

**ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE**

March 20, 2015

3:22 p.m.

MEMBERS PRESENT

Representative Shelley Hughes, Vice Chair
Representative Jim Colver
Representative Cathy Tilton
Representative Andy Josephson
Representative Sam Kito

MEMBERS ABSENT

Representative Kurt Olson, Chair
Representative Gabrielle LeDoux
Representative Mike Chenault (alternate)

COMMITTEE CALENDAR

HOUSE BILL NO. 123

"An Act establishing the Marijuana Control Board; relating to the powers and duties of the Marijuana Control Board; relating to the appointment, removal, and duties of the director of the Marijuana Control Board; relating to the Alcoholic Beverage Control Board; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 120

"An Act relating to workers' compensation and transportation network companies; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 58

"An Act making an entity that is exempt from federal taxation under 26 U.S.C. 501(c)(3) (Internal Revenue Code) and a federally recognized tribe eligible for a loan from the Alaska energy efficiency revolving loan fund; and relating to loans from the Alaska energy efficiency revolving loan fund."

- MOVED CSHB 58(L&C) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HB 123

SHORT TITLE: ESTABLISH MARIJUANA CONTROL BOARD

SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

02/23/15	(H)	READ THE FIRST TIME - REFERRALS
02/23/15	(H)	L&C, JUD, FIN
03/04/15	(H)	L&C AT 3:15 PM BARNES 124
03/04/15	(H)	Heard & Held
03/04/15	(H)	MINUTE(L&C)
03/11/15	(H)	L&C AT 3:15 PM BARNES 124
03/11/15	(H)	Heard & Held
03/11/15	(H)	MINUTE(L&C)
03/16/15	(H)	L&C AT 3:15 PM BARNES 124
03/16/15	(H)	Heard & Held
03/16/15	(H)	MINUTE(L&C)
03/20/15	(H)	L&C AT 3:15 PM BARNES 124

BILL: HB 120

SHORT TITLE: TRANSPORT NETWORK SVES. & WORKERS COMP

SPONSOR(s): SADDLER

02/20/15	(H)	READ THE FIRST TIME - REFERRALS
02/20/15	(H)	L&C
03/20/15	(H)	L&C AT 3:15 PM BARNES 124

BILL: HB 58

SHORT TITLE: ELIGIBILITY FOR AK ENERGY EFFIC LOANS

SPONSOR(s): KREISS-TOMKINS, MILLETT

01/21/15	(H)	PREFILE RELEASED 1/16/15
01/21/15	(H)	READ THE FIRST TIME - REFERRALS
01/21/15	(H)	ENE, L&C, FIN
02/10/15	(H)	ENE AT 10:15 AM CAPITOL 17
02/10/15	(H)	Heard & Held
02/10/15	(H)	MINUTE(ENE)
02/26/15	(H)	ENE AT 10:15 AM CAPITOL 17
02/26/15	(H)	Heard & Held
02/26/15	(H)	MINUTE(ENE)
03/05/15	(H)	ENE AT 10:15 AM CAPITOL 106
03/05/15	(H)	Moved CSHB 58(ENE) Out of Committee
03/05/15	(H)	MINUTE(ENE)
03/09/15	(H)	ENE RPT CS(ENE) NT 4DP 1NR
03/09/15	(H)	DP: CLAMAN, TALERICO, WOOL, VAZQUEZ
03/09/15	(H)	NR: TILTON
03/20/15	(H)	L&C AT 3:15 PM BARNES 124

WITNESS REGISTER

KONRAD JACKSON, Staff
Representative Kurt Olson
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified on behalf of the House Labor & Commerce Committee, Representative Kurt Olson, Chair, on the changes to HB 123, Version W.

CYNTHIA FRANKLIN, Executive Director
Alcoholic Beverage Control Board (ABC Board)
Department of Commerce, Community & Economic Development (DCCED)
Anchorage, Alaska

POSITION STATEMENT: Testified and answered questions during the discussion of HB 123.

REPRESENTATIVE DAN SADDLER
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified as prime sponsor of HB 120.

MICHAEL MONAGLE, Director
Central Office
Division of Workers' Compensation
Department of Labor & Workforce Development (DLWD)
Juneau, Alaska

POSITION STATEMENT: Testified and answered questions during the discussion of HB 120.

SHELDON WINTERS, Lobbyist
State Farm Insurance
Juneau, Alaska

POSITION STATEMENT: Testified during the discussion of HB 120.

BRYCE BENNETT, Senior Operations Manager
Uber
Seattle, Washington

POSITION STATEMENT: Testified during the discussion of HB 120.

ARMAND FELICIANO, Vice-President
Property Casualty Insurers Association of America (PCI)
Sacramento, California

POSITION STATEMENT: Testified in opposition to HB 120.

SUSAN GORSKI, Executive Director
Chugiak-Eagle River Chamber of Commerce

Eagle River, Alaska

POSITION STATEMENT: Testified during the discussion of HB 120.

REPRESENTATIVE KREISS-TOMKINS

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Testified as one of the joint prime sponsors of HB 58.

DANIEL POWERS, Coordinator

Fairbanks Nonprofit Retrofit Pilot Program

Cold Climate Housing Research Center (CCHRC)

Fairbanks, Alaska

POSITION STATEMENT: Testified in support HB 58.

VICTORIA MOROZOVA, Chair

Alaska Youth for Environmental Action

Anchorage Chapter

Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 58.

CARMELA FLYNN, Member

Alaska Youth for Environmental Action (AYFEA)

Fairbanks, Alaska

POSITION STATEMENT: Testified in support of HB 58.

ACTION NARRATIVE

[3:22:04 PM](#)

VICE CHAIR SHELLEY HUGHES called the House Labor and Commerce Standing Committee meeting to order at 3:22 p.m. Representatives Colver, Tilton, Josephson, Kito, and Hughes were present at the call to order.

HB 123-ESTABLISH MARIJUANA CONTROL BOARD

[3:22:45 PM](#)

VICE CHAIR HUGHES announced that the only order of business would be HOUSE BILL NO. 123, "An Act establishing the Marijuana Control Board; relating to the powers and duties of the Marijuana Control Board; relating to the appointment, removal, and duties of the director of the Marijuana Control Board; relating to the Alcoholic Beverage Control Board; and providing for an effective date."

[3:23:19 PM](#)

REPRESENTATIVE TILTON moved to adopt the proposed committee substitute (CS) for HB 123, labeled 29-GH1110\W, Martin, 3/14/15, as the working document.

VICE CHAIR HUGHES objected for the purpose of discussion.

[3:23:39 PM](#)

KONRAD JACKSON, Staff, Representative Kurt Olson, Alaska State Legislature, on behalf of the House Labor & Commerce, Representative Kurt Olson, Chair, explained the changes in the proposed committee substitute (CS) for HB 123, Version W. He directed attention to page 2, line 8, and stated this would add additional language, "as a regulatory and quasi-judicial agency." He explained that this language was taken from AS 04.08 related to the Alcoholic Beverage Control Board (ABC Board) since the department envisions the marijuana program will be similar to the laws for regulating alcoholic beverages.

[3:25:31 PM](#)

MR. JACKSON referred to page 2, lines 20, which would reformat language, such that the language from proposed AS 17.38.080(b) and (c) was combined into subsection (b) and definitions were added to subsection (h) [on page 3].

MR. JACKSON stated that technical amendments were made on page 2, lines 21-29, including renumbering. In addition, technical changes were made on page 3, lines 3-5, to subsection (g), and on page 3, line 8, "title" was replaced with "chapter" to reflect that Title 38 contains other sections of law.

MR. JACKSON directed attention to page 3, lines 10-13 to the definition added to subsection (h) for "marijuana industry."

[3:27:15 PM](#)

MR. JACKSON turned to page 3, lines 28-29, which would add the language "... within 30 days by appointment of the governor for the unexpired portion of the vacated term." The intention was to have the governor fill any vacant positions as quickly as possible, he said.

[3:27:36 PM](#)

MR. JACKSON referred to page 4, lines 6-9, to language added from AS 04.06.050 that would require the board to meet at least once each year in each judicial district. This language was necessary in order to consider the need to modify existing regulations with respect to local issues in each jurisdiction, he said.

MR. JACKSON directed attention to page 4, lines 11-13 and lines 29-31, which would incorporate several technical drafting style changes. In addition, on line 11 the word "all" was deleted.

MR. JACKSON turned to page 5, lines 14, which would add two new subsections, noting that subsection (f) would require notifying municipalities and licensees of regulations and statute changes.

MR. JACKSON directed attention to page 5, lines 21-24, which would add new language to allow the Marijuana Control Board (MCB) the authority to deal with prostitution and sex trafficking.

MR. JACKSON referred to page 6, line 5, a technical drafting style change. He directed attention to page 6, lines 22-23, which would add a sunset date for the proposed Marijuana Control Board (MCB) of June 30, 2018 to match the proposed sunset date for the Alcoholic Beverage Control Board (ABC Board).

[3:31:27 PM](#)

MR. JACKSON referred to page 7, lines 1-15, to language that would require membership of the proposed Marijuana Control Board (MCB). This provision would require the governor to appoint two members from people who have alcohol industry experience, retail or wholesale, whose terms would end in two years. He related the rationale used, that the people in the alcohol industry have sufficient knowledge of the regulatory process and oversight activities of the ABC Board and since the two industries and boards parallel one another, it made sense to allow them to serve. Another concern was that the bill allowed membership from the lawful practice in the marijuana industry, yet the state doesn't have a "lawful" practice. He expressed concern that the proposed Marijuana Control Board (MCB) might not have a sufficient pool of appointees to choose from.

MR. JACKSON referred to page 7, line 10-13, to a technical drafting style changes to conform to the legislative drafting manual style.

[3:33:59 PM](#)

REPRESENTATIVE KITO, in reference to the meetings in the judicial districts, asked how many board meetings the proposed Marijuana Control Board (MCB) anticipated it will hold and if the meetings would be monthly or quarterly meetings. He asked whether it would adequately provide opportunities for everyone to participate. He related his understanding there were four judicial districts and wondered if there will be standing meetings in each one of the judicial districts the quarterly meetings or if the board anticipated it will meet monthly.

MR. JACKSON deferred to the executive director of the Alcoholic Beverage Control Board (ABC Board) to answer.

[3:35:26 PM](#)

CYNTHIA FRANKLIN, Executive Director, Alcoholic Beverage Control Board (ABC Board), Department of Commerce, Community & Economic Development (DCCED), stated that the Alcoholic Beverage Control Board (ABC Board) currently meets five times a year, once in each of the [judicial] districts, with an additional meeting in Anchorage due to the volume of liquor licenses. She said the meetings are roughly quarterly meetings that are held in Juneau, Anchorage, Fairbanks, and Western Alaska - generally in Nome, followed by the additional meeting in Anchorage on December. These meetings are set at the previous meeting so the times vary, depending on the schedules of the five volunteers. She stated that the meetings are adequate for the ABC Board to address any issues that have arisen as well as any community needs. She anticipated that if HB 123 passes that the Marijuana Control Board will meet in conjunction with the ABC Board - a one-day meeting for the ABC Board followed by a one-day meeting for the Marijuana Control Board (MCB) - to save travel funds for staff travel. For the past three meetings the ABC Board has had two-day meetings to address some of anticipated issues, she said.

[3:37:48 PM](#)

REPRESENTATIVE KITO asked whether there may be a significantly larger number of marijuana license requests that may require additional meetings.

MS. FRANKLIN answered that at this time it was uncertain as to how many licenses will be requested; however, the division anticipates the potential need for additional meetings in the

first year or two. Certainly, to initially set up a program may require more frequent board meetings. She said that the statutory language in Title 4 does allow the Alcoholic Beverage Control Board to meet at the call of the chair. She anticipated the division would either promulgate regulations or the Alcoholic Beverage Control Board (ABC Board) will call for additional meetings, if necessary.

[3:38:54 PM](#)

REPRESENTATIVE JOSEPHSON, referring to Version W, related his understanding that the proposal was to postpone a representative from the marijuana industry for a time, perhaps up to two or three years. He asked for her opinion since regulations would be formed during that time. Further, he asked whether any loss of expertise would result as a consequence. He directed attention to the powers and duties of the board [on page 4, beginning on line 14], which read, "(a) The board shall control the cultivation, manufacture, and sale of marijuana in the state. The board is vested with the powers and duties necessary to enforce this chapter." He asked whether any benefit could result from having people who have studied these issues to immediately serve on the board.

MS. FRANKLIN answered that the Alcoholic Beverage Control Board (ABC Board) supports having a voice on the board chosen specifically for marijuana knowledge; however, the board was not opposed to having a voice from the alcohol industry, with a regulatory perspective, serve in the first two years. In fact, the board recognized that someone with alcohol industry experience will understand the unique position of operating businesses in a highly regulated atmosphere, but she has encountered people who clearly have significant knowledge of marijuana. Certainly the cultivation aspects of marijuana was different from the alcohol industry, she said.

[3:41:05 PM](#)

REPRESENTATIVE JOSEPHSON asked whether someone could be a law abiding citizen but still know a tremendous amount about the industry, in particular, due to significant information available on the Internet or by having attended conferences in the Lower 48.

MS. FRANKLIN agreed that a lot of information was available. She pointed out that personal cultivation has been legal in Alaska since 1975 so some individuals in Alaska are

knowledgeable about marijuana cultivation since they have personally grown it. In response to a question, she stated that the Alcoholic Beverage Control Board (ABC Board) has been on a three-year sunset rotation, that the ABC Board is due to sunset June 30, 2015, and HB 116 provides for an extension until June 30, 2018.

[3:42:09 PM](#)

VICE CHAIR HUGHES asked for further clarification on whether the sunset date was set in statute and if it is always three years or if it changes.

MS. FRANKLIN answered that a new date was set each time the ABC Board is up for renewal, but the pattern has been to extend the board three years.

[3:43:34 PM](#)

MR. JACKSON offered that all boards are subject to sunset and prior to the sunset date the legislative audit reviews how well the board is functioning and makes recommendations to the legislature. In some instances, boards are extended up to eight years, but the sunset date varies on a case-by-case basis. He suggested that although the ABC Board has been extended for three years, it may not always be extended for three years.

[3:44:30 PM](#)

REPRESENTATIVE COLVER referred to page 5, line 15, to proposed Section 17.38.085, enforcement powers, which read:

The director and the persons employed for the administration and enforcement of this chapter may, with the concurrence of the commissioner of public safety, exercise the powers of peace officers when those powers are specifically granted by the board.

REPRESENTATIVE COLVER said this proposed section goes on to say the board can enforce sex trafficking and prostitution. He asked whether it was typical in [Title 4] statutes related to alcohol to grant powers of peace officers to the division's staff.

MR. JACKSON answered yes. He stated that the language on page 5, lines 21-24 in Version W was language taken straight from the statutes governing alcoholic beverages.

[3:46:12 PM](#)

REPRESENTATIVE COLVER asked whether that was at request of the department or if it was language developed by the committee.

MR. JACKSON answered that the language was added in Version W by comparing the statutes pertaining to the ABC Board and drawing a parallel between the alcohol statutes and the proposed marijuana statutes.

[3:46:57 PM](#)

REPRESENTATIVE COLVER assumed standards since the only qualifications of the enforcement staff was the language in this proposed section, "... with the concurrence of the commissioner of public safety" He assumed this language did not empower a security guard with the ability to enforce state laws. He said he would feel more comfortable with enforcement being done by enforcement officers with qualifications using the standards for certified police officers. He suggested that this provision might need to be tweaked.

MR. JACKSON deferred to Ms. Franklin.

MS. FRANKLIN answered that the five enforcement officer currently employed by the ABC Board are licensed peace officers commissioned by the commissioner of public safety to enforce the alcoholic beverage laws. The requirements are set in the State of Alaska's job description for Investigator III and IV. These officers receive a commission in connection with this job since they are not granted general police officer powers granted to local law enforcement officers or troopers. She agreed with Mr. Jackson, that this language was derived from language in AS 04, more specifically from AS 04.06.110, which has been in effect since 1980. She characterized the five officers as extremely professional and these officers tend to come from a pool of retired active duty police officers.

[3:49:51 PM](#)

VICE CHAIR HUGHES said she maintained her objection to adopting the proposed committee substitute for HB 123, Version W.

VICE CHAIR HUGHES announced that HB 123 would be held over.

HB 120-TRANSPORT NETWORK SVES. & WORKERS COMP

3:50:09 PM

VICE CHAIR HUGHES announced the next order of business would be HOUSE BILL NO. 120, "An Act relating to workers' compensation and transportation network companies; and providing for an effective date."

3:51:08 PM

REPRESENTATIVE DAN SADDLER, Alaska State Legislature, speaking as the sponsor of HB 120, stated that Chugiak-Eagle River is a growing community of approximately 35,000 people about 10 miles north of the core of the Municipality of Anchorage (MOA). Although Chugiak-Eagle River is a thriving community, it has had ongoing challenges in obtaining transportation services with its municipal bus system and local taxicab industry. Apparently the community lies too far from the MOA's core to receive consistent and timely taxi service. It requires scheduling in advance or waiting 30 minutes or longer for a cab, plus it can be costly. The municipal bus system has continually been threatened with reduced hours, routes, and service.

REPRESENTATIVE SADDLER said that the Chugiak-Eagle River community hopes to get some relief from the transportation issues by the new technology trends, such as Uber, Lyft, and Sidecar, which are known as "transportation network companies" or TNCs. The transportation network companies (TNCs) use smart phone applications and software to connect people who want a ride with available drivers willing to provide the service in a relatively short amount of time.

REPRESENTATIVE SADDLER explained that drivers connected through "transportation network companies" are independent contractors. They obtain business licenses, operate their own vehicles, establish operating hours, and decide for themselves whether to accept or decline an available ride request. He stated that Uber entered the Anchorage market in 2014 and created transportation options for his community and for Girdwood, south of Anchorage. He stated that Uber was currently in the process of negotiating with the MOA on how to operate inside the municipality. This bill would address several issues that will help his community. He said that HB 120 would essentially do two things. First, it would define "transportation network company" and "transportation network company services." A "transportation network company" would mean an entity that uses a digital network or software application to connect passengers

to drivers. It would specify that transportation network company services are provided from the moment that a driver accepts a request for services for a ride to the point the passenger exits their vehicle. In addition, this bill would offers transportation network company drivers the same exemption from workers' compensation insurance coverage requirements as enjoyed by other people in Alaska, including babysitters, real estate professionals, certain sports referees and officials, and taxicab drivers since these people are not employees, but are independent contractors. The Chugiak-Eagle River area has expressed a strong desire for more choice, more competition, and more opportunities for transportation services. He directed attention to documents in members' packets from the local chamber of commerce. He offered his belief that HB 120 provides one step toward addressing the changing market in transportation needs in underserved communities in Alaska.

[3:55:00 PM](#)

REPRESENTATIVE JOSEPHSON asked whether there was a way to ensure to transportation network companies (TNCs) could operate, but to also ensure that all participants in the enterprise are fully insured.

REPRESENTATIVE SADDLER answered that his intent was to address some of the fundamental issues involved with transportation network company operations; however, he also desires to focus on this aspect and not be "everything to all people."

[3:55:59 PM](#)

VICE CHAIR HUGHES opened public testimony on HB 120.

[3:56:09 PM](#)

MICHAEL MONAGLE, Director, Central Office, Division of Workers' Compensation, Department of Labor & Workforce Development (DLWD), stated that he was not an expert on transportation network services. He said that the department is neutral on the bill. He advised members that there was a companion bill in the other body, [SB 58] and he testified in opposition to the bill; however, that is incorrect. The bills are currently identical, he said, apologizing for any confusion. He said the official position of the Department of Labor & Workforce Development is that it is neutral on both bills.

MR. MONAGLE referred to page 2, line 25, noting that the bill would exempt a transportation network company driver from the moment the driver picks up a passenger until the passenger disembarks. He highlighted that what was unclear to the department is how the exemption would apply to someone at the curbside waiting for a passenger and something happens or if the driver was waiting for a passenger to contact him/her and a crash happened. He asked for further clarification on whether that person was considered an employee or if he/she was considered an independent contractor.

[3:58:21 PM](#)

MR. MONAGLE directed attention to the current exemption for taxicabs; however, he offered his belief that the language [on page 2, lines 21-22 in HB 120 [in paragraph (11)] seemed broader than just taxi services. He read, "**(11) a person who operates a motor vehicle that is (A) owned, leased, or authorized for use by the person;**" Under the definition of having a technology platform, a smart phone, to connect the driver to a passenger, it would seem that tour operators that treated their drivers as independent operators with a smart phones could take advantage of the same language. While the department acknowledged an exemption exists for taxi drivers and limousine services, expanding the industry further - into the tourism business - would be of concern to the department.

[3:59:33 PM](#)

MR. MONAGLE directed attention to proposed Sections 3 and 4, which are retroactive to January 1, 2014. He expressed concern that an injured worker or an ongoing proceeding could be nullified by the retroactive clause.

[3:59:57 PM](#)

VICE CHAIR HUGHES, in reference to the concern about drivers waiting on the curb for passengers, directed attention to page 2, [line 27] which indicates service starts at the point "when the person accept a request." She suggested that a person would open his/her smart phone application, "app," and click on it to make a payment. She said that the Uber car sitting by the curb waiting for someone who has accepted the request would fall under this language. She asked for further clarification on his concern that there would be a "gap."

[4:00:40 PM](#)

MR. MONAGLE referred to page 2, line 25 which read, "... ; a person is performing transportation network company services under this subparagraph when the person accepts a request for transportation" He suggested that the department was concerned about a driver who was "in between" requests, who had not yet received a text or other communication for the next passenger. He clarified he was interested in what happened to the driver in between calls.

VICE CHAIR HUGHES said she had misunderstood his concern.

[4:01:24 PM](#)

REPRESENTATIVE JOSEPHSON asked whether he considered these drivers as employees and not as contractors; further, to consider the policy decision being made by this language.

MR. MONAGLE answered if a dispute arose as to whether the driver was an independent contractor or an employee, that the department would use the "relative nature of the work test" to make the determination, which would consider a series of questions. For example, one of the primary considerations would be whether this was a separate calling or in other words whether the work being done was independent of the employer or if the employer gained significantly from the activities of the employee. He characterized the "relative nature of the work test" as consisting of a series of questions, such as who provides the tools and equipment, who sets the hours, whether the employee has the right to hire others, and if the conditions of employment were set by the independent contractor or by the employer. He said this type of analysis will help the department make the determination on whether the person truly was an employee or is an independent contractor.

[4:03:00 PM](#)

REPRESENTATIVE JOSEPHSON asked what the ramifications to the law would be if the exemption was adopted.

MR. MONAGLE said that ultimately whether to exempt the party would be a policy decision by the legislature. Of course, the department always has concerns about exemptions since there seems to be a growing movement nationally to classify as employees as independent contractors, he said. One of the common complaints specific to the construction industry occurs when employers classify their carpenters as independent

contractors instead of as employees. The department has a staff of investigators who delve into these complaints, he said. He recalled a national delivery company had classified its drivers as independent contractors since their drivers leased the vehicles; however, the California district court ruled that the drivers were employees and not independent contractors. He said the department has had some concern about the growing push toward independent contractors, but their concern was primarily to ensure that workers are covered in the event that something happens to them. The department wants to ensure that employees have medical coverage and wage replacement covered in the event injuries are sustained on the job.

[4:04:56 PM](#)

VICE CHAIR HUGHES asked for further clarification on whether taxicab drivers are considered independent contractors.

MR. MONAGLE answered yes.

[4:05:10 PM](#)

SHELDON WINTERS, Lobbyist, State Farm Insurance, stated that State Farm Insurance was the largest insurer of personal automobiles in the country and in Alaska. He said that State Farm Insurance does not have any objection to TNCs [transportation network companies] or any position on the gist of the bill, which was to exempt TNCs from the workers' compensation requirements. However, State Farm Insurance has expressed concern about the narrow definition of TNC services in HB 120, which could have dire consequences if applied elsewhere.

[4:06:15 PM](#)

MR. WINTERS offered to read some snippets from the Division of Insurance's consumer warning posted on the division's website. He read, "Alaska Division of Insurance (DOI) joins 14 other states in issuing a warning about the risks of rideshare and vehicle-sharing programs" He stated that figure was now 22 states that have issued similar warning. He read, "Ride-sharing programs, or transportation network companies/TNCs, use an online service to connect passengers with drivers who use their personal vehicles for pre-arranged taxi-like transportation services for hire. **The Division wants Alaskans to know that these programs may result in a denial of insurance for participating vehicle owners, drivers, and passengers.**"

[4:07:20 PM](#)

MR. WINTERS continued to read, "Personal auto insurance is not intended to cover individuals who use their vehicles for commercial purposes. Most personal auto policies will not cover an accident that occurs when someone uses their personal vehicles for commercial purposes."

MR. WINTERS said that other regulators refer to various "gaps in insurance" that exist with this new emerging industry. One of the gaps is of concern in this bill. He stated that commercial activities of a TNC driver do not begin when the passenger is picked up or when the passenger calls; instead, commercial activities that are not intended to be covered by personal auto insurance begin the moment that "app" is turned on. He suggested that typically the TNC driver turns the "app" on and either drives around or sits on the side of the street "roaming" for customers. He offered his belief that the aforementioned period of time was not contained in the definition [in the bill]. He characterized it as being similar to when a taxicab driver turns on his light to indicate the cab is for hire. At that point, the taxicab driver does not have a customer; however, he is engaged in a commercial activity, just as any Uber driver or TNC driver who has turned on the "app" and is roaming around for passengers.

[4:08:58 PM](#)

MR. WINTERS suggested for TNC drivers it was arguably the most dangerous time because they are engaged in the app, roaming for customers and some tragic accidents have occurred during this time; for example, the death of a six-year-old in which a TNC driver did not have a passenger, but the "app" was on when the driver ran into a family and the young daughter was killed. He stated that in that high-profile accident, the TNC took the position that since a passenger connection had not yet been made the TNC was not responsible.

[4:09:42 PM](#)

MR. WINTERS expressed concern that "transportation network services" are defined too narrowly. He referred to page 3, line 6, to paragraph (5), "transportation network company services" means transportation of a passenger between points chosen by the passenger and prearranged with a transportation network company-endorsed driver through the use of a transportation network

company's digital network or software application." He stated that it was unclear if TNS starts when passenger is picked up, or is engaged, but it doesn't include the "roaming" period.

MR. WINTERS characterized this bill as a workers' compensation bill. He expressed concern that this narrow definition would be used to preclude the injured party. The concern was two-fold; first, because that was what TNCs have argued in the past, which is that even though the app is on, it is before any passenger was engaged, and thus would not be a TNC activity. If this legislation passes, it will be the only law in Alaska that defines TNCs. From his experience as a defense attorney, he opined that the courts will look at this definition to determine whether workers' compensation will apply or not. He said he was working with the sponsor on language that would broaden the definition to include "app on." When the app was on it would become a TNC enterprise, he said.

[4:11:41 PM](#)

MR. WINTERS said that TNC's are evolving, which he viewed as a good thing. Certainly legislation can evolve over time; however, what must be "gotten right" from the start was the definition of the TNC. He asked members to consider broadening the definition in this workers' compensation bill. Lastly, although he agreed he is not a workers' compensation expert, when an industry attempts to put in statute an exemption for workers' compensation responsibility, the industry should want it to be as broad as possible, therefore, he found the liability aspects in the bill to be very troubling.

[4:13:43 PM](#)

REPRESENTATIVE JOSEPHSON said Mr. Winter's proposal seemed like a "win-win" situation. He noted that Uber was very effective since its service is cheaper, but the externalities not being absorbed by the transaction. He related his understanding that the insurance industry wants to make money, but it is willing to cover people for injuries. He suggested that under Mr. Winter's proposal drivers of Uber cars would have more protection from the courts and their passengers would be better protected, but the whole enterprise would cost more.

MR. WINTERS answered that he thinks that characterization was accurate, but added that if personal auto insurance were to cover the commercial policy and activities, everyone would be in the "pool" and it will cost everyone more for that coverage.

Instead, the cost of coverage should rest with the enterprise engaged in the commercial activity, which is the TNC. He recalled earlier testimony that stated part of the business model was to leverage the use of the personal auto policy to avoid having to pay for insurance. He acknowledged that highlighted the issue. He said a person's personal auto policy does not cover commercial activity and the insurance industry wants to fill that gap. At the end of the day, a more comprehensive liability bill has been passed in four other states, which states that from moment the "app" is on it is clear that the personal auto policy does not apply. This would it require the TNCs to basically obtain commercial insurance for their activities at that point.

[4:16:03 PM](#)

REPRESENTATIVE KITO said Mr. Winters mentioned ride-share. It made him think about carpooling in which people pay \$5 for gas. He said as the vehicle owner, he has provided rides to work and was reimbursed for gas. He asked whether personal auto insurance covers that activity since it happens five days a week.

MR. WINTERS answered that carpooling does not put the vehicle "out for hire." He offered his belief that the activity would be covered under the personal auto policy. The distinction was that the TNCs are commercial enterprises that make money and carpooling does not.

[4:17:45 PM](#)

BRYCE BENNETT, Senior Operations Manager, Uber, stated that this bill has a much narrower scope, which specifically addresses the workers' compensation piece being evaluated.

MR. BENNETT explained that Uber was a platform that connects drivers and riders through a mobile application [or "app"]. He stated that Uber brings an unprecedented level of accountability to the transportation industry since riders know who will come to pick them up. The system is a cashless system with riders paying for the service with their credit cards, which removes danger for drivers. On top of that Uber provides a continuous feedback loop and a rating system after every single trip. He described Uber drivers as independent contractors who may provide a couple of trips a week to 30 or 40 trips per week. These drivers must apply on line, submit basic documents, including registration, proof of insurance and driver's

licenses. Driver must obtain a 19-point vehicle inspection at a local certified mechanic, such as a Midas shop. The drivers must submit to a stringent and thorough background check that spans seven years and considers motor vehicle records, criminal background check, sex offender data base registry check, and a social security trace that pulls local and multi-state court records. Only after taking all of these steps can any driver have access to the platform. One of the things that drivers said when polled was that one of the greatest things about Uber was the flexibility that it provided them, rather than the money. They can come and go as they please, he said.

[4:20:29 PM](#)

MR. BENNETT stated that drivers could sign on once a week or choose to offer services on Friday and Saturday nights. He characterized the drivers as part-time drivers or "stay at home moms," but the main theme was the complete flexibility Uber drivers have. He said that Uber drivers own their own personal vehicles and drive an average of 20 hours a month with the "app on", which he contrasted with taxicab companies, whose drivers are dispatched, often working on a set shift, and leasing their vehicles from permanent owners. In the case of Uber, drivers have an option to receive a request. These drivers receive a request via their smart phones, and can decide whether to pick up the passengers or not. It depends on the city, but typically drivers are required to obtain business licenses. Drivers are not furnished any equipment. He offered his belief that one of the conditions for exemptions for taxicab companies was due to the rate-based fare by mile or minute, which is also how Uber is calculated. He stated that the [drivers] take 80 percent of share and do not work any shifts or for any hourly rates.

[4:22:35 PM](#)

MR. BENNETT stated that the partners receive an IRS 1099 form each year since there isn't any tax withholding. In other cities that have Lyft and Sidecar, Uber doesn't have any exclusivity. The Uber drivers can have all three applications on their phone and can be affiliated with all three companies.

MR. BENNETT said that this bill looks at workers' compensation portion. He said that no other state has classified Uber affiliated partners, or drivers, as employees. He acknowledged that other states, including Arkansas and Florida are evaluating workers' compensation. In terms of insurance, there are not any gaps. He directed attention to a chart in members' packets that

describes every level of insurance, beginning with period 1, in which the application is on, but there isn't any transaction taking place and the rider is not connected to the driver.

[4:24:18 PM](#)

MR. BENNETT referred to the tragic case that was previously mentioned that occurred in San Francisco. He stated that the accident occurred during period 1 and personal auto insurance settled by offering to pay up to the limits of the insurance policy. He explained that period 2 will cover the timeframe one the driver receives a beep and taps the screen to accept the ride, which is the point when the driver is considered en route to pick up the rider. At that point, period 2, the Uber primary \$1 million insurance starts and continues through period 3, when the rider is in the car. This \$1 million coverage extends to uninsured motorists, underinsured motorists, and collision. He said that Uber hoped to address narrow scope addressed by the bill. Uber has been working with the MOA to reach a more comprehensive solution that will allow Uber to operate in Alaska, he said, noting that Uber paused its operations after providing five months of free rides in the Anchorage area, partnering with almost 100 small businesses and providing rides to thousands of people.

[4:26:04 PM](#)

VICE CHAIR HUGHES asked for further clarification that Uber drivers are logged on for an average of 20 hours per month.

MR. BENNETT answered yes; the average was 5 hours a week or 20 hours per month.

[4:26:24 PM](#)

VICE CHAIR HUGHES asked whether people were using their vehicles for other purposes.

MR. BENNETT answered that typically people use their personal vehicles as they see fit.

VICE CHAIR HUGHES said she was surprised the average was so low.

[4:26:53 PM](#)

REPRESENTATIVE JOSEPHSON asked for further clarification that the commercial transaction starts when the driver picks up the passenger.

MR. BENNETT answered that the commercial insurance begins when the driver accepts the connection.

[4:27:41 PM](#)

REPRESENTATIVE JOSEPHSON asked how many instances of litigation have occurred when something happens during period 1 prior to the "app" connection.

MR. BENNETT answered that there have not been any issues in period 1 in Alaska.

[4:28:06 PM](#)

REPRESENTATIVE JOSEPHSON offered his belief that each state would essentially have a case if their statutes didn't make period 1 clear or else the court will need decide when coverage actually began. He asked whether there was not any dispute that the insurance coverage begins from the time the Uber app [application] was activated, which was basically the receipt of the trip request until the end of the trip.

MR. BENNETT answered that the period 1 timeframe was when the Uber driver has the Uber app on, but prior to the request being received by the potential passenger. He clarified that this timeframe is the period for the contingent liability coverage. He said the issue is who provides the primary coverage, and in this instance the personal insurance provides the primary coverage. He reported that Illinois actually passed comprehensive legislation that aligned with that, but he offered his belief that most other states are working on that aspect as well. Again, during the time period when the Uber driver is logged on and available, if there were any issues with the driver's personal auto insurance, the Uber contingent liability coverage would then "kick in." He added that Uber has provided these insurance policies to multiple cities and states around the country, including the Municipality of Anchorage.

[4:29:34 PM](#)

REPRESENTATIVE KITO related a scenario in which a driver has multiple apps on, including the Uber app. He asked how the insurance gets determined if an incident occurred during period

1, prior to the driver accepting a trip if three different apps were activated.

MR. BENNETT replied that there have not been any issues during period 1. He offered to follow up with the legal team since Uber has been operating in California for a longer period and more competition exists so that specific issue may have arisen.

[4:30:14 PM](#)

VICE CHAIR HUGHES asked for further clarification that in Illinois the commercial coverage begins at the point of purchase.

MR. BENNETT agreed that was correct. He said the Illinois legislature passed legislation that identified the contingent coverage as well identifying the primary commercial coverage begins when a ride is requested, which also aligns with the language in this bill.

VICE CHAIR HUGHES asked whether any states have passed that the defining moment was the point at which the app was activated or "app on."

MR. BENNETT answered that California transitioned to an "app on" and Colorado also considers [primary coverage] when the app is turned on [or "app on."]

VICE CHAIR HUGHES recapped her understanding that two states [California and Colorado] consider "app on" as the defining moment for commercial coverage and one considers it to be the point of purchase [Illinois], when the passenger pays for the ride via a credit card. She asked whether this issue was also currently being considered in other states.

MR. BENNETT answered that a wide range of legislation was currently being considered in multiple states.

[4:31:23 PM](#)

REPRESENTATIVE JOSEPHSON said there was nothing magical about when the clock begins, but states were making pure policy decisions. Prior to the existence of Uber, insurance companies such as State Farm Insurance and Farmers Insurance did not cover this sort of activity. He asked why the burden be shifted to them during the period when the driver might be distracted by trying to identify whether a potential rider has requested a

ride. He offered that these drivers were on the streets since they were offering rides. He asked for further clarification since the courts will ultimately determine whether that would constitute an economic activity absent a statute.

MR. BENNETT answered that he was not familiar with a situation in which the courts made such determinations. He suggested that most states have addressed this in one form or another.

[4:33:14 PM](#)

ARMAND FELICIANO, Vice-President, Property Casualty Insurers Association of America (PCI), offered that State Farm Insurance's testimony was "spot on." He said that the real issue was that the transportation network companies (TNCs) definition of service is so narrowly defined [in the bill]. He related a scenario in which an Uber driver was "roaming" ["app on"] without a passenger and was involved in an accident. He offered his belief that the courts, using the narrow definition of TNCs, would determine that the driver was not providing transportation network services and therefore Uber is "off the hook." He asked to next respond to Uber's testimony.

[4:34:11 PM](#)

MR. FELICIANO directed attention to the "gap" issue. He said that 22 state regulators have already deemed that personal auto insurance does not cover the period described as period 1. The main debate surrounds turning the Uber "app on," the point at which the driver is engaging in commercial activity. He agreed this was a matter of opinion, but PCI's opinion is different than Uber's opinion. He related his understanding that Uber believes period 1 is considered personal use, but PCI believes it falls under commercial use. He characterized this as the "heart of the issue." The Uber insurance was contingent on personal auto insurance, but PCI disagrees and believes that personal auto insurance simply does not cover that activity. In fact, that is exactly what a gap is, he said. If an accident happens and the driver indicates the Uber app was on during the investigation, personal auto insurance will not cover it; however, Uber disagrees with this determination. He suggested that drivers really shouldn't want auto insurance coverage based on the court stepping in and determining the coverage. Having Uber services as an option for transportation is great; however, he disagreed that insurance law should be so gray. Uber testified that incidents have not yet happened in Alaska, but why wait until they do.

4:35:46 PM

MR. FELICIANO suggested that in Uber's home state of California an Uber driver did have an accident during period 1. He reported that 36 states are currently debating this type of insurance coverage today. He stated that PCI has been involved in this nationally, and California, Colorado, the District of Columbia, and West Virginia have agreed that transportation network company services (TNC) services begin when the Uber app is turned on [app on]. He suggested that if Uber was willing to consider that the service occurs during "app on" in California, why not extend that same level of protection in Alaska. He offered to work with Uber on this issue, just as his company has done in California. He suggested that the California model will work in Alaska. He remarked that Illinois represents the minority since it considers TNC happens when the Uber driver accepts the rider. He said this captures what is happening at the national level.

MR. FELICIANO recalled questions raised earlier, including one asking what will happen to insurance rates. In California, Uber agreed to a hybrid insurance policy to make it affordable, he said, noting the hybrid policy was not personal or commercial insurance, but was insurance based on metro mile provided. Another question was raised about someone providing rides [carpooling]. He said the distinction was that the person providing rides and collecting money for gas does not make a living out of his/her car. The driver sharing rides does not log on for five hours a day to make money. He concluded by stating that PCI is opposed to HB 120, but is willing to work with Uber on the insurance issues, similar issues have been settled in other states and those solutions should be extended to Alaska.

4:38:06 PM

VICE CHAIR HUGHES related a scenario in which commercial insurance started at "app on," but it was a slow day and the Uber driver decided to pick up his/her dry cleaning and then pick up his/her child from school. She asked whether the commercial coverage would cover any accident since it seemed like it would fall under personal use even though the Uber app was turned on.

MR. FELICIANO answered that was the reason a hybrid policy is needed. He said that from the moment of "app on" that a hybrid

policy should be in place to protect the driver. One suggestion was that it shouldn't be difficult to develop a kill switch; however, if the app has been on for an hour and there isn't any movement, the Uber driver is not working, just hanging out, he said. He identified the multiple app issue as one that needs to be considered, especially if this type of ridesharing becomes popular in Anchorage, since some drivers will have three phones on. This issue has not yet been addressed in other jurisdictions and he characterized it as being a real "legal mess." He predicted it would be a "legal mess" if something happened when all three apps were turned on.

[4:39:53 PM](#)

SUSAN GORSKI, Executive Director, Chugiak-Eagle River Chamber of Commerce, said that it has been interesting to listen to discussion on the transportation network companies (TNCs) and how they might safely operate in Alaska. She recognized that these represent new challenges for everyone since the technology was rapidly changing. She supported the sponsor's comments that the community needs to increase its transportation options, noting the Chugiak-Eagle River community has been working since the 1990s on various scenarios. However, the taxicab industry as it is regulated in the MOA, cannot serve the Chugiak-Eagle River area nor it does it make any financial sense. Thus the Chugiak- Eagle River area has been totally lacking in intra-community transportation and transportation within the community. Transportation network companies, such as Uber, are innovative private sector concepts. She hoped the insurance issues would be resolved since the Chugiak-Eagle River area consists of 35,000 people without transportation networks in place. She said that the TNCs are a multi-billion dollar industry that provide services in over 200 cities and in 47 countries. She offered her belief that Alaska also needs TNCs, which will bring efficiencies to the market. Some communities have implemented safety measures for drivers and passengers and have also instituted rigorous background checks, which are the issues the public is concerned about. She encouraged members to work on this issue for a positive resolution, which can be a "win-win" situation for all of us.

[4:42:20 PM](#)

VICE CHAIR HUGHES said it was clear that Ms. Gorski is a fan of transportation network companies (TNC). She asked to leave public testimony open on HB 120.

[HB 120 was held over)

HB 58-ELIGIBILITY FOR AK ENERGY EFFIC LOANS

[4:42:54 PM](#)

CHAIR OLSON announced that the final order of business would be HOUSE BILL NO. 58, "An Act making an entity that is exempt from federal taxation under 26 U.S.C. 501(c)(3) (Internal Revenue Code) and a federally recognized tribe eligible for a loan from the Alaska energy efficiency revolving loan fund; and relating to loans from the Alaska energy efficiency revolving loan fund." [Before the committee was CSHB 58 (ENE)].

[4:42:59 PM](#)

REPRESENTATIVE KREISS-TOMKINS, Alaska State Legislature, stated the proposed CSHB 58(ENE) relates to the Alaska Energy Efficiency Revolving Loan Fund (AEERLF) and to the eligibility of the fund. The intent of the bill was to expand the eligibility for the revolving loan fund from public entities such as school districts, municipalities, or universities to nonprofit entities including churches, soup kitchens, American Legion halls, chambers of commerce and similar entities.

REPRESENTATIVE KREISS-TOMKINS explained the rationale for this bill. He explained that the Alaska Energy Efficiency Revolving Loan Fund (AEERLF) has been significantly under used since its inception a few years ago. In fact, only one loan application has been filed, but a fully processed and executed loan has not yet been issued from the fund. He said that this loan fund has the authority to bond up to \$250 million so significant value and potential is inherent in the AEERLF. He said his goal was to ensure that this fund benefits Alaska, Alaskans, and Alaska's buildings as much as possible. Expanding the AEERLF's eligibility to institutions that contribute to Alaska communities such as nonprofits can fulfill that goal. He said this is timely and harmonious given the budget climate. Many of these nonprofit organizations have an operational strategy that often revolves around capital grants or "free money" when it comes to making improvements to their physical plant or buildings, but this era is largely coming to an end since limited grant funding is available. This bill would create a viable means for nonprofit entities to become more self-sufficient and independent in terms of maintaining their facilities through low-interest loans. He offered his belief that was the direction the state needs to go to help nonprofits

become more independent and self-sufficient when less grant money and capital funding is available.

[4:45:48 PM](#)

REPRESENTATIVE JOSEPHSON asked for reasons for the underutilization of the fund.

REPRESENTATIVE KREISS-TOMKINS explained that two years ago he contacted every municipal government and school district in his legislative district once he became aware of the Alaska Energy Efficiency Revolving Loan Fund (AEERLF). Since his district was rural, he had lots of contacts with school administrators or city administrators to advise them that this program could be helpful, especially given the high energy costs in his district. For example, residents in his district can pay \$6 per gallon for heating oil and \$.60 per kilowatt hour for electricity. However, there was little interest in the program since in the last two years public entities could reliably turn to the state for capital grants. Therefore, these entities would not apply for low interest loans since they could obtain "free money" from the state.

REPRESENTATIVE KREISS-TOMKINS suggested that public and non-profit entities will need to become more self-efficient. He suggested that more entities will look for low-interest loans since the spigot of state funds "has been turned off." Thus this bill could be the vehicle to direct attention to the low-interest loans.

VICE CHAIR HUGHES remarked that the free money not going to be available, she might expect that more public entities will step up. She asked how the applications will be prioritized if a big rush of public entities and nonprofit organizations sought the low-interest loans.

[4:48:16 PM](#)

REPRESENTATIVE KREISS-TOMKINS referred to page 5, lines 10-13 to proposed Section 7, subsection (k), which was language added by the previous committee. This provision would create a two-tier prioritization or preference for applications, for example, if there was a "gold rush" and every nonprofit and public entities applied and the Alaska Housing Finance Corporation had too many applications, subsection (k) would create a priority for public entities. He said that this language was added in the House Special Committee on Energy and he fully endorsed the change.

In the event the AHFC did not have enough available capital or administrative capacity to process the barrage of applications, the AHFC would give preference and prioritize public applications over nonprofit applications; however, if funds remained after public entities were served, the nonprofits would also be eligible.

[4:49:37 PM](#)

VICE CHAIR HUGHES asked whether the sponsor had been approached by nonprofits or how this bill came about.

REPRESENTATIVE KREISS-TOMKINS answered that this came about in part since he was schlepping around the district to point out this great program. He talked to a nonprofit administrator in Sitka, but like most nonprofits, every \$500 was very important. This organization had a lot of physical assets, many of which had single pane windows and were built without insulation. The nonprofit organization expressed an interest in insulating the buildings since the return on investment is amazing, but the organization did not have enough access to cash to do so. Thus, the problem was access to capital. He recalled the Alaska Energy Efficiency Revolving Loan Fund (AEERLF) had a \$250 million balance for this very purpose. He suggested that it made sense to connect "A" and "B." He researched this issue further by e-mailing the Foraker Group since it tends to be the authority on nonprofit administration. He said he discovered the Foraker Group had been working on a pilot project in Fairbanks connecting a nonprofit entity to low-interest loans. He described the aforementioned project that was a partnership between the Foraker Group, Rasmuson Foundation, Cold Climate Housing Research Center, and the Denali Commission. This led to collaborating and drafting the bill.

[4:53:12 PM](#)

VICE CHAIR HUGHES opened public testimony on HB 58.

[4:53:26 PM](#)

DANIEL POWERS, Coordinator, Fairbanks Nonprofit Retrofit Pilot Program, Cold Climate Housing Research Center (CCHRC), stated that he has been the project coordinator for the Fairbanks Nonprofit Retrofit Pilot Program. He explained that this project will retrofit 14 buildings for 10 building owners to assist tribal and nonprofit organizations improve energy efficiency through energy and facility planning, energy

auditing, scoping and design. Many elements are necessary to bring an energy efficiency project from an idea through the lending process, which HB 58 addresses, to completion and monitoring. He offered his belief that HB 58 was a great step in direction of helping nonprofits capitalize their own energy efficiency resources, especially since these nonprofits provide essential services for some of the most vulnerable populations in Alaska. He characterized HB 58 as a great idea that can help reduce the state's historical grants to nonprofits and change the culture for energy efficiency improvements. This bill could enable tribal entities and nonprofits an opportunity to reduce operational costs. He concluded by stating he is a strong supporter of HB 58.

[4:55:48 PM](#)

VICTORIA MOROZOVA, Chair, Alaska Youth for Environmental Action, Anchorage Chapter, stated that she is a student at Stellar Secondary School and would like to testify in support of HB 58. She asked members to consider the importance of energy efficiency to lower the carbon footprint, but to decrease the amount of money going to waste [due to a lack of energy efficiency]. Further, she asked to emphasize the success of Alaska Energy Efficiency Revolving Loan Fund (AEERLF) and the benefits the fund could bring to tribal and nonprofit entities. For example, the faculty at Stellar Secondary School said they could use the loan fund to invest in more efficient LED lighting, replace windows with more energy efficient ones, and could install a better heating system to save money for the Anchorage School District. She suggested that those funds could be better used for education, which as a student she believes is very important. She urged members to please pass HB 58.

[4:57:48 PM](#)

CARMELA FLYNN, Member, Alaska Youth for Environmental Action (AYFEA), stated that she was a sophomore at Hutchinson High School in Fairbanks. She asked to testify in support of HB 58 since it could upgrade energy systems to many of the buildings she regularly uses, including her church, library, and hospital. She suggested that having the loans to upgrade her school could help them upgrade equipment. She said that the AEERLF loans also help to raise awareness of the more efficient ways to save energy, reduce fuel emissions and aid climate change. She urged members to pass HB 58.

[4:58:51 PM](#)

VICE CHAIR HUGHES, after first determining no one wished to testify, closed public testimony on HB 58.

[4:59:10 PM](#)

REPRESENTATIVE TILTON moved to adopt the proposed committee substitute (CS) for HB 58, labeled 29-LS0254\F, Nauman, 3/10/15, as the working document. There being no objection, Version F was before the committee.

[4:59:21 PM](#)

REPRESENTATIVE TILTON moved the proposed committee substitute (CS) for HB 58, Version F, out of committee with individual recommendations and the accompanying fiscal note. There being no objection, CSHB 58(L&C) was reported from the House Labor and Commerce Standing Committee.

[4:59:58 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 5:00 p.m.