wayne, 2/27/09, which read:

Page 1, line 14:

Delete "July 1, 2009"

Insert "January 1, 2010"

CHAIR OLSON objected for purposes of discussion.

[3:26:52 PM](#)

MS. SENETTE related that throughout this process the bill's sponsor has heard from people throughout the state. This amendment addresses the concerns expressed by businesses. She stated that Amendment 1 will help businesses by allowing them adequate time to budget for the increase to the minimum wage, and by delaying the date to January 1, 2010, will also prevent business owners from having to start the summer season with one wage and then increase employee's wages on July 1, 2009.

[3:27:55 PM](#)

CHAIR OLSON removed his objection.

There being no further objection, Amendment 1 was adopted.

[3:28:17 PM](#)

REPRESENTATIVE COGHILL stated he did not wish to hold up the bill. He said that he agrees with the phasing in of the bill due to the timing of federal law and the summer industries in Alaska. He opined while he does not agree with minimum wages, if an increase is favored that instead of increasing the minimum wage by \$.50 cents, the minimum wage could be increased by \$.25, especially given the downturn of the economy. He maintained that he will not try to hold up HB 29.

CHAIR OLSON offered that he has not received any calls from anyone who likes HB 29. He indicated that people have thought the proposed increase in the minimum wage was either not enough or too much. He reminded the committee that Alaska has a long history of placing its minimum wage \$.50 higher than the federal minimum wage. He offered his belief that he has made concessions with respect to inflation proofing and other provisions previously considered. He opined that he is not happy with the bill either, but the increase in minimum wage is reasonable.

[3:30:17 PM](#)

REPRESENTATIVE COGHILL moved to report HB 29, Version 26-LS0177\A, as amended out of committee with individual recommendations and the accompanying fiscal note.

There being no objection, the CSHB 29(L&C) was reported from the House Labor and Commerce Standing Committee.

[3:30:53 PM](#)

The committee took an at-ease from 3:30 p.m. to 3:32 p.m.

HB 175-INSURANCE

[3:32:48 PM](#)

CHAIR OLSON announced that the next order of business would be HOUSE BILL NO. 175, "An Act relating to insurance, including treating as confidential certain information submitted to the director of insurance by the National Association of Insurance Commissioners; clarifying conditions for the release of insurer

deposits; defining travel insurance that may be sold under a travel insurance limited producer license; establishing criteria for licensing of nonresident independent adjusters as resident adjusters; exempting rewards under a wellness program from treatment as insurance discrimination or rebating; making certain insurance required of the Comprehensive Health Insurance Association permissive rather than mandatory; providing for the administration of loss reimbursement policies and payments to guaranty associations during insolvency proceedings; making certain provisions relating to statements on applications and guaranteed renewability for individual health insurance applicable to hospital and medical service corporations; making public certain forms and related documents filed for approval by a hospital or medical service corporation after the filing becomes effective; relating to deposits of self-funded multiple employer welfare arrangements; repealing reasons that the director of insurance may use to deny or revoke a license; and providing for an effective date."

[3:33:09 PM](#)

LINDA HALL, Director, Division of Insurance, Anchorage Office, Department of Community & Economic Development (DCCED), stated that HB 175 makes various changes to streamline the insurance laws since the Division of Insurance, DCCED strives for efficient regulations. She referred to three general areas that HB 175 addresses, beginning with solvency oversight. She opined that the insurance industry is strong and stable right now although she expressed some concern in the life insurance industry. Some insurance companies and producers make statements about guarantees that the State of Alaska provides for life insurance and annuities. She emphasized that the state does not guarantee life insurance or annuities. Next, she stressed that the division's mission is consumer protection. She related that consumer protection is the major emphasis of the division. She noted that the division has four consumer service personnel whose job is to interact between consumers and insurance companies. She indicated the division has four fraud investigators with a law enforcement background. Finally, the Division of Insurance looks at a healthy competitive marketplace, pointing out that Alaska is a small market. Thus, it is difficult to attract insurance companies. She offered her belief that the best consumer protection is consumer choice of insurance companies.

MS. HALL, in response to Representative Buch, offered to discuss fraud as part of her discussion. She offered her belief that the Division of Insurance has a criminal prosecutor and enforces cases, stipulates agreements, and negotiates agreements. However, she explained that compliance is a goal and some education is required. She stressed that while a guaranty fund is in the statute, it does not mean the state guarantees payment of claims through the guaranty fund. In further response to Representative Buch, MS. Hall related that any penalties and fines collected are deposited in the general fund.

[3:39:26 PM](#)

MS. HALL referred to eight pages in HB 175 that relate to insolvency. She mentioned that provisions in HB 175 will streamline processes for the division and the insurance industry, will clarify provisions in the statutes, and will help the division achieve compliance with national standards. She stated that Section 10 covers streamlining processes, which allow the state to license nonresident adjusters whose state of residence does not license adjusters. She pointed out that most nonresident licensing is dependent on home state. Thus, if a person who resides in Alaska is licensed as an insurance agent or an insurance adjuster the person will be granted reciprocity in another state based on the Alaska license. She noted some states do not license independent insurance adjusters. This provision would allow the state to license nonresidents to adjust claims in Alaska. She also mentioned that Alaska has a shortage of adjusters and the division hopes to ensure that sufficient numbers of adjusters are available.

[3:41:51 PM](#)

MS. HALL, in response to Representative Holmes, agreed that the change will allow the division to license the person as if Alaska were his/her home state. She explained Section 12 provides a simplification in the insurance statutes. She related that third party administrators are not licensed but must submit to a registration process. She opined this process is less onerous for third party administrators, who are often out of state and may employ many people such as in a call center in Dubuque, Iowa. This provision only requires registration of the firm, although the firm is still accountable for all of its employees, she stated.

[3:43:14 PM](#)

MS. HALL explained that Section 18 would allow the director to accept another regulator's evaluation of a nonresident with a felony conviction. Under federal law, to participate in the insurance business, a person must have approval of the regulator. In instances in which the person has a felony conviction for dishonesty or breach of trust, called a 1033 application, the division must require the full application. This will allow the division to accept the regulator's evaluation from the person's home state. She also mentioned that electronic resident licensing will be activated in Alaska and beginning tomorrow Alaskans can apply online.

[3:44:27 PM](#)

MS. HALL referred to Sections 5 and 6, which she stated refer to deposits. She explained changes to these provisions will differentiate between domestic insurers and those insurers domiciled in other states. She explained changes to these provisions would allow flexibility for domestic insurers. She pointed out that these sections relate to insurers undergoing insolvency. Much of the liquidation and rehabilitation provisions have not changed since 1990, she offered. She related a major rewrite of Chapter 78 would have resulted in a 200-page bill. She opined that several provisions in HB 175 are critical and need to be addressed. She stated that these provisions clarify deposits for insurers as well as define "working day" uniformly throughout the insurance statutes.

[3:46:39 PM](#)

REPRESENTATIVE HOLMES related her understanding that these sections would give the Division of Insurance greater flexibility.

MS. HALL answered yes, since these sections of the bill refer to delinquency proceedings for domestic regulators. Thus, the department can work with the domestic insurer on rehabilitation. She remarked that most of the cases eventually go to court. She mentioned the division wants to ensure that the domestic insurers have proper oversight but the division also would like them to succeed, to pay claims. She emphasized that when an insurer enters true liquidation, the company would rarely pay "100 cents on the dollar." Thus, these changes are good for consumers.

MS. HALL referred to Section 8 and Section 9 of HB 175, which relate to uniformity. She stated the compliance officer in a

firm makes certain that the firm complies with all of the state's statutes as the responsible party. She referred to a chart, not in members' packets. Ms. Hall applauded the Division of Insurance for reaching national compliance. She opined that very few states have reached full compliance with the national uniform standards, but Alaska has done so. She remarked that the division has a licensed compliance officer.

[3:48:49 PM](#)

MS. HALL related that Section 9 updates the travel insurance provisions.

MS. HALL referred to page 8 of HB 175, to Section 11, which would allow the DOI director to order summary suspension of an agent's license. She related that if protection of the public requires emergency action the finding is incorporated in an order. The licensee can request a hearing which must be held within 20 days and the decision must be issued within 30 days. She stated that this proceeding would not be under the Office of Administrative Hearings (OAH), Department of Administration (DOA). She explained the reason for this is the division had two instances of fraud last fall. She related a scenario in which a consumer complained that he/she had purchased insurance but did not receive the policy. She indicated that an investigation revealed an agent had collected \$27,000 in premiums, spanning 72 victims of fraud. The criminal prosecutor has drawn up criminal charges listing 39 felony counts. However, the person could still retain their license. She mentioned that in this instance, the individual voluntarily surrendered their license. She stressed the importance of amending the statutes to allow the division to revoke licenses.

[3:51:22 PM](#)

MS. HALL, in response to Representative Buch, explained that the division has the authority to revoke a license, but this section allows the division to immediately revoke a license, and not have the license stayed by the licensee's request for a hearing.

[3:52:25 PM](#)

REPRESENTATIVE HOLMES asked for the rationale for a separate hearing structure.

MS. HALL addressed the question, stating that the Division of Insurance has a formal hearing process in Title 21. She related

that she also serves as a hearing officer. She related that the division has a specific process that supersedes the Office of Administrative Hearings (OAH) since the division holds specific hearings. However, she remarked that while some appeals go to the OHA, the remainder of the division's hearings are conducted internally following due process.

3:53:20 PM

REPRESENTATIVE HOLMES emphasized her concern to ensure that these changes will not violate due process rights.

MS. HALL assured Representative Holmes that the language deserves discussion. She opined that the bill has had thorough legal reviews by the Department of Law and legislative legal. She pointed out the OHA has also "signed off" on the provisions. She stated that the behavior is serious. She related a second scenario in which an employer reported an employee had taken premium funds from the employer's safe on two occasions. She related that the employer brought the employee to the Division of Insurance and the employee surrendered his/her license. She opined while the consumer can sue it is not likely that the consumer will recover the payment. She stated that one statute states "payment to the agent is payment to the company." She advised that these matters are infrequent but impact consumers.

3:56:14 PM

REPRESENTATIVE BUCH inquired as to whether investigators are actively pursuing investigations on behalf of Alaska's consumers.

MS. HALL answered that with 40,000 licensed agents, and 2,000 insurance companies, it is not possible for investigator to audit each licensee. She offered that the division has a variety of methods to ensure oversight and to meet the statutory requirements. She opined that the DOI does not have resources to audit every one of the licensees and frequently rely on complaints.

MS. HALL, in response to Representative Buch stated that she was not sure how to answer his question about the industry growth. She related that in 2003, the state had 14,000 agents and now there are 40,000. She pointed out that the state has approximately the same number of insurance companies, but only 4,000 are resident agents. She mentioned that the rest are

nonresident so the primary regulator is elsewhere. She offered her belief that the division is okay.

[4:00:17 PM](#)

REPRESENTATIVE BUCH inquired as to whether it is unusual to have five times the growth in the industry over a five-year period.

MS. HALL offered one explanation for the increase in licensees is a new requirement that people who sell and solicit insurance must be licensed. She related that individual employees in call centers were not required to be licensed but now must be licensed. She remarked that 40,000 people in Alaska are not actively selling insurance. In further response to Representative Buch, Ms. Hall offered another example of the insurance industry growth. She stated that if a person works for an auto dealership and sells a protection policy plan, the person must be licensed. She stressed that the division's goal is compliance and strives to educate the public and insurers.

[4:03:48 PM](#)

CHAIR OLSON asked the amount of premium tax that is generated in one year.

MS. HALL related that the division has a premium tax auditor, and based on the premium tax the estimate for 2009 is \$50 million. She explained that a portion of the tax directly funds workers' compensation. She highlighted that the figure does not include fees which the Division of Insurance collects for regulating entities, which she estimated at \$10 million. Therefore, the total collected would be approximately \$60 million for FY 09, she stated.

[4:05:47 PM](#)

CHAIR OLSON pointed out that the division generates a significant amount of money for the general fund.

MS. HALL offered that the agency is a receipts-based agency. She opined that the division is generally in the top three or four sources for generating money to the general fund.

MS. HALL, in response to Representative Holmes, stated that the division's budget is approximately \$6.9 million.

[4:06:51 PM](#)

MS. HALL referred to Section 17, on page 10 of HB 175. She related that the top complaint the office receives is the cost of health insurance, either the high cost of health insurance cost or that the reimbursement is not sufficient. She explained this section requires a wellness program must follow the federal HIPPA requirements. She stated that the provision will allow a health care provider to encourage wellness programs to offer rewards to encourage wellness programs. The rationale is to reduce health claims and the reward is not considered a rebate.

MS. HALL, in response to Representative Holmes explained that a rebate is an inducement to buy insurance, or is an unfair discriminatory premium. She related the incentive would be for participating in a walking program and when 50 percent of the employees participate, the employer received credit on the premium.

MS. HALL related that the changes to Section 24 establish the eligibility for high risk pool which uses the same eligibility as the Permanent Fund Dividend program criteria.

[4:09:58 PM](#)

MS. HALL referred to Sections 25, which she stated is a reiteration of the priority of distribution claims which are paid in what is equivalent to a bankruptcy. She explained that insurance companies do not undergo bankruptcy, but are placed into liquidation proceedings with the receiver, which is generally the DOI director.

[4:11:31 PM](#)

MS. HALL referred to Section 26, relating to the administration of loss reimbursement policies. She offered a scenario in which an insurance company must pay first dollar claims for claims under a workers' compensation policy. She explained that the insurer would retain \$100,000 of the risk of the workers' compensation claims. The insurance company would still pay the claim, the injured worker is assured the claim, but the employer must repay the insurance company the \$100,000. She related that the repayment is not currently addressed in statute in the case of liquidation. She indicated that this section outlines the process. She pointed out that this guarantees for an employer who has the reimbursement obligation, the collateral in the form of a letter of credit or a cash deposit can be "tapped" by either the receiver or the guaranty fund. The guaranty fund

would then pay the claim on behalf of the insolvent insurer. She stressed the goal is that in instances in which the employer owes the guaranty fund, that the guaranty fund needs to have the ability to collect the money owed.

4:14:29 PM

REPRESENTATIVE BUCH inquired as to how many insolvencies Ms. Hall has experienced in her tenure as the director of the Division of Insurance (DOI).

MS. HALL answered she has not experienced any domestic insolvencies, but the division experienced a workers' compensation insolvency, and the guaranty fund did not have sufficient funds to pay claims. She stated that the DOI needs to be prepared.

4:15:32 PM

MS. HALL referred to page 19 of HB 175, to proposed AS 21.78.328, which relates to early access disbursements. She related that in the previous scenario, the estate of insolvent insurer, with the court's approval, disbursed funds to the guaranty. She explained that this provision requires a receiver to apply to the court to make the payments. She offered that the division does not currently have the requirement. She stressed the importance of the guaranty fund having the mechanisms in place to obtain payment in the case of insolvent insurers. She characterized this section as updating the rehabilitation and liquidation statutes.

4:17:02 PM

MS. HALL referred to page 21 of HB 175, to proposed AS 21.85.100. She indicated this provision requires that the self-funded health care entities that are known as multiple employer welfare arrangements must adhere to the administration of deposits statutes. She pointed out two things that were added to the hospital and medical service corporation. First, the statutes that relate to representations on applications apply to these entities. Second, the federal law requires that the guaranteed renewability of individual health care insurance is applicable, as well.

REPRESENTATIVE HOLMES referred to page 12, line 23 of HB 175, to Section 22, which refers to the supplemental plans for Medicare. She asked for clarification of the changes.

MS. HALL stated that this section would allow the high risk plan to have more flexibility in the plan that it offers to Medicare eligible individuals.

REPRESENTATIVE HOLMES related her understanding that the intention is not to reduce options. She opined that the state already has a hard time with Medicare coverage and she wanted to be certain Medicare options were not reduced.

MS. HALL said, "Absolutely not." She offered that AS 21.55.100 (b) refers to the "state plan" which is the high risk pool known as the Alaska Comprehensive Health Insurance Association (ACHIA).

[4:21:21 PM](#)

CHAIR OLSON announced that he would hold open the public testimony on HB 175.

HB 78-EXTEND BOARD OF PUBLIC ACCOUNTANCY

[4:21:36 PM](#)

CHAIR OLSON announced that the next order of business would be HOUSE BILL NO. 78, "An Act extending the termination date of the Board of Public Accountancy; and providing for an effective date."

[4:22:20 PM](#)

KONRAD JACKSON, Staff, Representative Kurt Olson, Alaska State Legislature, and as staff to the House Labor and Commerce Standing Committee, sponsor of HB 78, stated that the bill would extend the Board of Public Accountancy and noted the auditors recommended the board be extended for four years.

[4:23:35 PM](#)

PAT DAVIDSON, Legislative Auditor, Division of Legislative Audit, Alaska State Legislature, explained to members that the audit for the Board of Public Accountancy was contracted out. She explained that the Division of Legislative Audit's office is staffed with many certified public accountants (CPAs). Thus, the auditors were not considered independent and a private consultant was hired to conduct the audit. The consultant used the criteria in statute, and as Mr. Jackson indicated the audit recommends that the Board of Public Accountancy be extended for

four years. She pointed out that the board is working to change how it operates with less oversight by the board, and more oversight by the national organization. Therefore, the auditors recommended a shorter extension time for the board to ensure public interest is served.

MS. DAVIDSON elaborated that the audit recommended board member terms be filled more timely. Secondly, the board is financially self-supporting, and the auditors found that a surplus was increasing. Thus, the auditors recommended that license fees should be reduced. Finally, in reviewing the investigative efforts, auditors found periods of inactivity on some of the investigations and auditors found the tracking mechanism associated with the investigative software is not very good. She opined that the investigators need better software to better enable them to track case management on investigations.

[4:26:42 PM](#)

CHAIR OLSON, after first determining no one else wished to testify, closed public testimony on HB 78.

[4:26:53 PM](#)

REPRESENTATIVE LYNN moved to report HB 78 out of committee with individual recommendations and the accompanying fiscal note. There being no objection, HB 78 was reported from the House Labor and Commerce Standing Committee.

[4:27:20 PM](#)

The committee took an at-ease from 4:27 p.m. to 4:28 p.m.

HB 86-EXTENDING VETERINARY BOARD

[4:28:55 PM](#)

CHAIR OLSON announced that the final order of business would be HOUSE BILL NO. 86, "An Act extending the termination date of the Board of Veterinary Examiners; and providing for an effective date."

[4:29:02 PM](#)

KONRAD JACKSON, as staff to the House Labor and Commerce Standing Committee, sponsor of HB 86, explained that HB 86 would extend the Board of Veterinary Examiners. He related that the

auditor's recommendations were to extend the Board of Veterinary Examiners to June 30, 2017. The auditors had similar comments to the last bill, that board member vacancies should be filled more timely and that license fees should be reduced.

[4:29:50 PM](#)

PAT DAVIDSON, Legislative Auditor, explained that HB 86 would extend the Board of Veterinary Examiners to June 30, 2017. She related the auditors found that the board is serving the public interest in terms of its mission. The legislative auditors made two recommendations, that board member vacancies should be filled timely to enable the board to conduct its work. And that financially, a surplus has been growing and that license fees should be reduced, she related.

MS. DAVIDSON, in response to Representative Holmes, answered that board members are appointed by the governor.

[4:31:16 PM](#)

CHAIR OLSON, after first determining no one else wished to testify, closed public testimony on HB 86.

[4:32:27 PM](#)

REPRESENTATIVE LYNN moved to report HB 86 out of committee with individual recommendations and the accompanying fiscal note.

There being no objection, HB 86 was reported from the House Labor and Commerce Standing Committee.

[4:32:49 PM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 4:32 p.m.