

ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE

February 3, 2017

3:21 p.m.

MEMBERS PRESENT

Representative Sam Kito, Chair
Representative Adam Wool, Vice Chair
Representative Andy Josephson
Representative Louise Stutes
Representative Chris Birch
Representative Gary Knopp
Representative Colleen Sullivan-Leonard

MEMBERS ABSENT

Representative Bryce Edgmon (alternate)

COMMITTEE CALENDAR

HOUSE BILL NO. 18

"An Act relating to race classics."

- MOVED HB 18 OUT OF COMMITTEE

HOUSE BILL NO. 49

"An Act extending the termination date of the Board of Certified Direct-Entry Midwives; and providing for an effective date."

- MOVED HB 49 OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HB 18

SHORT TITLE: RACE CLASSICS

SPONSOR(S): REPRESENTATIVE(S) ORTIZ

01/18/17	(H)	PREFILE RELEASED 1/9/17
01/18/17	(H)	READ THE FIRST TIME - REFERRALS
01/18/17	(H)	L&C, FIN
01/30/17	(H)	L&C AT 3:30 PM BARNES 124
01/30/17	(H)	Heard & Held
01/30/17	(H)	MINUTE(L&C)
02/03/17	(H)	L&C AT 3:15 PM BARNES 124

BILL: HB 49

SHORT TITLE: EXTEND BOARD OF DIRECT-ENTRY MIDWIVES
SPONSOR(s): REPRESENTATIVE(s) KITO

01/18/17	(H)	READ THE FIRST TIME - REFERRALS
01/18/17	(H)	L&C, FIN
02/01/17	(H)	L&C AT 3:15 PM BARNES 124
02/01/17	(H)	Heard & Held
02/01/17	(H)	MINUTE(L&C)
02/03/17	(H)	L&C AT 3:15 PM BARNES 124

WITNESS REGISTER

REPRESENTATIVE DAN ORTIZ
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As prime sponsor, presented HB 18.

KATRINA MITCHELL, Gaming Group Manager
Tax Division
Department of Revenue (DOR)

POSITION STATEMENT: Answered questions on HB 18.

JANEY HOVENDEN, Director
Division of Corporations, Business, and Professional Licensing
(DCBPL)
Department of Commerce, Community & Economic Development (DCCED)
Juneau, Alaska

POSITION STATEMENT: Answered questions on HB 49.

ACTION NARRATIVE

[3:21:32 PM](#)

CHAIR SAM KITO called the House Labor and Commerce Standing Committee meeting to order at 3:21 p.m. Representatives Wool, Josephson, Stutes, Birch, Knopp, Sullivan-Leonard, and Kito were present at the call to order.

HB 18-RACE CLASSICS

[3:21:56 PM](#)

CHAIR KITO announced that the first order of business would be HOUSE BILL NO. 18, "An Act relating to race classics."

[3:22:44 PM](#)

CHAIR KITO closed public testimony on HB 18.

[3:23:17 PM](#)

REPRESENTATIVE BIRCH moved to adopt Amendment 1, [labeled 30-LS0199\A.1, Martin, 1/31/17], which read as follows:

Page 1, lines 4 - 10:

Delete all material and insert:

"(40) "race classic" means a game of chance where prizes are awarded for the closest guess or guesses of the official winning times of a human race or races [, AND IS LIMITED TO THE MT. MARATHON RACE CLASSIC OPERATED AND ADMINISTERED BY THE SEWARD CHAMBER OF COMMERCE CONVENTION AND VISITORS' BUREAU];"

REPRESENTATIVE BIRCH stated that the amendment removes the need for Ketchikan to ask for legislation for the race classic. He also mentioned a letter of support from Seward.

REPRESENTATIVE WOOL objected for discussion purposes.

[3:24:06 PM](#)

REPRESENTATIVE DAN ORTIZ, Alaska State Legislature, prime sponsor of HB 18, stated that he is neutral to the amendment. He mentioned that he has heard some concern from his community about the potential of other groups being able to "hop on" to the Race to Alaska or other race classics around the state. Notwithstanding that, he acknowledged that in order to do so, a group would have to have a permit.

REPRESENTATIVE BIRCH stated that HB 18 brought new information to him. He noted the effort, energy, and initiative taken by the [Greater Ketchikan Chamber of Commerce] to be added to host a classic, and he stated that the amendment would simplify the process. The amendment allows any community, appropriately regulated with a gaming permit, to do a similar fundraiser. The amendment reduces the amount of state statutes in consideration.

[3:26:40 PM](#)

REPRESENTATIVE KNOPP spoke in support of Amendment 1, which simplifies community participation in annual events. He mentioned there are other safeguards in place.

[3:27:20 PM](#)

REPRESENTATIVE WOOL stated that pre-existing classics would be diluted if every community had a classic. He asked if a gaming permit is easy to obtain and could be used for multiple events.

REPRESENTATIVE BIRCH said the legislature doesn't need to be in "the business of picking the winners and losers." He noted that the bill addresses the definition of race classics, and in the years since the law has been around, there has only been one race classic. He stated that Amendment 1 would simplify the process and make for better governance. He opined that it is not the legislature's business to determine which communities can have classics. He said, "Let the entrepreneurial spirit rise, and if somebody wants to have a classic ... we should not stand in the way."

[3:29:48 PM](#)

CHAIR KITO clarified that ice classics are identified in a separate part of the same statute.

REPRESENTATIVE WOOL maintained his objection.

[3:30:14 PM](#)

REPRESENTATIVE ORTIZ asked for [the Department of Revenue's] observation on the likelihood of a piling-on effect if Amendment 1 was adopted.

CHAIR KITO paraphrased Representative Ortiz's question about the impact of not identifying individual classics on the success of any individual classic.

REPRESENTATIVE ORTIZ reiterated the concerns of his constituency and the Greater Ketchikan Chamber of Commerce about the potential of groups to pile on to existing races.

[3:31:51 PM](#)

KATRINA MITCHELL, Gaming Group Manager, Tax Division, stated that she cannot answer the question. She stated that nothing has come to her attention [regarding a piling-on effect], and that there is not a list of groups wanting to get in on classics limited to certain organizations. She stated that it is hard to predict how groups would react.

[3:33:08 PM](#)

A roll call vote was taken. Representatives Knopp, Sullivan-Leonard, and Birch voted in favor of Amendment 1. Representatives Stutes, Josephson, Wool, and Kito voted against it. Therefore, Amendment 1 failed to be adopted by a vote of 3-4.

[3:33:52 PM](#)

REPRESENTATIVE WOOL moved to report HB 18, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 18 was moved from the House Labor and Commerce Standing Committee.

[3:34:24 PM](#)

The committee took an at ease from 3:34 p.m. to 3:37 p.m.

HB 49-EXTEND BOARD OF DIRECT-ENTRY MIDWIVES

[3:37:08 PM](#)

CHAIR KITO announced that the final order of business would be HOUSE BILL NO. 49, "An Act extending the termination date of the Board of Certified Direct-Entry Midwives; and providing for an effective date."

[3:37:43 PM](#)

CHAIR KITO closed public testimony on HB 49.

[3:38:03 PM](#)

REPRESENTATIVE BIRCH asked how the total cost would be assessed going forward.

CHAIR KITO clarified that the question regards the cost for the board's backlog and previously incurred costs.

[3:38:59 PM](#)

JANEY HOVENDEN, Director, Division of Corporations, Business, and Professional Licensing (DCBPL), Department of Commerce, Community & Economic Development (DCCED), stated that the latest fee analysis set the fees at \$3,800 for new and renewal licenses. The current fees are predicted to get the board out of deficit by 2021.

REPRESENTATIVE BIRCH asked if the cumulative deficit would be "nibbled away" every year by the \$4,000 fees.

MS. HOVENDEN answered that is correct.

[3:40:17 PM](#)

REPRESENTATIVE WOOL asked if the board is allowed to keep a surplus.

MS. HOVENDEN stated that is correct; boards have carry-forward [funds] from year to year. She noted that currently the fees are very steep to get the board out of deficit and would stay at that level until there is a reasonable surplus, after which an analysis could be done, resulting in fees being set at a much more reasonable level.

[3:41:19 PM](#)

REPRESENTATIVE KNOPP asked how licensing would be handled if the board is not extended.

MS. HOVENDEN stated that the board is set to sunset June 30, 2017. Statute allows for a one-year period for the board to help transition to management by DCCED, which would be effective July 1, 2018.

REPRESENTATIVE KNOPP asked whether the department would be the only qualified management of the profession - the board members would no longer be qualified.

MS. HOVENDEN stated that is correct. She stated the department would still need consultation from the industry for assistance.

[3:43:14 PM](#)

CHAIR KITO asked if the legislature is exceeding statutory authority in authorizing the satisfaction of arrears over multiple bienniums.

MS. HOVENDEN stated that there is an allowance to recover a deficit over a number of bienniums, so as to not restrict people from their livelihoods and to continue access to midwifery care in Alaska.

CHAIR KITO stated his desire to ensure that boards have adequate opportunity and statutory ability to address significant debt. He noted that another piece of legislation, which will be before the House Labor and Commerce Standing Committee [at a later date], might address the board's debt in a different way.

[3:44:45 PM](#)

REPRESENTATIVE WOOL moved to report HB 49 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 49 was moved from House Labor and Commerce Standing Committee.

[3:45:10 PM](#)

The committee took an at ease from 3:45 p.m. to 3:47 p.m.

[3:47:37 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 3:48 p.m.