

HOUSE FINANCE COMMITTEE

April 14, 2014

1:42 p.m.

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CALL TO ORDER

Co-Chair Stoltze called the House Finance Committee meeting to order at 1:42 p.m.

MEMBERS PRESENT

Representative Alan Austerman, Co-Chair
Representative Bill Stoltze, Co-Chair
Representative Mark Neuman, Vice-Chair
Representative Mia Costello
Representative Bryce Edgmon
Representative Les Gara
Representative David Guttenberg
Representative Lindsey Holmes
Representative Cathy Munoz
Representative Steve Thompson
Representative Tammie Wilson

MEMBERS ABSENT

None

ALSO PRESENT

Senator Fred Dyson, Sponsor; Chuck Kopp, Staff, Senator Fred Dyson; Nancy Meade, General Counsel, Alaska Court System; Taylor Winston, Director, Alaska Office of Victims' Rights, Anchorage; Forrest Wolfe, Staff, Senator Cathy Giessel; Senator Cathy Giessel, Sponsor; Steven Allwine, Alaska Auto Dealers Association, Juneau; Amy Erickson, Director, Division of Motor Vehicles, Department of Administration; Jane Conway, Staff, Senator Cathy Giessel; James Matteucci, Merck Sharp and Dohme, Pharmaceutical Research and Manufacturers Association, and the Biotechnology Industry Organization; William Streur, Commissioner, Department of Health and Social Services; Anna Latham, Staff, Representative Kurt Olson.

PRESENT VIA TELECONFERENCE

Catherine Stone, Director, Public Housing Division, Alaska Housing Finance Corporation; James Mooney, Self, Anchorage; Jamie Rogers-Jenkins, Self, Two Rivers; Rick Allen, Director, Office of Public Advocacy, Palmer; Deanna Smith, Self, Anchorage; Carmen Gutierrez, Self, Anchorage; Quinlan Steiner, Director, Public Defender Agency, Department of Administration; Mary Geddes, Self, Anchorage; James Noble, Self, Prudhoe Bay; Melissa Cucullu, General Manager, Alaska Tags and Titles, Anchorage; Aves Thompson, Executive Director, Alaska Trucking Association, Anchorage; Jana Shockman, President, Alaska Nurses Association, Anchorage; Patricia Senner, Alaska Nurses Association, Anchorage.

SUMMARY

HB 287 APPROVE TESORO ROYALTY OIL SALE

[Note: CSHB 287(FIN) was reported out of committee during the 4/14/2014 8:30 a.m. meeting. The bill was held to discuss one new forthcoming indeterminate fiscal note from the Department of Natural Resources and one new indeterminate fiscal note from the Department of Revenue. See below for detail. For additional information see 4/14/2014 8:30 a.m. minutes.]

HB 316 WORKERS' COMPENSATION MEDICAL FEES

HB 316 was HEARD and HELD in committee for further consideration.

CSSB 64(FIN)

OMNIBUS CRIME/CORRECTIONS/RECIDIVISM BILL

CSSB 64(FIN) was SCHEDULED but not HEARD.

CSSB 108(JUD)

CONFIDENTIALITY OF CRIMINAL CASE RECORDS

CSSB 108(JUD) was HEARD and HELD in committee for further consideration.

SB 127 VEHICLE TRANSACTION AGENTS

SB 127 was HEARD and HELD in committee for further consideration.

CSSB 129(FIN)
REAL ESTATE APPRAISERS

CSSB 129(FIN) was SCHEDULED but not HEARD.

CSSB 169(FIN)
IMMUNIZATION PROGRAM; VACCINE ASSESSMENTS

CSSB 169(FIN) was HEARD and HELD in committee for further consideration.

CSSB 178(FIN)
PASSENGER & REC. VEHICLE RENTAL TAX

CSSB 178(FIN) was SCHEDULED but not HEARD.

#sb108
CS FOR SENATE BILL NO. 108(JUD)

"An Act relating to the confidentiality of certain records of criminal cases; and providing for an effective date."

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SENATOR FRED DYSON, SPONSOR, remarked that the legislature infrequently dealt with civil liberties topics. He believed many members had handled Second Amendment issues well and that First Amendment items would be addressed on a more frequent basis. He relayed that the bill pertained to the Fourth, Fifth, Sixth, and Fourteenth Amendments. He discussed that in comparison to other states Alaska had the most complete CourtView system [the Alaska Trial Court's online and publicly accessible database]. He detailed that most states had the equivalent of CourtView in their city or county, but not statewide. The bill would strengthen the privacy and liberty interests of persons when charges were dismissed or acquitted by removing records from CourtView. He acknowledged that some individuals who were arrested were guilty, but were released due to insufficient evidence. He relayed that over 9,000 of the 29,000 arrests for misdemeanor offences the prior year had resulted in dismissal. He believed there had been around 7,000 felony arrests, with 1,700 dismissals.

Senator Dyson continued that under the current system, the dismissed cases remained on CourtView in perpetuity. The CourtView system had been implemented in 2004 and he guessed there were approximately 60,000 people listed in the database. He noted that despite the clear notification that an arrest was not a guarantee of a person's guilt, the listing of a person's name on the website made it more difficult to obtain employment and to rent a home. He stated that the process of removing a person's name from the site was structurally defective. He detailed that a police chief or equivalent were required to approve the removal of a name from the website. He believed that requiring the arresting department to remove the name was counterintuitive and exposed the department to potential liability. He relayed that if the first attempt to have a person's name removed was unsuccessful, their next option was to take the issue to court. He stated that Alaska's statutes were clear that it was incumbent upon the accused to prove they had been wrongly arrested.

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Senator Dyson stressed that the practice was contrary to a person's constitutional right to innocence before proven guilty. He believed there would always be pragmatic reasons to trample on civil and human rights; however, legislators had taken an oath to preserve the constitutional provisions. He opined that the default should land on the side of civil liberties and the Bill of Rights. He asked his staff to address the bill's sectional analysis.

Co-Chair Stoltze noted that there had previously been some public testimony on the subject matter in a hearing on a separate crime bill. The subject matter had subsequently been removed from the other bill to be dealt with as a single issue.

CHUCK KOPP, STAFF, SENATOR FRED DYSON, read from the sectional analysis (copy on file):

Section 1

Provides legislative intent directing the Court, to the extent practicable, to treat as confidential records of criminal cases disposed of before the effective date of the Act by acquittal of all charges, dismissal of all charges, or acquittal of some charges

and dismissal of remaining charges, to the same extent that records are held confidential by this bill, under AS 22.35.030.

Section 2

Amends AS 22.35 by adding a new section, AS 22.35.030. Records concerning criminal cases resulting in acquittal or dismissal confidential.

This section establishes that a court record of a criminal case is confidential if 120 days have elapsed from the date of acquittal or dismissal and (1) the person was acquitted of all charges filed in the case; (2) all charges against the person have been dismissed by the prosecuting authority; or (3) the person was acquitted of some of the charges in the case, and the remaining charges were dismissed.

Provide exceptions for access to information made confidential for state agency employees responsible for health, safety, welfare, or placement of a child, a person with a physical or intellectual disability, or a person with a mental illness; employees that protect other vulnerable citizens, and state criminal justice information network users. The Department of Health and Social Services will adopt regulations to administer these exceptions.

Section 3

Establishes the Applicability of the Act to criminal charges concluded on or after the effective date of the Act by dismissal or by acquittal of the defendant.

Section 4

Establishes the effective date of the Act as October 1, 2014.

Senator Dyson communicated that the information would remain available to police, the state, and the national record; the bill would remove public records of dismissed or acquitted cases after 120 days.

Co-Chair Stoltze asked for detail about the law related to the police chief. Mr. Kopp pointed to the sealing of

criminal justice information under AS 12.62.180. He relayed that a criminal justice agency may seal only the information that the agency was responsible for maintaining. A person may submit a written request to the head of the agency responsible for maintaining past conviction or current offender information. The two issues required to be proven beyond a reasonable doubt were mistaken identity or false accusation; the decision of the agency head was the final administrative decision on the request. The appellant bore the burden of proof and if they did not agree with the agency decision their next option was to appeal to the court. He read from the statute that "a person about whom information is sealed under this section may deny the existence of the information if it is in fact sealed."

Co-Chair Stoltze asked a question related to a current court case [specifics on the case were not provided]. Mr. Kopp replied in the affirmative. Co-Chair Stoltze surmised that the Municipality of Anchorage had made the decision to litigate. He stated that the municipality had the ability to correct an action, but chose to litigate instead. Mr. Kopp agreed.

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Vice-Chair Neuman referred to a prior request from the Office of Public Advocacy (OPA) to seal files related to decreasing workload. He wondered if the bill addressed the issue. Mr. Kopp replied that the bill did not pertain to lowering the OPA workload.

Vice-Chair Neuman clarified his interest in the sealing of cases. Mr. Kopp answered that the bill was strictly focused on individuals with acquitted or dismissed charges who remain on CourtView.

Senator Dyson believed it would be helpful to hear from the courts. He noted that the court system was taking some action on its own related to the records under discussion.

Co-Chair Stoltze remarked that many individuals did not want to advertise their efforts to have a charge removed from their record.

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NANCY MEADE, GENERAL COUNSEL, ALASKA COURT SYSTEM, relayed that the court system was neutral on the bill, but she appreciated the sponsor's willingness to work with the agency. She communicated that the bill would make dismissed or acquitted cases confidential in electronic and paper form (the bill did not include plea bargained cases). The cases would remain in the state's public safety database and would be accessible to arresting officers and the district attorney's office. The legislative intent asked the department to make the change retroactively; the court system could achieve the goal without a fiscal impact note. She stated that it was possible for the court system to take records off of CourtView retroactively; it would be significantly more burdensome to make archived hardcopy files confidential.

Co-Chair Stoltze asked hypothetically if the bill would remove O.J. Simpson case records from CourtView had the events surrounding the case occurred in Anchorage. Ms. Meade replied that the case would be covered by the legislation given that all charges had been acquitted; the criminal case would be removed from CourtView 120 days after acquittal under the legislation.

Co-Chair Stoltze thought extreme examples could help frame an issue. He mentioned an example related to a false stalking accusation.

Ms. Meade replied that stalking was typically a civil protective order and would not be covered under the bill. She noted that the court was separately looking at a court rule that would impact civil actions where the court found no probable cause at an initial hearing. The bill before the committee only covered criminal cases.

Co-Chair Stoltze referred to the conviction and later exoneration of Mechele Linehan and asked if the case would apply under the legislation. Ms. Meade replied that because the case had not been dismissed by the prosecutor it would not be covered under the bill and would not be confidential.

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Representative Gara asked for verification that plea bargained cases would remain on CourtView. Ms. Meade replied in the affirmative.

Representative Gara asked for verification that the bill only dismissed records for cases when the prosecution fully dismissed the charges. Ms. Meade responded in the affirmative.

Representative Gara asked for verification that a person would end up on CourtView if they continued to commit crimes and were convicted like O.J. Simpson. Ms. Meade replied in the affirmative.

Co-Chair Stoltze asked for a description of the administrative process. He asked about a process under deliberation by the court system. Ms. Meade referred to a proposed court rule that was underway. She discussed that the court maintained the Alaska Rules of Court; there were committees responsible for recommending changes and the Alaska Supreme Court was ultimately in charge of making changes to the rules. She elaborated that currently the Supreme Court was considering (and would go out for public comment) an amendment to its existing rule about items that did not appear on CourtView. She detailed an administrative rule designated items that could not be on CourtView, which was slightly different than designating a case as confidential. Anything the legislature deemed confidential did not appear on CourtView including child in need of aid cases, protective proceedings such as guardianships, and juvenile delinquency cases.

Ms. Meade communicated that additional categories not posted on CourtView included the names of children in domestic relations cases (these were not confidential in paper form), social security numbers, and victim addresses. The court was amending the administrative rule to include other items it found problematic when listed on CourtView. She pointed to a case where a woman was arrested but no charging document was filed; the case was not covered by the bill, but it would be covered by the forthcoming court rule that would remove anything where an arrest had taken place but no charging document had been filed. She explained that the situations were not covered by the rule because they had not yet become a criminal case. The court was also considering adding situations where no probable cause had been found at an initial hearing, which sometimes happened with stalking protective orders or other protective order applications. The rule was going out for

public comment for wide circulation and the court was expected to act within the next 45 days.

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Co-Chair Stoltze asked for verification that his constituents who had testified in the past would be covered under the administrative protective order, but not under the bill. Ms. Meade referred to testimony related to Nancy Means and replied in the affirmative.

Co-Chair Stoltze speculated that when an out-of-state settlement was won against the municipality it would be sealed as well. Ms. Meade clarified that people could ask to have a confidential case made public. She elaborated that the court system's case records were not considered criminal justice information. Currently, the only way to remove something from CourtView was through the court system. She detailed that there was a court rule to seek to have cases made confidential that otherwise were not and to have confidential cases made public; it was the mechanism required to remove something from CourtView.

Co-Chair Stoltze asked if the process was initiated by the person wishing to have their name removed from the site. Ms. Meade replied in the affirmative.

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CATHERINE STONE, DIRECTOR, PUBLIC HOUSING DIVISION, ALASKA HOUSING FINANCE CORPORATION (via teleconference), spoke in support of the bill. She relayed that the corporation initially had concerns about the bill related to its ability to use CourtView to research applicants' criminal records; however, it ultimately supported the legislation due to the way it would affect people participating in the Alaska Housing Finance Corporation (AHFC) Housing Choice voucher program. She detailed that the corporation provided approximately 4,600 vouchers per month to families in 16 locations throughout the state. The recipients passed a federally required screening process and were subsequently issued a voucher in order to find a landlord and home to rent; the voucher paid a portion of the rent and the corporation provided the additional payment. She communicated that sometimes people who had an old arrest that had never resulted in a conviction experienced a barrier to renting because CourtView was used as a

screening tool. She elaborated that even though the arrest had not resulted in a conviction, the record on CourtView many times prevented individuals from renting. Program recipients were given an initial 60 days to find a unit, which could be extended to a maximum of 120 days per federal law. She remarked that it was a shame when qualified individuals were not able to locate a rental based on prior history or behavior that may not have resulted in a conviction. She believed the bill would allow people who may have made a mistake in the past to have a better opportunity to find housing.

Co-Chair Stoltze surmised that it would help the AHFC clientele to secure housing if landlords did not know about prior activity. Ms. Stone replied in the affirmative. She elaborated that individuals on the sex offender list or with violent or drug related convictions did not qualify for the AHFC program. Once the individual was approved in the program screening process they should be able to find a home; however, sometimes an old arrest was used as a screening tool by landlords which prevented them from finding a rental.

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JAMES MOONEY, SELF, ANCHORAGE (via teleconference), testified in support of the bill. He spoke about how a false sexual assault accusation in 2009 had impacted his life. He stated that his ex-fiancé had moved from the state with their daughter and had not seen his daughter since. He had lost his job as a result of the experience. He had been acquitted, but had never been able to obtain another management job due to the records on CourtView. He spoke to challenges securing work. He stated that he deserved to have his life back, had never hurt anyone, and had not done anything wrong. He pleaded with the committee to help provide him with a fighting chance. He wanted his daughter to know he loved her.

Co-Chair Stoltze appreciated Mr. Mooney's testimony.

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JAMIE ROGERS-JENKINS, SELF, TWO RIVERS (via teleconference), spoke in support of the legislation. She believed the bill represented a civil liberties issue and could not thank the sponsor enough for carrying the bill.

She opined that the bill did not go far enough. She believed people used CourtView as a screening tool for jobs and housing and that people did not follow through to determine what had actually happened. She stated that people had a "where there's smoke there's fire" mentality that could not be avoided. She used AHFC testimony as an example and stated that the testimony had assumed an individual may have done something wrong in the past, but had not been convicted of a crime. Although she supported the bill she believed it should include expungement. She opined that the bill should include plea bargained cases.

Ms. Rogers-Jenkins stressed that the only cases that should appear on CourtView should be those that resulted in a conviction. She stated that many people had pled to something they had not done or to a lesser charge because it was closer to something that actually happened. Reasons for taking a plea bargain could include fear, time, and expense. She believed extreme examples like O.J. Simpson should be avoided. Additionally, she felt that restraining orders were abused and should not be listed on CourtView. She spoke to a case she had taken a plea to; she stated she had not committed the crime and there had been no investigation. She believed the preferable remedy was adequate investigation and no overcharging with the intent to instill fear and gain conviction. She would support a state funded campaign to let people know of the occurrences. She stated that police were not always truthful. She stated that the Office of Victims' Rights was the primary opponent of the bill and that it did not acknowledge various abuses. She asked the committee to pass the bill.

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RICK ALLEN, DIRECTOR, OFFICE OF PUBLIC ADVOCACY, PALMER (via teleconference), testified in support of the bill. He addressed an earlier question by Vice-Chair Neuman. He discussed that several years earlier the Public Defender Agency had changed its policy related to sealing files internally; the change had taken place in effort to reduce the number of conflicts and the number of criminal cases that went to OPA. He spoke to his experience as an attorney. He had seen many examples of individuals charged with theft or robbery; the cases had been appropriately dismissed by a prosecutor when the defendant had been able to prove their innocence. He stated that the allegation was

currently recorded on CourtView indefinitely regardless of a person's innocence. He believed there was an unintended consequence where the government was punishing individuals without having proved them guilty of anything. He understood that it had never been the intent of CourtView. He stated that the presumption of innocence and the burden of proof were important bedrocks in the American system. He believed the bill would strike a good balance between a person's right to privacy and liberty and the public's right to important information.

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DEANNA SMITH, SELF, ANCHORAGE (via teleconference), testified in opposition to the bill. She spoke to her personal experience. She was currently staying in a safe house. She stated that if she had known about the ability to look on CourtView it would likely have prevented her current situation. She stated that public access to the records would provide the public with information about a person and would inform them about a possible behavioral pattern. She had used CourtView to determine that the person her daughter had begun dating had an unlawful past. She implored the committee not to pass the bill.

Co-Chair Stoltze appreciated Ms. Smith's courage in her testimony.

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CARMEN GUTIERREZ, SELF, ANCHORAGE (via teleconference), spoke in strong support of the bill. She spoke to her extensive work history with the criminal justice system and as former deputy commissioner for the Department of Corrections. She stated that currently every person charged with an offense had a permanent public record of the arrest and charge. She detailed that in felony cases there was also a statement of the alleged factual details accompanying the charging document. The person's name and the facts of the charge remained public even when charges were dismissed or after a jury decided on an acquittal. An arrest often became synonymous with conviction in the minds of those doing an inspection when the arrest continued to remain public information. She stressed that the records greatly impeded a person's ability to find employment, to rent an apartment, and to live a life free from stigmatization for a crime they were never convicted of.

Ms. Gutierrez relayed that police officers tasked with a tremendous amount of work were required to make snap decisions when deciding it was more likely than not that a crime had occurred. The soundness of an officer's decision often depended on the experience of the officer and their perceived need to diffuse a difficult situation. She elaborated that after a person was arrested and charged a prosecutor had more time to review the merits of the case; in some cases upon more careful review and with the benefit of additional facts, the prosecutor determined that a charge did not merit prosecution and that it should be dismissed. However, the individual arrested was forever stigmatized by the arrest. She noted that close to 1,300 state felony cases and 9,500 misdemeanor cases had been dismissed in FY 13. She communicated that cases were dismissed for many reasons, but often due to lack of evidence, misidentification, no crime committed, and other. She stressed that many people were arrested even though they never committed a criminal offence. The constitutional right to due process of law was intended to protect individuals from being treated as convicted persons without first being afforded certain procedural safeguards. She believed it was the way it should be. She submitted that it was the state's responsibility to uphold the criminal justice system.

Ms. Gutierrez spoke to her prior work as an attorney and her oath to uphold the constitution. She had concerns about the underlying premise of a letter addressed from Office of Victims' Rights to the legislature (copy on file). She believed that the premise was that something less than innocence should be insinuated each time an Alaskan was arrested even when the charge was later dismissed. She detailed that every day judges were required to tell every jury convened to hear a criminal case that the mere fact of an arrest and charge could not be used as any kind of evidence of guilt; however, CourtView information was causing people to be judged by an arrest. The system required criminal conviction. She stressed that an arrest and charge should not tarnish the reputation of an Alaskan citizen. She thanked the sponsor for introducing the legislation.

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QUINLAN STEINER, DIRECTOR, PUBLIC DEFENDER AGENCY,
DEPARTMENT OF ADMINISTRATION (via teleconference), spoke

about the legal analysis involved in charging an individual and sustaining a charge. He mentioned the idea that the probable cause standard and a grand jury indictment was sufficient to conclude when a person was guilty. However, he stated that the probable cause and grand jury indictment standard was only about concluding when unexplained or uncontradicted items merited going forward on a case. He stated that an important part of the legal analysis was that once an investigation continued, the initial facts were explained or contradicted in some cases. He relayed that the screening process of probable cause was not sufficient evidence for conviction, but was about providing sufficient evidence to move forward on a case. He stated that "not guilty" meant not guilty in the criminal trial process. He remarked that there were many cases where charges were dismissed and collateral consequences were significant and life-long.

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Representative Gara asked for verification that only a prosecutor presents evidence before a grand jury. Mr. Steiner concurred. He added that a grand jury was a secret and sealed proceeding in which only a prosecutor presents evidence; defense attorneys were not permitted to enter the proceedings.

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MARY GEDDES, SELF, ANCHORAGE (via teleconference), spoke in support of the legislation. She remarked on her 28 years of criminal law experience in Alaska. She read from a prepared statement (copy on file):

Senate Bill 108, introduced by Senator Dyson, provides a simple and sensible answer to an important question. What should happen with the record of a state court criminal case when no convictions were obtained and the case is now closed?

Under the current language of SB 108, the approach is straightforward. Four months after such a case is closed, the court record is designated as confidential. This means, simply, that the court record is no longer offered for general public viewing.

Many of you have heard the term, expungement. In the majority of states, expungement is an available remedy for arrests and other nonconviction records. Expungement typically means the destruction of a record. But Alaska does not have an expungement statute. SB 108 provides a less drastic remedy than expungement. SB 108 would not require the destruction of court records. Nor does it impede or unnecessarily burden law enforcement.

How often does it happen that a criminal case filing ends with a dismissal and no conviction? More frequently than you might imagine. In the last fiscal year alone, approximately 7,563 misdemeanor and 945 felony cases were closed because of dismissals by state prosecutors. In addition, approximately 100 felony and misdemeanor cases were closed as a result of acquittals.

The reason for making nonconviction court records confidential is a good one. It avoids an unnecessary risk of harm to a person. Even though we all know it should not make any difference, just the information that there once was a criminal accusation can limit a person's economic opportunity and severely damage a reputation. Life, subsequent to an arrest, is permanently altered. Making such records confidential, by contrast, provides a meaningful end to a criminal process.

Perhaps there is no better illustration of the personal impact of criminal litigation for us Alaskans than the case of Senator Ted Stevens. After 41 years of faithful service, he was charged with crimes and convicted. He was convicted. But his conviction was later thrown out because of prosecutorial misconduct, and his case was entirely dismissed by the government. Let's suppose for a moment that Sen. Stevens had been charged in state court. Even after a dismissal of all charges, public court records would forever list him - really, brand him - as a "criminal defendant." Why is that fair? Why should any citizen be treated that way for all time when the government has closely evaluated the evidence and seen fit to dismiss the charges, or when a defendant has been acquitted?

Taylor Winston, an employee of the state Office of Victims' Rights, recently wrote this Committee concerning SB 108. Ms. Winston opposes the idea of making closed nonconviction records confidential for reasons stated in her column on April 10, 2014. Under such a theory of justice, however, a person once charged of a crime should be forever considered "not innocent," even though the courts lack any legal authority to make such a determination. Neither prosecutors acting alone nor a grand jury has a 'good enough' fact-finding process such that their indictments should forever stand as public monuments. Let's remember that a grand jury meets in secret with the prosecutor, and that the accused and his lawyer aren't allowed in. Not only did the Founding Fathers reject the grand jury as the means of determining criminal responsibility, they also decided that there would be no continuing penalty, no loss of privilege and certainly no lifetime loss of privacy for those who had been once charged but not convicted of a crime.

Ms. Winston argues that the information provided on the court's electronic website (showing information on open and closed criminal cases) is "objective" and provides information the public can use to protect itself. In a letter she submitted to the Legislature, she provided an example: she said she would check the website to help make a decision on a babysitter. This is a great example as to why SB 108 should be enacted. The website warns the reader as to its unreliability and prejudicial effect and yet people still rely on it, presumptively, for divining someone's trustworthiness.

A zealous advocate, Ms. Winston seems genuinely concerned, but her dire prediction that "victims of domestic violence, sexual assault, and child sexual abuse, and our communities will suffer" under SB 108 is certainly not justified by the very modest reach of this bill.

Senate Bill 108 would not block any police, prosecutor or judge from access to closed nonconviction court records. Any party to a closed case still has automatic access. Because Alaska's statutes and its constitution now also require the criminal justice

system to accommodate the rights of crime victims, it is almost certain that a complaining witness would also have automatic access. Access by any other individuals can be obtained with the written permission of the court if the court finds that the requestor's interest outweighs the potential harm to the person or interests being protected. In making this call, the court will consider the (1) risk of injury to individuals; (2) individual privacy rights and interests; (3) proprietary business information; (4) the deliberative process; or (5) public safety. Finally, it should be noted that SB 108 does not impose any burdens of secrecy or non-publication on persons or companies who obtain the record.

Senate Bill 108 is a neat, nifty way to be fair to defendants whose cases are entirely dismissed - like Sen. Stevens- without undermining law enforcement or prosecutorial functions. Let your state representative know that SB 108 should pass.

Co-Chair Stoltze asked for written testimony. Ms. Geddes agreed to provide her testimony to the committee.

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TAYLOR WINSTON, DIRECTOR, ALASKA OFFICE OF VICTIMS' RIGHTS (OVR), ANCHORAGE, testified in strong opposition to the legislation. She believed the bill was of grave concerns, particularly to victims in Alaska. In reference to previous testimony she stressed that the bill was not a "nifty" service to victims of the state. She emphasized that the victims had a constitutional right to be treated with fairness, dignity, and respect; the bill did not treat them with those things. She spoke to her professional experience working in the Alaska legal system. She had spent over 12 years working on sexual assault cases. She stressed that the path of a victim of sexual assault was arduous. She spoke about the difficulty victims faced when reporting a crime including feelings of guilt and shame. She discussed that everyone wanted to encourage victims to report because when victims reported the process should be able to act and should make communities safer. She highlighted the bravery victims showed when reporting a crime. She stated that the process did not restore a victim's sense of well-being; it was humiliating and constituted a re-victimization. She stated that the individuals had to relive the trauma of

past events in front of a grand jury. She discussed that it was up to a jury to determine whether there was sufficient evidence to prove the case beyond a reasonable doubt. She stated that an acquittal was like a knife through the heart for the victim.

Ms. Winston testified that the legislation was contrary to a victim's constitutional right to be treated with dignity, fairness, and respect. She asked for verification that the bill had been amended to only include dismissals by the prosecution, not by the court.

Co-Chair Stoltze stated that there was an affirmation, but he had not looked at the minutia of the bill.

Ms. Winston stated that the bill put the decision and fate of the victims in the hands of prosecutors. She mentioned her former work as a prosecutor and the dismissal of cases that occurred for various reasons. She wondered what justice the removal of records related to dismissed cases provided for victims of various crimes. She stressed justice for all and not just the defendant. She believed an accurate account of information and a definitive source was important. She mentioned the O.J. Simpson case; she believed it was important for the public to have the ability to see what happens in its institutions. She was glad some of the supporters had brought forward their convictions. She stated that certain things would not be known if the record was not open.

Co-Chair Stoltze clarified that supporters had brought forward their arrests, not convictions.

Ms. Winston agreed and restated that the record was clear regarding the testifier's arrests. She pointed to supportive testimony and noted that the bill would not address some specific concerns mentioned. She spoke to the testimony of Mr. Mooney and stated it was one of the reasons transparency of government was important. She had prosecuted the case he spoke about. She provided details of the case. She stated that the evidence against him had been strong, but the jury had acquitted him.

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Ms. Winston stressed the importance of the court record. She pointed to the Mechele Linehan case, which had been

dismissed by the prosecution and would not stay in the court record if the bill passed. She mentioned the John Carlin case and communicated that there was going to be voiding of his conviction; OVR had submitted that his death in prison did not mean his conviction should be voided and the decision had been reversed related to the specific point. She spoke to the national George Zimmerman case and believed it deserved to have public scrutiny and review. She opined that prosecutors should be scrutinized for what they dismissed. She stressed that the organization was not opposed to the concept presented by SB 108, but it was opposed to the language the bill used. She believed there should be a surgical approach because the bill would affect many people. The organization had proposed amendments to the committee to help protect victims.

Ms. Winston referred to an earlier question by Representative Gara related to a grand jury and relayed that a prosecutor was under obligation to present exculpatory evidence (any evidence that tended to negate a defendant's guilt). She discussed grand jury procedures. She spoke to the Joshua Wade cases related to murder convictions. She mentioned that in cases of concurrent state and federal jurisdiction, the state would dismiss a case to allow it to move through the federal process; the detail would be removed from the public's view under the legislation. She did not believe it was fair to the citizens of the state. She believed the bill was contrary to the First Amendment, the Freedom of Information Act, and the transparency of government. She reiterated that the bill was divergent from the constitutional right to fairness, dignity, and respect. She urged the committee to think about the victims. She referred to statute and the sealing of the process and expressed her belief that a better process should be devised to address people trying to seal their records.

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Representative Thompson noted his compassion for victims and understood their constitutional rights; however, people who were falsely accused also had constitutional rights. He noted that under the legislation the records would be removed from CourtView after 120 days. He wondered what timeframe Ms. Winston would be comfortable with.

Ms. Winston replied that there was a difference between a case where a person was falsely accused with no evidence to support the charge and a case where a plea agreement to dismiss had been agreed upon. She noted that a case was sometimes dismissed if a defendant died. She relayed that the 120-day time period was not the issue. She opined that CourtView had been a problem. She did not want individuals wrongfully accused of crimes to be punished by the system; however, she did want the public record to remain on CourtView for other situations. She believed the legislation needed to be further defined.

[3:08:44 PM](#)

Representative Gara spoke from the perspective of a victim and shared that his father had been murdered when he was a child; however, he would not feel comfortable to have a person who was wrongfully accused listed as a criminal for the rest of their life even if the record showed that charges had been dismissed. He stated that it was not possible to have a perfect system. He would never feel comfortable having a murder charge listed for an innocent person.

JAMES NOBLE, SELF, PRUDHOE BAY (via teleconference), spoke in support of the bill. He stated that charges had been dismissed after he had been falsely accused of stalking and domestic violence by an ex-girlfriend. He had been surprised and upset by a letter of opposition written by Ms. Winston. After listening to her prior testimony he agreed with much of what Ms. Winston had said; however, he personally related to her description of the various process of humility and shame that victims went through. He stated that he was the guilty party according to Ms. Winston's letter and beliefs. He addressed the idea that predators got away with crimes; he believed the system was working hard to bring guilty persons to justice. He relayed that the dismissed charges against him were on the CourtView record. The charges had been brought over five years earlier, but they remained visible. He stressed that people looked at CourtView; it was useful, but also harmful. He emphasized that the current system did not work. He agreed that there were a few cases where the guilty went free due to the system, but that the system would never be perfect. He noted the high case dismissal rate of 60 to 70 percent. He asked about the rights to due process, innocence until proven guilty, about his right to

privacy, and his right after proving his innocence. He reiterated his support for the legislation and thanked the sponsor.

[3:14:38 PM](#)

Co-Chair Stoltze CLOSED public testimony.

CSSB 108(JUD) was HEARD and HELD in committee for further consideration.

[3:15:18 PM](#)

AT EASE

[3:17:09 PM](#)

RECONVENED

#sb127

SENATE BILL NO. 127

"An Act authorizing the commissioner of administration to enter into agreements with agents to perform for compensation certain transactions related to vehicles; relating to the duties of those agents; and providing for an effective date."

[3:17:48 PM](#)

Co-Chair Stoltze discussed his intent to hear the bill presentation and public testimony.

FORREST WOLFE, STAFF, SENATOR CATHY GIESSEL, discussed the bill. He spoke to long lines and high wait times at the Division of Motor Vehicles (DMV). He stated that limited hours caused people to sacrifice time out of their workday.

SENATOR CATHY GIESSEL, SPONSOR, communicated that the bill supported a strong existing public/private partnership that had been in place for over 10 years. The partnership provided available, convenient, and responsive services from DMV. She detailed that about 10 years earlier the advanced business partnerships began to do contract work for DMV; contractors provided vehicle titles and renewals, registration renewals, duplicate registrations, lost licenses, etc. There were approximately 37 car dealerships and 11 private companies providing the service statewide. She relayed that the template was also used by the

Department of Fish and Game (DFG) for hunting and fishing licenses; however, DFG allowed its business partners to retain a small portion of the fee to cover administrative services, whereas DMV did not. She shared that auto dealers and business partners were presently performing more than 25 percent of the DMV workload. She discussed a graph showing DMV services; DMV services were shown in orange and the business partners were shown in yellow (copy not on file). She reiterated that the business partners were currently doing 25 percent of the DMV workload; however, none of the costs for facilities, utilities, printers, credit card systems, credit card fees, and personnel were reimbursed by DMV. She relayed that a major part of the contractor services were conducted over the phone when people were unable to get through to the DMV.

Senator Giessel communicated that the bill would allow business partners to retain 15 percent of the DMV fee to cover overhead costs. Currently business partners were charging an additional administrative fee in an effort to cover costs. She noted that out of convenience, citizens were still choosing to utilize the businesses despite the fee. She asked why citizens and the private sector should be funding a state agency's work. She added that DMV charged a \$10 administrative fee for services rendered in person. Additionally, DMV collected local taxes for 16 communities around the state including Juneau, Anchorage, Kenai, Bristol Bay, Bethel, and others; DMV retained 8 percent of the taxes to cover its administrative costs. The workload for private vendors amounted to 336,527 transactions annually. The fiscal note estimated that costs would be just under \$2 million to allow the business partners to retain 15 percent. She spoke to potential costs that would occur if the business partnerships went away. She detailed that DMV would be required to pick up the transactions that had previously been handled by the business partners. She pointed to an estimate that 23 additional state employees would be needed; if the employees were a range 10 on the state pay schedule, the cost would be slightly under \$2 million. She stated that the fiscal note was essentially zero.

Senator Giessel relayed that the calculations did not include the additional office space and the three state employee managers that would be required to supervise the new employees. She summarized that DMV took in an 8 percent administrative fee to cover tax collection for local

governments and charged a \$10 fee for services rendered in its office locations. She was compelled by testimony that DMV had taken in \$48 million in surplus revenues the prior year. She believed \$2 million of the figure belonged to the private sector. She stated that the bill was basically fiscally neutral, provided convenient government services, and was a small step towards reducing the size of state government.

[3:25:10 PM](#)

Representative Munoz asked if businesses had the ability to charge a fee for walk-ins. Senator Giessel replied in the affirmative. She elaborated that the 11 private companies currently charged a walk-in fee; however, the auto dealers did not. She added that the dealers were considering dropping the service as it was costing them significantly.

Co-Chair Stoltze remarked that the DMV was required by statute (passed in the 1990s) to charge a fee. Senator Giessel agreed; AS 28.10.421 related to the \$10 service fee and AS 28.10.431(e) pertained to the retention of 8 percent from local governments' taxes.

Representative Munoz asked if the auto businesses could collect the \$10 fee. Senator Giessel replied in the affirmative. She recommended speaking to the auto dealers about the subject as well. She noted that auto dealers faced "grumbling" about additional fees that were tacked on when purchasing a car, which made them reluctant to charge for the service.

Co-Chair Stoltze remarked that the business was just the agent. Senator Giessel agreed and added that \$10 would not cover the cost.

Representative Thompson did not see the comparison between fishing licenses and the one at hand. He elaborated that a vendor such as Fred Meyer did not receive any additional money above the cost of a [fishing or hunting] license. He noted that the state would refund a portion of the fee back to Fred Meyers. He discussed that he used the vendors to avoid standing in line for vehicle license renewals. He paid the extra fees and believed the vendors provided a great service; however, the vendors charged an extra fee for convenience. He surmised that the vendors would not be providing the service if they were not making a profit. He

wondered why they should be given an additional \$2 million out of state funds that could be used for something else. He questioned why the vendors should receive additional money when they were already charging close to what the state was charging. He did not understand the purpose of the bill and why it would be beneficial to the public.

[3:28:35 PM](#)

Senator Giessel replied that the private sector was doing the work of a government agency at no cost. She stated that it was a question of fairness. She expounded that DFG allowed vendors (e.g. Fred Meyer) to keep a portion of the fee to cover personnel costs. She stressed that work done by DMV vendors was more complex and abundant. Additionally, the fee charged by vendors did not cover the work done. She restated that it was a question of fairness.

Representative Thompson believed the vendors would close their doors immediately if they were not making a profit. He felt uncomfortable with the bill.

Representative Holmes was concerned by the \$2 million loss in revenue. She spoke about the various types of vendors providing the service including auto dealers that had the ability to charge more, groups providing the service to members, and vendors operating the service as a business. She wondered how the 15 percent figure had been determined in the bill. She noted that Representative Thompson had relayed that DFG provided vendors with 5 percent [of the license cost]. She wondered what other states did.

Senator Giessel did not know what other states did. She recommended asking the Alaska Trucker's Association and the auto dealers. She stressed that DMV was collecting from the private sector (what was analogous to a tax) for doing work for DMV. The cost was being passed on by some of the businesses as a user fee to citizens. She stated that it was truly a question of fairness and of being consumer friendly to Alaska's citizens. She questioned how the agency was able to bring in a surplus of \$48 million and stated that part of the reason was because 25 percent of its workload was being done by citizens.

[3:33:13 PM](#)

MELISSA CUCULLU, GENERAL MANAGER, ALASKA TAGS AND TITLES, ANCHORAGE (via teleconference), testified in support of the legislation. She read from a prepared statement:

The private sector provides the staffing, the facilities, required technology, and office supplies to process the transactions that create millions in revenue for the State of Alaska. This legislation allows Alaskan owned businesses to hire additional employees, open new facilities, provide extended hours, and create more options for Alaskan residents. Senate Bill 127 is about fairness and is a win for Alaskan residents, a win for the private sector, and a win for the state government by reducing overhead costs while still generating income. I'd like to thank you for your time and consideration of Senate Bill 127.

[3:34:19 PM](#)

AVES THOMPSON, EXECUTIVE DIRECTOR, ALASKA TRUCKING ASSOCIATION (ATA), ANCHORAGE (via teleconference), spoke in favor of the bill. He read from a prepared statement:

ATA was approached in late December 2006 to see if the association was interested in becoming a DMV business partner and as we evaluated the proposal the ATA felt that this could be a good member benefit for our trucking members to facilitate the handling of our members' DMV transactions. Our members have benefited from our partnership as has the general public that walks into our office each and every day. Our customers are about half commercial vehicle operators and half are walk-in personal vehicle operators. Our association member companies enjoy the prompt service that we can give them. Our walk-in customers are a cross section of the Anchorage population. Our service is generally prompt, friendly, supportive, and helpful. Our customers appreciate the extra effort we put into these transactions to make the DMV experience a little more user friendly.

In order for the ATA to better serve its customers we feel that a modest 15 percent commission on the work done for the state DMV is a small price to pay for the work that is currently being done by these business partners. Every workday since 2006 we have processed

transactions for the State of Alaska with no compensation other than the nominal service fee that we charge our customers. DMV provides some supplies such as title and registration forms, tags for the license plates, and the license plates themselves. It has been our business partner responsibility to provide and pay for personnel, reception space, secure office space, dedicated computer systems and related technical support, copiers, paper, postage, and credit card fees. In 2013 we processed more than 11,000 transactions for the State of Alaska and generated revenue of more than \$1.6 million in fees and local taxes. The local taxes as you've heard are passed through DMV to the local governments. So not only do we generate revenue for the State of Alaska, we are a tax collector for local governments. Our calculations indicate that of the \$1.6 million, we generated a total of more than \$1.1 million in fee revenue for DMV.

The changes made in the committee substitute in House State Affairs allows the DMV to honor these current agreements during the time it takes for the department to promulgate and adopt regulations covering the agreement prerequisites and provisions set out in the statute. It will allow the department to begin the 15 percent retained commissions at the effective date of the bill. The bill language is clear in that all proceeds with the exception of municipal taxes are eligible for the 15 percent retained commissions and these changes also provide the 15 percent retained commission rather than the sliding scale from zero to 15 percent. We believe that the business partners are providing a valuable service that supplements DMV capabilities without increasing DMV's operating costs. We also believe that as a matter of fairness DMV business partners should be compensated for the service that they provide for the state. It boils down to sharing the revenue with the partners that generate the revenue. Business partners have become a way of delivering DMV services and the partners need to share in the revenue for the work that is being done to enable the partners to grow their business and improve service to our fellow citizens. We urge the committee to look favorably on Senate Bill 127.

[3:38:41 PM](#)

Representative Guttenberg asked what the current service fee was. Mr. Thompson replied that transaction fees involving a title were \$15 and fees for other items were \$12.

Representative Guttenberg asked for verification that the cost exceeded the cost of a title. Mr. Thompson replied in the affirmative. Representative Guttenberg remarked that the Alaska Trucking Association had conducted 11,000 of the transactions.

Mr. Thompson replied that the association collected the registration fees and the local taxes according to the schedule provided by DMV. The association remitted the money to the DMV on the following business day to the DMV. He reiterated that the association's service fees were between \$12 and \$15.

Representative Thompson asked how many locations the business operated. Mr. Thompson answered that the association operated one location in Anchorage.

Representative Thompson asked for verification that the business was not losing money. Mr. Thompson replied that the business was not losing money given that it owned its facility. He relayed that the association made a small amount on the services annually, but it was hoping for increased revenues to add additional staff and expand business hours.

Representative Thompson asked if there was a maximum fee the business could charge above state costs. Mr. Thompson replied in the negative.

Representative Wilson asked if any of the savings would be passed on to the people of Alaska. Mr. Thompson replied that fees would not be increased.

Representative Wilson asked how much additional money the association would receive if the bill passed. Mr. Thompson replied that in 2013 the association had turned over slightly over \$1 million to DMV; 15 percent of the total equaled approximately \$150,000.

[3:42:49 PM](#)

STEVEN ALLWINE, ALASKA AUTO DEALERS ASSOCIATION, JUNEAU, spoke in support of the legislation. He communicated that for over a decade a number of auto dealers in Alaska provided licensing for customer's vehicles. The association had taken on the responsibility to ease the load for DMV. He detailed that the association had taken on the responsibility because the titling had not been getting done promptly. He furthered that a number of dealers in Alaska provided the service free-of-charge. The dealers had absorbed the associated costs (e.g. paper, credit card fees, computers, and other). He was no longer willing to provide the service without a fee because of its cumbersome, expensive, and complicated nature. He stressed that making a mistake on DMV related services had negative consequences. He pointed to items such as mileage and VIN numbers and explained that the work was an exact science; therefore, it was necessary to have employees who were qualified and proficient at the work. He added that in larger stores the work required a full-time position. He explained that the dealerships had never charged customers for the service beyond the license fee; the cost was absorbed as a cost of doing business. He relayed that the bill would provide some income to offset a portion of the expense. He would consider hiring an employee to provide the service within his store if the bill passed. He believed the tool could be wonderful for DMV if it was used in locations with high demand for services. He discussed that DMV services in Washington State were either provided online or by a non-governmental agency. He reiterated his support for the legislation.

[3:46:26 PM](#)

Representative Gara asked for verification that the service to customers was voluntary. Mr. Allwine answered in the affirmative.

Representative Gara surmised that dealerships were able to pass on any absorbed costs to consumers. He referred to an Alaska dealer price markup. He asked for verification that the big three American auto manufacturers charged all dealers the price for a vehicle regardless of the state.

Mr. Allwine replied that auto manufacturers charged all car dealers the same price. He relayed that there were some slight differences in destination charges for import models. He stressed that the freight charge for a Chrysler

was the same anywhere in the United States (including Alaska). He communicated that a dealer could choose to charge more for a vehicle; however, he and many other association members did not conduct business that way.

[3:48:10 PM](#)

Representative Guttenberg used the purchase of a new car as an example and asked why providing a vehicle registration required anything beyond the standard use of a warranty clerk and financing officer. He observed that accuracy was critical for basic services associated with the purchase of a car.

Mr. Allwine answered that the fields were unrelated. He explained that the finance officer was essentially a banker, responsible for handling all of the financial paperwork after an automotive transaction was completed. He detailed that the finance officer was primarily responsible for the completion of all legal documents (e.g. financing contracts, trade-in documents, payoffs, or other). A warranty clerk had nothing to do with the sale of a new vehicle. The clerk was involved with the processing of warranty repairs and for bringing in payment (like an insurance clerk in a doctor's office). The business finance officer provided the initial paperwork for DMV. He did not participate in DMV's program; therefore, the paperwork was delivered to DMV every three days. The titling of the vehicle was specialized and was done by DMV.

Representative Guttenberg pointed out that the finance and warranty employees handled difficult work where accuracy was required. He had used a vendor to renew his vehicle registration and had been amazed at the quick turnaround time. He did not believe the difficulty or technical aspect of the work was problematic.

Mr. Allwine noted that Representative Guttenberg was referring to the renewal a currently owned vehicle. He agreed that the transaction was relatively simple and did not include a transfer of ownership, verification of VIN numbers, or other. He was specifically discussing paperwork related to new vehicles including the VIN, proper titling, and other items. For used out-of-state vehicles the dealership had to do extensive paperwork to create an in-state title. Additionally, paperwork became more complicated when a transaction involved two lien holders.

He provided other examples of various paperwork required in different transactions.

Representative Guttenberg remarked that he had three dealerships in his family. He shared that he received all of the paperwork when he made a transaction.

[3:52:28 PM](#)

Representative Munoz wondered if the dealership could charge a \$10 fee for providing DMV related services in person (similar to the \$10 fee charged for in person DMV services). Mr. Allwine replied in the negative.

Representative Munoz wondered if the 15 percent would cover employee costs. Mr. Allwine believed the number was reasonable and fair.

Vice-Chair Neuman referred to language in the bill that would require a new business to wait one year before entering into a vendor agreement with the department [DMV]. He wondered if the provision created an unfair business practice.

Mr. Allwine did not believe so. He commented on the importance of discretion and ensuring a business had a positive track record. He thought that at least one year was a good idea.

Vice-Chair Neuman remarked on the State of Alaska offering an advantage to one company over another. Mr. Allwine opined that discretion was required. He did not believe it was a question of fairness. He noted that too often businesses "set up shop and leave." He believed caution was not necessarily a bad thing.

Representative Thompson expressed confusion on the issue. He had been in two business locations where registration renewals were the sole service. The one-year requirement shut out others from entering into the business. He compared it to telling a business they could have a license to sell cars, but limiting them to selling only Fords. He stressed that the provision restricted a person from going into business. He believed it constituted an unfair business practice.

Mr. Allwine deferred the question to the bill sponsor. He felt that the issue was outside his purview.

[3:56:42 PM](#)

AMY ERICKSON, DIRECTOR, DIVISION OF MOTOR VEHICLES, DEPARTMENT OF ADMINISTRATION, shared that the DMV had been in partnerships with businesses since early 2000. The DMV provided all supplies businesses needed to conduct registrations, title transactions, license plates, tabs, forms, motorcycle manuals, and placards free of charge. Additionally, the DMV trained business partners on how to conduct transactions and provided free access to its database. She communicated that while the business partners accounted for 26 percent of DMV's revenues, DMV still touched each transaction conducted by the partners. Information gathered by the partners was sent to DMV each night for reconciliation to ensure all documentation and auditing was done and that transactions were completed accurately.

Representative Thompson wondered if there was a set fee that a vendor could charge above the cost of a renewal or title change. Ms. Erickson replied that the DMV did not regulate any fees charged by partners. She added that auto dealerships could charge a fee, but did not currently do so.

Representative Thompson asked for verification that a dealership could charge a fee. Ms. Erickson answered in the affirmative.

Representative Thompson was troubled by the bill's requirement that a business could not enter into an agreement with the department until they had been in business for a minimum of one year. He noted that vendors were required to receive training from DMV prior to offering the services. He thought the requirement was unfair and would shut out any new vendors from entering the business.

Ms. Erickson could not speak to the sponsor's intent related to the bill provision.

Representative Costello asked if the department or division had a position on the bill. Ms. Erickson replied in the negative.

Co-Chair Austerman asked if the division agreed with the \$1.9 million fiscal note. Ms. Erickson agreed that paying 15 percent to business partners would mean [a reduction in revenue to the division] in the amount listed on the fiscal note.

Co-Chair Austerman wondered how valuable the service provided by vendors was to the division. Ms. Erickson replied that she could not quantify the service with a number, but it was a great service to customers and kept the lines at DMV locations shorter.

Representative Munoz asked about the annual surplus generated by the division. Ms. Erickson answered that the division collected approximately \$70 million in revenue; its own budget was approximately \$17 million.

Representative Munoz asked if the excess revenues were deposited into the general fund. Ms. Erickson replied in the affirmative. Representative Munoz surmised that a reduction of \$2 million would not impact DMV. Ms. Erickson hoped that the loss would not impact DMV. She noted that the funds were deposited into the state general fund.

Representative Wilson asked if the DMV could choose to discontinue partnership with vendors to prevent the loss of revenue. Ms. Erickson replied in the affirmative. The DMV could choose to end a contract within 30 days.

Representative Wilson asked if DMV was forcing vendors to do the work. Ms. Erickson answered that dealerships had opted into the program to provide a service to customers. She detailed that many dealerships did not participate. The division had a specific dealer unit in Anchorage that processed paperwork dropped off by vendors.

Representative Wilson asked if dealerships could charge a fee to customers.

[4:03:21 PM](#)

Ms. Erickson replied that there was nothing preventing dealerships from charging a fee.

Senator Giessel addressed the bill's one-year requirement for business partners. She stated that there were 11

private business partners and 37 auto dealers providing the services. Many of the companies provided more than one DMV service. She agreed that DMV trained business partner employees funded by the business partners. She stressed that the primary emphasis of the bill was fairness. She stated that the companies were conducting over 25 percent of DMV's work and were receiving no compensation. She believed it was another form of tax. The bill's purpose was to support the private sector and the convenience provided to the state's citizens.

Co-Chair Austerman CLOSED public testimony.

SB 127 was HEARD and HELD in committee for further consideration.

#sb169

CS FOR SENATE BILL NO. 169(FIN)

"An Act establishing in the Department of Health and Social Services a statewide immunization program and the State Vaccine Assessment Council; creating a vaccine assessment account; requiring a vaccine assessment from assessable entities and other program participants for statewide immunization purchases; repealing the temporary child and adult immunization program; and providing for an effective date."

[4:05:48 PM](#)

SENATOR CATHY GIESSEL, SPONSOR, addressed the legislation. She spoke as a proponent of the private sector. She stated that the bill represented a public/private solution for expensive and preventable health issues seen in Alaska. She shared that a few years earlier, federal funds had been provided for a universal vaccine program that had existed for 40 years. She relayed that a former Alaskan U.S. Senator [Senator Ted Stevens] had made sure health issues were addressed the state. The state had received \$4.3 million annually until 2010 to cover vaccines; however, the number had fallen to approximately \$700,000. She had sponsored legislation two years ago using state money to restore the funding. She explained that the bill's activity was set to last three years. She noted that other states were finding a public/private partnership solution to funding universal vaccines. The three-year period provided the Department of Health and Social Services (DHSS) time to

formulate a solution. She stated that the current bill was the solution. The bill would adopt a vaccine council (pages 2 and 3 of the legislation) and outlined that the council would be comprised of State of Alaska insurers, private providers, a tribal entity, and other healthcare participants. Participation in the program would be optional; it would provide insurers with the option to pool funding with the state to purchase vaccines at the lowest possible price. She noted that the state had the ability to purchase vaccines at the lowest price through the Centers for Disease Control as well as state buying pools.

Senator Giessel explained that the bill she had sponsored in the past only provided a limited number of vaccines. She expounded that uninsured healthcare providers had to buy small quantities of the vaccine themselves because of the short-term shelf life. She emphasized that money was wasted when vaccines expired. Many clinics had opted to discontinue providing vaccines because of the expense and risk of expiration. The large purchasing option had been used under Senator Steven's funding for many years. She detailed that vaccines were stored in a depot and were distributed to healthcare providers across the state based on the providers' request. She noted that the providers had an idea how many vaccines their clinic would need; therefore, they did not run the risk of vaccines expiring or being incorrectly stored. The plan would allow insurers to buy in to the program; insurers would be assessed based on the number of insured individuals and what the expected vaccine need would be. Insurers would likely pay the assessment upfront and the state would purchase the vaccine. She explained that there were many ways the process could work, which would be determined in the first year after the bill passage. She furthered that DHSS would work with the council to formulate the plan going forward. She emphasized that the council was not a board or commission; it would operate under DHSS at no additional cost.

Senator Giessel continued that the program would use volunteers and would not have travel or per diem expenses. She pointed to a bubble chart titled "SB 169 Statewide Immunization Program" in members' packets (copy on file). The legislation had received letters of support from over 30 healthcare providers, clinics, and senior centers statewide. She stressed that seniors were interested in

various vaccines including shingles, pneumonia, influenza, diphtheria, tetanus, and pertussis.

Co-Chair Stoltze remarked that the interest was evident based on the number of health fairs and immunization clinics held in senior centers.

Senator Giessel agreed. She referred to a letter in members' packets from a New Hampshire pediatrician serving on the state's vaccine association; the association had documented \$45 million in savings over the past 11 years. She noted that nine other states had similar programs. She reiterated that seniors would also have access to the vaccines. She noted that the bill had undergone amendments in the House Health and Social Services Committee.

JANE CONWAY, STAFF, SENATOR CATHY GIESSEL, spoke to the changes made in the House Health and Social Services Committee (bill version B). The following language was added on page 2, line 3:

(1) establish a procedure to phase in the program over a three-year period that provides for participation by an assessable entity;

Ms. Conway pointed to page 2, line 28 where the language "or the chief medical officer's designee" was added to the council membership. Page 2, line 29 required that one of the two licensed healthcare providers on the council would be a pediatrician. Page 3, line 31 added the legislature as a recipient of the council's annual financial report. Page 4, lines 13 through 14 added the language "after being phased into the program under procedures approved by the commissioner." Page 5, lines 4 and 5 added the following language:

(e) An assessable entity may opt out of the program during the three-year phase-in period under procedures approved by the commissioner.

Ms. Conway elaborated that the model was used to allow providers to choose whether to opt into the program. She detailed that a timeframe would be designated similar to the open enrollment system used for state healthcare benefits.

[4:15:05 PM](#)

Ms. Conway continued to discuss changes in the legislation. Page 5, lines 9 through 12 added the following provisions:

(b) An assessable entity may not deny a claim for coverage by a health care provider of vaccines not distributed under the program.

(c) A health care provider may not bill a payor for or resell a vaccine distributed under the program.

She elaborated that a provider not in the program may not deny a claim. She explained that healthcare providers would be required to ensure that the program vaccines were kept separately from others.

Co-Chair Stoltze asked if the mandate related to vaccine coverage was new. Ms. Conway replied that it had always been the case that state vaccines could not be given to another person or resold.

Co-Chair Stoltze clarified that he was interested in the coverage mandate. Senator Giessel replied that some insurance policies had provided coverage for vaccines and had been doing so for some time. The provision prevented double assessment. She explained that if an entity had paid for the vaccines upfront through the state purchasing program, they would not be billed by the provider a second time for giving the vaccine.

Ms. Conway moved to page 7, lines 2 through 5; the section would repeal statutes pertaining to the adult vaccination program on January 1, 2021. The provision necessitated an act by the legislature (prior to 2021) to continue the adult portion of the immunization program set out under the legislation. Page 7, line 6 repealed Chapter 24, the current temporary program; the funds would be deposited to begin the vaccine assessment account. Page 7, line 13 changed the bill's effective date to January 1, 2015. She added that throughout the bill the term "recommended vaccine" had been changed to "included vaccine" in reference to the list of vaccine selections the council would compile.

Representative Munoz asked the sponsor to address any resistance to including adults in the vaccine program. Senator Giessel answered that she had been surprised that

the Pharmaceutical Manufacturer's Association had come out in opposition to the bill. She pointed to its initial opposition to including adults in the program and its subsequent opposition to the bill in its entirety. She deferred the question to the association for further detail. She was concerned that many of the diseases affecting children such as pertussis were carried by adults. She detailed that pertussis manifested in adults as a severe cough, but could be deadly for children. She pointed to multiple cases in Ohio the prior year when newborns had died after contracting the illness from adults. She stressed the importance of making vaccines available to adults in addition to children. She added that seniors were supportive of the bill and were glad the shingles vaccine would be available to them. She believed including seniors in the program was critically important.

Representative Munoz wondered what the legislation would take away. She was interested in the cost benefit of the program, its impacts, and why there was opposition to the bill.

Senator Giessel answered that currently there were many healthcare providers who were no longer offering vaccines due to the financial expense. She elaborated that vaccines bought in small quantities for small clinics were prohibitively expensive; vaccines typically expired in six months and had to be discarded if they were not used in time. She explained that for over 30 years the state had purchased a large vaccine quantity and had kept the stock moving to prevent expiration issues. Currently various providers had some children who qualified for the federally funded Vaccines for Children program; approximately 50 percent of the state's children qualified. She elaborated that the program vaccines were kept separately from vaccines for insured children; vaccinations for insured children could not be traded out for recipients of the Vaccines for Children. Many clinics were not currently offering vaccines due to the complex administrative function and potential loss in revenue that occurred when vaccines expired.

Representative Wilson referenced a bubble chart ["SB 169 Statewide Immunization Program" pyramid chart]. She asked for verification that the mandate only applied to private payors under the bill; it would be up to the other entities to decide whether they wanted to participate.

4:23:00 PM

Senator Giessel replied that participation for private payors and small clinics would be voluntary. She pointed to the "SB 169 Statewide Immunization Program" pyramid chart (copy on file). She recommended hearing from the department's program manager Jill Lewis for details.

Representative Wilson asked whether Tricare, Medicare, and Medicaid would be forced to participate in the program. She thought private payors equated to private insurance. She wanted to ensure that the program included more than private insurance.

Co-Chair Stoltze OPENED public testimony.

4:24:45 PM

JAMES MATTEUCCI, MERCK SHARP AND DOHME, PHARMACEUTICAL RESEARCH AND MANUFACTURERS ASSOCIATION, AND THE BIOTECHNOLOGY INDUSTRY ORGANIZATION, testified in opposition to the bill. The organizations were committed to growing the vaccine market and ensuring that vaccines were widely distributed and used. He stated that vaccines provided an enormous value to healthcare in terms of quality of a patient's experience in lessening the burden of disease and in lowering overall healthcare costs. He stressed that the organizations were not discrediting or undermining the value of an adult vaccine market. He complimented Senator Giessel for taking up the issue several years earlier when the federal Vaccine for Children program funding was significantly reduced. The organizations were specifically opposed to the creation of an adult vaccine program using an assessment on to a private plan. The organizations believed that the proposed program was precedent setting; other states had attempted unsuccessfully to implement a similar program. He detailed that the states using a format of an adult vaccine program using private dollars had been intermittent and unsuccessful overall.

Co-Chair Stoltze interjected and relayed that SB 64 would not be heard during that day.

Mr. Matteucci focused on problems the bill solved, problems it created, and problems it ignored. He stated that the

bill did not solve a problem. He communicated that the federal Affordable Care Act required private plans participating in the market to provide a full vaccine benefit for enrollees. He explained that SB 169 was for private plans and benefitting people with private insurance. He stressed that the benefit already existed and that with or without the bill the patient's experience would be unchanged.

Mr. Matteucci looked at problems created by the legislation. The organizations believed the bill threatened the adult market for vaccines. The market was growing and an increasing number of diseases were being successfully treated by more vaccines from companies such as Merck, GlaxoSmithKline, Pfizer, Novartis, and other; the companies had dedicated enormous amounts of research and resources to bringing the vaccines to market and commercializing. He stated that under the legislation the state took over the negotiating authority of a plan such as Premera with another private company (e.g. Merck) for the benefit of the plan. He explained that the plan's premium retained would be increased because the state would be negotiating on its behalf. The organizations believed that the precedent established under the bill would negatively impact the adult vaccine market nationwide. He believed that the bill's underlying funding structure was in question. He detailed that the assessment or tax on private plans was clear; the plans would participate based on market share and utilization. However, the bill also relied on the participation of Employee Retirement Income Security Act (ERISA) third-party plans, Medicaid, and Medicare; it was not possible to proactively assess monies for these plans for the purpose of providing care at a future time. He stated that if the past was prologue the ERISA plans would not participate; Tricare in the states of Washington and Idaho had elected not to participate in similar programs. In Idaho the state had been responsible for picking up unanticipated costs of approximately \$600,000 annually to pay for the backfill of non-participating ERISA plans. He discussed that Medicaid was a federal program that reimbursed for services delivered; it was not possible to proactively assess Medicaid for a healthcare service to be delivered in the future unless it was petitioned for a plan amendment to the Medicaid plan.

Mr. Matteucci emphasized that while universal coverage of vaccines was a goal at Merck, universal purchase programs

had not been demonstrated to be a silver bullet. The CDC had done a recent study showing that three of the top ten utilization states were universal purchase states; however, there were universal purchase states in the bottom ten as well. He agreed that promoting vaccines, conducting educational outreach, and incentivizing patients or providers to properly vaccinate themselves was the way to go; however, universal purchase states as a mechanism were not rate increasers.

Mr. Matteucci addressed the problem ignored by the bill. He stated that the bill ignored the uninsured population; the population needing help the most. The bill had the intent to get to the uninsured through the regulatory process, but the bill contained nothing that benefited the uninsured. He noted that the number would dwindle over time as the Affordable Care Act was rolled out, but the uninsured would either be too wealthy for Medicaid or would lack a private insurance through a partner or other. He detailed that the uninsured individuals may lose work if they get sick and miss work; the economic impact to families could be staggering. He summarized that the bill did not solve a problem in the adult market; the problem had been solved by the Affordable Care Act. He stressed that the bill significantly threatened the adult private market in Alaska by positioning the state as a negotiator for one private entity against another for the benefit of one private entity. He stated that the patient experience would remain unchanged regardless of the bill. Finally, the uninsured were ignored by the legislation. The organizations recommended the removal of the adult portion of the bill. He pointed to the vagary of the phased in program and the potentially negative implications. Merck was committed to working with the sponsor and department to find a solution over the course of the next year that specifically identified and addressed the adult uninsured portion of the population. The solution could be an appropriation from the state or another mechanism.

[4:35:14 PM](#)

Representative Guttenberg asked for verification that Mr. Matteucci's primary objection was to the idea of the state exerting its buying power by pooling its needs. He thanked Senator Giessel for bringing the bill forward. He had asked the commissioner in the past about what the state was doing to increase its bargaining power by enlarging the pools of

healthcare industry components. He observed that the pharmaceutical manufacturers always had the ability to choose not to sell a drug at a certain price. He stated that a larger pool would drive the cost down, which would be a direct benefit to the state and programs.

Mr. Matteucci replied that his argument was not related to pooling. He elaborated that pooling took place on a variety of levels; the state currently pooled pharmaceutical benefits under Medicaid with other states. He contended that the action under the bill was different; the bill was for people in the private marketplace who receive a private benefit from a private plan. He detailed that it was not the traditional concept of a state pooling its resources; it was the exercise of the state interceding between two private entities negotiating price and volume in the private marketplace for the benefit of one of the private parties.

Representative Guttenberg believed the purpose was the same, but that the organizations objected to the structure of the proposal. He addressed testimony that a patient would not see any cost differences as a result of the bill. He opined that part of the problem was that there was no transparency on the cost of vaccines when they were covered by insurance. He remarked that people would be unhappy to learn about price differentials between various healthcare facilities. He discussed that the bill was in line with the state's goal to get a handle on healthcare costs. Part of the solution was to make healthcare recipients more aware of the costs of services. He believed plan administrators also saw the issue as a problem.

Mr. Matteucci answered that transparency was a key issue included in the Affordable Care Act and in a number of bills nationwide. He asserted that the bill would not necessarily make any costs transparent to patients; it was simply negotiating on behalf of a particular health plan against another commercial enterprise. The balance of the discount would likely be retained in the premium for the health plan; there was no mechanism that passed on the savings to patients. The bill benefitted the plan itself because a greater portion of the premium value would be retained given the state's negotiated vendor discount.

Representative Munoz asked whether providers currently purchased vaccines directly from the pharmaceutical

associations. She wondered whether under the bill the state would purchase the vaccines and would act as the distributor.

Mr. Matteucci answered that he was not an expert on the distribution channels. He explained that individual providers had several sources of vaccines for Medicare, Medicaid, Tricare, and private plans; the providers reached individual agreements with private plans. He addressed cost and relayed that the companies he worked for would negotiate agreements with each plan in each state; the agreements would be different because it was a private marketplace. Cost was based on sales volume and expected return on investment. He added that in the private market it was unusual to have the state step in and negotiate on behalf of a plan alongside his companies. The companies recommended that the state pursue a separate program for uninsured adults that would not be captured under Medicaid or the Affordable Care Act. He would follow up on how vaccines were obtained.

[4:42:29 PM](#)

Vice-Chair Neuman asked for Mr. Matteucci's contact information. Co-Chair Stoltze replied that the information would be provided.

JANA SHOCKMAN, PRESIDENT, ALASKA NURSES ASSOCIATION, ANCHORAGE (via teleconference), spoke in support of the legislation. She spoke to the bill's inclusion of immunizations for adults. She relayed that every year adults ended up in hospital critical care units as a result of illnesses such as flu and pneumonia; both would be covered under the bill's vaccination program. The majority of the patients were young and previously healthy; however, they had not received vaccinations. She stressed that the illnesses could be life threatening and could have life altering consequences. She emphasized the importance of making the vaccinations easily accessible at a reasonable cost to providers. She stated that the bill provided a means for the state to protect its residents with affordable vaccines. She urged the committee's support for the legislation.

[4:45:11 PM](#)

PATRICIA SENNER, ALASKA NURSES ASSOCIATION, ANCHORAGE (via teleconference), spoke in favor of the legislation. She discussed the vaccine supply chain. She communicated that Alaska had many small providers which meant that it was necessary to pool together to purchase vaccines at the cheapest rate possible. She had run a small clinic and pointed to the considerable difference in vaccine prices between the clinic and the hospital. As a private provider, she paid upfront for vaccines and was reimbursed once vaccines were given. She stressed that it put an enormous burden on private providers, particularly family practice doctors and pediatricians. She addressed the importance of providing vaccines to young adults. She explained that the flu was likely to be much more severe for pregnant women. She spoke to the goal of vaccinating young women and families to prevent the spread of whooping cough to infants. She relayed that it made a difference to patients how the vaccines were made available. She detailed that if a private provider could not pay to bring the vaccines into their clinic, they could not provide their patients with vaccines on normal visits; requiring patients to go elsewhere for vaccines increased the probability that they would not follow through. She urged the committee to pass the bill.

[4:48:18 PM](#)

WILLIAM STREUR, COMMISSIONER, DEPARTMENT OF HEALTH AND SOCIAL SERVICES, spoke in support of the legislation. He stated that the bill would help the state in the long run and would help to reduce costs. He noted that the bill was not a magic bullet, but it would improve access and quality. He understood that challenges would exist, including how to work the adult population in. He believed the three-year phase-in would provide an opportunity to address any kinks such as determining funding partners, covered population, and covered vaccines. He believed the bill presented an opportunity to address increasing healthcare costs and to look at the state's vulnerable population that had no other coverage.

Vice-Chair Neuman asked how the legislation would not cost the state money. He had been told that the bill would not result in costs to the state; he wondered if that factored in savings in medical costs that would occur if more individuals received vaccinations.

Commissioner Streur replied that part of the savings would be related to downstream healthcare cost reductions. The initial savings would be in the cost of the vaccine and the state's ability to pool resources to purchase vaccines.

Vice-Chair Neuman pointed to the \$28 million fiscal note and wondered how the bill cost nothing.

Commissioner Streur replied that the bill was an assessment to insurance carriers (e.g. Medicare, Medicaid, Premera Blue Cross, and other). The goal was to bring on as many people as possible at a lower vaccine cost, to provide an incentive to reduce provider costs within the system, and ideally to return the investment to the purchaser.

Vice-Chair Neuman asked if the assessment was a fee that would be charged to insurance carriers. Commissioner Streur replied in the affirmative.

Vice-Chair Neuman noted that there was currently \$700,000 in general funds in the department's base budget. He wondered what would happen if the legislative finance subcommittee chose to reduce the department's budget.

Commissioner Streur answered that was experienced with budget reductions.

[4:52:12 PM](#)

Co-Chair Stoltze CLOSED public testimony.

CSSB 169(FIN) was HEARD and HELD in committee for further consideration.

#hb287

HOUSE BILL NO. 287

"An Act approving and ratifying the sale of royalty oil by the State of Alaska to Tesoro Corporation and Tesoro Refining and Marketing Company LLC; and providing for an effective date."

[4:52:56 PM](#)

Co-Chair Stoltze relayed that HB 287 had reported out of committee during the morning meeting, but had been held until the fiscal note had been received.

Representative Costello spoke to the fiscal notes including one new indeterminate fiscal note from the Department of Natural Resources and one new indeterminate fiscal note from the Department of Revenue.

Co-Chair Stoltze noted a significant cost potential for the tax credits. He believed the fiscal notes were accurate, but not reflective of the future cost. He noted that the fiscal notes would accompany the bill.

[Note: CSHB 287(FIN) was reported out of committee during the 4/14/2014 8:30 a.m. meeting. The bill was held to discuss one new forthcoming indeterminate fiscal note from the Department of Natural Resources and one new indeterminate fiscal note from the Department of Revenue. For additional information see 4/14/2014 8:30 a.m. minutes.]

#hb316

HOUSE BILL NO. 316

"An Act relating to workers' compensation fees for medical treatment and services; relating to workers' compensation regulations; and providing for an effective date."

4:55:50 PM

AT EASE

4:57:27 PM

RECONVENED

Co-Chair Stoltze expressed intent to introduce and hold the amendments.

Representative Gara MOVED to ADOPT Amendment 1 (copy on file):

Insert "(4) The fee schedules of (A) - (C) of this subsection shall not be used for any procedure or service without modification unless those fees are adequate as written to meet the service charge of providers in an area so that patient access to quality medical care is not compromised."

Co-Chair Stoltze OBJECTED for discussion.

Representative Gara pointed to a concern that the workers' compensation rate would be the Medicare or Medicaid rate. He understood that it was not the sponsor's intention; therefore, Amendment 1 clarified that the workers' compensation rate would not be the Medicare or Medicaid rates unless they were adequate to ensure patient access to quality medical care. He stated that the sponsor's intention was that there would be a multiplier at some point in time.

Co-Chair Stoltze asked Representative Gara to withdraw the amendment to be reoffered and heard at a later time.

Representative Gara WITHDREW Amendment 1.

Co-Chair Stoltze explained that the amendment would be taken up at a later time and the sponsor would have a chance to comment.

Representative Thompson MOVED to ADOPT Amendment 2 (28-LS1362\P.1 Wallace, 4/8/14) (copy on file):

Page 1, line 11:
Delete "board and adopted by reference"
Insert "medical services review committee [BOARD] and adopted by the board [REFERENCE]"

Page 2, line 21:
Delete "(1)"
Delete "board"
Insert "medical services review committee"

Page 2, line 22:
Delete "board"
Insert "medical services review committee"

Page 2, line 23, following "adopted":
Insert "by the board"

Page 2, line 23:
Delete ";"
Insert "."

Page 2, lines 24 - 29:
Delete all material.

Page 3, following line 23:

Insert a new subsection to read:

"(p) The medical services review committee shall formulate a conversion factor and submit the conversion factor to the commissioner of labor and workforce development. If the commissioner does not approve the conversion factor, the medical services review committee shall revise the conversion factor and submit the revised conversion factor to the commissioner for approval."

Page 4, following line 15:

Insert a new bill section to read:

"* Sec. 4. AS 23.30.395 is amended by adding a new paragraph to read:

(42) "medical services review committee" means the committee established under AS 23.30.0950)."

Renumber the following bill sections accordingly.

Page 4, line 16:

Delete "AS 23.30.097(j) - (o)"

Insert "AS 23.30.097(j) - (p)"

Page 4, line 18:

Delete "sec. 4"

Insert "sec. 5"

Co-Chair Stoltze OBJECTED for discussion.

Representative Thompson relayed that the amendment came at the sponsor's request. He explained that in the bill version P [CSHB 316 (L&C)] the conversion factors were set by the workers' compensation board with the recommendation of the medical services review board. Under the amendment the medical services review committee would directly set the conversion factor for the new fee schedule, which would then be submitted to the commissioner of the Department of Labor and Workforce Development (DLWD). He detailed that the workers' compensation board was comprised of 18 people. He stated that it was simpler to use the board that was already responsible for oversight of the workers' compensation system, regulation review, and serving on the hearing panels. The medical services review committee was made up of 9 people including members of the state medical association, chiropractic society, nursing home association, and a healthcare provider.

ANNA LATHAM, STAFF, REPRESENTATIVE KURT OLSON, confirmed the sponsor's support of Amendment 2. She stated that the amendment would clean up the current bill so that the medical services review committee would directly set the conversion factor instead of an 18 person board tasked with other duties. The amendment would allow the DLWD commissioner to approve or deny the conversion factor set by the medical services review committee before the board adopted it into regulation. The intent was to have a person at the commissioner level approving the conversion factor to ensure that it was set at a fair and reasonable price.

Vice-Chair Neuman asked what would happen to the fee schedule when a new commissioner was appointed. Ms. Latham replied that the conversion factors would continue to be set by the medical services review committee on an annual basis. The commissioner would approve the rates annually.

Vice-Chair Neuman asked about sending a patient outside of the state for services. Ms. Latham referred to other legislation sponsored by Representative Olson that would require that any workers' compensation treatment out-of-state would be billed at the jurisdiction in which the patient was treated.

Vice-Chair Neuman noted that it was a different bill. Ms. Latham replied that currently when a person was treated out-of-state for workers' compensation claims they could be billed at Alaska's rates.

Representative Holmes asked about the intent related to Amendment 2. She wanted more information about the members on the medical services review committee.

Co-Chair Stoltze replied that no action would be taken on the amendments during the current meeting.

HB 316 was HEARD and HELD in committee for further consideration.

#sb64

CS FOR SENATE BILL NO. 64(FIN)

"An Act relating to theft and property offenses; relating to the definition of 'prior convictions' for certain theft offenses; establishing the Alaska

Criminal Justice Commission and providing an expiration date; relating to the crime of custodial interference; relating to the duties of the Alaska Judicial Council; relating to jail-time credit for offenders in court-ordered treatment programs; relating to conditions of release, probation, and parole; relating to duties of the commissioner of corrections and board of parole; establishing a fund for reducing recidivism in the Department of Health and Social Services; requiring the commissioner of health and social services to establish programs for persons on conditions of release or probation that require testing for controlled substances and alcoholic beverages; requiring the board of parole to establish programs for persons on parole that require testing for controlled substances and alcoholic beverages; relating to the duties of the Department of Health and Social Services; and providing for an effective date."

CSSB 64(FIN) was SCHEDULED but not HEARD.

#sb129

CS FOR SENATE BILL NO. 129(FIN)

"An Act extending the termination date of the Board of Certified Real Estate Appraisers; relating to real estate appraisers; and providing for an effective date."

CSSB 129(FIN) was SCHEDULED but not HEARD.

#sb178

CS FOR SENATE BILL NO. 178(FIN)

"An Act relating to the passenger and recreational vehicle rental taxes; and providing for an effective date."

CSSB 178(FIN) was SCHEDULED but not HEARD.

Co-Chair Stoltze discussed future meeting schedules.

#

ADJOURNMENT

5:04:29 PM

The meeting was adjourned at 5:04 p.m.