

ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE

March 22, 2010

3:23 p.m.

MEMBERS PRESENT

Representative Kurt Olson, Chair
Representative Mark Neuman, Vice Chair
Representative Bob Lynn
Representative Tammie Wilson
Representative Robert L. "Bob" Buch
Representative Lindsey Holmes

MEMBERS ABSENT

Representative Mike Chenault

COMMITTEE CALENDAR

HOUSE BILL NO. 377

"An Act exempting certain volunteer work by amateur sports officials from certain requirements of the Alaska Employment Security Act."

- MOVED HB 377 OUT OF COMMITTEE

HOUSE BILL NO. 363

"An Act relating to the membership of the Alaska Industrial Development and Export Authority."

- MOVED CSHB 363(L&C) OUT OF COMMITTEE

HOUSE BILL NO. 412

"An Act establishing the Alaska microloan revolving fund; making loans for commercial purposes from the fund; and relating to the fund and loans; and providing for an effective date."

- MOVED HB 412 OUT OF COMMITTEE

HOUSE BILL NO. 383

"An Act relating to the powers and duties of the Department of Natural Resources, including transferring certain powers and duties to the Department of Commerce, Community, and Economic Development."

- MOVED HB 383 OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HB 377

SHORT TITLE: VOLUNTEER AMATEUR SPORTS OFFICIALS

SPONSOR(S): REPRESENTATIVE(S) STOLTZE

02/23/10 (H) READ THE FIRST TIME - REFERRALS
02/23/10 (H) L&C
03/22/10 (H) L&C AT 3:15 PM BARNES 124

BILL: HB 363

SHORT TITLE: AIDEA MEMBERSHIP

SPONSOR(S): COMMUNITY & REGIONAL AFFAIRS

02/23/10 (H) READ THE FIRST TIME - REFERRALS
02/23/10 (H) L&C
03/17/10 (H) L&C AT 3:15 PM BARNES 124
03/17/10 (H) Heard & Held
03/17/10 (H) MINUTE(L&C)
03/22/10 (H) L&C AT 3:15 PM BARNES 124

BILL: HB 412

SHORT TITLE: MICROLOAN REVOLVING FUND

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

02/26/10 (H) READ THE FIRST TIME - REFERRALS
02/26/10 (H) L&C, FIN
03/17/10 (H) L&C AT 3:15 PM BARNES 124
03/17/10 (H) Heard & Held
03/17/10 (H) MINUTE(L&C)
03/22/10 (H) L&C AT 3:15 PM BARNES 124

BILL: HB 383

SHORT TITLE: TRANSFER CERTAIN DNR DUTIES TO DCCED

SPONSOR(S): RAMRAS

02/23/10 (H) READ THE FIRST TIME - REFERRALS
02/23/10 (H) L&C, RES, FIN
03/19/10 (H) L&C AT 3:15 PM BARNES 124
03/19/10 (H) Heard & Held
03/19/10 (H) MINUTE(L&C)
03/22/10 (H) L&C AT 3:15 PM BARNES 124

WITNESS REGISTER

REPRESENTATIVE Bill STOLTZE
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented HB 377 as the prime sponsor.

MORGAN HOPSON, Staff
Representative Bill Stoltze
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified during the discussion of HB 377.

GARY MATTHEWS, Executive Director
Alaska School Activities Association (ASAA)
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 377.

TOBY NANCY STEINBERGER, Assistant Attorney General
Labor and State Affairs Section
Department of Law (DOL)
Anchorage, Alaska

POSITION STATEMENT: Testified during the discussion of HB 377.

ROB EARL, Staff
Representative Bob Herron
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified on behalf of the prime sponsor of HB 363, House Community and Regional Affairs Standing Committee, Representative Bob Herron, Chair.

REPRESENTATIVE JAY RAMRAS
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified as prime sponsor of HB 383 during the discussion of HB 383.

MARGARET DOWLING, Staff
Representative Jay Ramras
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified and answered questions on behalf of the prime sponsor of HB 383.

ACTION NARRATIVE

[3:23:04 PM](#)

CHAIR KURT OLSON called the House Labor and Commerce Standing Committee meeting to order at 3:23 p.m. Representatives Buch, Holmes, T. Wilson, and Olson were present at the call to order. Representatives Chenault, Neuman, and Lynn arrived as the meeting was in progress.

HB 377-VOLUNTEER AMATEUR SPORTS OFFICIALS

[3:23:20 PM](#)

CHAIR OLSON announced that the first order of business would be HOUSE BILL NO. 377, "An Act exempting certain volunteer work by amateur sports officials from certain requirements of the Alaska Employment Security Act."

[3:23:33 PM](#)

REPRESENTATIVE Bill STOLTZE, Alaska State Legislature, explained that HB 377 would establish an exemption status for volunteer amateur sports officials from the Alaska Employment Security Act, negating unemployment tax liability. Under current state law, amateur sports officials who receive any reimbursement for their volunteer services must pay unemployment tax despite the fact that compensation is only a minor stipend intended to assist with the costs of attendance.

REPRESENTATIVE STOLTZE related that HB 377 reaches far beyond his district. This bill is for small non-profits and school organizations that use referees, primarily through associations. He related that government requires the collection of unemployment tax that has caused many issues. This bill has a narrow focus which is to solve issue of how to allow sports referees to continue to serve youth and other sports, not as employees, but as volunteers receiving minor stipends for small amounts of time. Collecting the tax inhibits small organizations from functioning with score keepers and referees. He said he is cognizant of "but not opening a big door" for employee contracting.

[3:26:15 PM](#)

REPRESENTATIVE BUCH thought this bill is timely and long overdue.

[3:26:38 PM](#)

MORGAN HOPSON, Staff, Representative Bill Stoltze, Alaska State Legislature, explained that this bill is designed to help volunteers who receive less than \$1,500 per year for incidental expenses. She explained that this bill would help amateur sports officials who perform duties after school or during the season, not as their main employment. These officials would be exempt from unemployment insurance. Officials pay for many expenses such as uniforms, classes, transportation, and registration fees. This bill would create less work for the amateur sports officials.

[3:29:02 PM](#)

REPRESENTATIVE T. WILSON asked how the sponsor arrived at the \$1,500 compensation limit.

MS. HOPSON explained that \$1,500 is a federal limit before unemployment insurance would need to be collected. This bill is to cover people who perform duties part-time. Some people are employed as fulltime referees or sports officials and this bill would not provide them with an exemption from unemployment insurance tax.

REPRESENTATIVE T. WILSON asked whether this would cover the doctor or nurse required to be present at games as long as their fees were under \$1,500.

MS. HOPSON related that doctors and nurses are not covered under the bill. This bill would only affect impartial sports officials such as referees.

[3:30:15 PM](#)

REPRESENTATIVE HOLMES asked whether this bill excludes teachers. She recalled that teachers coach a variety of sports after school but are often employees of the school district.

MS. HOPSON agreed. She explained that the employment does not include those who normally perform work as a teacher or coach.

MS. HOPSON, in response to Representative Buch, referred to the language on page 6, lines 27-30.

[3:31:34 PM](#)

GARY MATTHEWS, Executive Director, Alaska School Activities Association (ASAA), stated that ASAA strongly supports the bill. He referred to the \$1,500 limit to cover costs. He stated that a football official must buy equipment and get licensed which costs \$400 to \$500 to start the season. This sum does not include transportation or other costs, he stated. He offered his belief that the bill would pass muster with the federal government. Over the years questions have arisen and since his office licenses officials for youth leagues the office follows the national federation rules. Many officials are members of the local organizations and non-profit organizations. Some sports officials, particularly in smaller communities, are not affiliated with a group and do not belong to local sports organizations. These volunteer sports officials are responsible to train themselves. He related the ASAA does provide some training materials to sports officials.

[3:34:45 PM](#)

MR. MATTHEWS stated ASAA supports this bill which will clarify part-time sports officials with respect to unemployment insurance tax. He offered his belief that this is crucial for Alaska. He said he is happy this bill is getting a hearing. His office in Anchorage receives many calls but cannot provide legal advice to determine sports officials' status with the Department of Labor & Workforce Development. He hoped the bill passes so it can clarify the status of sports officials.

[3:35:50 PM](#)

REPRESENTATIVE HOLMES asked whether the Department of Law had any concerns about the bill.

TOBY NANCY STEINBERGER, Assistant Attorney General, Labor and State Affairs Section, Department of Law (DOL), answered that she did not have any concerns at this time.

CHAIR OLSON, after first determining no one else wished to testify, closed public testimony on HB 377.

[3:36:41 PM](#)

REPRESENTATIVE HOLMES related she has heard concerns from her constituents about this issue. She stated that sports helps adults and kids get moving. She thanked the sponsor for work on this bill.

CHAIR OLSON agreed.

REPRESENTATIVE STOLTZE said many people are affected by the bill although his office did not hear from lots of people. He explained that many people appreciate the bill moving.

[3:38:43 PM](#)

REPRESENTATIVE LYNN moved to report HB 377 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 377 was reported from the House Labor and Commerce Standing Committee.

[3:39:24 PM](#)

The committee took an at-ease from 3:39 p.m. to 3:41 p.m.

HB 363-AIDEA MEMBERSHIP

[3:41:37 PM](#)

CHAIR OLSON announced that the next order of business would be HOUSE BILL NO. 363, "An Act relating to the membership of the Alaska Industrial Development and Export Authority."

[3:41:44 PM](#)

REPRESENTATIVE HOLMES moved to adopt the proposed committee substitute (CS) for HB 363 labeled 26-LS1503\E, Cook, 3/19/10, as the working document.

REPRESENTATIVE T. WILSON objected for the purpose of discussion.

[3:42:10 PM](#)

ROB EARL, Staff, Representative Bob Herron, Alaska State Legislature, explained the changes contained in the proposed committee substitute, Version E. The bill was previously heard and the committee amended the bill to change the number of public members to five and added the commissioners of the Department of Revenue and Department of Commerce, Community, & Economic Development as members of the Alaska Industrial Development and Export Authority. He referred to page 2, lines 6-8, to the language "and/or industry" which was also previously added to the bill by the committee. Lastly, on page 1, lines 6-12, would add legislative intent language to provide geographical representation.

[3:43:39 PM](#)

REPRESENTATIVE T. WILSON removed her objection.

[3:43:51 PM](#)

MR. EARL referred to page 1, line 7, and suggested the committee add "and Export".

[3:44:25 PM](#)

REPRESENTATIVE NEUMAN made a motion to adopt Conceptual Amendment 1, labeled #1, which read [original punctuation provided]:

Page 1, line 7:
Following the word "Development"
Insert the words "and Export."

There being no objection, Conceptual Amendment 1 was adopted.

CHAIR OLSON, after first determining no one else wished to testify, closed public testimony on HB 363.

[3:45:13 PM](#)

REPRESENTATIVE NEUMAN moved to report the proposed committee substitute (CS) labeled 26-LS1503\E, Cook, 3/19/10, as amended, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, the CSHB 363(L&C) was reported from the House Labor and Commerce Standing Committee.

[3:45:53 PM](#)

The committee took an at-ease from 3:45 p.m. to 3:48 p.m.

HB 412-MICROLOAN REVOLVING FUND

[3:48:37 PM](#)

CHAIR OLSON announced that the next order of business would be, HOUSE BILL NO. 412, "An Act establishing the Alaska microloan revolving fund; making loans for commercial purposes from the fund; and relating to the fund and loans; and providing for an effective date."

[3:48:41 PM](#)

CHAIR OLSON related that public testimony was previously closed.

[3:49:03 PM](#)

REPRESENTATIVE NEUMAN moved to report HB 412 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 412 was reported from the House Labor and Commerce Standing Committee.

[3:49:37 PM](#)

The committee took an at-ease from 3:49 p.m. to 3:51 p.m.

HB 383-TRANSFER CERTAIN DNR DUTIES TO DCCED

[3:51:48 PM](#)

CHAIR OLSON announced that the final order of business would be, HOUSE BILL NO. 383, "An Act relating to the powers and duties of the Department of Natural Resources, including transferring certain powers and duties to the Department of Commerce, Community, and Economic Development."

CHAIR OLSON stated the committee previously heard HB 383. Public testimony was previously taken and was closed.

[3:52:19 PM](#)

REPRESENTATIVE NEUMAN explained that he spent considerable time working with the Department of Natural Resources. He expressed concern with the department's oversight over the Division of Agriculture. He expressed concerns with the Agricultural Revolving Loan Fund (ARLF) being depleted to cover operating costs, which should be funded through the department. He expressed further concern that people must be actively engaged in agriculture to have a complete understanding of agriculture, including the cyclical nature of farming. Managers of the ARLF must have an understanding of the plight of farmers and work with them. He asked for clarification on the transfer of the banking function of ARLF.

REPRESENTATIVE JAY RAMRAS, Alaska State Legislature, stated that under the bill the banking function would stay the same for ARLF.

MARGARET DOWLING, Staff, Representative Jay Ramras, Alaska State Legislature, on behalf of the prime sponsor, explained that under HB 383, the structure of the Board of Agriculture & Conservation (BAC) and ARLF would stay the same. At the time of transfer to the Department of Commerce, Community, & Economic Development (DCCED), the department would make a decision where the BAC and ARLF would be located. She detailed that the board members, the statutory language that enables the board and provides authority remains the same. The structure of the ARLF remains same. The bill does not make any changes to the Division of Agriculture, but changes the departmental authority to the DCCED.

[3:56:50 PM](#)

MS. DOWLING, in response to Representative Neuman, explained that nothing would change with respect to the function of the Division of Agriculture. This bill does not affect any of the function, but would just replace the DNR in Title 3 with the DCCED. The functions would stay the same, she stated.

[3:57:57 PM](#)

REPRESENTATIVE RAMRAS clarified that the intent is not to tinker with the ALRF or the method of funding farmers, ranchers, and dairy farmers. He stated that this bill is an effort to reenergize the Division of Agriculture without disturbing the ARLF. The DCCED manages five other revolving loan funds and is sensitive to the constituency. He appreciated the concern, but the intent is not to make it more difficult or change any of the variables in how the ARLF operates.

[3:58:54 PM](#)

REPRESENTATIVE BUCH asked if the sponsor would walk through the fiscal note and if this represents a transfer of funding.

REPRESENTATIVE RAMRAS stated that the fiscal impact was covered at a previous hearing. The fiscal impact would be an increment for the DCCED and a decrement for the DNR. Thus, the fiscal note is neutral.

[3:59:42 PM](#)

REPRESENTATIVE T. WILSON remarked that she brought up the bill at her constituent meetings and wanted to pass on comments. She

explained that her constituents did not believe that the Division of Agriculture has received sufficient attention. Her constituents expressed concern that the Division of Agriculture offices were moved in Fairbank. She related that her constituents believed that the transfer may bring stability to the division and it "would not hurt to try."

[4:00:29 PM](#)

REPRESENTATIVE NEUMAN thought more leadership for the "top on down" is a better way to go. He said, "I'm just not very comfortable with this right now, Mr. Chair."

CHAIR OLSON related that the bill has two more committee referrals.

[4:01:43 PM](#)

REPRESENTATIVE T. WILSON moved to report HB 383 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 383 was reported from the House Labor and Commerce Standing Committee.

[4:02:20 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 4:02 p.m.