

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

April 13, 2016

3:19 p.m.

**MEMBERS PRESENT**

Representative Kurt Olson, Chair  
Representative Shelley Hughes, Vice Chair  
Representative Jim Colver  
Representative Gabrielle LeDoux  
Representative Cathy Tilton  
Representative Andy Josephson  
Representative Sam Kito

**MEMBERS ABSENT**

Representative Mike Chenault (alternate)

**COMMITTEE CALENDAR**

CONFIRMATION HEARING(S):

Marijuana Control Board

Brandon Emmett - Fairbanks

- CONFIRMATION(S) ADVANCED

Alaska Gasline Development Corporation, Board of Directors

Joey Merrick II - Eagle River

- CONFIRMATION(S) ADVANCED

SENATE BILL NO. 157

"An Act defining arcade-style amusement devices."

- MOVED SB 157 OUT OF COMMITTEE

SENATE BILL NO. 158

"An Act relating to real estate broker licensure; relating to the real estate commission; and providing for an effective date."

- HEARD AND HELD

CS FOR SENATE BILL NO. 165(JUD) am

"An Act relating to the presence of minors in the licensed premises of manufacturers, wholesalers, and retailers of alcoholic beverages; relating to the Alcoholic Beverage Control Board; relating to background checks for persons applying to operate marijuana establishments; relating to the offense of minor consuming; relating to revocation of a driver's license for a minor consuming offense; relating to the effect of the revocation of a driver's license for a minor consuming offense on a motor vehicle liability insurance policy; and amending Rule 17, Alaska Rules of Minor Offense Procedure."

- HEARD AND HELD

SENATE BILL NO. 18

"An Act exempting a health care sharing ministry from regulation as an insurer."

- MOVED SB 18 OUT OF COMMITTEE

CS FOR SENATE BILL NO. 69(FIN)

"An Act relating to the Board of Chiropractic Examiners and the practice of chiropractic."

- MOVED CSSB 69(FIN) OUT OF COMMITTEE

CS FOR HOUSE JOINT RESOLUTION NO. 28(FSH)

Opposing the United States Food and Drug Administration's approval of AquaBounty AquAdvantage genetically engineered salmon; urging the United States Congress to enact legislation that requires prominently labeling genetically engineered products with the words "Genetically Modified" on the product's packaging; and supporting the efforts of the state's congressional delegation to delay the confirmation of the new commissioner of the United States Food and Drug Administration until the United States Food and Drug Administration agrees to require labeling for genetically engineered salmon.

- MOVED CSHJR 28(FSH) OUT OF COMMITTEE

CS FOR SENATE BILL NO. 126(L&C)

"An Act establishing an exemption for the offering and sale of certain securities."

- SCHEDULED BUT NOT HEARD

SENATE BILL NO. 206

"An Act relating to a reinsurance program for residents who are high risks and insurer assessments to cover the costs of the reinsurance program; relating to application for state innovation waivers for health care insurance; relating to definitions of 'residents who are high risks' and 'covered lives'; and providing for an effective date."

- PENDING REFERRAL

**PREVIOUS COMMITTEE ACTION**

BILL: SB 157

SHORT TITLE: AMUSEMENT DEVICES & GAMBLING DEFINITION

SPONSOR(s): SENATOR(s) MCGUIRE

01/25/16	(S)	READ THE FIRST TIME - REFERRALS
01/25/16	(S)	JUD
02/01/16	(S)	JUD AT 1:30 PM BELTZ 105 (TSBldg)
02/01/16	(S)	Heard & Held
02/01/16	(S)	MINUTE(JUD)
02/03/16	(S)	JUD AT 1:30 PM BELTZ 105 (TSBldg)
02/03/16	(S)	Moved SB 157 Out of Committee
02/03/16	(S)	MINUTE(JUD)
02/05/16	(S)	JUD RPT 4DP
02/05/16	(S)	DP: MCGUIRE, COGHILL, COSTELLO, WIELECHOWSKI
02/10/16	(S)	TRANSMITTED TO (H)
02/10/16	(S)	VERSION: SB 157
02/12/16	(H)	READ THE FIRST TIME - REFERRALS
02/12/16	(H)	L&C
04/13/16	(H)	L&C AT 3:15 PM BARNES 124

BILL: SB 158

SHORT TITLE: REAL ESTATE COMMISSION;BROKER LICENSING

SPONSOR(s): LABOR & COMMERCE

01/25/16	(S)	READ THE FIRST TIME - REFERRALS
01/25/16	(S)	L&C
02/04/16	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
02/04/16	(S)	Scheduled but Not Heard
02/18/16	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
02/18/16	(S)	Heard & Held
02/18/16	(S)	MINUTE(L&C)
03/03/16	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
03/03/16	(S)	Moved SB 158 Out of Committee
03/03/16	(S)	MINUTE(L&C)
03/04/16	(S)	L&C RPT 3DP

03/04/16 (S) DP: COSTELLO, GIESSEL, MEYER  
 04/01/16 (S) TRANSMITTED TO (H)  
 04/01/16 (S) VERSION: SB 158  
 04/04/16 (H) READ THE FIRST TIME - REFERRALS  
 04/04/16 (H) L&C  
 04/13/16 (H) L&C AT 3:15 PM BARNES 124

BILL: SB 165

SHORT TITLE: ALCOHOL: BOARD;MINORS;MARIJUANA CHECKS

SPONSOR(s): SENATOR(s) MICCICHE

02/01/16 (S) READ THE FIRST TIME - REFERRALS  
 02/01/16 (S) L&C, JUD  
 02/11/16 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)  
 02/11/16 (S) Scheduled but Not Heard  
 02/23/16 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)  
 02/23/16 (S) Heard & Held  
 02/23/16 (S) MINUTE(L&C)  
 03/08/16 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)  
 03/08/16 (S) Moved CSSB 165(L&C) Out of Committee  
 03/08/16 (S) MINUTE(L&C)  
 03/09/16 (S) L&C RPT CS 5DP SAME TITLE  
 03/09/16 (S) DP: COSTELLO, GIESSEL, MEYER, STEVENS,  
 ELLIS  
 03/23/16 (S) JUD AT 1:30 PM BELTZ 105 (TSBldg)  
 03/23/16 (S) <Bill Hearing Canceled>  
 03/28/16 (S) JUD AT 1:30 PM BELTZ 105 (TSBldg)  
 03/28/16 (S) Heard & Held  
 03/28/16 (S) MINUTE(JUD)  
 03/30/16 (S) JUD AT 1:30 PM BELTZ 105 (TSBldg)  
 03/30/16 (S) Moved CSSB 165(JUD) Out of Committee  
 03/30/16 (S) MINUTE(JUD)  
 04/01/16 (S) JUD RPT CS 2DP 3NR NEW TITLE  
 04/01/16 (S) DP: MCGUIRE, MICCICHE  
 04/01/16 (S) NR: COGHILL, WIELECHOWSKI, COSTELLO  
 04/08/16 (S) TRANSMITTED TO (H)  
 04/08/16 (S) VERSION: CSSB 165(JUD) AM  
 04/09/16 (H) READ THE FIRST TIME - REFERRALS  
 04/09/16 (H) L&C, JUD  
 04/13/16 (H) L&C AT 3:15 PM BARNES 124

BILL: SB 18

SHORT TITLE: HEALTH CARE SHARE MINISTRY NOT INSURANCE

SPONSOR(s): SENATOR(s) COGHILL

01/21/15 (S) PREFILE RELEASED 1/16/15  
 01/21/15 (S) READ THE FIRST TIME - REFERRALS

01/21/15 (S) HSS, L&C  
 02/18/15 (S) HSS AT 1:30 PM BUTROVICH 205  
 02/18/15 (S) Heard & Held  
 02/18/15 (S) MINUTE(HSS)  
 03/11/15 (S) HSS AT 1:30 PM BUTROVICH 205  
 03/11/15 (S) Moved SB 18 Out of Committee  
 03/11/15 (S) MINUTE(HSS)  
 03/13/15 (S) HSS RPT 4DP 1NR  
 03/13/15 (S) DP: STEDMAN, GIESSEL, KELLY, STOLTZE  
 03/13/15 (S) NR: ELLIS  
 04/02/15 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)  
 04/02/15 (S) Heard & Held  
 04/02/15 (S) MINUTE(L&C)  
 02/18/16 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)  
 02/18/16 (S) Moved SB 18 Out of Committee  
 02/18/16 (S) MINUTE(L&C)  
 02/22/16 (S) L&C RPT 4DP  
 02/22/16 (S) DP: GIESSEL, MEYER, STEVENS, ELLIS  
 03/09/16 (S) TRANSMITTED TO (H)  
 03/09/16 (S) VERSION: SB 18  
 03/10/16 (H) READ THE FIRST TIME - REFERRALS  
 03/10/16 (H) L&C  
 04/13/16 (H) L&C AT 3:15 PM BARNES 124

BILL: SB 69

SHORT TITLE: BD OF CHIROPRACTIC EXAMINERS; PRACTICE

SPONSOR(s): SENATOR(s) STOLTZE

03/06/15 (S) READ THE FIRST TIME - REFERRALS  
 03/06/15 (S) L&C, FIN  
 04/02/15 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)  
 04/02/15 (S) Heard & Held  
 04/02/15 (S) MINUTE(L&C)  
 02/04/16 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)  
 02/04/16 (S) Moved CSSB 69(L&C) Out of Committee  
 02/04/16 (S) MINUTE(L&C)  
 02/09/16 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)  
 02/09/16 (S) Moved CSSB 69(L&C) Out of Committee  
 02/09/16 (S) MINUTE(L&C)  
 02/10/16 (S) L&C RPT CS 5DP SAME TITLE  
 02/10/16 (S) DP: COSTELLO, GIESSEL, MEYER, STEVENS,  
 ELLIS  
 03/16/16 (S) FIN AT 9:00 AM SENATE FINANCE 532  
 03/16/16 (S) Heard & Held  
 03/16/16 (S) MINUTE(FIN)  
 04/05/16 (S) FIN AT 5:00 PM SENATE FINANCE 532  
 04/05/16 (S) Moved CSSB 69(FIN) Out of Committee

04/05/16 (S) MINUTE(FIN)  
 04/07/16 (S) FIN RPT CS 3DP 3NR SAME TITLE  
 04/07/16 (S) DP: MACKINNON, DUNLEAVY, HOFFMAN  
 04/07/16 (S) NR: KELLY, BISHOP, OLSON  
 04/08/16 (S) TRANSMITTED TO (H)  
 04/08/16 (S) VERSION: CSSB 69(FIN)  
 04/09/16 (H) READ THE FIRST TIME - REFERRALS  
 04/09/16 (H) L&C, FIN  
 04/13/16 (H) L&C AT 3:15 PM BARNES 124

BILL: HJR 28

SHORT TITLE: OPPOSING GM SALMON  
 SPONSOR(s): REPRESENTATIVE(s) TARR

01/19/16 (H) READ THE FIRST TIME - REFERRALS  
 01/19/16 (H) FSH, L&C  
 02/04/16 (H) FSH AT 10:00 AM CAPITOL 120  
 02/04/16 (H) Moved CSHJR 28(FSH) Out of Committee  
 02/04/16 (H) MINUTE(FSH)  
 02/05/16 (H) FSH RPT CS(FSH) NT 4DP  
 02/05/16 (H) DP: HERRON, KREISS-TOMKINS, ORTIZ,  
 STUTES  
 04/13/16 (H) L&C AT 3:15 PM BARNES 124

**WITNESS REGISTER**

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

**POSITION STATEMENT:** On behalf of Representative Olson, chair of the House Labor and Commerce Standing Committee, presented Governor Walker's appointees.

BRANDON EMMETT, Appointee  
 Marijuana Control Board  
 Alcohol & Marijuana Control Office  
 Department of Commerce, Community & Economic Development  
 Anchorage, Alaska

**POSITION STATEMENT:** Testified as appointee to the Marijuana Control Board.

JOEY MERRICK II, Appointee  
 Board of Directors  
 Alaska Gasline Development Corporation  
 Department of Commerce, Community & Economic Development  
 Anchorage, Alaska

**POSITION STATEMENT:** Testified as appointee to the Board of Directors of the Alaska Gasline Development Corporation.

FORREST WOLFE, Staff  
Senator Lesil McGuire  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** On behalf of Senator McGuire, sponsor, introduced SB 157.

JAY TOBIN, Senior Vice President/General Counsel  
Dave & Buster's  
Dallas, Texas

**POSITION STATEMENT:** Answered a question during the hearing on SB 157.

WESTON EILER, Staff  
Senator Mia Costello  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** On behalf of Senator Costello, chair of the Senate Labor and Commerce Committee, sponsor, introduced SB 158.

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

**POSITION STATEMENT:** On behalf of Representative Olson, chair of the House Labor and Commerce Standing Committee, introduced the proposed House committee substitute for SB 158.

SENATOR PETER MICCICHE  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Speaking as the sponsor, introduced CSSB 165(JUD).

CHUCK KOPP, Staff  
Senator Peter Micciche  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** On behalf of Senator Micciche, sponsor, presented the sectional analysis for CSSB 165(JUD).

DALE FOX, President/CEO  
Alaska Cabaret, Hotel, Restaurant and Retailers Association  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of CSSB 165(JUD).

GINNY ESPENSHADE, Director  
Kenai Peninsula Youth Court  
Homer, Alaska

**POSITION STATEMENT:** Testified in support of SB 165.

CYNTHIA FRANKLIN, Director  
Anchorage Office  
Alcohol & Marijuana Control Office  
Department of Commerce, Community & Economic Development  
Anchorage, Alaska

**POSITION STATEMENT:** Speaking for her staff and agency,  
testified in support of CSSB 165(JUD).

RYNNIEVA MOSS, Staff  
Senator John Coghill  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** On behalf of Senator Coghill, sponsor,  
introduced SB 18.

SENATOR BILL STOLTZE  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Speaking as the sponsor, introduced CSSB  
69(FIN).

BRANDON BREFCZYNSKI, Staff  
Senator Bill Stoltze  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** On behalf of Senator Stoltze, sponsor,  
presented the sectional analysis for CSSB 69(FIN).

EDWARD BARRINGTON, DC, Chair  
Legislative Committee  
Alaska Chiropractic Society  
Board Member, Board of Chiropractic Examiners  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of SB 69, and answered  
questions.

REPRESENTATIVE GERAN TARR  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Speaking as the sponsor, provided a PowerPoint presentation entitled, "HJR 28: Opposing GM Salmon."

**ACTION NARRATIVE**

[3:19:38 PM](#)

**CHAIR KURT OLSON** called the House Labor and Commerce Standing Committee meeting to order at 3:19 p.m. Representatives Olson Tilton, Hughes, Colver, Kito, and Josephson were present at the call to order. Representative LeDoux arrived as the meeting was in progress.

**Alaska Gasline Development Corporation Board of Directors**

[3:20:10 PM](#)

CHAIR OLSON announced that the first order of business would be confirmation hearings for appointees to the Marijuana Control Board and to the Board of Directors, Alaska Gasline Development Corporation.

[3:21:32 PM](#)

REPRESENTATIVE HUGHES moved to advance the confirmation of appointees referred to the House Labor and Commerce Standing Committee to a joint session of the House and Senate for consideration.

[3:21:37 PM](#)

CHAIR OLSON objected for discussion purposes.

[3:21:46 PM](#)

KONRAD JACKSON, Staff, Representative Kurt Olson, stated that all members will have an opportunity to speak to Governor Walker's appointees, and he read their names and appointments:

Brandon Emmett, to the Marijuana Control Board  
Joey Merrick II, to the Board of Directors, Alaska  
Gasline Development Corporation.

[3:22:32 PM](#)

BRANDON EMMETT, Appointee, Marijuana Control Board, Alcohol & Marijuana Control Office, Department of Commerce, Community &

Economic Development, informed the committee he currently holds the industry/public seat on the Marijuana Control Board (MCB). He expressed his deep concern about the state's transition to the legal use of marijuana. Mr. Emmett said marijuana use has been shown to be safer than alcohol and he felt compelled, as a member of the cannabis community, along with his experience in the industry, to participate as a member of the board. He said he felt fortunate to represent 56 percent of the voters in Alaska who voted to enact [Alaska Marijuana Legalization, Ballot Measure 2, passed by voters on 11/4/14]. His experience has been with those who consume cannabis responsibly and he has supported the campaign to regulate marijuana like alcohol through the Coalition for Responsible Cannabis Legislation. Mr. Emmett said it is important that marijuana is no longer available from the black market, and is regulated in order to track its consumption, its effects on communities, and to generate tax revenue. He said he brings a fact-based, and public-comment driven approach to MCB, and he looks forward to being reconfirmed and continuing his work on the board. Board members hold diverse views, and Alaska has the opportunity to enact responsible marijuana legislation.

[3:26:10 PM](#)

REPRESENTATIVE KITO observed that industry/public members of the Alcoholic Beverage Control Board have experience in management and oversight of a business facility and licensure. He asked Mr. Emmett for his experience specific to marijuana business operations for testing, sales, and licensure.

MR. EMMETT described his experience with the industry in Oregon working on a medical marijuana farm in cultivation and sales, although there was no testing. He pointed out that there is a black market for marijuana in Alaska, and he is familiar with the issues of transportation and retail sales of marijuana. The aspect of testing is new in Alaska, and even though all of the marijuana must be tested, it cannot be transported by air or boat, and thus the state must devise a way to allow legal marijuana commerce to include transportation, or testing labs must be available everywhere. Currently, there are four labs on the road system, with more applications pending.

REPRESENTATIVE KITO said he was more concerned about Mr. Emmett's knowledge of new business operations.

MR. EMMETT said he also has experience as a program manager in upper level management of a successful helicopter-based, search

and rescue company, and was responsible for day-to-day operations, accounting, and safety. The helicopter search and rescue industry provided a high level of experience under stress. In addition, he is the chief operations officer of a new cannabis venture.

[3:33:48 PM](#)

REPRESENTATIVE KITO expressed his concern about two issues of public health and safety: (1) advertising and protecting children from easy access and/or predatory advertising of marijuana products; (2) how to protect roads and businesses from impaired operators of motor vehicles.

MR. EMMETT agreed that the packaging and advertising of marijuana products has been a big issue in some states such as Colorado, where cartoon characters were used to promote products. He said he does not support any packaging that would appeal to children; in fact, a regulated market will protect youth better than an unregulated market, and regulations state that marijuana cannot be added to an existing product, such as a candy bar or children's candy. Packaging for edibles must be opaque and 4 mils thick in order to be child-resistant. In this manner, there is a reasonable assurance that most individuals under the age of twenty-one years will not be attracted to the products. Regarding public safety, in his experience traffic events caused by marijuana use are less frequent than those caused by alcohol use; currently, there are tests under development to determine marijuana impairment similar to field sobriety tests.

REPRESENTATIVE KITO has been informed that there are drug recognition experts; however, there are only two in Juneau. He cautioned that impairment by operators of motor vehicles has not been much of an issue because marijuana has been illegal. As for alcohol, MCB can provide direction to businesses to establish monitoring methods such as alcohol awareness training (TAM) cards.

MR. EMMETT said he recognized concerns about impairment caused by the use of marijuana. A regulated system encourages that information will be provided to consumers as part of retail sales, which is not part of black market sales. He urged for a "marijuana handlers' card" for salespersons and businesses.

CHAIR OLSON asked whether Mr. Emmett has a business relationship with other members of MCB.

MR. EMMETT said no. He has filed for a license for a corporation, but has no plans to go into business with anyone on MCB in the near future.

[3:44:19 PM](#)

JOEY MERRICK II, Appointee, Board of Directors, Alaska Gasline Development Corporation (AGDC), Department of Commerce, Community & Economic Development, provided his business experience working in the construction industry on the North Slope since 1989, in many capacities from general laborer to project manager. Mr. Merrick said he is president of the Alaska Petroleum Joint Crafts Council, president and of the Alaska District Council of Laborers representing approximately 5,500 Alaskans, serves as a trustee of the Alaska Laborers Training Trust program, Department of Labor & Workforce Development, and of the "pipeline training trust." Currently, he is the business manager of Laborers Local 341 and frequently negotiates contracts with the industry. Mr. Merrick said the AGDC board of directors works well and his contribution to the board is his understanding of "how to put a deal together" in the oil and gas business, from both the point of view of the industry, and that of Alaskans, in order to ensure fairness for all. He expressed his interest in continuing to serve on the board.

REPRESENTATIVE COLVER asked Mr. Merritt to expand on his pipeline experience on the North Slope, and as a supervisor of the marine terminal at Valdez.

MR. MERRICK said he has worked in almost every stage of "the project," from new pipeline on numerous big projects. He opined that the AGCD board is diverse and many have a construction background as well, and his other expertise is in workforce development. He serves on the technical committee and will be needed at the time the project seeks a large workforce.

CHAIR OLSON asked whether Mr. Merrick was involved with the port authority in Valdez.

MR. MERRICK said no.

[3:50:27 PM](#)

REPRESENTATIVE JOSEPHSON asked Mr. Merrick how his service on the Oil and Gas Competitiveness Review Board, Department of Revenue, may aid AGDC.

MR. MERRICK responded that while on the Oil and Gas Competitiveness Review Board, he strove for impartiality. His service on the board was not long.

REPRESENTATIVE KITO inquired as to whether Mr. Merrick had a unique perspective to bring to the AGDC board.

MR. MERRICK answered that what is needed is his knowledge of how to interact with industry because he knows all of the aspects of building a pipeline, and he restated his experience in workforce development.

[3:54:15 PM](#)

CHAIR OLSON removed his objection to advancing the names of the appointees.

[3:54:34 PM](#)

REPRESENTATIVE HUGHES restated her motion and reminded the members that signing the reports regarding appointments to boards and commissions in no way reflects individual members' approval or disapproval of the appointees, and that the nominations are merely forwarded to the full legislature for confirmation or rejection. There being no further objection, the confirmations were advanced.

[3:55:08 PM](#)

The committee took an at ease from 3:55 p.m. to 3:56 p.m.

**SB 157-AMUSEMENT DEVICES & GAMBLING DEFINITION**

[3:56:46 PM](#)

CHAIR OLSON announced that the next order of business would be SENATE BILL NO. 157, "An Act defining arcade-style amusement devices."

[3:56:53 PM](#)

FORREST WOLFE, staff, Senator Lesil McGuire, stated that SB 157 is a housekeeping measure that seeks to clarify language in the Alaska Statutes. The first goal of the bill is to create a definition of amusement devices to include arcade-style games of skill, while excluding games of chance. The second goal is to

add that winning tickets, tokens, or credit from these games does not constitute gambling. Mr. Wolfe said SB 157 would ensure that businesses that feature these types of amusement devices and games have the legal grounds to operate in Alaska, which would bring new well-paying jobs and family-friendly businesses to the state.

[3:59:28 PM](#)

CHAIR OLSON opened public testimony on SB 157.

[3:59:36 PM](#)

JAY TOBIN, Senior Vice President/General Counsel, Dave & Buster's, offered to answer questions.

REPRESENTATIVE KITO asked whether the issue addressed by SB 157 is not in current statute.

MR. WOLFE clarified that the language in statute is vague; although this type of establishment is not illegal, businesses such as Dave and Buster's want further assurance prior to investing in Alaska.

MR. TOBIN added that Dave and Buster's is planning to invest \$10 million in the construction of a new store. Existing law, an opinion from the Department of Law, and advice from local counsel led to his organization's decision to seek full conformance with the laws of the state.

REPRESENTATIVE JOSEPHSON directed attention to page 2, line 22, of the bill which read:

Sec. 3. AS 11.66.280 is amended by adding a new paragraph to read:

(12) "amusement device" includes arcade-style games, pinball machines, countertop machines, novelty arcade games, sports-themed games, shuffleboard tables, claw machines, pool tables, shooting galleries, bowling, and a similar machine, device, or apparatus that provides amusement, diversion, or entertainment; "amusement device" does not include casino-style games, draw games, slot machines, roulette wheels, craps, video poker, or any other game that is a contest of chance.

REPRESENTATIVE JOSEPHSON asked for assurance that the proposed new paragraph could not be construed as "something that's akin to gambling."

MR. WOLFE stated that these types of amusement devices are specifically excluded from the definition of gambling, and the definition does not include casino-style games of chance.

REPRESENTATIVE JOSEPHSON said he was unfamiliar with the definitions of the games that are excluded.

MR. WOLFE described a claw machine as a game of skill, and not a game of chance.

[4:06:03 PM](#)

CHAIR OLSON, after ascertaining no one else wished to testify, closed public testimony.

[4:06:15 PM](#)

REPRESENTATIVE HUGHES moved to report SB 157, Version 29-LS1264\W out of committee with individual recommendations and the accompanying zero fiscal notes. There being no objection, SB 157 was reported out of the House Labor and Commerce Standing Committee.

[4:06:41 PM](#)

The committee took an at ease from 4:06 p.m. to 4:09 p.m.

**SB 158-REAL ESTATE COMMISSION;BROKER LICENSING**

[4:10:30 PM](#)

CHAIR OLSON announced that the next order of business would be SENATE BILL NO. 158, "An Act relating to real estate broker licensure; relating to the real estate commission; and providing for an effective date."

[4:10:38 PM](#)

WESTON EILER, Staff, Senator Mia Costello, informed the committee SB 158 raises the requirements to become a licensed real estate broker, the highest level of real estate licensee. The bill was brought forward by the industry to improve professional standards and protect consumers. Real estate

brokers handle complex business transactions, and real estate transactions, and supervise associate brokers and new licensees. Mr. Eiler described the increasing complexity of the real estate industry, and stated that the bill increases the length of time a broker applicant must have held a real estate license from 24 months to 48 months, increases the continuing education requirement from 15 hours to 30 hours, and adds additional training and experience to help brokers perform their duties. He paraphrased from the following sectional analysis [original punctuation provided]:

Section 1: Amends AS 08.88.091(c) to require individuals complete 30 hours of continuing education prior to being licensed as a real estate broker or associate real estate broker rather than 15 hours.

Section 2: Amends AS 08.88.171(a) to require applicants for a real estate broker license have at least 48 months of active continuous experience as a real estate licensee within the past 60 months rather than 24 months of active continuous experience as a real estate licensee within the past 36 months.

Section 3: Amends AS 08.88.171(a) to require applicants for an associate real estate broker license have at least 48 months of active continuous experience as a real estate licensee within the past 60 months rather than 24 months of active continuous experience as a real estate licensee within the past 36 months.

Section 4: Addresses applicability for the changes to be effective January 1, 2017.

Section 5: Permits the real estate commission to adopt regulations prior to January 1, 2017 that would become effective January 1, 2017.

Sections 6-7: Effective dates.

[4:15:12 PM](#)

REPRESENTATIVE JOSEPHSON asked for the stance of those opposing the bill.

MR. EILER said the sponsor has received questions related to the timeline from one broker applicant.

REPRESENTATIVE JOSEPHSON directed attention to page 2, lines [26-27], which read:

preceding application for the license, furnishes satisfactory proof that errors and omissions insurance required under AS 08.88.172 has been obtained, is not under

REPRESENTATIVE JOSEPHSON asked whether the requirement for errors and omissions insurance is a reasonable request.

MR. EILER pointed out that that language is in existing statute and is not amended by the bill.

REPRESENTATIVE JOSEPHSON, at the request of the chair, held his question.

REPRESENTATIVE LEDOUX advised that she has received letters in opposition to the bill.

MR. EILER stated that the sponsor has received letters of support from the Alaska Association of Realtors and the Alaska Real Estate Commission.

[4:18:34 PM](#)

REPRESENTATIVE HUGHES moved to adopt the proposed House committee substitute (HCS) for SB 158, Version 29-LS1303\H, Bruce, 4/5/16, as the working document.

[4:18:52 PM](#)

CHAIR OLSON objected for discussion purposes.

[4:18:59 PM](#)

KONRAD JACKSON, Staff, Representative Kurt Olson, informed the committee the proposed House committee substitute (HCS) makes two changes. On page 3, line 16 of the bill, the proposed HCS adds a new section that repeals AS 08.88.172(e), which is the subsection that voids the requirement that a real estate broker, associate real estate broker, and real estate salesperson shall carry and maintain errors and omissions insurance under certain conditions. In addition, an effective date is inserted in new Section 9, which makes the effective date of the repealer

1/1/18, and allows one currently in the process of becoming a real estate broker to complete his/her application for license.

REPRESENTATIVE COLVER asked for the effect of Section 4 of the proposed HCS.

[4:21:19 PM](#)

MR. JACKSON read from current statutes AS 08.88.172(e) as follows [in part]:

If the commission is unable to obtain a master errors and omissions insurance policy to insure licensees that meets the terms and conditions established under (b) of this section, the requirement that a real estate licensee carry and maintain errors and omissions insurance under AS 08.88.172 is void ....

MR. JACKSON advised that the effect of the proposed HCS is that errors and omissions insurance will be required.

[4:21:57 PM](#)

REPRESENTATIVE COLVER stated his intent to submit an amendment to remove the requirement for errors and omissions insurance. He stated it is not customary practice to require errors and omissions insurance to get a license, and it is not in the public interest to require a policy.

CHAIR OLSON noted that there has been minimal contact from the industry in this regard.

REPRESENTATIVE LEDOUX asked what professions are required to have errors and omissions insurance to obtain licensing. She stated her understanding that errors and omissions insurance is not required of lawyers or doctors.

REPRESENTATIVE COLVER said he will offer an amendment.

[4:25:20 PM](#)

CHAIR OLSON announced SB 158 was held over.

[4:25:46 PM](#)

Although not stated, the committee took an at ease from 4:25 p.m. to 4:26 p.m.

**SB 165-ALCOHOL: BOARD;MINORS;MARIJUANA CHECKS**

[4:26:10 PM](#)

CHAIR OLSON announced that the next order of business would be CS FOR SENATE BILL NO. 165(JUD) am, "An Act relating to the presence of minors in the licensed premises of manufacturers, wholesalers, and retailers of alcoholic beverages; relating to the Alcoholic Beverage Control Board; relating to background checks for persons applying to operate marijuana establishments; relating to the offense of minor consuming; relating to revocation of a driver's license for a minor consuming offense; relating to the effect of the revocation of a driver's license for a minor consuming offense on a motor vehicle liability insurance policy; and amending Rule 17, Alaska Rules of Minor Offense Procedure."

[4:26:39 PM](#)

The committee took a brief at ease.

[4:28:04 PM](#)

SENATOR PETER MICCICHE, Alaska State Legislature, informed the committee CSSB 165(JUD)am brings a healthy and reasonable balance of representation to the Alcoholic Beverage Control Board (ABCB), Alcohol & Marijuana Control Office, Department of Commerce, Community & Economic Development, and decriminalizes youth alcohol possession and consumption offenses. The bill is the product of an ongoing, multiyear, modernization process for Title 4, Alaska's statutes that govern the regulation and control of alcoholic beverages. Since 2012, the work has been facilitated by a diverse group seeking to reform alcohol laws such as those pertaining to licenses, and the role of ABCB; other issues will be addressed in the future. The current bill changes one seat of the ABCB structure, and removes damaging obstacles placed into the lives of young people under the current minor consuming alcohol (MCA) laws. Senator Micciche said minors are now subject to guilt by association resulting in a posting of offenses on Courtview, the loss of driving privileges, and the loss of motor vehicle insurance, all of which severs ties with institutions needed for success such as jobs, education, and family. He stressed that minor consuming deserves a swift and certain violation and imposition of a \$500 fine, but not jury trials, prosecution, public defender time, and court costs. Additionally, MCA offenses should not garner

the loss of driving privileges; in fact, driving under the influence is "a whole different crime, it's not minor consuming." Stakeholders have identified the value of rehabilitation over punishment for young people who are still forming their values and behavioral patterns. Senator Micciche advised that the bill restores under-21 alcohol status offenses to true violations, removes criminal penalties, and establishes a fine of \$500, which may be reduced by the court to \$50 under certain conditions. The bill also provides that such violations may not be published on Courtview - which has caused many youth to be denied employment and scholarship opportunities - and clarifies that youth may work or play on golf courses where alcohol is served, under certain conditions. Finally, CSSB 165(JUD)am requires background checks for persons applying to operate marijuana establishments. Senator Micciche listed many supporters of the proposed legislation, including the Alaska Peace Officers Association.

[4:33:27 PM](#)

CHUCK KOPP, Staff, Senator Peter Micciche, paraphrased from the following sectional analysis [original punctuation provided]:

Section 1 - Repeals and reenacts AS 04.06.020, relating to the appointment, reappointment and qualifications of members of the Alcoholic Beverage Control Board; and establishing definitions.

Section 2 - In AS 04.06.030, Terms of office; chair - changes "chairman" to "chair".

Section 3 - In AS 04.06.050, Meetings - changes "chairman" to "chair".

Section 4 - Amends AS 04.16.049(a), relating to access by minors to licensed premises; adds a reference to 04.11.110 permitting access to club premises by a person under 21 years of age if no alcoholic beverages are present or if the person has an active duty military card; changes "age of 21 years" to "21 years of age" to conform to current drafting style, and; identifies circumstances under which minors may be employed on licensed premises.

Section 5 - Amends AS 04.16.049(b), changing "age of 21 years" to "21 years of age" to conform to current drafting style.

Section 6 - Amends AS 04.16.049(c), allowing juveniles, 16 & 17 years of age, to be employed on golf course licensed premises as long as they have written consent of guardian or parent, and an exemption granted by the Department of Labor.

Section 7 - Amends AS 04.16.049(d), to allow minors, 18 - 20 years of age, to be employed within the licensed premises of a golf course as long as they do not sell, serve, deliver, or dispense alcoholic beverages.

Section 8 - Adds a new subsection (g) to AS 04.16.049 to permit access by minors to golf courses for the purpose of playing golf. Adds new subsections making unauthorized presence by a minor on licensed premises a violation, punishable by a fine of \$500, which must be charged and filed with the court as a separate case. The fine may be reduced by a court to \$50 if the minor supplies proof of completion of an alcohol safety action program or a community diversion panel.

Section 9 - Repeals and reenacts AS 04.16.050 to make minor consuming a violation, punishable by a fine of \$500, which must be charged and filed with the court as a separate case. The fine may be reduced by a court to \$50 if the minor supplies proof of completion of an alcohol safety action program or a community diversion panel.

Section 10 - Modifies the required language for warning signs on licensed or designated premises in AS 04.21.065(b).

Section 11 - Adds a new provision in 04.21.078 barring the court system from publishing on a publicly available website the record of a violation of AS 04.16.049 or 04.16.050, or a similar municipal ordinance, if the violation was charged separately and was not joined with another minor offense or criminal charge.

Section 12 - Amends 04.21.080(b) Definitions, add definition for "community diversion panel."

Section 13 - Amends AS 12.62.400(a) National criminal history record checks for employment, licensing, and other noncriminal justice purposes authorizing Department of Public Safety to obtain a criminal history record check of a person applying for a license to operate a marijuana establishment, as is currently required for alcohol beverage licensees.

Section 14 - Amends 17.38.200(a) requiring applicants for registration to operate marijuana establishments to submit to a criminal history record check.

Section 15 Amends AS 21.36.210(a) Limits on cancellation, to remove a reference to AS 21.96.027 due to repeal and reenactment of AS 04.16.050.

Section 16 - Amends AS 28.15.057(a) Restrictions on driver's license issued to person under 18, to reflect the repeal and reenactment of AS 04.16.050.

Section 17 - Amends AS 28.15.191(a) Court and parole board reports to department removes court requirement to forward to DMV a record of a minor consuming alcohol violation conviction within five working days.

Section 18 - Amends AS 28.15.211(g) removes reference to DMV not issuing or reissuing a driver's license to a person whose license was revoked for an offense under 04.16.050.

Section 19 - Amends the uncodified law of the State of Alaska, adding a new section describing a Direct Court Rule Amendment to Rule 17(a), Alaska Rules of Minor Offense Procedure, providing an exception to when a prosecutor may join a minor offense with a related criminal offense.

Section 20 - Amends the uncodified law of the State of Alaska, adding a new subsection (g) to Rule 17, Alaska Rules of Minor Offense Procedure, providing that a prosecutor may not join a minor offense for a violation of AS04.16.049 or AS 04.16.050 with a related criminal offense.

Section 21 - Repeals various sections that have to do with denial, cancelation or non-renewal of insurance for minor consuming violations, court revocation of a

driver's license for minor consuming alcohol, and Health & Social Services agreements under Delinquent Minor rules to revoke a driver's license for minor consuming alcohol offenses.

Section 22 - Applicability provisions.

Section 23 - Transition provisions relating to membership on the ABC Board

[4:44:04 PM](#)

REPRESENTATIVE JOSEPHSON directed attention to page 9, line 24 of the bill which read:

(g) A prosecutor may not join a minor offense for a violation of AS 04.16.049 or 04.16.050 with a related criminal offense.

REPRESENTATIVE JOSEPHSON questioned whether the aforementioned subsection would allow the "system" to cite a minor for a violation but the citation would not be in the same case file.

MR. KOPP explained that charging documents are referred to as the criminal intake disposition, on which the prosecutor lists all of the offenses committed. The bill requires that the prosecutor list a minor consuming alcohol charge on a separate document in order that the criminal offenses will be listed on Courtview, and the minor consuming alcohol charge will not.

REPRESENTATIVE JOSEPHSON asked whether it is currently a criminal offense if an 18-, 19-, or 20-year-old is caught consuming alcohol.

MR. KOPP said no, that is a violation under current law.

REPRESENTATIVE LEDOUX inquired as to whether a youth could be charged with minor [consuming alcohol], if he/she was merely present.

MR. KOPP said an average scenario may be a police officer walking into a room with minors present and there is alcohol; however, not everyone is consuming, so there is the possibility that many minors could be cited that were not consuming, and the citations would be posted on Courtview.

REPRESENTATIVE LEDOUX asked how police officers prove who was drinking.

MR. KOPP advised that police officers conduct interviews, smell the alcohol, see the effects of impairment, and test for alcohol to determine who was actually drinking.

REPRESENTATIVE HUGHES recalled that the legislature modeled the composition of the Marijuana Control Board (MCB) after the composition of the ABCB. She directed attention to page 2, lines 14 and 15 which read [in part]:

.... A board member representing the general public may not be affiliated with the public safety sector or the public health sector.

REPRESENTATIVE HUGHES noted that the bill changes members of the ABCB and she questioned prohibiting someone who has a public health background from applying for the general public seat; in fact, it is important for someone with that insight to be on the board.

[4:49:05 PM](#)

SENATOR MICCICHE explained that the concern of the industry was the possibility "that you could perhaps stack three active anti-industry people on the board." By affiliation, the language means someone who is currently in a profession linked to the public health sector. A member, and a rural member might have that background; however, this is an effort to balance the board with two industry members, and three potentially anti-industry members, in order to reach a fair compromise.

REPRESENTATIVE HUGHES acknowledged that industry members seem to care about public health issues. She pointed out that most states do not have industry representation on their alcohol boards. She expressed her understanding that the executive director is cognizant of public health issues and stressed the importance of keeping public health issues before the board.

SENATOR MICCICHE stated that CSSB 165(JUD)am represents about 10 percent of the work to be done in this effort, and his goal is to reach consensus and continue to work toward a common goal through compromise.

REPRESENTATIVE HUGHES advised that her experience is that public health concerns in this regard are very great in parts of the state. She said she was disappointed to see the change.

REPRESENTATIVE JOSEPHSON inquired as to whether the liquor industry has opposed or supported the bill.

SENATOR MICCICHE said there is support from the industry for the bill.

REPRESENTATIVE JOSEPHSON recalled from his experience as a prosecutor in Kotzebue, that a young person could be assessed with a lengthy suspension of his/her driving license.

MR. KOPP confirmed that offenses can "stack" and extend the revocation of driving privileges for "a very long time."

REPRESENTATIVE JOSEPHSON asked, "Under the current law, does it compound, so that the third offense is worse than the second?"

MR. KOPP said yes. In further response, he said the third offense is a misdemeanor and the revocation gets longer. In response to Chair Olson, he said more than 70 percent of minor consumers only offend once.

REPRESENTATIVE LEDOUX questioned whether minor consumers "age out" of the offense. She added that the bill is in alignment with other pending legislation.

[4:55:52 PM](#)

REPRESENTATIVE HUGHES moved to adopt the proposed House committee substitute (HCS) for CSSB 165(JUD) am, Version 29-LS1384\E, Bruce, 4/13/16, as the working document.

[4:56:08 PM](#)

CHAIR OLSON objected for discussion purposes.

SENATOR MICCICHE stated his support for the proposed House committee substitute.

[4:57:34 PM](#)

KONRAD JACKSON, Staff, Representative Kurt Olson, presented the proposed House committee substitute for CSSB 165(JUD)am, Version E. Version E makes two identical changes found on page 5,

beginning on lines 3 and 22, which insert, after \$50, the following:

.... for a person who has not more than one previous violation or to \$250 for a person who has two or more previous violations ...

MR. JACKSON said the forgoing changes were suggested by a member of the committee, and increase the penalty for repeat or habitual offenders.

[4:59:25 PM](#)

The committee took an at ease from 4:59 p.m. to 5:00 p.m.

[5:00:30 PM](#)

CHAIR OLSON opened public testimony.

[5:00:55 PM](#)

DALE FOX, President/CEO, Alaska Cabaret, Hotel, Restaurant and Retailers Association (Alaska CHARR), expressed his organization's support for CSSB 165(JUD)am. He said the bill provides for a balanced Alcoholic Beverage Control Board, is a new attempt to fight underage drinking, allows those under 21 years of age to play golf at courses that are a licensed premise, and provides for marijuana background checks. Mr. Fox urged the committee to pass the bill.

[5:02:15 PM](#)

GINNY ESPENSHADE, Director, Kenai Peninsula Youth Court, expressed her support for the bill. She said the bill ensures that current diversion programs remain an option for underage drinking offenses. In addition, Ms. Espenshade said she strongly supports the fact that said offenses will not appear on an online database which can interfere with opportunities for a young person's future such as employment, higher education, and military service.

[5:04:04 PM](#)

CYNTHIA FRANKLIN, Director, Anchorage Office, Alcohol & Marijuana Control Office, Department of Commerce, Community & Economic Development, said her staff and agency are in support of the bill. In response to an earlier question from

Representative LeDoux, she said retail wholesalers are prohibited from serving on the Alcoholic Beverage Control Board due to the three-tier system enacted following Prohibition, which is an attempt to recognize the power liquor wholesalers have and curb industry influence over the board.

[5:05:44 PM](#)

CHAIR OLSON, after ascertaining that no one else wished to testify, closed public testimony, and the bill was held over.

[5:06:08 PM](#)

The committee took an at ease from 5:06 p.m. to 5:07 p.m.

**SB 18-HEALTH CARE SHARE MINISTRY NOT INSURANCE**

[5:07:22 PM](#)

CHAIR OLSON announced that the next order of business would be SENATE BILL NO. 18, "An Act exempting a health care sharing ministry from regulation as an insurer."

[5:07:40 PM](#)

RYNNIEVA MOSS, Staff, Senator John Coghill, informed the committee SB 18 is a bill that places in statute the current practice of the Division of Insurance, Department of Commerce, Community & Economic Development, to exempt health care sharing ministries from regulation as insurance, because health care sharing ministries are charitable organizations. Firstly, the bill exempts health care sharing ministries from regulation, and secondly, the bill further defines health care sharing ministries, consistent with the definition of those ministries in the Patient Protection and Affordable Care Act (PPACA), which exempts said ministries from requirements of PPACA. Provisions in the bill are consistent with PPACA in that ministries must be 26 U.S.C 501(c)(3) not-for-profit exempt from taxation, faith-based, and participants must share a common set of ethical or religious beliefs. In addition, a participant cannot lose membership after developing a medical condition, the corporation must have been in existence since 12/31/99, the organization must have had medical expenses shared continuously and without interruption since 12/31/99, and the organization must have an annual audit. Currently, 30 states have safe harbor laws in place, in response to threats that these organizations would be regulated as insurance companies. Ms. Moss expressed her

understanding that between 250,000 to 400,000 Americans belong to these ministries, and in 2015, over \$340 million in medical expenses were paid by members of the ministries.

[5:10:13 PM](#)

REPRESENTATIVE HUGHES asked how many Alaskans would be affected by the proposed legislation.

MS. MOSS estimated between 3,400 and 3,500.

REPRESENTATIVE KITO inquired as to the services provided by the ministries. For example, are services provided on an emergency, fund-raising basis, or is there an expectation of regular health care, such as preventative annual check-ups.

MS. MOSS explained that services depend upon the articles of incorporation, bylaws, and policies of each ministry. There are some with deductibles. She pointed out that the ministry does not pay the bills, but acts as an administrator, notifying members of medical costs, and members donate funds directly to the patient.

REPRESENTATIVE KITO asked whether an individual member pays a regular amount or determines the amount of their donation.

MS. MOSS advised there is no guarantee that any member will contribute, therefore, the ministry is not insurance. Each member of the ministry must be asked to contribute to pay a patient's medical bill.

CHAIR OLSON asked whether payments are 100 percent.

MS. MOSS said the policies vary.

REPRESENTATIVE JOSEPHSON surmised the concept of the health care ministries is discussed in PPACA, and is federal law.

MS. MOSS said correct. In further response to Representative Josephson, she confirmed that members of health care ministries are exempted from the PPACA requirement of obtaining insurance.

REPRESENTATIVE HUGHES questioned how well members are cared for.

[5:14:35 PM](#)

MS. MOSS related that in 1998, a state court determined that health care ministries are not insurance based in part on that the failure to pay rate was one-half of 1 percent. Because of the members' faith-based beliefs, medical bills were paid.

REPRESENTATIVE KITO asked whether the ministries are registered as corporations in Alaska, or if the pool of members is nationwide.

MS. MOSS stated that health care sharing ministries are nationwide, so Alaskan members belong to a nationwide pool. She advised that the Division of Insurance supports the bill, and restated that the division currently treats the ministries as not insurance. The bill seeks to ensure that coverage is not interrupted by a change in policy by the division of insurance.

[5:16:51 PM](#)

CHAIR OLSON opened public testimony. After ascertaining no one wished to testify, public testimony was closed.

[5:17:04 PM](#)

REPRESENTATIVE HUGHES moved to report SB 18, Version 29-LS0107\H, out of committee with individual recommendations and the accompanying zero fiscal notes. There being no objection, SB 18 was reported out of the House Labor and Commerce Standing Committee

[5:17:39 PM](#)

The committee took an at ease from 5:17 p.m. to 5:18 p.m.

**SB 69-BD OF CHIROPRACTIC EXAMINERS; PRACTICE**

[5:18:20 PM](#)

CHAIR OLSON announced that the next order of business would be CS FOR SENATE BILL NO. 69(FIN), "An Act relating to the Board of Chiropractic Examiners and the practice of chiropractic."

[5:18:40 PM](#)

SENATOR BILL STOLTZE informed the committee his interest in the proposed legislation began with the issue of sports pre-participation physicals and the need to provide more opportunity for rural youth to have better access to said physicals. The

bill is a product of the work of the Board of Chiropractic Examiners, Division of Corporations, Business, and Professional Licensing, Department of Commerce, Community & Economic Development, as well as the chiropractic trade organization, the Alaska Chiropractic Society. Regarding pre-participation physicals, the bill places Alaska along with 22 other states which have provided patients the opportunity to use chiropractic services. School districts and the Alaska School Activities Association have been cautious in this regard, and although not officially supporting the bill, have welcomed the clarification of the acceptability of pre-participation physicals performed by chiropractic practitioners.

[5:21:24 PM](#)

BRANDON BREFCZYNSKI, Staff, Senator Bill Stoltze, paraphrased from the following sectional analysis:

Section 1: Amends AS 08.20.055 by adding new language that allows the board to adopt regulations for the following: - Training and scope of practice of chiropractic interns and chiropractic preceptors; - Designation of a nationally recognized certification program for chiropractic clinical assistants; - Performance of patient examinations.

Section 2: Amends AS 08.20.100(b) clarifying how chiropractors can accept referrals, authorizes chiropractors to perform school physicals, and allows the employment of certified chiropractic clinical assistants, chiropractic interns, and chiropractic preceptors.

Section 3: Amends AS 08.20.100 by adding a new subsection (d) that exempts chiropractic interns from this section.

Section 4: Amends AS 08.20.160 regarding the requirements for temporary permits.

Section 5: Amends AS 08.20 by adding a new section (AS 08.20.168 Chiropractic clinical assistant) providing qualifications and allowed duties of chiropractic clinical assistants.

Section 6: Amends 08.20.185 by changing name of "peer review committee" to "utilization review committee" to

better reflect the purpose of the committee. Also, the change is intended to assist in determining what complaints warrant a referral to investigative staff.

Section 7: Amends AS 08.20 by adding a new section (AS 08.20.195 Limitation of practice) requiring chiropractic clinical assistants, interns, and preceptors to act within the scope of practice as authorized by the board of chiropractic examiners.

Section 8: Amends AS 08.20.200 by updating penalties for unlicensed practice.

Section 9: Amends AS 08.20.210 by updating penalties for fraudulent licenses and certificates.

Section 10: Amends definition of "chiropractic examination" located in AS 08.20.900(7).

Section 11: Amends AS 08.20.900 by adding new definitions for "chiropractic clinical assistant," "chiropractic intern," and "chiropractic preceptor."

[5:26:02 PM](#)

SENATOR STOLTZE stated the bill's attached fiscal note Identifier SB069CS(FIN)-DCCED-CBPL-04-06-16 is a onetime expenditure of \$2,500.

REPRESENTATIVE HUGHES directed attention to page 4, [beginning on line 3] which read:

Sec. 7. AS 08.20 is amended by adding a new section to article 2 to read:

Sec. 08.20.195. Limitation of practice. A person licensed under this chapter or a person who is practicing as a chiropractic intern, chiropractic clinical assistant, or chiropractic preceptor under this chapter may only act within the scope of practice authorized by the board.

REPRESENTATIVE HUGHES asked whether the above section gives the board authority to broaden the scope of practice in any way.

[5:27:35 PM](#)

SENATOR STOLTZE stated the foregoing section is a good faith effort between the medical and chiropractic professions, and his office, to accomplish the bill's goals without overly expanding the scope.

MR. BREFCZYNSKI said that Legislative Legal Services, Legislative Affairs Agency, advised that AS 08.20.100, AS 08.20.230, and AS 08.20.900 are related to the practice of chiropractic and outline the scope of chiropractic practice.

REPRESENTATIVE HUGHES expressed concern regarding sports pre-examinations of children with health challenges, although expanding the scope and availability of providers makes health care more affordable and accessible. She directed attention to page 2, lines 7 and 8 which read:

(2) accept referrals for [CHIROPRACTIC] treatment by chiropractic core methodology or by ancillary methodology;

REPRESENTATIVE HUGHES asked for the meaning of core methodology and ancillary methodology. [The chair asked that she hold her question.]

[5:30:42 PM](#)

REPRESENTATIVE KITO directed attention to page 4, [beginning on line 8] which read:

\* Sec. 8. AS 08.20.200 is amended to read:

Sec. 08.20.200. Unlicensed practice [A MISDEMEANOR]. A person who practices chiropractic in the state without a license in violation of AS 08.20.100 is guilty of a class A misdemeanor and may be punished as provided in AS 12.55 [ ,AND UPON CONVICTION IS PUNISHABLE BY A FINE OF NOT MORE THAN \$1,000, OR BY IMPRISONMENT FOR NOT MORE THAN A YEAR, OR BY BOTH].

\* Sec. 9. AS 08.20.210 is amended to read:

Sec. 08.20.210. Fraudulent licenses and certificates. A person who obtains or attempts to obtain a chiropractic license or provides the board with evidence that the person is nationally certified to practice as a chiropractic clinical assistant [CERTIFICATE] by dishonest or fraudulent means [,] or who forges, counterfeits, or fraudulently alters a

chiropractic license or chiropractic clinical assistant certificate issued by a nationally recognized certification program is guilty of a class A misdemeanor and is punishable as provided in AS 12.55 [BY A FINE OF NOT MORE THAN \$500, OR BY IMPRISONMENT FOR NOT MORE THAN SIX MONTHS, OR BY BOTH].

REPRESENTATIVE KITO asked what penalty is added by AS 12.55.

MR. BREFCZYNSK responded that both of the foregoing sections increase penalties to a class A misdemeanor, which is punishable by up to one year in jail and a fine of up to \$10,000.

REPRESENTATIVE KITO directed attention to page 5, [beginning on line 8] which read:

\* Sec. 11. AS 08.20.900 is amended by adding new paragraphs to read:

(11) "chiropractic clinical assistant" means a person who works under the general supervision of a person licensed under this chapter and who is

(A) enrolled in a nationally recognized certification program that certifies chiropractic clinical assistants; or

(B) certified by a national organization that certifies chiropractic clinical assistants;

(12) "chiropractic intern" means a person who is engaged in the practice of chiropractic while under the personal supervision of a person licensed under this chapter for the purpose of obtaining practical experience for licensure as a chiropractor;

(13) "chiropractic preceptor" means a person who is licensed under this chapter and who participates in the instruction and training of chiropractic interns.

REPRESENTATIVE KITO requested further information regarding the requirements to be a chiropractic intern.

MR. BREFCZYNSK stated that interns are working to gain experience.

REPRESENTATIVE KITO clarified that interns do not have to be currently enrolled in a certification program.

MR. BREFCZYNSK deferred.

5:33:15 PM

REPRESENTATIVE JOSEPHSON returned attention to Sections 8 and 9 [text previously provided]. He asked for the reason behind the imposition of stricter penalties.

SENATOR STOLTZE observed that the penalties are recommendations from the industry and the Board of Chiropractic Examiners.

5:34:17 PM

CHAIR OLSON opened public testimony.

5:34:28 PM

EDWARD BARRINGTON, DC, said he is chair of the Alaska Chiropractic Society Legislative Committee, and serves on the Board of Chiropractic Examiners. Dr. Barrington said both entities support SB 69. In response to Representative Hughes' previous questions, he explained that chiropractic core methodology is chiropractic treatment, and examples of ancillary methodology are treatments by ultrasound, muscle stimulation, exercise, diet, nutrition, oxygen, heat, and cold.

REPRESENTATIVE KITO restated his question on the qualifications and responsibilities of chiropractic interns.

DR. BARRINGTON answered that an intern has satisfied all the graduation requirements of chiropractic college, and is seeking a clinical setting for more training and experience. Interns work under a preceptor, who is a supervising doctor.

REPRESENTATIVE KITO asked for the qualifications of a chiropractic preceptor.

DR. BARRINGTON explained that a preceptor is required to undergo a certain scrutiny in order to host an intern. In further response to Representative Kito, he said the criteria to be a preceptor is established by the Board of Chiropractic Examiners, however, some colleges are unable to send interns to Alaska in the absence of the proposed legislation.

REPRESENTATIVE JOSEPHSON restated his question related to the origin of increasing penalties for unlicensed practice.

DR. BARRINGTON advised that the recommendations were suggested by state investigators in order to conform to other boards.

[5:39:50 PM](#)

CHAIR OLSON, after ascertaining no one else wished to testify, closed public testimony.

[5:40:05 PM](#)

REPRESENTATIVE HUGHES moved to report CSSB 69(FIN), Version 29-LS0704\S, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSSB 69(FIN) was reported out of the House Labor and Commerce Standing Committee.

[5:40:29 PM](#)

The committee took an at ease from 5:40 p.m. to 5:42 p.m.

**HJR 28-OPPOSING GM SALMON**

[5:42:30 PM](#)

CHAIR OLSON announced that the next order of business would be CS FOR HOUSE JOINT RESOLUTION NO. 28(FSH), Opposing the United States Food and Drug Administration's approval of AquaBounty AquAdvantage genetically engineered salmon; urging the United States Congress to enact legislation that requires prominently labeling genetically engineered products with the words "Genetically Modified" on the product's packaging; and supporting the efforts of the state's congressional delegation to delay the confirmation of the new commissioner of the United States Food and Drug Administration until the United States Food and Drug Administration agrees to require labeling for genetically engineered salmon.

[5:42:48 PM](#)

REPRESENTATIVE GERAN TARR, sponsor of CSHJR 28(FSH), provided a PowerPoint presentation entitled, "HJR 28: Opposing GM Salmon." Representative Tarr informed the committee that in [November, 2015] the U.S. Food and Drug Administration (FDA), U.S. Department of Health and Human Services, approved genetically modified (GM) salmon, which is the first time a GM animal has been approved for human consumption [slide 1]. Genetically modified salmon is modified using Chinook salmon to make the GM fish grow bigger faster, and Ocean pout, to make the GM fish grow year-around [slide 2]. The GM fish grow twice as big and

twice as fast as farmed salmon [slide 3]. Representative Tarr stressed this issue is important to address at this time because the seafood industry is Alaska's largest private-sector employer, and is valued at \$6 billion to the state. The needs of Alaskans are different than those of AquaBounty, the company promoting GM salmon, as indicated by its statement that faster growing salmon would make land-based fish farming economically viable [slide 4]. In contrast, Alaskans think of successful sustainable fisheries management and of wild Alaska salmon, the fishing economies of coastal communities, and the Bristol Bay fishery [slides 5 and 6]. She presented illustrations of AquaBounty fish farming operations producing food items [slide 7]. Concerns about GM salmon include possible threats to wild salmon, risks to human health, and risks to the state's economy [slide 8]. Threats to wild salmon are due to escapement; although AquaBounty reports that GM salmon are grown in land-based pens, the eggs are produced at a facility on Prince Edward Island on Bay Fortune, which connects to the Gulf of St. Lawrence and the Atlantic Ocean [slides 9 and 10]. After the eggs are produced, they will be flown to South America to be raised, and then returned to be sold in the U.S. She related her experience visiting Prince Edward Island residents who are alarmed by the island's image presented to tourists, and noted that the residents there are supportive of the Alaska State Legislature's stance on this issue [slide 11]. Research has shown that GM salmon can out-compete, and be more aggressive than, wild salmon, as reported by McGill University [report not provided][slides 12 and 13]. Representative Tarr said the report stated that GM salmon was bred with wild brown trout and research indicated that the hybridized species could out-compete the GM salmon and its wild counterpart.

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REPRESENTATIVE TARR further explained that risks to human health are of great concern because FDA approval was through the veterinary drug process, thus there are those who feel the drug has not been sufficiently tested. It is known that there will be exposure to hormones [slide 14]. Risks to the state's economy include the negative impact on the price of wild salmon after the introduction of farmed salmon. The Alaska Seafood Marketing Institute (ASMI), Department of Commerce, Community & Economic Development, has invested in branding wild Alaska salmon for its health benefits, and reports that Alaska wild salmon is one of the most recognized brands in the U.S. [slide 15]. She observed that Alaska is not alone in opposing GM salmon, and U.S. Senator Lisa Murkowski has been leading action

related to labeling in Congress. In addition, public pressure has been effective, and 65 retailers have announced they will not sell GM salmon [slide 16]. International opposition includes a lawsuit filed in Canada [slide 17]. Finally, a lawsuit brought by food safety and fishing groups was filed in the U.S. 3/31/16, challenging FDA's authority to regulate GM salmon not as a food product, but as a veterinary drug [slide 19]. Representative Tarr pointed out that she has provided supporting documents in the committee packet, and restated her opposition to GM salmon.

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REPRESENTATIVE JOSEPHSON asked if FDA has the authority to act in this regard, and whether the agency can be challenged.

REPRESENTATIVE TARR said there are legal remedies, such as a lawsuit, and statutory remedies related to labeling. Another option is legislation to ban the sale of GM salmon.

REPRESENTATIVE JOSEPHSON assumed that if a label revealed genetic modification, a product would not succeed economically.

REPRESENTATIVE TARR advised that in the U.S., "We don't do much with labeling, most European countries have moved on, a lot of European countries have banned a lot of the genetically modified products because of concerns about human health ...."

[5:54:43 PM](#)

The committee took an at ease from 5:54 p.m. to 5:55 p.m.

[5:55:09 PM](#)

CHAIR OLSON opened public testimony. After ascertaining no one wished to testify, public testimony was closed.

[5:55:18 PM](#)

REPRESENTATIVE TILTON moved to report CSHJR 28(FSH), Version 29-LS1213\H out of committee with individual recommendations and the accompanying zero fiscal notes. There being no objection, CSHJR 28(FSH) was reported out of the House Labor and Commerce Standing Committee.

[5:55:36 PM](#)

**ADJOURNMENT**

The House Labor and Commerce Standing Committee meeting was recessed at 5:55 p.m. to be continued at 9:00 a.m., 4/14/16. [The meeting reconvened at 9:13 a.m., 4/14/16.]