

SENATE FINANCE COMMITTEE  
April 13, 2012  
4:18 p.m.

[4:18:23 PM](#)

CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at 4:18 p.m.

MEMBERS PRESENT

Senator Lyman Hoffman, Co-Chair  
Senator Bert Stedman, Co-Chair  
Senator Lesil McGuire, Vice-Chair  
Senator Johnny Ellis  
Senator Dennis Egan  
Senator Donny Olson  
Senator Joe Thomas

MEMBERS ABSENT

None

ALSO PRESENT

Representative Mia Costello, Sponsor; Dana Owen, Staff, Senator Dennis Egan; Dan Habeger, Division of Corporations, Business, Licensing, Department of Commerce, Community and Economic Development; Jim Puckett, Division of Retirement and Benefits, Department of Administration; Aaron Schroeder, Veterans Caucus Staff, Representative Bill Thomas.

PRESENT VIA TELECONFERENCE

Barry Christensen, Alaska Pharmacists Association, Ketchikan; Dirk White, State Board of Pharmacy, Sitka; Fred Brown, Executive Director, Healthcare Cost Management Corporation, Fairbanks.

SUMMARY

SB 217 PHARMACY AUDITS

CSSB 217(FIN) was REPORTED out of committee with a "do pass" recommendation and with previously published fiscal notes: FN1 (ADM) and FN2 (CED).

CSHB 252(FIN)

SMALL BUSINESS INCOME TAX EXEMPTION

CS HB 252 (FIN) was REPORTED out of committee with a "do pass" recommendation and with previously published fiscal impact note: FN2 (REV).

CSHB 282(FIN)

MILITARY TRAINING CREDIT/TEMP LICENSE

CSHB 282(FIN) was REPORTED out of committee with a "do pass" recommendation and with three previously published zero fiscal notes: FN1 (EED), FN2 (LWD), FN3 (UA); and one previously published fiscal impact note: FN5 (CED).

CSHB 301(FIN)

BOATING REGULATION SUNSET

CSHB 301(FIN) was REPORTED out of committee with a "do pass" recommendation and with previously published fiscal note: FN1 (DNR).

#sb217

SENATE BILL NO. 217

"An Act establishing procedures and guidelines for auditing pharmacy records; and providing for an effective date."

[4:19:27 PM](#)

Co-Chair Hoffman MOVED to ADOPT committee substitute for Senate Bill 217 Work Draft 27-LS1411\E (Martin 4/13/12).

Co-Chair Stedman OBJECTED for purpose of discussion.

DANA OWEN, STAFF, SENATOR DENNIS EGAN, explained the changes in Version E:

Page 2, line 9; after the words "typographical error", the words "unless the auditor finds proof of intent to commit fraud" are deleted.

Page 2, line 31; after the word "unless" at the end of the sentence the words "there is proof of intent to commit fraud" are deleted.

Page 3, line 28; before the words "state Medicaid programs" the words "an investigation or audit by a governmental agency" have been deleted.

Co-Chair Stedman WITHDREW his OBJECTION. There being no further objection Work Draft 27-LS1411\E was ADOPTED.

Senator Egan urged committee support for the legislation.

DAN HABEGER, DIVISION OF CORPORATIONS, BUSINESS, LICENSING, DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT, testified that the department was neutral on the bill.

JIM PUCKETT, DIVISION OF RETIREMENT AND BENEFITS, DEPARTMENT OF ADMINISTRATION, expressed that the division still had concerns with some of the language in the bill.

[4:23:30 PM](#)

Co-Chair Stedman noted the two previously published zero fiscal notes from the Department of Administration and Department of Commerce, Community and Economic Development.

[4:23:50 PM](#)

Co-Chair Stedman OPENED public testimony.

BARRY CHRISTENSEN, ALASKA PHARMACISTS ASSOCIATION, KETCHIKAN (via teleconference), urged support for SB 217.

[4:25:52 PM](#)

DIRK WHITE, STATE BOARD OF PHARMACY, SITKA (via teleconference), testified in support of SB 217.

[4:26:33 PM](#)

FRED BROWN, EXECUTIVE DIRECTOR, HEALTHCARE COST MANAGEMENT CORPORATION, FAIRBANKS (via teleconference), expressed

concern with the broad language in the legislation pertaining to the reduction of the legal and fiduciary integrity of the ability of trustees to monitor and ensure that the appropriate amounts were being paid. He clarified that government agencies should be referred to in the bill as "government entities" in order to include boroughs, municipalities, and school districts. He suggested that a workgroup be established in an attempt to evaluate and better understand the issues.

Co-Chair Stedman CLOSED public testimony.

[4:29:37 PM](#)

Co-Chair Hoffman MOVED to report CSSB 217(FIN) out of committee with individual recommendations and the accompanying fiscal notes. There being NO OBJECTION, it was so ordered.

CSSB 217(FIN) was REPORTED out of committee with a "do pass" recommendation and with previously published zero fiscal notes: FN1 (DOA) and FN2 (CED).

#hb282

CS FOR HOUSE BILL NO. 282(FIN)

"An Act relating to applying military education, training, and service credit to occupational licensing and certain postsecondary education and employment training requirements; providing for a temporary occupational license for qualified military service members; and providing for an effective date."

[4:30:47 PM](#)

AARON SCHROEDER, VETERANS CAUCUS STAFF, REPRESENTATIVE BILL THOMAS, testified that the legislation asked the Division of Professional Licensing, University of Alaska, and the Department of Labor and Workforce Development to evaluate military training and education and assign civilian credit where appropriate.

Co-Chair Stedman noted the four fiscal notes. He detailed the only note with fiscal impact from the Department of Commerce, Community and Economic Development for the expedited regulatory process as a result of moving the effective date up one year to December 31, 2012.

Co-Chair Hoffman MOVED to report CSHB 282(FIN) out of committee with individual recommendations and the accompanying fiscal notes. There being NO OBJECTION it was so ordered.

CSHB 282(FIN) was REPORTED out of committee with a "do pass" recommendation and with three previously published zero fiscal notes: FN1 (EED), FN2 (LWD), FN3 (UA); and one previously published fiscal impact note: FN5 (CED).

#hb301

CS FOR HOUSE BILL NO. 301(FIN)

"An Act relating to enforcement of boating safety statutes; amending the termination date of certain statutes relating to the use, operation, and regulation of boats, a uniform state waterway marking system, and civil liability for boat owners; providing for an effective date by amending the effective date of secs. 3, 5, 7, 9, 11, 14, 16, 18, 20, 23, 26, and 27, ch. 28, SLA 2000, as amended; and providing for an effective date."

[4:32:21 PM](#)

Co-Chair Stedman noted the fiscal notes.

Co-Chair Hoffman MOVED to report CSHB 301(FIN) out of committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

CSHB 301(FIN) was REPORTED out of committee with a "do pass" recommendation and with previously published fiscal impact note: FN1 (DNR).

#hb252

CS FOR HOUSE BILL NO. 252(FIN)

"An Act exempting certain small businesses from the corporate income tax; and providing for an effective date."

[4:33:31 PM](#)

REPRESENTATIVE MIA COSTELLO, SPONSOR explained that the legislation would exempt certain small qualifying businesses from the state's corporate income tax until the business reached \$50 million in gross aggregate assets, or after the passage of a period of 10 years. The intent of the bill was to attract new corporate income tax payers in industries that did not currently exist in the state.

Co-Chair Stedman noted the fiscal note from the Department of Revenue for an additional corporate income tax auditor.

Senator Ellis MOVED to report CSHB 252(FIN) out of committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

CSHB 252(FIN) was REPORTED out of committee with a "do pass" recommendation and with previously published fiscal impact note: FN2 (REV).

[4:34:43 PM](#)

RECESSED

[5:53:35 PM](#)

RECONVENED

#

ADJOURNMENT

[5:53:35 PM](#)

The meeting was adjourned at 5:53 p.m.