

ALASKA STATE LEGISLATURE
SENATE LABOR AND COMMERCE STANDING COMMITTEE

April 10, 2014

1:30 p.m.

MEMBERS PRESENT

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

MEMBERS ABSENT

Senator Johnny Ellis

COMMITTEE CALENDAR

SENATE BILL NO. 189

"An Act relating to an exemption from the regulation of construction contractors."

- MOVED CSSB 189(L&C) OUT OF COMMITTEE

SENATE BILL NO. 193

"An Act relating to bonds required for contractors."

- MOVED SB 193 OUT OF COMMITTEE

HOUSE BILL NO. 241

"An Act extending the termination date of the Board of Marital and Family Therapy; and providing for an effective date."

- MOVED HB 241 OUT OF COMMITTEE

HOUSE BILL NO. 239

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

- MOVED HB 239 OUT OF COMMITTEE

HOUSE BILL NO. 240

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

- MOVED HB 240 OUT OF COMMITTEE

HOUSE BILL NO. 242

"An Act extending the termination date of the State Physical Therapy and Occupational Therapy Board; and providing for an effective date."

- MOVED HB 242 OUT OF COMMITTEE

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 302(L&C)

"An Act relating to rules of professional conduct for the profession of public accounting."

- MOVED CSHB 302(L&C) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: SB 189

SHORT TITLE: EXEMPTION: LICENSING OF CONTRACTORS

SPONSOR(s): LABOR & COMMERCE

02/21/14	(S)	READ THE FIRST TIME - REFERRALS
02/21/14	(S)	L&C
02/25/14	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
02/25/14	(S)	-- MEETING CANCELED --
03/04/14	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
03/04/14	(S)	Heard & Held
03/04/14	(S)	MINUTE(L&C)
03/18/14	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
03/18/14	(S)	-- MEETING CANCELED --
03/20/14	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
03/20/14	(S)	Heard & Held
03/20/14	(S)	MINUTE(L&C)
04/10/14	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: SB 193

SHORT TITLE: CONTRACTORS: BONDS; LICENSING

SPONSOR(s): MICCICHE

02/21/14	(S)	READ THE FIRST TIME - REFERRALS
02/21/14	(S)	L&C
02/27/14	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
02/27/14	(S)	-- MEETING CANCELED --
03/04/14	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
03/04/14	(S)	Scheduled But Not Heard
03/11/14	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
03/11/14	(S)	-- MEETING CANCELED --
03/13/14	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
03/13/14	(S)	Scheduled But Not Heard

03/18/14 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)
 03/18/14 (S) -- MEETING CANCELED --
 03/20/14 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)
 03/20/14 (S) Heard & Held
 03/20/14 (S) MINUTE(L&C)
 04/10/14 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: HB 241

SHORT TITLE: EXTEND BOARD OF MARITAL & FAMILY THERAPY

SPONSOR(S): REPRESENTATIVE(S) REINBOLD

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
 01/29/14 (H) L&C AT 3:15 PM BARNES 124
 01/29/14 (H) Moved Out of Committee
 01/29/14 (H) MINUTE(L&C)
 01/30/14 (H) L&C RPT 4DP
 01/30/14 (H) DP: REINBOLD, SADDLER, JOSEPHSON, OLSON
 02/11/14 (H) FIN AT 1:30 PM HOUSE FINANCE 519
 02/11/14 (H) Heard & Held
 02/11/14 (H) MINUTE(FIN)
 03/13/14 (H) FIN RPT 8DP
 03/13/14 (H) DP: GUTTENBERG, HOLMES, GARA, MUNOZ,
 NEUMAN, THOMPSON, COSTELLO, STOLTZE
 03/13/14 (H) FIN AT 8:30 AM HOUSE FINANCE 519
 03/13/14 (H) Moved Out of Committee
 03/13/14 (H) MINUTE(FIN)
 03/20/14 (H) TRANSMITTED TO (S)
 03/20/14 (H) VERSION: HB 241
 03/21/14 (S) READ THE FIRST TIME - REFERRALS
 03/21/14 (S) L&C, FIN
 04/10/14 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: HB 239

SHORT TITLE: EXTEND BOARD OF EXAMINERS IN OPTOMETRY

SPONSOR(S): REPRESENTATIVE(S) REINBOLD

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
 01/29/14 (H) L&C AT 3:15 PM BARNES 124
 01/29/14 (H) Moved Out of Committee
 01/29/14 (H) MINUTE(L&C)
 01/30/14 (H) L&C RPT 5DP
 01/30/14 (H) DP: HERRON, REINBOLD, SADDLER,
 JOSEPHSON, OLSON

02/11/14 (H) FIN AT 1:30 PM HOUSE FINANCE 519
02/11/14 (H) Heard & Held
02/11/14 (H) MINUTE(FIN)
03/13/14 (H) FIN RPT 8DP
03/13/14 (H) DP: GUTTENBERG, HOLMES, MUNOZ, NEUMAN,
THOMPSON, GARA, COSTELLO, STOLTZE
03/13/14 (H) FIN AT 8:30 AM HOUSE FINANCE 519
03/13/14 (H) Moved Out of Committee
03/13/14 (H) MINUTE(FIN)
03/20/14 (H) TRANSMITTED TO (S)
03/20/14 (H) VERSION: HB 239
03/21/14 (S) READ THE FIRST TIME - REFERRALS
03/21/14 (S) L&C, FIN
04/10/14 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: HB 240

SHORT TITLE: EXTEND BOARD OF CHIROPRACTIC EXAMINERS

SPONSOR(S): REPRESENTATIVE(S) REINBOLD

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
01/29/14 (H) L&C AT 3:15 PM BARNES 124
01/29/14 (H) Moved Out of Committee
01/29/14 (H) MINUTE(L&C)
01/30/14 (H) L&C RPT 4DP
01/30/14 (H) DP: REINBOLD, SADDLER, JOSEPHSON, OLSON
02/11/14 (H) FIN AT 1:30 PM HOUSE FINANCE 519
02/11/14 (H) Heard & Held
02/11/14 (H) MINUTE(FIN)
03/13/14 (H) FIN RPT 8DP
03/13/14 (H) DP: GUTTENBERG, HOLMES, MUNOZ, NEUMAN,
THOMPSON, GARA, COSTELLO, STOLTZE
03/13/14 (H) FIN AT 8:30 AM HOUSE FINANCE 519
03/13/14 (H) Moved Out of Committee
03/13/14 (H) MINUTE(FIN)
03/21/14 (H) TRANSMITTED TO (S)
03/21/14 (H) VERSION: HB 240
03/24/14 (S) READ THE FIRST TIME - REFERRALS
03/24/14 (S) L&C, FIN
04/10/14 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: HB 242

SHORT TITLE: EXTEND PT & OCCUPATIONAL THERAPY BOARD

SPONSOR(S): REPRESENTATIVE(S) REINBOLD

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
 02/05/14 (H) DP: MILLETT, HERRON, REINBOLD,
 JOSEPHSON, OLSON
 02/11/14 (H) FIN AT 1:30 PM HOUSE FINANCE 519
 02/11/14 (H) Heard & Held
 02/11/14 (H) MINUTE(FIN)
 03/13/14 (H) FIN RPT 8DP
 03/13/14 (H) DP: GUTTENBERG, HOLMES, GARA, MUNOZ,
 NEUMAN, THOMPSON, COSTELLO, STOLTZE
 03/13/14 (H) FIN AT 8:30 AM HOUSE FINANCE 519
 03/13/14 (H) Moved Out of Committee
 03/13/14 (H) MINUTE(FIN)
 03/21/14 (H) TRANSMITTED TO (S)
 03/21/14 (H) VERSION: HB 242
 03/24/14 (S) READ THE FIRST TIME - REFERRALS
 03/24/14 (S) L&C, FIN
 04/10/14 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: HB 302

SHORT TITLE: PUBLIC ACCOUNTANTS

SPONSOR(S): REPRESENTATIVE(S) THOMPSON

02/10/14 (H) READ THE FIRST TIME - REFERRALS
 02/10/14 (H) L&C
 03/05/14 (H) L&C AT 3:15 PM BARNES 124
 03/05/14 (H) -- MEETING CANCELED --
 03/28/14 (H) L&C AT 3:15 PM BARNES 124
 03/28/14 (H) Moved CSHB 302(L&C) Out of Committee
 03/28/14 (H) MINUTE(L&C)
 03/31/14 (H) L&C RPT CS(L&C) NT 3DP 3NR
 03/31/14 (H) DP: SADDLER, JOSEPHSON, OLSON
 03/31/14 (H) NR: CHENAULT, HERRON, JOHNSON
 04/02/14 (H) TRANSMITTED TO (S)
 04/02/14 (H) VERSION: CSHB 302(L&C)
 04/02/14 (S) READ THE FIRST TIME - REFERRALS
 04/02/14 (S) L&C
 04/10/14 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

WITNESS REGISTER

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

POSITION STATEMENT: Presented the changes in Version 0 for SB 189.

JAMES SQUYRES, representing himself
Delta Junction, Alaska

POSITION STATEMENT: Testified in opposition to SB 189.

PAMELA GOODE, representing herself
Delta Junction, Alaska

POSITION STATEMENT: Testified in opposition to SB 189.

JEFF HALL, representing himself
Palmer, Alaska

POSITION STATEMENT: Testified in support of the original version of SB 189.

PATRICK DALTON, representing himself
Delta, Alaska

POSITION STATEMENT: Expressed concern with SB 189.

SARA CHAMBERS, Director
Division of Corporations, Business and Professional Licensing
Department of Commerce, Community and Economic Development
Juneau, Alaska

POSITION STATEMENT: Provided information and answered questions related to SB 189 and HB 241.

MINDY ROWLAND, Staff
Senator Peter Micciche
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Provided information on SB 193 on behalf of the sponsor.

JOHN MACKINNON, Executive Director
Association of General Contractors of Alaska
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 193.

REPRESENTATIVE LORA REINBOLD
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Sponsor of HB 239, HB 240 and HB 241 and HB 242.

KRIS CURTIS, Legislative Auditor
Legislative Audit Division
Legislative Agencies and Offices
Juneau, Alaska

POSITION STATEMENT: Presented the audit findings and recommendations during the discussions of HB 239, HB 240, HB 241, and HB 242.

CRYSTAL KOENEMAN, Staff
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented information on HB 241 on behalf of the sponsor.

LYNETTE BERGH, Staff
Representative Steve Thompson
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented HB 302 on behalf of the sponsor.

KAREN TARVER, Chair
Alaska Board of Public Accountancy
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Answer questions related to HB 302.

ACTION NARRATIVE

[1:30:19 PM](#)

CHAIR MIKE DUNLEAVY called the Senate Labor and Commerce Standing Committee meeting to order at 1:30 p.m. Present at the call to order were Senators Micciche, Stedman, Olson, and Chair Dunleavy.

SB 189-EXEMPTION: LICENSING OF CONTRACTORS

[1:31:08 PM](#)

CHAIR DUNLEAVY announced the consideration of SB 189. "An Act relating to an exemption from the regulation of construction contractors." He noted that this was the third hearing and there was a committee substitute (CS).

[1:31:15 PM](#)

SENATOR MICCICHE moved to adopt the work draft CS for SB 189, labeled 28-LS1322\0, as the working document.

CHAIR DUNLEAVY objected for discussion purposes.

1:31:43 PM

STEVE RICCI, Aide, Senate Labor & Commerce Committee, presented the changes in Version 0 for SB 189. He explained that the changes to the exemption of who is a contractor in AS 08.18.161(12) are confined to those who live in a home rule, first class, or second class borough, or unified municipality. The language in this paragraph was further amended to recognize that it's not unusual for Alaskans to leave a portion of a project unfinished. The phrase "after the period of construction ends" was amended to say "after the structure is completed for its intended purpose" thereby removing the ambiguity as to whether construction is complete. If the person is occupying the home, the assumption is that it's being used for its intended purpose regardless of the fact that the home may still be covered in Tyvek instead of siding.

CHAIR DUNLEAVY removed his objection.

MR RICCI reminded members of the purpose of SB 189. It addresses the issue that a growing number of individuals are exploiting the owner-builder exemption in AS 08.18.161 to avoid the licensing, bonding, and insurance requirements that apply to contractors. Under current statute the exemption under paragraph (12) provides that an owner who acts as their own contractor may construct one home, duplex, triplex, four-plex, or commercial building every two years. The bill refines this by adding that someone can sell earlier if they demonstrate to the satisfaction of the [Department of Commerce, Community and Economic Development (DCCED)] that an earlier sale is not intended to circumvent the requirements under this chapter. The intention is to capture those who are building for income purposes.

SENATOR OLSON asked about the unorganized borough.

MR. RICCI replied there will be not changes for the individuals living in unorganized boroughs.

CHAIR DUNLEAVY opened public testimony.

1:36:38 PM

JAMES SQUYRES, representing himself, Delta Junction, Alaska, stated that he and a number of others just received a copy of

the most recent version of SB 189 and there wasn't much time to review it. He noted that this bill was just scheduled today and a lot of people who might want to testify either couldn't arrange their schedule on such short notice or didn't have time to prepare an appropriate response. He requested the committee allow more time for people to understand the bill and how it would affect them.

MR. SQUIRES expressed concern about the unintended consequences because he reads the exemption in paragraph (12) to now apply to homes in the unorganized borough and not in the organized borough. He also pointed out that owner-builders invest their own capital which is a different relationship than a contractor who is using capital from another source. This burdens the owner-builder. He suggested that this matter should be handled at the borough level and further suggested that the bill raises constitutional issues.

[1:40:43 PM](#)

PAMELA GOODE, representing herself, Delta Junction, stated agreement with Mr. Squire that the bill was noticed at the 11th hour and for that reason alone it should be postponed. She described some of the language in the sponsor statement as offensive and questioned the notion of the state protecting consumers. She offered her perspective that the government should stay out.

[1:43:07 PM](#)

JEFF HALL, representing himself, Palmer, Alaska, said he's a homebuilder in Palmer who supports the original version of SB 189. He maintained that the owner-builder exemption should be applied statewide.

[1:44:32 PM](#)

PATRICK DALTON, representing himself, Delta Junction, Alaska, expressed concern that SB 189 limits a person's free use of their private property when it sets parameters on when they can sell their home. He questioned the broad application because many people in the organized areas of the state are in very remote locations living out the Alaskan dream of building their own home. He concluded that this matter should be addressed at the borough level.

[1:49:02 PM](#)

SENATOR MICCICHE asked Mr. Ricci to clarify that the unorganized borough is no longer included in this exemption.

MR. RICCI stated that the limitation to selling one home every two years, only applies to construction in a home rule, first class, or second class borough or unified municipality. The additions to the exemption in paragraph (12) only apply in those specific areas. Owners in the unorganized borough are held to existing statute.

SENATOR MICCICHE summarized that licensing and bonding are a state responsibility as opposed to building codes that are adopted by a municipality.

MR. RICCI confirmed that the [Department of Commerce, Community and Economic Development (DCCED)] does set licensing and bonding requirements.

[1:50:55 PM](#)

SARA CHAMBERS, Director, Division of Corporations, Business and Professional Licensing, Department of Commerce, Community and Economic Development (DCCED), clarified for the record that the Department of Commerce, Community and Economic Development (DCCED) handles licensing and bonding matters.

SENATOR MICCICHE asked Ms. Chambers to confirm that this is a state agency.

MS. CHAMBERS explained that the legislature establishes statewide licensing and bonding requirements and DCCED implements these through regulations.

MR. RICCI, responding to a question from the Chair, confirmed that the CS was delivered to committee members a few hours ago and it was posted on BASIS. Staff was informed of the changes before Version 0 was released.

CHAIR DUNLEAVY found no further questions or comments and solicited a motion.

[1:52:31 PM](#)

SENATOR MICCICHE moved to report CS for SB 189, Version 0, from committee with individual recommendations and attached fiscal note(s).

CHAIR DUNLEAVY announced that without objection CSSB 189(L&C) moved from the Senate Labor & Commerce Standing Committee.

[1:53:13 PM](#)

At Ease

SB 193-CONTRACTORS: BONDS; LICENSING

1:54:35 PM

CHAIR DUNLEAVY reconvened the meeting and announced the consideration of SB 193. "An Act relating to bonds required for contractors." This was the third hearing.

1:54:39 PM

MINDY ROWLAND, Staff, Senator Micciche, Alaska State Legislature, Juneau, Alaska, sponsor of SB 193, reminded the committee that the bill increases the bonding for contractors to reflect inflation since the amounts were set in the early 1980s. Bonding amounts will be increased as follows:

General contractors	\$25,000
Residential endorsement Contractors	\$20,000
Mechanical or Specialty Contractors	\$10,000
Handyman Contractors performing minimal work	\$ 5,000

These bonds provide recourse for consumers in the event of a default or faulty work, and the Department of Law supports the increases. She clarified that the handyman provision does not apply to nonprofessional workers and reported that the sponsor has heard no opposition to the bill.

CHAIR DUNLEAVY opened public testimony.

1:58:00 PM

JOHN MACKINNON, Executive Director, Association of General Contractors of Alaska, Anchorage, Alaska, described SB 193 as a consumer protection bill that has wide support among the various construction trade associations in the state. It provides recourse for a property owner when a contractor doesn't perform properly and for a vender when a contractor doesn't pay their bill. The bonding rates were established in 1982 and the bill provides an inflation adjustment.

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

1:59:59 PM

SENATOR MICCICHE moved to report SB 193, Version N, from committee with individual recommendations and attached fiscal note(s).

CHAIR DUNLEAVY announced that without objection, SB 193 was reported from the Senate Labor and Commerce Standing Committee.

[2:00:35 PM](#)

At Ease

HB 241-EXTEND BOARD OF MARITAL & FAMILY THERAPY

[2:01:42 PM](#)

CHAIR DUNLEAVY reconvened the meeting and announced the consideration of HB 241. "An Act extending the termination date of the Board of Marital and Family Therapy; and providing for an effective date."

[2:01:46 PM](#)

REPRESENTATIVE LORA REINBOLD, Alaska State Legislature Juneau, Alaska, sponsor of HB 241, stated that the bill extends the termination date of the Board of Marital and Family Therapy (BMFT) until June 30, 2018, based on an audit by the Division of Legislative Audit. The auditors reviewed the activities of this board and concluded that the board should be extended for just four years because the board did not fully address two audit recommendations in the previous sunset audit. The first recommendation was to develop a strategy to address the need for distance therapy and distance supervision. The second recommendation was for the Office of the Governor and the board to work together to fill vacant board seats in a timely manner. Working with the Department of Law, the board determined that any changes to the distance therapy and distance supervision must be made statutorily. The board is working on drafting legislation to address this issue and it will likely be introduced next legislative session. The Office of the Governor has also appointed members to the vacant seats.

REPRESENTATIVE REINBOLD stated that the Division of Legislative Audit made a new recommendation for the Department of Commerce, Community and Economic Development (DCCED) to continue efforts to improve the investigative case management system integrity and confidentiality. She concluded that the Board of Marital and Family Therapy is operating in the best interest of the public to protect and promote public health, welfare, and the safety of Alaskans.

[2:04:07 PM](#)

KRIS CURTIS, Legislative Auditor, Legislative Audit Division, Legislative Agencies and Offices, Juneau, Alaska, stated that the agency conducted an audit of the Board of Marital and Family

Therapy and issued a report on June 2013. The primary objective was to determine whether the board is operating in the public's interest and should be extended. The audit concluded that the board is serving in the public's interest by effectively licensing and regulating marital and family therapists and recommended a four-year extension. This is less than the full eight-year statutory limit because the board has not fully addressed a prior recommendation to pursue regulatory changes necessary to protect the public's interest.

She said that while the board had initiated one regulatory revision, it had not addressed the need for distance therapy and distance supervision. Because marital and family therapy services are not available in many areas of the state, distance therapy and distance supervision are viewed as solutions to the lack of local services. During the audit period the board extensively researched and discussed the topic, but made little progress moving beyond the discussion phase. The audit therefore recommends that the board develop a strategy to address the need for these services.

The audit also includes two additional recommendations. The first is for the Office of the Governor and the board to work together to fill vacant board seats. The second recommendation is for the director of the Division of Corporations, Business and Professional Licensing to continue efforts to improve the case management system integrity and confidentiality. She noted that this same recommendation is being made in all the occupational board sunset audits for 2013.

MS. CURTIS stated that the division's case management system was purchased with the expectation that it would be immediately functional but this has not been the case. DCCED has pursued improvements and the audit recommendation is to continue those improvements.

SENATOR MICCICHE asked who reconciles findings and recommendations with completions because he is noticing a trend of repeat recommendations.

MS CURTIS replied there is no statutory requirement to follow up, but the systematic problems related to division support will be monitored every year.

SENATOR MICCICHE asked if there is a way to query findings.

MS CURTIS replied there is no way to query the status of a recommendation, but the audit division has compiled the recommendations for the last two years by department. These are presented at finance meetings at the request of the chair and the division hopes to put them online so they're available to legislators.

SENATOR MICCICHE asked if an audit has ever determined that a board or commission is no longer serving a public purpose.

MS CURTIS answered yes.

CHAIR DUNLEAVY asked the sponsor to speak to the fiscal note.

REPRESENTATIVE REINBOLD deferred to her staff.

CRYSTAL KIENEMAN, Staff, Representative Lora Reinbold, Alaska State Legislature, Juneau, Alaska, stated that the fiscal note shows an annual request of \$7,700 for board meeting travel per diem. The analysis section was revised in the other body to show a summary of the board's true revenues and expenditures since they weren't included in the operating line expenditures.

CHAIR DUNLEAVY asked her to review the analysis of revenues and expenditures.

MS. KOENEMAN reported that the board revenues for FY12 and FY13 were \$63,165 and the expenditures were \$85,197, resulted in a biennium deficit of \$22,030. However, the cumulative surplus is \$112,195 because there was a carry forward balance from previous years.

SENATOR MICCICHE questioned why a board surplus isn't zeroed out through the budgeting process.

MS. KOENEMAN deferred the question.

CHAIR DUNLEAVY asked Ms. Chambers to address the question.

[2:12:01 PM](#)

SARA CHAMBERS, Director, Division of Corporations, Business and Professional Licensing, Department of Commerce, Community and Economic Development (DCCED), explained that boards and commissions within Title 8 are allowed to roll forward their surplus or deficit as a byproduct of the approximation of licensing fees required in AS 08.01.065.

CHAIR DUNLEAVY opened and closed public testimony and solicited a motion.

[2:13:38 PM](#)

SENATOR MICCICHE moved to report HB 242 from committee with individual recommendations and attached fiscal note(s).

CHAIR DUNLEAVY announced that without objection HB 242 was reported from the Senate Labor & Commerce Standing Committee.

[2:13:58 PM](#)

At Ease

HB 239-EXTEND BOARD OF EXAMINERS IN OPTOMETRY

[2:14:47 PM](#)

CHAIR DUNLEAVY reconvened the meeting and announced the consideration of HB 239. "An Act extending the termination date of the Board of Examiners in Optometry; and providing for an effective date."

[2:14:51 PM](#)

REPRESENTATIVE REINBOLD, Alaska State Legislature, Juneau, Alaska, sponsor of HB 239, explained that this bill extends the Board of Examiners in Optometry until June 30, 2020. She deferred further explanation to Ms. Curtis.

[2:15:55 PM](#)

KRIS CURTIS, Legislative Auditor, Legislative Audit Division, Legislative Agencies and Offices, Juneau, Alaska, stated that the audit division conducted a sunset review of the Board of Examiners in Optometry. The primary objective was to determine whether it is serving the public's interest and whether it should be extended. The overall conclusion was that the board is serving the public's interest by effectively licensing and regulating optometrists. The recommendation is to extend the termination date the maximum eight years. One recommendation for improvement, which is directed to the Director of the Division of Corporations, Business and Professional Licensing, is to continue efforts to improve the investigative case management system integrity and confidentiality.

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

[2:17:06 PM](#)

SENATOR MICCICHE moved to report HB 239 from committee with individual recommendations and attached fiscal note(s).

CHAIR DUNLEAVY announced that without objection HB 239 was reported from the Senate Labor & Commerce Standing Committee.

HB 240-EXTEND BOARD OF CHIROPRACTIC EXAMINERS

[2:17:24 PM](#)

CHAIR DUNLEAVY announced the consideration of HB 240. "An Act extending the termination date of the Board of Chiropractic Examiners; and providing for an effective date."

[2:17:38 PM](#)

REPRESENTATIVE LORA REINBOLD, Alaska State Legislature, Juneau, Alaska, sponsor of HB 240, explained that this bill extends the termination date of the Board of Chiropractic Examiners until June 30, 2020. She deferred further explanation to Ms. Curtis.

[2:18:08 PM](#)

KRIS CURTIS, Legislative Auditor, Legislative Audit Division, Legislative Agencies and Offices, Juneau, Alaska, stated that the audit division conducted a sunset review of the Board of Chiropractic Examiners. The main objective was to determine whether the board is serving the public's interest and whether its termination date should be extended. The audit concluded that the board is serving the public's interest by effectively licensing and regulating chiropractors. The recommendation is to extend the termination date the maximum eight years provided in statute. The audit makes two recommendations for improving board operations. The first is to the Office of the Governor to ensure the statutory requirements for board members are met before appointment. The audit found that the public member of this board is a licensed pharmacist, yet statute prohibits public board members from having a direct financial interest in the health care industry. The second recommendation, which is directed to the Director of the Division of Corporations, Business and Professional Licensing, is to continue efforts to improve the investigative case management system integrity and confidentiality.

CHAIR DUNLEAVY commented on the appointment of a pharmacist as a public member to the board.

MS CURTIS said she believes that the prohibition from having a direct interest in the health care industry is so that the

member will represent the consumer perspective as opposed to the business perspective.

CHAIR DUNLEAVY closed public testimony and solicited a motion.

[2:19:58 PM](#)

SENATOR MICCICHE moved to report HB 240 from committee with individual recommendations and attached fiscal note(s).

CHAIR DUNLEAVY announced that without objection HB 240 moved from the Senate Labor & Commerce Standing Committee.

HB 242-EXTEND PT & OCCUPATIONAL THERAPY BOARD

[2:20:21 PM](#)

CHAIR DUNLEAVY announced the consideration of HB 242. "An Act extending the termination date of the State Physical Therapy and Occupational Therapy Board; and providing for an effective date."

[2:20:28 PM](#)

REPRESENTATIVE LORA REINBOLD, Alaska State Legislature, Juneau, Alaska, sponsor of HB 242, explained that this bill extends the termination date of the Physical and Occupational Therapy Board until June 30, 2022. She deferred further explanation to Ms. Curtis.

[2:21:06 PM](#)

KRIS CURTIS, Legislative Auditor, Legislative Audit Division, Legislative Agencies and Offices, Juneau, Alaska, stated that the audit division conducted an audit of the state Physical Therapy and Occupational Therapy Board and issued a report dated June 2013. The purpose of the audit was to determine whether the agency is operating in the public's interest and whether its termination date should be extended.

The audit concluded that the board is serving the public's interest by effectively licensing and regulating physical therapists, physical therapy assistants, occupational therapists, and occupational therapy assistants. The division recommended the board be extended the maximum eight years provided in statute. The one recommendation directs the Director of the Division of Corporations, Business and Professional Licensing to continue efforts to improve the investigative case management system integrity and confidentiality.

SENATOR MICCICHE asked what the plan is for the investigative case management system integrity and confidentiality because it's obviously a common issue.

MS. CURTIS recalled that the director's response to the recommendation was that the division is working with the vender to implement improvements to the system.

SENATOR MICCICHE asked if it's a firewall issue.

MS. CURTIS explained that there were conversion, reporting, and security problems when the new system was implemented in 2010. Additionally, there are issues with being able to view other folk's cases and investigators reported the system freezes up and loses information.

CHAIR DUNLEAVY opened and closed public testimony and solicited a motion.

[2:23:19 PM](#)

SENATOR MICCICHE moved to report HB 242 from committee with individual recommendations and attached fiscal note(s).

CHAIR DUNLEAVY announced that without objection HB 242 was reported from the Senate Labor & Commerce Standing Committee.

HB 302-PUBLIC ACCOUNTANTS

[2:23:41 PM](#)

CHAIR DUNLEAVY announced the consideration of HB 302. "An Act relating to rules of professional conduct for the profession of public accounting."

[2:24:18 PM](#)

LYNETTE BERGH, Staff, Representative Steve Thompson, Alaska State Legislature, Juneau, Alaska, stated that HB 302 was drafted in response to the Alaska Board of Public Accountancy (BPA) FY13 annual report recommendations. The bill addresses AS 08.04.080, the professional rules of conduct for the profession of public accounting. This section of the statute sets the time that the BPA must notice the adoption of any rule or amendment and the effective date to the holder of a license or permit. It amends the number of days for noticing from 60 days to 30 days, which is in line with the statutory guidelines of the Division of Corporations, Business, and Professional Licensing.

[2:26:18 PM](#)

KAREN TARVER, Chair, Alaska Board of Public Accountancy, introduced herself and offered to answer questions.

SENATOR MICCICHE asked why this matters.

MS. TARVER replied it's a housekeeping matter to align the board's regulations and the division's regulations.

[2:26:56 PM](#)

At Ease

[2:27:32 PM](#)

CHAIR DUNLEAVY reconvened the meeting.

SENATOR STEDMAN summarized that this aligns board and division requirements.

MS. TARVER agreed; the differences came to light in the annual report.

CHAIR DUNLEAVY opened and closed public testimony and solicited a motion.

[2:27:59 PM](#)

SENATOR MICCICHE moved to report the CS for HB 302, Version C, from committee with individual recommendations and attached fiscal note(s).

CHAIR DUNLEAVY announced that without objection, CSHB 302(L&C) was reported from the Senate Labor and Commerce Standing Committee.

[2:28:17 PM](#)

There being no further business to come before the committee, Chair Dunleavy adjourned the Senate Labor & Commerce Standing Committee meeting at 2:28 p.m.