

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

March 31, 2018

1:02 p.m.

MEMBERS PRESENT

Representative Sam Kito, Chair
Representative Adam Wool, Vice Chair
Representative Andy Josephson
Representative Bryce Edgmon (alternate)

MEMBERS ABSENT

Representative Louise Stutes
Representative Chris Birch
Representative Gary Knopp
Representative Colleen Sullivan-Leonard
Representative Mike Chenault (alternate)

COMMITTEE CALENDAR

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."

- HEARD & HELD

HOUSE BILL NO. 374

"An Act relating to on-bill financing by an electric or gas distribution utility for certain energy efficiency and conservation improvements."

- MOVED CSHB 374 (L&C) OUT OF COMMITTEE

HOUSE BILL NO. 384

"An Act relating to the Regulatory Commission of Alaska and broadband Internet regulations."

- MOVED HB 384 OUT OF COMMITTEE

HOUSE BILL NO. 401

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

- MOVED CSHB 401(L&C) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HB 262

SHORT TITLE: MILITARY SPOUSE COURTESY LICENSE

SPONSOR(S): REPRESENTATIVE(S) KAWASAKI

01/16/18 (H) PREFILE RELEASED 1/8/18
01/16/18 (H) READ THE FIRST TIME - REFERRALS
01/16/18 (H) MLV, L&C
02/06/18 (H) MLV AT 1:00 PM GRUENBERG 120
02/06/18 (H) Heard & Held
02/06/18 (H) MINUTE(MLV)
02/15/18 (H) MLV AT 1:00 PM GRUENBERG 120
02/15/18 (H) Moved CSHB 262(MLV) Out of Committee
02/15/18 (H) MINUTE(MLV)
02/16/18 (H) MLV RPT CS(MLV) 4DP 1AM
02/16/18 (H) DP: SADDLER, PARISH, LEDOUX, TUCK
02/16/18 (H) AM: RAUSCHER
03/28/18 (H) L&C AT 3:15 PM BARNES 124
03/28/18 (H) <Bill Hearing Canceled>
03/31/18 (H) L&C AT 1:00 PM BARNES 124

BILL: HB 374

SHORT TITLE: ON-BILL FINANCING OF ENERGY IMPROVEMENTS

SPONSOR(S): REPRESENTATIVE(S) WOOL

02/21/18 (H) READ THE FIRST TIME - REFERRALS
02/21/18 (H) ENE, L&C
03/01/18 (H) ENE AT 10:15 AM CAPITOL 17
03/01/18 (H) Heard & Held
03/01/18 (H) MINUTE(ENE)
03/08/18 (H) ENE AT 10:15 AM CAPITOL 17
03/08/18 (H) Moved CSHB 374(ENE) Out of Committee
03/08/18 (H) MINUTE(ENE)
03/09/18 (H) ENE RPT CS(ENE) 2DP 1NR 2AM
03/09/18 (H) DP: CLAMAN, WOOL
03/09/18 (H) NR: JOHNSON
03/09/18 (H) AM: JOHNSTON, RAUSCHER
03/16/18 (H) L&C AT 3:15 PM BARNES 124
03/16/18 (H) Heard & Held
03/16/18 (H) MINUTE(L&C)
03/26/18 (H) L&C AT 3:15 PM BARNES 124
03/26/18 (H) Heard & Held
03/26/18 (H) MINUTE(L&C)
03/31/18 (H) L&C AT 1:00 PM BARNES 124

BILL: HB 384

SHORT TITLE: REGULATORY COMM OF AK; BROADBAND INTERNET
SPONSOR(S): REPRESENTATIVE(S) GUTTENBERG

02/21/18 (H) READ THE FIRST TIME - REFERRALS
02/21/18 (H) L&C, FIN
03/30/18 (H) L&C AT 3:15 PM BARNES 124
03/30/18 (H) Heard & Held
03/30/18 (H) MINUTE(L&C)
03/31/18 (H) L&C AT 1:00 PM BARNES 124

BILL: HB 401

SHORT TITLE: INSURANCE; REINSURANCE; VALUATION; CREDITS
SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

03/05/18 (H) READ THE FIRST TIME - REFERRALS
03/05/18 (H) L&C
03/14/18 (H) L&C AT 3:15 PM BARNES 124
03/14/18 (H) Heard & Held
03/14/18 (H) MINUTE(L&C)
03/19/18 (H) L&C AT 3:15 PM BARNES 124
03/19/18 (H) <Bill Hearing Canceled>
03/28/18 (H) L&C AT 3:15 PM BARNES 124
03/28/18 (H) Scheduled but Not Heard
03/31/18 (H) L&C AT 1:00 PM BARNES 124

WITNESS REGISTER

WILLIAM JODWALIS, Staff
Representative Scott Kawasaki
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented HB 262 on behalf of
Representative Kawasaki, prime sponsor.

DALE VANDE HEY
Department of Defense State Liaison Office
San Antonio, Texas

POSITION STATEMENT: Testified in the hearing on HB 262.

ROBERT DOEHL, Deputy Commissioner
Department of Military & Veterans' Affairs (DMVA)
Anchorage, Alaska

POSITION STATEMENT: Testified in the hearing on HB 262.

CHRISTIE RODRIGUEZ

Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 262.

SARA CHAMBERS, Deputy Director

Division of Corporations, Businesses, and Professional Licensing
(DCBPL)

Department of Commerce, Community & Economic Development (DCCED)
Juneau, Alaska

POSITION STATEMENT: Answered questions in the hearing on HB 262.

CAITLYN ELLIS, Staff

Representative Sam Kito

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Presented the changes to HB 374 on behalf of the House Labor and Commerce Standing Committee.

ROB EARL, Staff

Representative Adam Wool

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Presented HB 374 on behalf of Representative Wool, prime sponsor.

DUFF MITCHELL, Manager Director

Juneau Hydro Power; Chairman, Juneau Commission on
Sustainability

Juneau, Alaska

POSITION STATEMENT: Testified in support of HB 374.

REPRESENTATIVE DAVID GUTTENBERG

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Reintroduced HB 384 as prime sponsor.

CAITLYN ELLIS, Staff

Representative Sam Kito

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Presented the changes to the proposed bill on behalf of Representative Kito, prime sponsor.

LORI WING-HEIER, Director

Division of Insurance

Department of Commerce, Community & Economic Development (DCCED)
Juneau, Alaska

POSITION STATEMENT: Answered questions in the hearing on HB 401.

ACTION NARRATIVE

[1:02:48 PM](#)

CHAIR SAM KITO called the House Labor and Commerce Standing Committee meeting to order at 1:02 p.m. Representatives Edgmon, Josephson, Wool, and Kito were present at the call to order.

HB 262-MILITARY SPOUSE COURTESY LICENSE

[1:03:42 PM](#)

CHAIR KITO announced that the first order of business would be 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."

[1:04:03 PM](#)

WILLIAM JODWALIS, Staff, Representative Scott Kawasaki, Alaska State Legislature, presented HB 262 on behalf of Representative Kawasaki, prime sponsor. He paraphrased the sponsor statement [in committee packet], which reads as follows [original punctuation provided]:

In 2011, HB 28 was passed to provide expedited temporary courtesy licenses to eligible individuals transferred to Alaska with their active duty service member spouse, so they can practice their trade without experiencing extensive wait times for licensure approval. For a military spouse, expedited temporary courtesy licenses are the fastest method of obtaining licensure and getting back to their profession.

Similar legislation was also passed by several other states. However, states such as Washington and Connecticut, also included a reporting mechanism so that the Legislature and Joint Armed Services Committee equivalent in that state could track the executive branch's progress of implementation and occupational board communication. HB 28 did not include a reporting requirement when it was passed.

In fall 2017, legislators voiced concern that full implementation of HB 28 (2011) was not yet completed, and that not all occupational boards were aware of the now 7-year-old statute. While questions remain, the bill simply seeks to strengthen the ability of military spouses to obtain these occupational licenses in an efficient and expedited manner as prescribed by law.

HB 262 seeks to amend AS 08.01.063 to include that the Department of Commerce, Community and Economic Development prepare an annual report regarding courtesy licenses issued the previous calendar year. This simple reporting mechanism will help facilitate communication between occupational boards, the department and the legislators. It will also aid in making occupational board staff and legislators more aware of what opportunities are available for helping military spouses get back into the workforce.

The passage of HB 262 would improve communication between the boards, the department and the legislator and by improving efficiency and awareness about what opportunities are available, will help welcome military families to Alaska and encourage their integration into our local economy. I respectfully urge your support of HB 262, a corrective bill that is in the interest of improving communication, accountability and helping with the transition of Alaska's military families.

[1:06:49 PM](#)

DALE VANDE HEY, Department of Defense (DoD) State Liaison Office, testified in the hearing on HB 262. He explained the DoD works with state legislators who work on legislation that impacts and supports military members and their families. He stated the proposed bill was "top of the list", as military spouses continue to need assistance. He said it is "not a give-away," but merely recognizing a license from another state and expediting the process for transitioning military spouses.

[1:08:35 PM](#)

ROBERT DOEHL, Deputy Commissioner, Department of Military & Veterans' Affairs (DMVA), testified in the hearing on HB 262. {

He said military spouses have to figure out what licenses and standards are current in the new state and they end up doing this on their own through word-of-mouth as the DoD doesn't provide any assistance. He said DMVA has reached out to the active military to offer informal avenues, but it still comes down to the military spouse to navigate. He added that typically they have to do this about every four years.

[1:10:30 PM](#)

CHRISTIE RODRIGUEZ testified in support of HB 262. She shared her experience with moving every few years as a military spouse. She said military spouses are 38 percent under-employed compared to their civilian counterparts.

CHAIR KITO asked about the fiscal note (FN) for HB 262.

[1:13:06 PM](#)

SARA CHAMBERS, Deputy Director, Division of Corporations, Businesses, and Professional Licensing (DCBPL), Department of Commerce, Community & Economic Development (DCCED), answered questions in the hearing on HB 262. She addressed the fiscal note and explained that currently the department does provide updates on an ad hoc basis. She said \$5,000 in expenditure authority was the request.

[1:14:18 PM](#)

CHAIR KITO asked whether the amount is a one-time request and in future years the amount would be incorporated into the budgets of individual boards.

MS. CHAMBERS answered in the affirmative.

[1:14:44 PM](#)

REPRESENTATIVE WOOL asked about producing a report every calendar year rather than every fiscal year. He further asked about renewals.

MS. CHAMBERS answered that there are existing practices for military spouses. She said there are over 100 license types and nearly every type offers the process. She added that the ones that don't are the ones that don't need it or have safety requirements. She said there were only 35 military spouse license requests in the previous year. She said she was very

interested in hearing from the Department of Military & Veterans' Affairs (DMVA) and other groups who could help meet the needs. She underlined that currently the division was not hearing from them about any problems.

[1:18:59 PM](#)

REPRESENTATIVE WOOL asked whether Ms. Chambers understands the need to move to reporting on the calendar year.

MS. CHAMBERS answered the department is happy to provide the information whenever it is necessary.

REPRESENTATIVE WOOL asked about the timing of reporting.

MS. CHAMBERS said the timing gives the department plenty of time to produce a report.

[1:21:32 PM](#)

CHAIR KITO opened public testimony on HB 262.

CHAIR KITO held over HB 262.

HB 374-ON-BILL FINANCING OF ENERGY IMPROVEMENTS

[1:21:50 PM](#)

CHAIR KITO announced that the next order of business would be HOUSE BILL NO. 374, "An Act relating to on-bill financing by an electric or gas distribution utility for certain energy efficiency and conservation improvements."

[1:22:17 PM](#)

REPRESENTATIVE WOOL moved to adopt the CS for HB 374 as the working document.

CHAIR KITO objected for discussion.

[1:22:41 PM](#)

CAITLYN ELLIS, Staff, Representative Sam Kito, Alaska State Legislature, presented the changes in the CS. She paraphrased the explanation of changes [included in committee packet], which reads as follows [original punctuation provided]:

MOVED meter conservation charge language from section 42.05.750 to the meter conservation charge section (Page 2, lines 10-17) and DELETED meter conservation charge language unnecessarily repeated in the definition of meter conservation charge (Page 5, lines 6-7). Change requested by bill drafter- cosmetic change only.

Page 2, line 27 DELETED "AS 42.05.261," (mistaken cross reference)

Page 3, lines 25-28 DELETED most of Sect. 42.05.754 Rental Property.

With deletion, only landlords that are responsible for the entire utility bill can enter into an on-bill financing agreement for rental property; and tenants cannot enter into on-bill financing agreements at all.

This led to the following conforming DELETIONS:

- "a customer or landlord of' on Page 1, line 8;
- "or landlord" Page 2, line 19;
- "a tenant or subsequent tenant of the residence or building under AS 42.05.754." Page 2, line 21;
- "a purchaser's obligation to notify a tenant under AS 42.05.754 if the purchase leases the property." Page 3, line 16; and
- "or landlord of a utility customer" Page 4, line 27.

Page 2, lines 8-9 INSERTED language making it explicitly clear that the utility can choose what type of improvements the utility will finance under an on-bill program. This was the bill's intent all along.

DELETED "an electric or gas distribution" before "utility" nine places in the bill (including the title). The change would allow a district heating utility to utilize on-bill financing.

Page 4, line 31 REWORDED definition of "energy conservation system".

Version N: the new fuel switched to must be more efficient and not increase direct greenhouse gas emissions.

Version E: the new fuel still must not increase greenhouse gas emissions, and must either be more efficient OR cheaper.

[1:25:19 PM](#)

REPRESENTATIVE JOSEPHSON asked about weatherization considerations in the CS.

MS. ELLIS answered that weatherization considerations were not included in the CS. She deferred to Mr. Earl.

[1:26:10 PM](#)

ROB EARL, Staff, Representative Adam Wool, Alaska State Legislature, presented HB 374 on behalf of Representative Wool, prime sponsor. He answered that he agreed that weatherization is not included.

CHAIR KITO added that one change to the bill is to make sure the utility provider can approve the measures that can be financed.

REPRESENTATIVE WOOL said that the original intent was to facilitate the conversion to more efficient fuel sources.

REPRESENTATIVE JOSEPHSON asked about the concerns expressed by Alaska Electric Light and Power (AELP).

MS. ELLIS said the new definition mostly resolves those concerns. She added AELP had been involved in the change.

[1:29:02 PM](#)

CHAIR KITO removed his objection to adopting the CS to HB 374.

[1:29:24 PM](#)

CHAIR KITO announced that public testimony on HB 374 was still open from the previous hearing.

[1:29:37 PM](#)

DUFF MITCHELL, Manager Director, Juneau Hydro Power; Chairman, Juneau Commission on Sustainability, testified in support of HB 374. He described some of the innovative heating systems in the state. He stated he supports Version E of the proposed bill. He said the new language is "utility agnostic". He said he believes the bill supports the state's energy policies.

[1:33:38 PM](#)

CHAIR KITO closed public testimony.

[1:33:51 PM](#)

REPRESENTATIVE WOOL moved to report CS for HB 374 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, it was so ordered.

[1:34:16 PM](#)

The committee took an at-ease from 1:34 p.m. to 1:35 p.m.

HB 384-REGULATORY COMM OF AK; BROADBAND INTERNET

[1:35:49 PM](#)

CHAIR KITO announced that the next order of business would be HOUSE BILL NO. 384, "An Act relating to the Regulatory Commission of Alaska and broadband Internet regulations."

[1:36:04 PM](#)

REPRESENTATIVE DAVID GUTTENBERG, Alaska State Legislature, reintroduced HB 384 as prime sponsor. He answered questions from the previous meeting. He indicated he could offer more information of what other states have done about broadband development.

[1:37:51 PM](#)

CHAIR KITO announced that public testimony was still open from the previous meeting. Upon ascertaining that no one was available to testify, he closed public testimony on HB 384.

[1:38:12 PM](#)

REPRESENTATIVE WOOL moved to report HB 384 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, it was so ordered.

[1:38:26 PM](#)

The committee took an at-ease from 1:38 p.m. to 1:38 p.m.

HB 401-INSURANCE; REINSURANCE; VALUATION; CREDITS

[1:38:32 PM](#)

CHAIR KITO announced that the final order of business would be HOUSE BILL NO. 401, "An Act relating to insurance; relating to credit for reinsurance; insurance standard valuation; and providing for an effective date."

[1:40:41 PM](#)

REPRESENTATIVE WOOL moved to adopt the CS for HB 401 as a working document.

CHAIR KITO objected for discussion.

[1:40:55 PM](#)

CAITLYN ELLIS, Staff, Representative Sam Kito, Alaska State Legislature, presented the changes to the proposed bill on behalf of Representative Kito, prime sponsor. She stated there were a number of drafting issues that were being resolved. The summary of changes [included in committee packet], with an additional table of drafting changes, read as follows:

The CS for HB 401 makes drafting changes in accordance with the legislative drafting manual. The original legislation was drafted to repeal and reenact the credit for reinsurance model act. The CS interlineates revisions to model law in existing statute. No substantive changes are made in the revision.

[1:42:15 PM](#)

CHAIR KITO commented that the bill was being examined for drafting changes to conform to legislative drafting manuals. He stated he would like to continue to move the bill forward as the changes were being implemented.

[1:43:01 PM](#)

REPRESENTATIVE JOSEPHSON asked about other committee referrals.

CHAIR KITO said the bill would be going to House Rules Committee.

REPRESENTATIVE JOSEPHSON asked whether the intent was to bring the changes to the House floor.

CHAIR KITO answered the changes would be worked on while it moved on through to the other body.

[1:44:06 PM](#)

CHAIR KITO removed his objection. There being no further objection, Version D was adopted as the working document.

[1:44:23 PM](#)

LORI WING-HEIER, Director, Division of Insurance, Department of Commerce, Community & Economic Development (DCCED), answered questions in the hearing on HB 401. She clarified that the bill, in its entirety, is based on NAIC model law. She said the repeal and reenact approach was not in accordance with legislative drafting manuals. She said that all parts of the model law are in the CS and have been noted in the CS, but the overall intent has not changed in the CS.

[1:45:41 PM](#)

CHAIR KITO announced that public testimony was still open from the previous meeting.

REPRESENTATIVE WOOL asked about the issues with repeal and reenact motions.

CHAIR KITO explained that the changes were ensuring that the proposed CS conforms to Legislative Drafting manuals and the "repeal and replace" of a section of statute was still being worked on. He indicated there was also a time issue.

REPRESENTATIVE JOSEPHSON asked for an explanation of the urgency of the adoption of the changes.

MS. WING-HEIER answered that first part of the bill - credit for reinsurance - was for all states seeking accreditation and had an effective date in 2019. The second part of the bill has a 2020 effective date. She stated the 2019 date was most urgent.

[1:48:56 PM](#)

CHAIR KITO closed public testimony on HB 401.

[1:49:07 PM](#)

REPRESENTATIVE WOOL moved to report HB 401 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, it was so ordered.

[1:49:53 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 1:49 p.m.