

ALASKA STATE LEGISLATURE
SENATE LABOR AND COMMERCE STANDING COMMITTEE

March 11, 2010

1:35 p.m.

MEMBERS PRESENT

Senator Joe Paskvan, Chair
Senator Joe Thomas, Vice Chair
Senator Bettye Davis
Senator Kevin Meyer
Senator Con Bunde

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE BILL NO. 262

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

- MOVED SB 262 OUT OF COMMITTEE

SENATE BILL NO. 263

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

- MOVED SB 263 OUT OF COMMITTEE

SENATE BILL NO. 272

"An Act relating to charges for rented motor vehicles, including cost recovery fees, and making a violation of the rented motor vehicle charge provisions an unfair trade practice."

- MOVED SB 272 OUT OF COMMITTEE

SENATE BILL NO. 97

"An Act relating to the licensing of crane operators; and providing for an effective date."

- RESCINDED ACTION MOVING SB 97 OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: SB 262

SHORT TITLE: EXTEND BOARD OF SOCIAL WORK EXAMINERS

SPONSOR(s): RULES BY REQUEST OF LEG BUDGET & AUDIT

02/08/10 (S) READ THE FIRST TIME - REFERRALS
02/08/10 (S) L&C, FIN
03/11/10 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: SB 263

SHORT TITLE: EXTEND BOARD OF PROFESSIONAL COUNSELORS

SPONSOR(s): RULES BY REQUEST OF LEG BUDGET & AUDIT

02/08/10 (S) READ THE FIRST TIME - REFERRALS
02/08/10 (S) L&C, FIN
03/11/10 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: SB 272

SHORT TITLE: RENTAL CAR CHARGES

SPONSOR(s): HUGGINS

02/10/10 (S) READ THE FIRST TIME - REFERRALS
02/10/10 (S) TRA, L&C
02/23/10 (S) TRA AT 1:00 PM BUTROVICH 205
02/23/10 (S) Moved SB 272 Out of Committee
02/23/10 (S) MINUTE(TRA)
02/24/10 (S) TRA RPT 4DP
02/24/10 (S) DP: MENARD, MEYER, PASKVAN, DAVIS
03/11/10 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: SB 97

SHORT TITLE: CRANE OPERATOR LICENSES

SPONSOR(s): LABOR & COMMERCE

02/04/09 (S) READ THE FIRST TIME - REFERRALS
02/04/09 (S) L&C, FIN
03/19/09 (S) L&C AT 1:30 PM BELTZ 211
03/19/09 (S) Heard & Held
03/19/09 (S) MINUTE(L&C)
01/26/10 (S) L&C AT 2:00 PM BELTZ 105 (TSBldg)
01/26/10 (S) Moved CSSB 97(L&C) Out of Committee
01/26/10 (S) MINUTE(L&C)

WITNESS REGISTER

JOSH APPLEBEE
Staff to Senator Meyer

Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Commented on SB 262 and SB 263 for the sponsor.

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

POSITION STATEMENT: Commented on SB 262 and SB 263.

JENNIFER STRICKLER, Operations Manager
Division of Corporations, Business and Professional Licensing
Department of Commerce, Community and Economic Development
(DCCED)

POSITION STATEMENT: Supported SB 262 and SB 263.

EMILY ZIMBRICH, Vice Chair
Board of Professional Counselors
Anchorage, Alaska

POSITION STATEMENT: Commented on SB 263.

SENATOR HUGGINS
Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Sponsor of SB 272.

EDRA MORELEDGE
Staff to Senator Huggins
Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Commented on SB 272 for the sponsor.

DON FONTE, Director
Government Relations
Hertz Corporation

POSITION STATEMENT: Proposed amending SB 272.

ED SNIFFEN
Consumer Protection Unit
Alaska State Department of Law (DOL)
Juneau, AK

POSITION STATEMENT: Supported SB 272.

ACTION NARRATIVE

[1:35:37 PM](#)

CHAIR JOE PASKVAN called the Senate Labor and Commerce Standing Committee meeting to order at 1:35 p.m. Present at the call to order were Senators Davis, Meyer, and Paskvan.

SB 262-EXTEND BOARD OF SOCIAL WORK EXAMINERS

[1:37:00 PM](#)

CHAIR PASKVAN announced SB 262 to be up for consideration.

[1:37:04 PM](#)

JOSH APPLEBEE, staff to Senator Meyer, sponsor of SB 262, said this measure extends the Board of Social Work Examiners. He said a licensed social worker applies social work principles and methods as defined under AS 08.95.990. The Audit recommended extending the board to 2018 and improving its administrative support. He said that a lot of audits have that recommendation and this issue is being worked out now.

[1:38:52 PM](#)

PAT DAVIDSON, Auditor, Division of Legislative Audit, said she found that the Board of Social Work Examiners is operating in the public interest by promoting competence and integrity in those providing social services. The audit recommended extending the board to June 30, 2018, and improving support from the division in meeting its annual reporting goals and keeping its financial records.

[1:40:12 PM](#)

JENNIFER STRICKLER, Operations Manager, Division of Corporations, Business and Professional Licensing, Department of Commerce, Community and Economic Development (DCCED), explained that the fiscal note indicates the cost of running the board and that it even has a credit. She said they had made progress on improving the administrative support to the board.

[1:41:43 PM](#)

SENATOR BUNDE joined the committee.

[1:41:50 PM](#)

SENATOR MEYER moved to report SB 262 from committee with individual recommendations and attached fiscal note(s). There were no objections and it was so ordered.

[1:42:17 PM](#)

CHAIR PASKVAN announced an at ease from 1:42 p.m. to 1:43 p.m.

SB 263-EXTEND BOARD OF PROFESSIONAL COUNSELORS

1:43:46 PM

CHAIR PASKVAN announced that SB 263 was up for consideration.

SENATOR MEYER joined the committee.

1:44:27 PM

JOSH APPLEBEE, staff to Senator Meyer, sponsor of SB 263, said Legislative Audit recommended extending this board to 2018. Two additional recommendations related to increasing administrative support and addressing investigations in a timely manner. The department is upgrading its systems now, he reported, and should have them up and running within a month and that should help address the recommendations.

1:45:45 PM

PAT DAVIDSON, Auditor, Division of Legislative Audit, said the objective of the audit was to determine if the board is operating in the public's interest and she found that was the case and that the termination date should be extended to June 30, 2018. She said the report included four recommendations, two of them were very common to the sunset reviews they will see this year. One is that the board needed additional administrative support and the second is that the Office of the Governor needs to appoint board members in a timelier manner.

Two additional recommendations had to do with investigations. The first one was that overall the system doesn't highlight inactive cases. So, they sort of fall off of people's radar and nothing happens. So, if you're going to be diligent at deciding who you're going to license, you also need to be diligent in making sure they are upholding their professional responsibilities.

The second recommendation had to do with dropped communications between the licensee, licensing examiner, the division investigators, and the board. It had to do with a particular complaint where the licensing examiner received some additional information from the licensee that clearly should have been passed along to the investigation section. This mistake was that the examiner believed that the investigation section already had the information; however, the board doesn't typically involve itself with the paperwork surrounding license renewals and it fell through the cracks. It shouldn't have. So, the recommendation is to have the licensing examiners be

communicating with investigators even if they think the information is redundant.

CHAIR PASKVAN asked if she was confident that they listened to that message.

MS. DAVIDSON replied yes.

[1:48:25 PM](#)

JENNIFER STRICKLER, Operations Manager, Division of Corporations, Business and Professional Licensing, Department of Commerce, Community and Economic Development (DCCED), said she supported SB 263. She reported that this board is also operating with a credit. Administrative improvements have been made as noted in the audit. Addressing recommendations two and three, she said the division is in the process of working with a contractor in securing a new case management system, so all those points would be satisfied.

[1:50:29 PM](#)

EMILY ZIMBRICH, Vice Chair, Board of Professional Counselors, said they currently have 442 licensed professional counselors and the board is there for the safety of people who come in for counseling and therapy, and to keep the profession current on the different ethics laws, confidentiality, and other miscellaneous issues. They are a very viable board.

[1:51:29 PM](#)

CHAIR PASKVAN closed public testimony.

SENATOR BUNDE said this is the third or fourth time Ms. Davidson testified before the committee this year, and he wanted to take this opportunity to thank her for the good job she had done since she was appointed several years ago.

[1:52:09 PM](#)

SENATOR MEYER moved to report SB 263 from committee with individual recommendations and attached fiscal note(s). There were no objections and it was so ordered.

[1:52:33 PM](#)

CHAIR PASKVAN announced an at ease from 1:52 p.m. to 1:54 p.m.

SB 272-RENTAL CAR CHARGES

CHAIR PASKVAN announced SB 272 to be up for consideration.

[1:54:41 PM](#)

SENATOR HUGGINS, sponsor of SB 272, explained that this is a consumer protection bill that will help people who rent cars know what their charges will be. He said they had all traveled places and got a quote for a \$50-dollar vehicle and by the time it was all done, it was a \$75-dollar vehicle because of all the things they didn't know about. He said SB 272 creates full disclosure and if you violate that, it's an unfair trade practice.

[1:57:13 PM](#)

EDRA MORELEDGE, staff to Senator Huggins, said SB 272 will allow rental car companies to do in Alaska what they already do in 30 other states. Alaska law is currently silent on the issue of separately listed charges on rental car statements for the recovery of fees. This bill would require that those fees be listed separately and be clearly identified on the agreement.

In addition to government taxes and surcharges, rental car companies also assess additional cost recovery fees, she explained, and consumers should be made aware of those and be able to see the fees they are being charged on both the bill and the online quote. SB 272 provides for full disclosure and transparency of cost recovery fees that are included in rental car agreements. In addition, it would make violating the provisions of this bill an unfair trade practice.

SENATOR BUNDE said she used two different terms and he wanted to make sure that when she said *allow* the credit card companies to do this, she actually meant *requires* them to list those separate fees.

MS. MORELEDGE responded that Alaska doesn't have any laws currently on this issue, so she used the word *allow* to mean they were putting a law on the books.

SENATOR HUGGINS added that SB 272 requires disclosure before and after. Some car companies have an energy fee or tire fee, but this doesn't allow that. It protects our Alaskan neighbors and doesn't allow big international organizations to gouge them.

CHAIR PASKVAN asked if the intent of the bill is that the ultimate charge has to be their advertised charge, and if there are governmental mandated fees or airport facility fees in addition to that, at least the core rental has to be disclosed.

SENATOR HUGGINS replied yes, and those fees have to be itemized; otherwise it's an unfair trade practice violation.

SENATOR THOMAS asked if anything in the bill requires the print to be any larger in the rental agreements.

SENATOR HUGGINS quipped back that they are working on a magnifying glass provision for the older guys.

[2:00:58 PM](#)

DON FONTE, Director, Government Relations, Hertz Corporation, said Hertz supports the concept of this legislation as it relates to full disclosure to the consumer of any taxes and other charges in a vehicle rental agreement. But Hertz's concern is with the provision that limits the permissible charges that may be included in a rental agreement, he said, and he respectfully urged them to consider amending the bill to allow additional separately itemized charges in the rental agreement aside from those listed in the bill provided so that all such charges are fully disclosed to the consumer at the time of reservation and rental.

He said disclosure of those charges is common practice within the car rental industry. He added that all of Hertz's distribution channels, whether it's on their company website, through their 800-number, or even third-party booking sites like Travelocity. The consumer is provided a total estimated price and has available all the component parts of that price.

MR. FONTE said that he had forwarded an amendment to the committee that would make those changes and make SB 272 consistent with similar statutes that were adopted in a number of states over the last couple of years. The relevant language in those statutes was agreed to by all of the major car rental companies within the industry. Currently two states have bills pending with their proposed amendment. He said it would simply bring Alaska into alignment with those states. He said that Hertz completely agrees with Senator Huggins' concept of fully disclosing to the consumer what their charges are including the base rate and the total estimated price.

[2:03:58 PM](#)

SENATOR BUNDE asked why not roll all the costs into the bottom line instead of separating them.

MR. FONTE responded that it comes down to the fact that many of the fees are governmentally imposed, and they felt that

itemizing the charges is appropriate. It also makes transparent to the consumer what the component parts of the total are.

SENATOR HUGGINS said he had made an interesting point, but the amendment Mr. Fonte was representing would essentially "gut this bill," because it would be open-ended and they could list any charges they wanted to. He agreed with Senator Bunde - if Hertz wants to include some things outside of this bill, just add it to the overall price of the car. "This is about Alaska...There are 30 states that are doing what we're describing here, and he talked about two states."

CHAIR PASKVAN asked if he felt that SB 272 as currently written is the best protection for Alaska consumers.

SENATOR HUGGINS replied, "It's as good as it gets consumer protection wise in rental cars in Alaska."

[2:07:15 PM](#)

ED SNIFFEN, Consumer Protection Unit, Department of Law (DOL), agreed with Senator Huggins. He said SB 272 provides good consumer protection and the department supports it. He stated that some terms of art were being used by the Hertz representative. There is a base price and a total price. What you see when you go online and rent your car is the base price - \$19.95, for instance. Then three pages deep into the process you might see cleaning and inspection fees and fuel surcharges added that bring that price up to \$69.95. It's that kind of conduct that this bill would prohibit. This bill isolates only those charges that are actually paid out to a government entity - things like the airport fees, the governmental taxes, and the vehicle licensing fee which is paid to DMV. Itemizing those charges at the end of the transaction is appropriate, because consumers expect those to be added on just like they would expect a hotel to add on the hotel tax that is paid to the municipality.

He added that some companies add on a host of "other creative fees" to a bill; consumers are sometimes misled by them because they may think they are required by state law. And while those can be disclosed like the Hertz representative said, when you get off the plane, you're tired and you don't really read the fine print when you sign the contract. You want to get in your car and get to the hotel. Making those full disclosures in a meaningful comprehensive way is tricky.

[2:09:57 PM](#)

CHAIR PASKVAN closed public testimony on SB 272.

SENATOR THOMAS moved to report SB 272 from committee with individual recommendations and zero fiscal note.

SENATOR BUNDE objected so he could thank Mr. Sniffen for his good counsel; then he removed his objection. Therefore, SB 272 moved from committee.

[2:11:26 PM](#)

CHAIR PASKVAN announced an at ease from 2:11 p.m.

SB 97-CRANE OPERATOR LICENSES

[2:13:14 PM](#)

CHAIR PASKVAN called the meeting back to order at 2:13 p.m. and announced that SB 97 was before the committee. He explained that he had decided not to advance SB 97 until additional work had been done by the Department of Labor and Workforce Development (DOLWD), the stakeholders and this committee.

SENATOR THOMAS moved to rescind their motion on January 26, 2010, to move SB 97 from committee. There were no objections and it was so ordered.

CHAIR PASKVAN said he had heard Senator Bunde's intention to retire at the end of this year and wanted to take this opportunity to formally thank him for his good participation in all the meetings he has had with him and for all the years of his commitment to the State of Alaska - "A job well done."

[2:15:17 PM](#)

Finding no further business to come before the committee, Chair Paskvan adjourned the meeting at 2:15 p.m.