

ALASKA STATE LEGISLATURE
SENATE LABOR AND COMMERCE STANDING COMMITTEE

April 8, 2014

1:45 p.m.

MEMBERS PRESENT

Senator Mike Dunleavy, Chair
Senator Peter Micciche, Vice Chair
Senator Bert Stedman

MEMBERS ABSENT

Senator Donald Olson
Senator Johnny Ellis

COMMITTEE CALENDAR

SENATE BILL NO. 214

"An Act relating to insurance adjuster licensing."

- MOVED CSSB 214(L&C) OUT OF COMMITTEE

HOUSE BILL NO. 141

"An Act setting the fee for medical treatment or services performed outside the state under the Alaska Workers' Compensation Act, requiring a provider of medical treatment or services under the Alaska Workers' Compensation Act to submit bills for treatment or services to employers within 180 days after the date the treatment or services are rendered, and limiting the time for appealing an employer's denial or reduction of a bill; and providing for an effective date."

- MOVED HB 141 OUT OF COMMITTEE

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 32(FIN)

"An Act providing for the issuance of one business license for multiple lines of business; and providing for reissuance of a business license to make a change on the license."

- MOVED CSHB 32(FIN) OUT OF COMMITTEE

HOUSE BILL NO. 234

"An Act extending the termination date of the Regulatory Commission of Alaska; and providing for an effective date."

- MOVED HB 234 OUT OF COMMITTEE

HOUSE BILL NO. 276

"An Act making the Alaska Wage and Hour Act inapplicable to certain employees of motor vehicle dealers; and providing for an effective date."

- MOVED HB 276 OUT OF COMMITTEE

CS FOR SS FOR HOUSE BILL NO. 204(FIN)

"An Act relating to a product development tax credit for certain salmon and herring products; and providing for an effective date."

- MOVED CSSHB 204(FIN) OUT OF COMMITTEE

CONFIRMATION HEARING

Board of Certified Real Estate Appraisers
Brit Szymoniak

- CONFIRMATION ADVANCED

PREVIOUS COMMITTEE ACTION

BILL: SB 214

SHORT TITLE: INSURANCE ADJUSTER LICENSING

SPONSOR(s): LABOR & COMMERCE

03/21/14	(S)	READ THE FIRST TIME - REFERRALS
03/21/14	(S)	L&C
04/01/14	(S)	L&C AT 3:30 PM BELTZ 105 (TSBldg)
04/01/14	(S)	Heard & Held
04/01/14	(S)	MINUTE(L&C)
04/08/14	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: HB 141

SHORT TITLE: WORKERS' COMPENSATION MEDICAL FEES

SPONSOR(s): LABOR & COMMERCE

02/25/13	(H)	READ THE FIRST TIME - REFERRALS
02/25/13	(H)	L&C
01/31/14	(H)	L&C AT 3:15 PM BARNES 124
01/31/14	(H)	-- MEETING CANCELED --
02/03/14	(H)	L&C AT 3:15 PM BARNES 124
02/03/14	(H)	Moved Out of Committee
02/03/14	(H)	MINUTE(L&C)

02/05/14 (H) L&C RPT 5DP 1NR
02/05/14 (H) DP: MILLETT, HERRON, REINBOLD, SADDLER,
OLSON
02/05/14 (H) NR: JOSEPHSON
02/10/14 (H) TRANSMITTED TO (S)
02/10/14 (H) VERSION: HB 141
02/12/14 (S) READ THE FIRST TIME - REFERRALS
02/12/14 (S) L&C
04/01/14 (S) L&C AT 3:30 PM BELTZ 105 (TSBldg)
04/01/14 (S) Heard & Held
04/01/14 (S) MINUTE(L&C)
04/08/14 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: HB 32

SHORT TITLE: LINES OF BUSINESS ON BUSINESS LICENSE
SPONSOR(s): COSTELLO, HUGHES

01/16/13 (H) PREFILE RELEASED 1/7/13
01/16/13 (H) READ THE FIRST TIME - REFERRALS
01/16/13 (H) L&C, FIN
02/18/13 (H) L&C AT 3:15 PM BARNES 124
02/18/13 (H) Heard & Held
02/18/13 (H) MINUTE(L&C)
03/20/13 (H) L&C AT 3:45 PM BARNES 124
03/20/13 (H) Scheduled But Not Heard
04/03/13 (H) L&C AT 3:15 PM CAPITOL 106
04/03/13 (H) -- MEETING CANCELED --
04/05/13 (H) L&C AT 3:15 PM BARNES 124
04/05/13 (H) Moved CSHB 32(L&C) Out of Committee
04/05/13 (H) MINUTE(L&C)
04/06/13 (H) L&C RPT CS(L&C) NT 5DP
04/06/13 (H) DP: HERRON, CHENAULT, SADDLER,
JOSEPHSON, REINBOLD
04/06/13 (H) LETTER OF INTENT WITH L&C REPORT
02/17/14 (H) FIN AT 1:30 PM HOUSE FINANCE 519
02/17/14 (H) Heard & Held
02/17/14 (H) MINUTE(FIN)
02/24/14 (H) FIN AT 1:30 PM HOUSE FINANCE 519
02/24/14 (H) Moved CSHB 32(FIN) Out of Committee
02/24/14 (H) MINUTE(FIN)
02/26/14 (H) FIN RPT CS(FIN) NT 10DP
02/26/14 (H) DP: GUTTENBERG, EDGMON, MUNOZ, HOLMES,
NEUMAN, THOMPSON, GARA, COSTELLO,
02/26/14 (H) STOLTZE, AUSTERMAN
03/03/14 (H) TRANSMITTED TO (S)
03/03/14 (H) VERSION: CSHB 32(FIN)
03/05/14 (S) READ THE FIRST TIME - REFERRALS

03/05/14 (S) L&C, FIN
 04/03/14 (S) L&C AT 3:30 PM BELTZ 105 (TSBldg)
 04/03/14 (S) Heard & Held
 04/03/14 (S) MINUTE(L&C)
 04/08/14 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: HB 234

SHORT TITLE: EXTEND REGULATORY COMMISSION OF ALASKA
 SPONSOR(s): HAWKER, ISAACSON, SADDLER

01/21/14 (H) PREFILE RELEASED 1/10/14
 01/21/14 (H) READ THE FIRST TIME - REFERRALS
 01/21/14 (H) L&C, FIN
 01/31/14 (H) L&C AT 3:15 PM BARNES 124
 01/31/14 (H) -- MEETING CANCELED --
 02/03/14 (H) L&C AT 3:15 PM BARNES 124
 02/03/14 (H) Moved Out of Committee
 02/03/14 (H) MINUTE(L&C)
 02/05/14 (H) L&C RPT 5DP 2NR
 02/05/14 (H) DP: MILLETT, CHENAULT, SADDLER,
 JOSEPHSON, OLSON
 02/05/14 (H) NR: HERRON, REINBOLD
 02/26/14 (H) FIN AT 1:30 PM HOUSE FINANCE 519
 02/26/14 (H) Moved Out of Committee
 02/26/14 (H) MINUTE(FIN)
 02/28/14 (H) FIN RPT 9DP 2NR
 02/28/14 (H) DP: GUTTENBERG, HOLMES, MUNOZ, NEUMAN,
 THOMPSON, EDGMON, T.WILSON, GARA,
 AUSTERMAN
 02/28/14 (H) NR: COSTELLO, STOLTZE
 03/03/14 (H) TRANSMITTED TO (S)
 03/03/14 (H) VERSION: HB 234
 03/05/14 (S) READ THE FIRST TIME - REFERRALS
 03/05/14 (S) L&C, FIN
 04/03/14 (S) L&C AT 3:30 PM BELTZ 105 (TSBldg)
 04/03/14 (S) Heard & Held
 04/03/14 (S) MINUTE(L&C)
 04/08/14 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: HB 276

SHORT TITLE: MOTOR VEHICLE DEALER EMPLOYEES
 SPONSOR(s): THOMPSON

01/24/14 (H) READ THE FIRST TIME - REFERRALS
 01/24/14 (H) L&C
 02/10/14 (H) L&C AT 3:15 PM BARNES 124
 02/10/14 (H) Moved Out of Committee

02/10/14 (H) MINUTE(L&C)
02/12/14 (H) L&C RPT 3DP 2NR
02/12/14 (H) DP: MILLETT, REINBOLD, OLSON
02/12/14 (H) NR: CHENAULT, JOSEPHSON
02/19/14 (H) TRANSMITTED TO (S)
02/19/14 (H) VERSION: HB 276
02/21/14 (S) READ THE FIRST TIME - REFERRALS
02/21/14 (S) L&C
04/03/14 (S) L&C AT 3:30 PM BELTZ 105 (TSBldg)
04/03/14 (S) Heard & Held
04/03/14 (S) MINUTE(L&C)
04/08/14 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: HB 204

SHORT TITLE: SALMON & HERRING PRODUCT DEV'T TAX CREDIT
SPONSOR(s): AUSTERMAN

04/11/13 (H) READ THE FIRST TIME - REFERRALS
04/11/13 (H) FSH, FIN
02/05/14 (H) SPONSOR SUBSTITUTE INTRODUCED
02/05/14 (H) READ THE FIRST TIME - REFERRALS
02/05/14 (H) FSH, FIN
02/06/14 (H) FSH AT 10:00 AM CAPITOL 120
02/06/14 (H) Heard & Held
02/06/14 (H) MINUTE(FSH)
02/13/14 (H) FSH AT 10:00 AM CAPITOL 120
02/13/14 (H) Moved Out of Committee
02/13/14 (H) MINUTE(FSH)
02/14/14 (H) FSH RPT 4DP
02/14/14 (H) DP: FEIGE, KREISS-TOMKINS, OLSON,
SEATON
02/27/14 (H) FIN AT 1:30 PM HOUSE FINANCE 519
02/27/14 (H) Heard & Held
02/27/14 (H) MINUTE(FIN)
02/28/14 (H) FIN AT 9:30 AM HOUSE FINANCE 519
02/28/14 (H) Moved CSSSHB 204(FIN) Out of Committee
02/28/14 (H) MINUTE(FIN)
03/03/14 (H) FIN RPT CS(FIN) 7DP 2NR
03/03/14 (H) DP: GUTTENBERG, HOLMES, EDGMON, MUNOZ,
T.WILSON, COSTELLO, AUSTERMAN
03/03/14 (H) NR: NEUMAN, STOLTZE
03/14/14 (H) TRANSMITTED TO (S)
03/14/14 (H) VERSION: CSSSHB 204(FIN)
03/17/14 (S) READ THE FIRST TIME - REFERRALS
03/17/14 (S) L&C
03/26/14 (S) FIN REFERRAL ADDED AFTER L&C
04/01/14 (S) L&C AT 3:30 PM BELTZ 105 (TSBldg)

04/01/14 (S) Heard & Held
04/01/14 (S) MINUTE(L&C)
04/08/14 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

WITNESS REGISTER

STEVE RICCI, Aide
Senate Labor & Commerce Standing Committee
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Introduced Version P CS for SB 214 on behalf of the committee.

MARTY HESTER, Deputy Director
Division of Insurance
Department of Commerce, Community and Economic Development
(DCCED)
Juneau, Alaska

POSITION STATEMENT: Testified that the Division of Insurance worked with the committee on the language in Version P CS for SB 214.

STEPHEN MCDANIEL, Outside Regulatory Counsel
Asurion

POSITION STATEMENT: Testified on behalf of Asurion in support of Version P CS for SB 214.

ANNA LATHAM, Staff
Representative Kurt Olson
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Provided a brief summary of HB 141 on behalf of the sponsor.

CHARLES GUINCHARD, Staff
Representative Mia Costello
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Provided a brief summary of HB 32 on behalf of the sponsor.

REPRESENTATIVE MIKE HAWKER
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Summarized the intent of HB 234, speaking as sponsor.

JANE PIERSON, Staff
Representative Steve Thompson
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Provided a brief summary of HB 276 on behalf of the sponsor.

STEVE ALLWINE
Alaska Automobile Dealers Association
Juneau, Alaska

POSITION STATEMENT: Stated support for HB 276.

ASTRID ROSE, Staff
Representative Alan Austerman
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Provided a brief summary of HB 204 on behalf of the sponsor.

BRUCE SCHACTLER, Director
Global Food Aid
Alaska Seafood Marketing
Kodiak, Alaska

POSITION STATEMENT: Stated support for HB 204.

ACTION NARRATIVE

[1:45:42 PM](#)

CHAIR MIKE DUNLEAVY called the Senate Labor and Commerce Standing Committee meeting to order at 1:45 p.m. Present at the call to order were Senators Stedman, Micciche, and Chair Dunleavy.

SB 214-INSURANCE ADJUSTER LICENSING

[1:46:32 PM](#)

CHAIR DUNLEAVY announced the consideration of SB 214. "An Act relating to insurance adjuster licensing." He noted this was the second hearing and that there was a new committee substitute (CS).

[1:46:38 PM](#)

SENATOR MICCICHE moved to adopt the CS for SB 214, labeled 28-LS1274\P, as the working document.

CHAIR DUNLEAVY objected for discussion purposes.

STEVE RICCI, Aide, Senate Labor & Commerce Standing Committee, Alaska State Legislature, Juneau, Alaska, highlighted the changes in Version P. He explained that the CS recognizes the proliferation of virtual businesses and exempts an adjuster of portable electronics insurance claims from the requirement of having to maintain a brick and mortar presence in the adjuster's home state. These changes make Alaska's law consistent with National Association of Insurance Commissioners (NAIC) guidelines for licensing independent claims adjusters.

CHAIR DUNLEAVY removed his objection.

[1:48:51 PM](#)

At Ease

CHAIR DUNLEAVY reconvened the meeting and asked Mr. Hester with the Division of Insurance to comment on the CS.

[1:49:35 PM](#)

MARTY HESTER, Deputy Director, Division of Insurance, Department of Commerce, Community and Economic Development (DCCED), said the division worked with this committee on the language in the CS and it's consistent with the NAIC model act on non-resident adjuster licensing. He said the bill also appears to be consistent with the laws that other states have enacted for portable electronic licensing. These states have reported no issues with the non-resident adjuster licensees since the law was enacted.

SENATOR MICCICHE asked if this legislation would disadvantage any Alaskans from participating in portable electronic insurance adjusting.

MR. HESTER said not to his knowledge.

[1:51:08 PM](#)

STEPHEN MCDANIEL, Outside Regulatory Counsel for Asurion, said he was testifying on behalf of Asurion in support of the committee substitute. He agreed with Deputy Director Hester that the language in the CS is consistent with the licensing of non-resident portable electronics adjusters in 28 other states, and that it would make Alaska's licensure statutes consistent with the NAIC guidelines.

CHAIR DUNLEAVY closed public testimony. Finding no further questions or comments, he solicited a motion.

[1:52:08 PM](#)

SENATOR MICCICHE moved to report CS for SB 214, Version P, from committee with individual recommendations and attached fiscal note(s).

CHAIR DUNLEAVY announced that without objection CSSB 214(L&C) moved from the Senate Labor & Commerce Standing Committee.

[1:52:34 PM](#)

At Ease

HB 141-WORKERS' COMPENSATION MEDICAL FEES

[1:53:26 PM](#)

CHAIR DUNLEAVY reconvened the meeting and announced the consideration of HB 141. "An Act setting the fee for medical treatment or services performed outside the state under the Alaska Workers' Compensation Act, requiring a provider of medical treatment or services under the Alaska Workers' Compensation Act to submit bills for treatment or services to employers within 180 days after the date the treatment or services are rendered, and limiting the time for appealing an employer's denial or reduction of a bill; and providing for an effective date." This was the second hearing.

[1:53:38 PM](#)

ANNA LATHAM, Staff, Representative Kurt Olson, Alaska State Legislature, Juneau, Alaska, explained that HB 141 sets a fee schedule for worker's compensation claims that are treated outside the state of Alaska and establishes billing timelines. The statute was amended last in 2011 with House Bill 13, which extended the usual, customary and reasonable fee schedule that Alaska uses for worker's compensation billing. That was reflective of the geographic area where services were rendered and set at the 90th percentile. What that bill failed to do was to set parameters for where Alaska's fee schedule could be used.

MS. LATHAM said that Alaska has the highest worker's compensation premium rates in the nation, and the sponsor has found that worker's compensation claimants who are treated outside the state are being billed at Washington, Oregon, or California rates and then they could be billed for the difference between Alaska's higher rate and the rate where they were treated. HB 141 would fix this by clarifying that medical services treated in Alaska would be charged using Alaska's UCR fee schedule, whereas medical services treated in other states

could not exceed the charges set by the worker's compensation statutes in the state where the services are rendered.

MS. LATHAM responded to a question and affirmed that the fee schedule remains the same in the state of Alaska, but services rendered outside the state would be billed at the rates in the jurisdiction in which the worker's compensation claimant was treated.

[1:55:50 PM](#)

MICHAEL MONAGLE, Director, Division of Workers' Compensation, Department of Labor and Workforce Development (DOLWD), said he had no additional comments on HB 141.

[1:56:22 PM](#)

WARD HURLBURT, Chief Medical Officer, Department of Health and Social Services (DHSS), offered to answer questions related to HB 141.

[1:56:48 PM](#)

VINCE O'SHEA, Vice President, Pacific Seafood Processors Association, said he testified during the previous hearing and had no additional comments.

CHAIR DUNLEAVY closed public testimony.

SENATOR MICCICHE expressed appreciation to the sponsor for introducing the bill. He noted that it was discussed extensively during the previous hearing.

[1:57:43 PM](#)

SENATOR MICCICHE moved to report HB 141 from committee with individual recommendations and attached fiscal note(s).

CHAIR DUNLEAVY announced that without objection HB 141 moved from the Senate Labor & Commerce Standing Committee.

[1:58:01 PM](#)

At Ease

HB 32-LINES OF BUSINESS ON BUSINESS LICENSE

[1:59:03 PM](#)

CHAIR DUNLEAVY reconvened the meeting and announced the consideration of HB 32. "An Act providing for the issuance of one business license for multiple lines of business; and providing for reissuance of a business license to make a change

on the license." This was the second hearing. [CSHB 32(FIN) was before the committee.]

[1:59:06 PM](#)

CHARLES GUINCHARD, Staff, Representative Mia Costello, Alaska State Legislature, Juneau, Alaska, explained that HB 32 changes current law to allow a person to operate multiple lines of business on one business license. The bill also allows a person to make one discretionary change to their business license within the first 30 days of receiving the license, or to make a change at any time during the license period to correct a mistake on the license.

CHAIR DUNLEAVY noted that Sara Chambers and Kathryn Fagerstrom with the Department of Commerce, Community and Economic Development (DCCED) were available to answer questions.

He closed public testimony.

SENATOR MICCICHE highlighted that the committee spent a lot of time on the bill during the previous hearing. It appears to be a good piece of legislation that will reduce the burden of doing business in Alaska.

[2:01:12 PM](#)

SENATOR MICCICHE moved to report HB 32 from committee with individual recommendations and attached fiscal note(s).

CHAIR DUNLEAVY announced that without objection, HB 32 was reported from the Senate Labor & Commerce Standing Committee.

HB 234-EXTEND REGULATORY COMMISSION OF ALASKA

[2:01:37 PM](#)

CHAIR DUNLEAVY announced the consideration of HB 234. "An Act extending the termination date of the Regulatory Commission of Alaska; and providing for an effective date." This was the second hearing.

[2:01:57 PM](#)

REPRESENTATIVE MIKE HAWKER, Alaska State Legislature, Juneau, Alaska, sponsor of HB 234, explained that the bill extends the termination date of the Regulatory Commission of Alaska (RCA) until June 30, 2022. He noted that during the last meeting there was extensive discussion on the agency and the legislative audit that recommended the eight year extension.

CHAIR DUNLEAVY noted that T.W. Patch with the RCA and Kris Curtis with legislative audit were available for questions.

CHAIR DUNLEAVY closed public testimony.

[2:03:39 PM](#)

SENATOR MICCICHE moved to report HB 234 from committee with individual recommendations and attached fiscal note(s).

CHAIR DUNLEAVY announced that without objection, HB 234 moved from the Senate Labor and Commerce Standing Committee.

HB 276-MOTOR VEHICLE DEALER EMPLOYEES

[2:04:01 PM](#)

CHAIR DUNLEAVY announced the consideration of HB 276. "An Act making the Alaska Wage and Hour Act inapplicable to certain employees of motor vehicle dealers; and providing for an effective date." This was the second hearing.

[2:04:43 PM](#)

JANE PIERSON, Staff, Representative Steve Thompson, Alaska State Legislature, Juneau, Alaska, explained that HB 276 clarifies that automobile sales personnel, finance personnel, and service writers are exempt from the Alaska Minimum Wage and Hour Act. These people are paid on a commission basis and have never been hourly employees.

[2:05:53 PM](#)

STEVE ALLWINE, Alaska Automobile Dealers Association, Juneau, Alaska, introduced himself.

SENATOR MICCICHE asked if there were instances in the past of an employee who didn't understand that their compensation was on a commission basis.

MR. ALLWINE said no, but recent litigation highlighted this as a potential problem. As stated in the sponsor statement, clarification in statute appears to be the most effective solution.

CHAIR DUNLEAVY closed public testimony.

[2:06:47 PM](#)

SENATOR MICCICHE moved to report HB 276 from committee with individual recommendations and attached fiscal note(s).

CHAIR DUNLEAVY announced that without objection, HB 276 moved from the Senate Labor and Commerce Standing Committee.

HB 204-SALMON & HERRING PRODUCT DEV'T TAX CREDIT

[2:07:05 PM](#)

CHAIR DUNLEAVY announced the consideration of HB 204. "An Act relating to a product development tax credit for certain salmon and herring products; and providing for an effective date." This was the second hearing. [CSSSHB 204(FIN) was before the committee.]

[2:07:26 PM](#)

ASTRID ROSE, Staff, Representative Alan Austerman, Alaska State Legislature, Juneau, Alaska, explained that HB 204 does four major things: 1) it extends the sunset of the product development tax credit to 2020; 2) it expands the tax credit to herring; 3) it allows the tax credit to apply to can sizes other than "pop top" production; and 4) it incentivizes byproduct use of discharge waste from processing.

[2:08:38 PM](#)

BRUCE SCHACTLER, Director of Global Food Aid, Alaska Seafood Marketing, said he testified on HB 204 when it was heard in the House, and in the interest of time he would simply state ongoing support for the bill. It will do good things for the industry and economic development, he said.

CHAIR DUNLEAVY closed public testimony.

SENATOR MICCICHE commented that he and Senator Stedman were cosponsors and were interested in increasing the value of Alaska fisheries.

[2:10:05 PM](#)

SENATOR MICCICHE moved to report HB 204, Version P, from committee with individual recommendations and attached fiscal note(s).

CHAIR DUNLEAVY announced that without objection CSSSHB 204(FIN) moved from the Senate Labor & Commerce Standing Committee.

[2:10:20 PM](#)

At Ease

Confirmation Hearing
Board of Certified Real Estate Appraisers

[2:11:14 PM](#)

CHAIR DUNLEAVY reconvened the meeting and announced the next order of business was a confirmation hearing for Brit Szymoniak to the Board of Certified Real Estate Appraisers. He noted that members received pertinent information on the nominee last week.

Finding no public testimony, he stated that his office would continue to take written comments on the nominee. He asked the will of the committee.

[2:11:51 PM](#)

SENATOR MICCICHE moved to forward the name Brit Szymoniak, appointee to the Board of Certified Real Estate Appraisers, to [the full body] for consideration.

CHAIR DUNLEAVY reminded members that signing the report regarding appointments to boards and commissions in no way reflects individual members' approval or disapproval of the appointees, and that the nominations are merely forwarded to the full legislature for confirmation or rejection.

[2:12:24 PM](#)

There being no further business to come before the committee, Chair Dunleavy adjourned the Senate Labor and Commerce Standing Committee meeting at 2:12 p.m.