

CS FOR HOUSE BILL NO. 90(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 4/21/17

Referred: Rules

Sponsor(s): REPRESENTATIVES KITO, Westlake, Guttenberg

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to occupational licensing fees; relating to an occupational investigation**
2 **surcharge; and providing for an effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 *** Section 1.** AS 08.01.065(a) is amended to read:

5 (a) Except for business licenses, the department shall adopt regulations that
6 establish the amount and manner of payment of

7 **(1)** application fees, examination fees, license fees, registration fees,
8 permit fees, [INVESTIGATION FEES,] and all other fees as appropriate for the
9 occupations covered by this chapter;

10 **(2)** **a pro rata investigation surcharge as appropriate for all**
11 **licensees regulated by this chapter; the regulations may provide for a reduction**
12 **in the amount of the surcharge imposed under this paragraph for a licensee who**
13 **is required by law to hold and maintain one license in order to qualify for and**
14 **maintain another license.**

1 * **Sec. 2.** AS 08.01.065(c) is amended to read:

2 (c) Except as provided in (f) - (i) of this section, the department shall establish
 3 fee levels under **(a)(1)** [(a)] of this section so that the total amount of fees collected for
 4 an occupation approximately equals the actual **licensing and administrative**
 5 [REGULATORY] costs for the occupation. The department shall annually review
 6 each fee level to determine whether the **licensing and administrative**
 7 [REGULATORY] costs of each occupation are approximately equal to fee collections
 8 related to that occupation. If the review indicates that an occupation's fee collections
 9 and **licensing and administrative** [REGULATORY] costs are not approximately
 10 equal, the department shall calculate fee adjustments and adopt regulations under
 11 **(a)(1)** [(a)] of this section to implement the adjustments. In January of each year, the
 12 department shall report on all fee levels and revisions for the previous year under this
 13 subsection to the office of management and budget. If a board regulates an occupation
 14 covered by this chapter, the department shall consider the board's recommendations
 15 concerning the occupation's fee levels and **licensing and administrative**
 16 [REGULATORY] costs before revising fee schedules to comply with this subsection.
 17 [IN THIS SUBSECTION, "REGULATORY COSTS" MEANS COSTS OF THE
 18 DEPARTMENT THAT ARE ATTRIBUTABLE TO REGULATION OF AN
 19 OCCUPATION PLUS

20 (1) ALL EXPENSES OF THE BOARD THAT REGULATES THE
 21 OCCUPATION IF THE BOARD REGULATES ONLY ONE OCCUPATION;

22 (2) THE EXPENSES OF A BOARD THAT ARE ATTRIBUTABLE
 23 TO THE OCCUPATION IF THE BOARD REGULATES MORE THAN ONE
 24 OCCUPATION.]

25 * **Sec. 3.** AS 08.01.065(f) is amended to read:

26 (f) Notwithstanding (c) of this section, the department shall establish fee levels
 27 under **(a)(1)** [(a)] of this section so that the total amount of fees collected by the State
 28 Board of Registration for Architects, Engineers, and Land Surveyors approximately
 29 equals the total **licensing and administrative** [REGULATORY] costs of the
 30 department and the board for all occupations regulated by the board. The department
 31 shall set the fee levels for the issuance and renewal of a certificate of registration

1 issued under AS 08.48.211 so that the fee levels are the same for all occupations
2 regulated by the board.

3 * **Sec. 4.** AS 08.01.065(g) is amended to read:

4 (g) Notwithstanding (c) of this section, the department shall establish fee
5 levels under **(a)(1)** [(a)] of this section so that the total amount of fees collected by the
6 department for all occupations regulated under AS 08.11 approximately equals the
7 total **licensing and administrative** [REGULATORY] costs of the department for all
8 occupations regulated by the department under AS 08.11. The department shall set the
9 fee levels for the issuance and renewal of licenses issued under AS 08.11 so that the
10 fee levels are the same for all occupations regulated by the department under
11 AS 08.11.

12 * **Sec. 5.** AS 08.01.065(h) is amended to read:

13 (h) Notwithstanding (c) of this section, the department shall establish fee
14 levels under **(a)(1)** [(a)] of this section so that the total amount of fees collected by the
15 Board of Barbers and Hairdressers approximately equals the total **licensing and**
16 **administrative** [REGULATORY] costs of the department, the board, and the
17 Department of Environmental Conservation for all occupations regulated by the board.
18 For purposes of this subsection, the **licensing and administrative** [REGULATORY]
19 costs of the Department of Environmental Conservation for the occupations regulated
20 by the board include the cost of inspections under AS 08.13.210(b), the cost of
21 developing and adopting regulations under AS 44.46.020 for barbershop, hairdressing,
22 manicuring, esthetics, body piercing, ear piercing, and tattooing and permanent
23 cosmetic coloring establishments, and the cost to the Department of Environmental
24 Conservation of enforcing those regulations except for the enforcement costs relating
25 to ear piercing establishments. The department shall set the fee levels for the issuance
26 and renewal of a practitioner's license issued under AS 08.13.100 so that the license
27 and license renewal fees are the same for all occupations regulated by the Board of
28 Barbers and Hairdressers.

29 * **Sec. 6.** AS 08.01.065(i) is amended to read:

30 (i) Notwithstanding (c) of this section, the department shall establish fee levels
31 under **(a)(1)** [(a)] of this section so that the total amount of fees collected by the

1 Department of Commerce, Community, and Economic Development for specialty
 2 contractors, home inspectors, and associate home inspectors approximately equals the
 3 total **licensing and administrative** [REGULATORY] costs of the department for
 4 those three registration categories. The department shall set the fee levels for the
 5 issuance and renewal of a certificate of registration issued under AS 08.18 so that the
 6 fee levels are the same for all three of these registration categories and so that the fee
 7 level for a home inspector with a joint registration is not different from the fee level
 8 for a home inspector who does not have a joint registration. In this subsection, "joint
 9 registration" has the meaning given in AS 08.18.171.

10 * **Sec. 7.** AS 08.01.065 is amended by adding new subsections to read:

11 (j) The department shall establish an investigation surcharge under (a)(2) of
 12 this section so that the surcharge is the same for each licensee and the total amount of
 13 surcharges collected for all licensees approximately equals the actual investigation
 14 costs for all occupations licensed under this chapter. The department shall annually
 15 review the surcharge to determine whether the investigation costs of all occupations
 16 are approximately equal to surcharge collections for all licensees. If the review
 17 indicates that the investigation surcharge and investigation costs are not approximately
 18 equal, the department shall calculate surcharge adjustments and adopt regulations to
 19 implement the adjustments. In January of each year, the department shall report on the
 20 surcharge and revisions for the previous year to the office of management and budget.

21 (k) In this section,

22 (1) "investigation costs" means costs of the department that are
 23 attributable to disciplinary investigations and actions involving a licensee, or a person
 24 engaged in unlicensed practice, under this chapter, including legal and actual costs
 25 associated with investigations, complaints, hearings, mediation, and other related
 26 costs;

27 (2) "licensing and administrative costs" means costs of the department
 28 that are attributable to the licensing and administration of an occupation, excluding
 29 investigation costs, plus

30 (A) all expenses of the board that regulates the occupation if
 31 the board regulates only one occupation;

1 (B) the expenses of a board that are attributable to the
2 occupation if the board regulates more than one occupation.

3 * **Sec. 8.** The uncodified law of the State of Alaska is amended by adding a new section to
4 read:

5 APPLICABILITY. This Act applies to an application for initial licensure or licensure
6 renewal under AS 08 submitted on or after January 1, 2018.

7 * **Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to
8 read:

9 TRANSITION: REGULATIONS. The Department of Commerce, Community, and
10 Economic Development may immediately adopt regulations necessary to implement the
11 changes made by this Act. The regulations take effect under AS 44.62 (Administrative
12 Procedure Act), but not before January 1, 2018.

13 * **Sec. 10.** Section 9 of this Act takes effect immediately under AS 01.10.070(c).

14 * **Sec. 11.** Except as provided in sec. 10 of this Act, this Act takes effect January 1, 2018.