

**ALASKA STATE LEGISLATURE
SENATE RULES STANDING COMMITTEE**

April 11, 2010

1:57 p.m.

MEMBERS PRESENT

Senator Charlie Huggins, Chair
Senator Gary Stevens, Vice Chair
Senator Johnny Ellis
Senator Bert Stedman

MEMBERS ABSENT

Senator Lyman Hoffman

COMMITTEE CALENDAR

SENATE BILL NO. 303

"An Act relating to a subcontractor's, contractor's, and project owner's liability for workers' compensation, to sole proprietors and partnerships without employees, and to managers or managing members of limited liability companies, and excluding certain persons from liability for securing the payment of workers' compensation benefits to employees; and providing for an effective date."

- MOVED 2d CSSB 303(RLS) FROM COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: SB 303

SHORT TITLE: WORKERS' COMP; CONTRACTORS & OTHERS

SPONSOR(S): LABOR & COMMERCE

03/08/10	(S)	READ THE FIRST TIME - REFERRALS
03/08/10	(S)	L&C, JUD
03/25/10	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
03/25/10	(S)	Heard & Held
03/25/10	(S)	MINUTE(L&C)
04/01/10	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
04/01/10	(S)	Moved SB 303 Out of Committee
04/01/10	(S)	MINUTE(L&C)
04/02/10	(S)	L&C RPT 3DP 1NR
04/02/10	(S)	DP: PASKVAN, DAVIS, THOMAS
04/02/10	(S)	NR: MEYER
04/05/10	(S)	JUD AT 11:00 AM BUTROVICH 205

04/05/10 (S) CITATIONS
04/07/10 (S) JUD RPT CS 2DP 1NR NEW TITLE
04/07/10 (S) DP: FRENCH, WIELECHOWSKI
04/07/10 (S) NR: COGHILL
04/07/10 (S) JUD AT 8:30 AM BUTROVICH 205
04/07/10 (S) -- Continued from 4/5/10 Meeting --
04/10/10 (S) RETURNED TO RLS COMMITTEE
04/10/10 (S) RULES WAIVED PUBLIC HEARING NOTICE,
RULE 23

WITNESS REGISTER

SENATOR JOE PASKVAN
Alaska State Legislature
Juneau, AK
POSITION STATEMENT: Sponsor of SB 303.

DENNIS BAILEY, Drafting Attorney
Legislative Legal
Alaska State Legislature
Juneau, AK
POSITION STATEMENT: Answered questions on SB 303 and the amendment.

ACTION NARRATIVE

[1:57:08 PM](#)

CHAIR CHARLIE HUGGINS called the Senate Rules Standing Committee meeting to order at 1:57 p.m. Present at the call to order were Senators Ellis, Stedman, Stevens, and Huggins.

SB 303-WORKERS' COMP; CONTRACTORS & OTHERS

CHAIR HUGGINS announced SB 303 to be up for consideration.

[1:57:53 PM](#)

SENATOR ELLIS moved to bring SB 303 before the committee. There were no objections and it was so ordered. [CSSB 303(JUD), 26-LS1089\P, was before the committee].

SENATOR JOE PASKVAN, sponsor of SB 303, said the issue is whether section 3 will be removed from the bill. He said that while he recognized some good social policy issues would be advanced by keeping section 3 in the bill, he also understood the political reality that those social policies could

potentially defeat the entire bill. Removing section 3 returns language in SB 303 to the original language, which contained the conservative principle that if you break it you pay for it, and he had no problems with doing that. Establishing accountability and responsibility is the largest issue he is advancing in the bill with section 3 deleted.

CHAIR HUGGINS asked him to give an overview of what section 3 does.

SENATOR PASKVAN explained that section 3 says that everyone on a job would be required to have workers' compensation insurance. If for some reason a subcontractor to a contractor did not have workers' compensation insurance and there were to be a premium increase to the contractor because of a loss, the subcontractor would be required to reimburse the contractor for the additional cost. Some of the objection to the bill was that it would force everyone to carry workers' compensation insurance at the subcontractor level. The opposition to that believes it should be their choice.

[2:00:58 PM](#)

DENNIS BAILEY, Drafting Attorney, Legislative legal, Alaska State Legislature, said Senator Paskvan's explanation was accurate.

[2:01:49 PM](#)

CHAIR HUGGINS moved Amendment 1, labeled 26-LS1089\P.1, and objected for purposes of discussion.

AMENDMENT 1

OFFERED IN THE SENATE

BY SENATOR PASKVAN

TO: CSSB 303(JUD)

Page 1, lines 2 - 3:

Delete ", to workers' compensation for independent contractors without employees,"

Page 2, lines 10 - 20:

Delete all material.

Renumber the following bill sections accordingly

MR. BAILEY said the amendment essentially deletes section 3.

CHAIR HUGGINS said that the first item in the amendment is a title change that was necessary because of deleting section 3. The second part was the action of deleting section 3 on page 2, lines 10-20.

SENATOR ELLIS said he would have preferred the CSSB 303(JUD) version for some of the goals they were trying to achieve, but he also recognized political reality and wouldn't hinder the bill's progress.

CHAIR HUGGINS removed his objection. Finding no further objections; he said Amendment 1 was adopted. Therefore 2d CSSB 303(RLS) was moved from committee.

[2:03:13 PM](#)

CHAIR HUGGINS thanked everyone and adjourned the meeting at 2:03.