

ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE

March 28, 2018

3:18 p.m.

MEMBERS PRESENT

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

MEMBERS ABSENT

Representative Louise Stutes
Representative Gary Knopp
Representative Mike Chenault (alternate)
Representative Bryce Edgmon (alternate)

COMMITTEE CALENDAR

CS FOR SENATE BILL NO. 15(FIN)

"An Act relating to possession of an electronic smoking product or a product containing nicotine by a minor and to selling or giving a product containing nicotine or an electronic smoking product to a minor; relating to business license endorsements to sell cigarettes, cigars, tobacco, products containing tobacco, electronic smoking products, or products containing nicotine; and relating to citations for certain offenses concerning tobacco, products containing nicotine, or electronic smoking products."

- HEARD & HELD

HOUSE BILL NO. 379

"An Act relating to claims against protection and indemnity insurance policies of vessel owners."

- MOVED HB 379 OUT OF COMMITTEE

HOUSE BILL NO. 353

"An Act relating to the licensure of marital and family therapists; relating to medical assistance for marital and family therapists' services; and providing for an effective date."

- MOVED CSHB 353(L&C) OUT OF COMMITTEE

HOUSE BILL NO. 262

"An Act relating to temporary courtesy licenses for certain nonresident professionals; and relating to the Department of Commerce, Community, and Economic Development."

- BILL HEARING CANCELED

HOUSE BILL NO. 401

"An Act relating to insurance; relating to credit for reinsurance; insurance standard valuation; and providing for an effective date."

- SCHEDULED BUT NOT HEARD

PREVIOUS COMMITTEE ACTION

BILL: SB 15

SHORT TITLE: E-CIGS/TOBACCO/NICOTINE & MINORS; SALES

SPONSOR(S): SENATOR(S) STEVENS

01/18/17	(S)	PREFILE RELEASED 1/13/17
01/18/17	(S)	READ THE FIRST TIME - REFERRALS
01/18/17	(S)	L&C, JUD
02/14/17	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
02/14/17	(S)	Heard & Held
02/14/17	(S)	MINUTE(L&C)
02/21/17	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
02/21/17	(S)	Heard & Held
02/21/17	(S)	MINUTE(L&C)
02/28/17	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
02/28/17	(S)	<Bill Hearing Canceled>
03/02/17	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
03/02/17	(S)	Moved CSSB 15(L&C) Out of Committee
03/02/17	(S)	MINUTE(L&C)
03/06/17	(S)	L&C RPT CS 4DP NEW TITLE
03/06/17	(S)	DP: COSTELLO, HUGHES, MEYER, GARDNER
03/27/17	(S)	JUD AT 1:30 PM BELTZ 105 (TSBldg)
03/27/17	(S)	Heard & Held
03/27/17	(S)	MINUTE(JUD)
03/29/17	(S)	JUD AT 1:30 PM BELTZ 105 (TSBldg)
03/29/17	(S)	<Bill Hearing Canceled>
04/03/17	(S)	JUD AT 1:30 PM BELTZ 105 (TSBldg)
04/03/17	(S)	Heard & Held
04/03/17	(S)	MINUTE(JUD)

04/05/17 (S) JUD AT 1:30 PM BELTZ 105 (TSBldg)
 04/05/17 (S) Heard & Held
 04/05/17 (S) MINUTE(JUD)
 04/07/17 (S) JUD AT 1:30 PM BELTZ 105 (TSBldg)
 04/07/17 (S) Moved CSSB 15(JUD) Out of Committee
 04/07/17 (S) MINUTE(JUD)
 04/10/17 (S) JUD RPT CS 3DP 1NR 1AM NEW TITLE
 04/10/17 (S) NR: COGHILL
 04/10/17 (S) DP: WIELECHOWSKI, KELLY, COSTELLO
 04/10/17 (S) AM: MEYER
 04/10/17 (S) FIN REFERRAL ADDED AFTER JUD
 02/16/18 (S) FIN AT 9:00 AM SENATE FINANCE 532
 02/16/18 (S) Heard & Held
 02/16/18 (S) MINUTE(FIN)
 02/28/18 (S) FIN RPT CS 6DP 1NR NEW TITLE
 02/28/18 (S) DP: HOFFMAN, MACKINNON, BISHOP, VON
 IMHOF, STEVENS, MICCICHE
 02/28/18 (S) NR: OLSON
 02/28/18 (S) FIN AT 9:00 AM SENATE FINANCE 532
 02/28/18 (S) Moved CSSB 15(FIN) Out of Committee
 02/28/18 (S) MINUTE(FIN)
 03/08/18 (S) TRANSMITTED TO (H)
 03/08/18 (S) VERSION: CSSB 15(FIN)
 03/09/18 (H) READ THE FIRST TIME - REFERRALS
 03/09/18 (H) L&C, FIN
 03/21/18 (H) L&C AT 3:15 PM BARNES 124
 03/21/18 (H) -- MEETING CANCELED --
 03/23/18 (H) L&C AT 3:15 PM BARNES 124
 03/23/18 (H) -- MEETING CANCELED --
 03/28/18 (H) L&C AT 3:15 PM BARNES 124

BILL: HB 379

SHORT TITLE: COMM FISHERMEN'S FUND:VESSEL OWNER CLAIMS
 SPONSOR(S): REPRESENTATIVE(S) ORTIZ

02/21/18 (H) READ THE FIRST TIME - REFERRALS
 02/21/18 (H) FSH, L&C
 03/08/18 (H) FSH AT 10:00 AM GRUENBERG 120
 03/08/18 (H) Moved HB 379 Out of Committee
 03/08/18 (H) MINUTE(FSH)
 03/09/18 (H) FSH RPT 3DP 1AM
 03/09/18 (H) DP: TARR, KREISS-TOMKINS, STUTES
 03/09/18 (H) AM: NEUMAN
 03/19/18 (H) L&C AT 3:15 PM BARNES 124
 03/19/18 (H) Heard & Held
 03/19/18 (H) MINUTE(L&C)
 03/26/18 (H) L&C AT 3:15 PM BARNES 124

03/26/18 (H) Scheduled but Not Heard
03/28/18 (H) L&C AT 3:15 PM BARNES 124

BILL: HB 353

SHORT TITLE: MARITAL & FAMILY THERAPY LIC. & SERVICES

SPONSOR(s): REPRESENTATIVE(s) SPOHNHOLZ

02/16/18 (H) READ THE FIRST TIME - REFERRALS
02/16/18 (H) L&C, FIN
03/05/18 (H) L&C AT 3:15 PM BARNES 124
03/05/18 (H) Heard & Held
03/05/18 (H) MINUTE(L&C)
03/23/18 (H) L&C AT 3:15 PM BARNES 124
03/23/18 (H) -- MEETING CANCELED --
03/28/18 (H) L&C AT 3:15 PM BARNES 124

WITNESS REGISTER

SENATOR GARY STEVENS
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Introduced SB 15 as prime sponsor.

TIM LAMKIN, Staff
Senator Gary Stevens
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented SB 15 on behalf of Senator Stevens, prime sponsor.

JOE DARNELL, Chief Investigator
Tobacco Enforcement
Division of Behavioral Health
Department of Health and Social Services (DHSS)

POSITION STATEMENT: Answered questions in the hearing on SB 15.

SARA CLARK, Program Coordinator
Division of Public Health
Department of Health and Social Services (DHSS)
Anchorage, Alaska

POSITION STATEMENT: Answered questions in the hearing on SB 15.

JAMIE MORGAN
American Heart Association
Sacramento, California

POSITION STATEMENT: Testified in support of SB 15.

PATTY OWEN

Alaska Public Health Association
Juneau, Alaska

POSITION STATEMENT: Testified in support of SB 15.

TERRENCE ROBBINS

Ketchikan, Alaska

POSITION STATEMENT: Testified in support of SB 15.

ROBIN MINARD, Director

Public Affairs

Mat-Su Health Foundation

Wasilla, Alaska

POSITION STATEMENT: Testified in support of SB 15.

BETTY MACTAVISH

Retired Schoolteacher

Kodiak, Alaska

POSITION STATEMENT: Testified in support of SB 15.

EMILY NENON

Alaska Government Relations Director

American Cancer Society Action Network

Juneau, Alaska

POSITION STATEMENT: Testified in support of SB 15.

REPRESENTATIVE DAN ORTIZ

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Reintroduced HB 379 as prime sponsor.

CLAY BEZENEK

Fisherman's Fund Appeals and Advisory Board

Ketchikan, Alaska

POSITION STATEMENT: Testified in support of HB 379.

CAITLYN ELLIS, Staff

Representative Sam Kito

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Presented the changes to HB 353 on behalf of Representative Kito and the House Labor and Commerce Standing Committee.

REPRESENTATIVE IVY SPOHNHOLZ

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Testified as prime sponsor of HB 353.

KEVIN WALKER

Alaska Association of Marriage and Family Therapists
Fairbanks, Alaska

POSITION STATEMENT: Testified in support of HB 353.

ACTION NARRATIVE

[3:18:55 PM](#)

CHAIR SAM KITO called the House Labor and Commerce Standing Committee meeting to order at 3:18 p.m. Representatives Sullivan-Leonard, Wool, Josephson, and Kito were present at the call to order. Representative Birch arrived as the meeting was in progress.

SB 15-E-CIGS/TOBACCO/NICOTINE & MINORS; SALES

[3:19:17 PM](#)

CHAIR KITO announced that the first order of business would be SENATE BILL NO. 15, "An Act relating to possession of an electronic smoking product or a product containing nicotine by a minor and to selling or giving an electronic smoking product to a minor; relating to business license endorsements to sell cigarettes, cigars, tobacco, products containing tobacco, electronic smoking products, or products containing nicotine; and relating to citations for certain offenses concerning tobacco or nicotine products."

[3:19:47 PM](#)

SENATOR GARY STEVENS, Alaska State Legislature, introduced SB 15 as prime sponsor. He explained the bill was created to protect children from an addiction to nicotine.

[3:21:01 PM](#)

TIM LAMKIN, Staff, Senator Gary Stevens, Alaska State Legislature, presented SB 15 on behalf of Senator Stevens, prime sponsor. He stated the proposed bill is aimed at restricting nicotine products by age. He explained the smoking of e-cigarettes can be referred to as vaping. He said public health advocacy is winning the war against tobacco and e-cigarettes are more fashionable and designed to attract a wide range of users. He cited that there are about four million users worldwide that

are school aged. He said there exists a loophole meaning it's not illegal to possess e-cigarettes. He added there is no provision for law enforcement to take care of this issue, so they can't cite vendors. He said the health benefits of these products are dubious at best. He said the Food and Drug Administration (FDA) has approved the known chemicals as being safe for ingestion, but not as an inhalant. He said the long-term effects are still being studied. He said the proposed bill would treat them in the same manner as tobacco products. He gave examples of some Juneau, Alaska, businesses that sell e-cigarette products.

MR. LAMKIN listed some of the arguments against regulating the products. He remarked the FDA does limited enforcement. He said the penalties are "little more than a slap on the wrist." He said the paperwork is not onerous. He said the argument that the products help smokers quit smoking. He said those people are not the target of the bill. He stated another argument is that the products are not tobacco and therefore should not be regulated as such. He added there are few requirements on the labelling of the products. He mentioned studies found some traces of nicotine in the products. He said another argument is that "everyone wants to keep these out of minors' hands." He stated it should not be an issue for those wishing to do so.

[3:33:19 PM](#)

REPRESENTATIVE BIRCH asked whether e-cigarettes are periodically prescribed as a medical device for smoking cessation.

MR. LAMKIN answered that to his knowledge, the FDA has not declared e-cigarettes a drug delivery device.

REPRESENTATIVE BIRCH asked whether the device can be used for marijuana consumption.

MR. LAMKIN answered that depending on the product, some devices can be made to contain THC.

[3:36:53 PM](#)

REPRESENTATIVE WOOL pointed to the designation of 18 years of age as minor.

MR. LAMKIN answered the proposed bill would not change the statutory age restrictions on tobacco products.

REPRESENTATIVE WOOL asked about the penalty for possession of an e-cigarette or a tobacco product for a minor.

MR. LAMKIN answered that currently it is a violation with a \$50 fee. He added that it's not enforced often. He said the bill is targeted at vendors.

[3:39:38 PM](#)

CHAIR KITO said there is a committee substitute which updates the effective date.

[3:39:51 PM](#)

REPRESENTATIVE WOOL moved to adopt CS to SB 15 as the working document. There being no objection, it was so ordered.

[3:40:29 PM](#)

JOE DARNELL, Chief Investigator, Tobacco Enforcement, Division of Behavioral Health, answered questions in the hearing on SB 15. He spoke to a survey to see what the sale rate was used 16-17 years old had a state wide sell rate of 26 percent of vape products to minors. The same year showed a 5.4 rate of selling tobacco to minors. He said use was "exploding across the state."

[3:43:12 PM](#)

REPRESENTATIVE SULLIVAN-LEONARD asked about data regarding the health risk in vaping.

[3:46:08 PM](#)

SARA CLARK, Program Coordinator, Division of Public Health, Department of Health and Social Services (DHSS), answered questions in the hearing on SB 15. She said health risks of nicotine include addiction and harmful effects on the adolescent brain.

MR. LAMKIN informed that e-cigarettes contain a series of chemicals for which studies are still being carried out. He listed some chemicals and their effects when inhaled.

[3:49:15 PM](#)

SENATOR STEVENS spoke to an article on vaping which shows that vaping can lead to the presence of toxic chemicals associated with higher cancer rates. He added there is a threat of cancer that is not present when there is no use of cigarettes or e-cigarettes.

REPRESENTATIVE WOOL asked about the motivation behind the higher age limit for purchase.

JOE DARNELL answered there has been a national push to raise the tobacco purchase age to 21.

REPRESENTATIVE BIRCH asked about the effects of second-hand vaping.

MR. LAMKIN answered that the information was still emerging.

[3:53:42 PM](#)

CHAIR KITO opened public testimony on SB 15.

[3:53:48 PM](#)

JAMIE MORGAN, American Heart Association, testified in support of SB 15.

[3:54:46 PM](#)

PATTY OWEN, Alaska Public Health Association, testified in support of SB 15. She said the organization was supporting a minimum age of 21 for tobacco purchase, including e-cigarettes. She said studies predict that raising the age to 21 nationwide would result in fewer deaths from lung cancer.

REPRESENTATIVE WOOL asked about the legal argument to raise the age to 21.

MS. OWENS said she can't speak to the legal aspects. She said 95 percent of adult smokers begin smoking before age 21.

CHAIR KITO commented that he remembers some discussion around raising the drinking age from 19 to 21 and part of the discussion centered around creating a barrier between school aged kids and adults.

[3:58:47 PM](#)

TERRENCE ROBBINS testified in support of SB 15. He stated that in Ketchikan, Alaska, the use of e-cigarettes is double that of cigarettes. He said he think the proposed bill would help reduce the number of kids that start smoking to begin with. He shared a study that listed 10 cancer-causing chemicals that were in the urine of e-cigarette users that were not present in the urine of nonsmokers and non-e-cigarette users. He reported young users were getting their tobacco products from an older friend. He suggested raising the age to 21 would reduce the probability that younger users get access to the products.

[4:03:35 PM](#)

ROBIN MINARD, Director, Public Affairs, Mat-Su Health Foundation, testified in support of SB 15. She cited a 2015 study by the National Institute of Health which found that 9th graders that use e-cigarettes are 3 times more likely to smoke cigarettes.

REPRESENTATIVE WOOL asked Ms. Minard whether she thinks there is any value in the cessation aspect of e-cigarettes. He gave an example of friend who had used them to quit smoking.

MS. MINARD answered that e-cigarettes are not Food and Drug Administration (FDA) approved as a cessation device.

[4:05:54 PM](#)

BETTY MACTAVISH, Retired Schoolteacher, testified in support of SB 15. She said many of the devices are so small they can be hidden in coats. She indicated students are using them in bathrooms, halls, and parking lots of schools. She added some students are dual users, using both cigarettes and e-cigarettes, while some who would never use cigarettes are using e-cigarettes.

[4:08:14 PM](#)

EMILY NENON, Alaska Government Relations Director, American Cancer Society Action Network, testified in support of SB 15. She clarified that the proposed bill was aimed at vendors selling to minors. She explained the difference between a vaper and aerosol. The aerosol has been found to contain ultrafine particles that can be inhaled deeply into the lungs including heavy metals and carcinogens. She added that nicotine is a psychoactive neurotoxin and there are clear established health harms to the adolescent brain. She said sales rates of

tobacco used to be 30 percent, and now 35.7 percent of vape shops are selling to youth. She indicated that penalties have brought sale rates for tobacco down significantly.

REPRESENTATIVE WOOL asked whether it is currently legal to sell the products to minors.

MS. NENON answered legislation had been passed that did not include e-cigarettes.

REPRESENTATIVE WOOL reiterated that selling nicotine to people under 19 is currently against the law and the proposed bill states that selling the delivery device is what is penalized.

MS. NENON stated that it is a technical question. She said the proposed bill is about the penalties to the vendors who sell to minors.

[4:13:57 PM](#)

CHAIR KITO held over SB 15.

HB 379-COMM FISHERMEN'S FUND:VESSEL OWNER CLAIMS

[4:14:07 PM](#)

CHAIR KITO announced that the final order of business would be HOUSE BILL NO. 379, "An Act relating to claims against protection and indemnity insurance policies of vessel owners."

[4:14:20 PM](#)

REPRESENTATIVE DAN ORTIZ, Alaska State Legislature, reintroduced HB 379 as prime sponsor. He explained the proposed bill would allow owners of commercial vessels to deduct up to 100 percent of their deductible to incentivize vessel owners to purchase P&I insurance.

[4:15:34 PM](#)

CLAY BEZENEK, Fisherman's Fund Appeals and Advisory Board, testified in support of HB 379. He said the proposed bill would incentivize vessel owners to carry insurance for their crew.

[4:17:43 PM](#)

CHAIR KITO closed public testimony on HB 379.

[4:17:59 PM](#)

REPRESENTATIVE WOOL moved to report HB 379 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, it was so ordered.

[4:18:18 PM](#)

The committee took an at-ease from 4:18 p.m. to 4:21 p.m.

HB 353-MARITAL & FAMILY THERAPY LIC. & SERVICES

[4:21:10 PM](#)

CHAIR KITO announced that the final order of business would be HOUSE BILL NO. 353, "An Act relating to the licensure of marital and family therapists; relating to medical assistance for marital and family therapists' services; and providing for an effective date."

[4:21:13 PM](#)

REPRESENTATIVE WOOL moved to adopt the CS to HB 253 as a working document.

CHAIR KITO objected for the purpose of discussion.

[4:21:52 PM](#)

CAITLYN ELLIS, Staff, Representative Sam Kito, Alaska State Legislature, presented the changes from Version A to Version O. She indicated the changes simplify the bill. She said the language regarding total hours has been clarified to 1,700 total hours. She said in Section 2 a provision has been deleted. She said the previous Sections 4 and 5 had been removed. She said SB 169 would address the details therein.

[4:23:26 PM](#)

REPRESENTATIVE JOSEPHSON asked Representative Spohnholz whether she is comfortable with the proposed CS.

[4:23:36 PM](#)

REPRESENTATIVE IVY SPOHNHOLZ, Alaska State Legislature, answered that the changes had been made in collaboration with her office and she was comfortable with them.

REPRESENTATIVE WOOL asked about total number of hours required.

REPRESENTATIVE SPOHNHOLZ stated it was always 1,700 hours required and the CS cleaned up in the language to state that additional 200 hours were a subset of the 1,700 hours.

REPRESENTATIVE JOSEPHSON asked about the companion piece of legislation.

REPRESENTATIVE SPOHNHOLZ answered that SB 169 has to do with the supervision of professional counselors aspect of the bill.

[4:25:42 PM](#)

CHAIR KITO removed his objection to adopting the CS as a working document. There being no other objection, it was so ordered.

[4:25:58 PM](#)

CHAIR KITO said public testimony on HB 353 was still open from a previous hearing.

[4:26:14 PM](#)

KEVIN WALKER, Alaska Association of Marriage and Family Therapists, testified in support of HB 353. He stated he has had "a hard time" finding a supervisor who could help him acquire the required number of supervised hours. He stated he had to go to Anchorage, Alaska, to find a supervisor. He said broadening the amount of people who could act as supervisor would be helpful.

REPRESENTATIVE BIRCH asked Mr. Walker to define supervision in the context of the proposed bill.

MR. WALKER explained he was able to go to the office of the supervisor. He said he knows of people that did a mixed style of supervision where they met in person and via video as long as the meeting is not recorded.

[4:30:31 PM](#)

CHAIR KITO closed public testimony on HB 353.

4:30:38 PM

REPRESENTATIVE WOOL moved to report HB 353 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, it was so ordered.

4:31:53 PM

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 4:31 p.m.