

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

April 6, 2018

3:24 p.m.

**MEMBERS PRESENT**

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

**MEMBERS ABSENT**

Representative Chris Birch  
Representative Mike Chenault (alternate)  
Representative Bryce Edgmon (alternate)

**COMMITTEE CALENDAR**

CS FOR HOUSE BILL NO. 136 (TRA)

"An Act relating to motor vehicle franchises, motor vehicle dealers, motor vehicle manufacturers, and motor vehicle distributors."

- MOVED CSHB 136 (TRA) OUT OF COMMITTEE

HOUSE BILL NO. 264

"An Act relating to a fee for disposable shopping bags; relating to the sale of reusable shopping bags; relating to the recycling of disposable shopping bags; and providing for an effective date."

- MOVED CSHB 264 (L&C) OUT OF COMMITTEE

COMMITTEE SUBSTITUTE FOR SS FOR SENATE BILL NO. 108 (FIN)

"An Act relating to the State Medical Board; relating to the licensing of physicians, osteopaths, and podiatrists; relating to the certification of medical assistants; relating to the practice of medicine; relating to the practice of podiatry; relating to the practice of osteopathy; relating to assault of a medical professional; and providing for an effective date."

- SCHEDULED BUT NOT HEARD

**PREVIOUS COMMITTEE ACTION**

BILL: HB 136

SHORT TITLE: MOTOR VEHICLE DEALER FRANCHISES

SPONSOR(s): REPRESENTATIVE(s) CLAMAN

02/20/17 (H) READ THE FIRST TIME - REFERRALS  
02/20/17 (H) TRA, L&C  
03/16/17 (H) TRA AT 1:00 PM CAPITOL 17  
03/16/17 (H) <Bill Hearing Canceled>  
03/21/17 (H) TRA AT 1:00 PM BARNES 124  
03/21/17 (H) Heard & Held  
03/21/17 (H) MINUTE(TRA)  
04/13/17 (H) TRA AT 1:00 PM BARNES 124  
04/13/17 (H) -- MEETING CANCELED --  
03/27/18 (H) TRA AT 1:15 PM BARNES 124  
03/27/18 (H) Heard & Held  
03/27/18 (H) MINUTE(TRA)  
03/29/18 (H) TRA AT 1:15 PM BARNES 124  
03/29/18 (H) Moved CSHB 136(TRA) Out of Committee  
03/29/18 (H) MINUTE(TRA)  
03/30/18 (H) TRA RPT CS(TRA) NT 5DP  
03/30/18 (H) DP: SULLIVAN-LEONARD, DRUMMOND, CLAMAN,  
KOPP, WOOL  
04/02/18 (H) L&C AT 3:15 PM BARNES 124  
04/02/18 (H) Heard & Held  
04/02/18 (H) MINUTE(L&C)  
04/06/18 (H) L&C AT 3:15 PM BARNES 124

BILL: HB 264

SHORT TITLE: SHOPPING BAG FEES & RECYCLING

SPONSOR(s): REPRESENTATIVE(s) JOSEPHSON

01/16/18 (H) PREFILE RELEASED 1/8/18  
01/16/18 (H) READ THE FIRST TIME - REFERRALS  
01/16/18 (H) CRA, L&C  
01/30/18 (H) CRA AT 3:00 PM BARNES 124  
01/30/18 (H) -- MEETING CANCELED --  
02/10/18 (H) CRA AT 10:00 AM BARNES 124  
02/10/18 (H) Heard & Held  
02/10/18 (H) MINUTE(CRA)  
02/13/18 (H) CRA AT 8:00 AM BARNES 124  
02/13/18 (H) Heard & Held  
02/13/18 (H) MINUTE(CRA)  
02/22/18 (H) CRA AT 8:00 AM BARNES 124  
02/22/18 (H) Moved CSHB 264(CRA) Out of Committee  
02/22/18 (H) MINUTE(CRA)

02/23/18	(H)	CRA RPT CS(CRA) 1DP 2DNP 3AM
02/23/18	(H)	DP: DRUMMOND
02/23/18	(H)	DNP: SADDLER, TALERICO
02/23/18	(H)	AM: LINCOLN, KREISS-TOMKINS, PARISH
03/09/18	(H)	L&C AT 3:15 PM BARNES 124
03/09/18	(H)	Scheduled but Not Heard
03/10/18	(H)	L&C AT 3:00 PM BARNES 124
03/10/18	(H)	Heard & Held
03/10/18	(H)	MINUTE(L&C)
04/04/18	(H)	L&C AT 3:15 PM BARNES 124
04/04/18	(H)	Heard & Held
04/04/18	(H)	MINUTE(L&C)
04/06/18	(H)	L&C AT 3:15 PM BARNES 124

**WITNESS REGISTER**

REPRESENTATIVE CLAMAN

Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Reintroduced HB 136 as prime sponsor.

STEVE ALWINE, Board Member

Alaska Automobile Dealer Association  
Juneau, Alaska

**POSITION STATEMENT:** Testified in support of HB 136.

LESTER NICHOLS, Owner

Fairbanks Nissan  
Fairbanks, Alaska

**POSITION STATEMENT:** Testified in support of HB 136.

LISA DELANEY, Staff

Representative Andy Josephson  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Explained Amendment 2 to HB 264 on behalf of Representative Josephson.

**ACTION NARRATIVE**

[3:24:32 PM](#)

**CHAIR SAM KITO** called the House Labor and Commerce Standing Committee meeting to order at 3:24 p.m. Representatives Kito, Josephson, Stutes, Knopp, and Sullivan Leonard were present at the call to order. Representatives Wool arrived as the meeting was in progress.

**HB 136-MOTOR VEHICLE DEALER FRANCHISES**

[3:25:28 PM](#)

CHAIR KITO announced that the first order of business would be HOUSE BILL NO. 136, "An Act relating to motor vehicle franchises, motor vehicle transactions, motor vehicle dealers, motor vehicle manufacturers, and motor vehicle distributors."

[3:25:36 PM](#)

REPRESENTATIVE CLAMAN, Alaska State Legislature, reintroduced HB 136 as prime sponsor. He said the proposed bill would help consumers and is supported by franchise owners and is not opposed by industry.

REPRESENTATIVE SULLIVAN-LEONARD asked about opposition to HB 136.

REPRESENTATIVE CLAMAN answered that industry has not opposed the current proposed bill.

REPRESENTATIVE SULLIVAN-LEONARD asked whether there had been any comment opposing the proposal.

REPRESENTATIVE CLAMAN answered he had heard only positive comments and pointed out that there were no industry lobbyists present.

[3:28:14 PM](#)

STEVE ALWINE, Board Member, Alaska Automobile Dealer Association, testified in support of HB 136. He said the proposed bill would serve to update the state's franchise laws which had not been updated since 2004. It serves to provide reasonable protections to dealers and the public. The bill would address warranties and dealer succession. He highlighted it would provide protections for consumers in outlying areas.

[3:30:14 PM](#)

LESTER NICHOLS, Owner, Fairbanks Nissan, testified in support of HB 136. He said the bill would help secure his investment in the business. He praised the work of Representative Claman.

[3:32:06 PM](#)

CHAIR KITO closed public testimony on HB 136.

CHAIR KITO remarked there is a revised fiscal note.

[3:32:42 PM](#)

REPRESENTATIVE STUTES moved to report HB 136 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, it was so ordered.

[3:33:07 PM](#)

The committee took an at-ease from 3:33 p.m. to 3:35 p.m.

**HB 264-SHOPPING BAG FEES & RECYCLING**

[3:35:43 PM](#)

CHAIR KITO announced that the final order of business would be HOUSE BILL NO. 264, "An Act relating to a fee for disposable shopping bags; relating to the sale of reusable shopping bags; relating to the recycling of disposable shopping bags; and providing for an effective date."

[3:36:10 PM](#)

REPRESENTATIVE JOSEPHSON said he had prepared several amendments, and moved to adopt Amendment 1, labeled 30-LS1178\R.1, Nauman, 3/26/18, which read as follows:

Page 3, line 25:

Delete "July 1, 2019"

Insert "January 1, 2020"

REPRESENTATIVE JOSEPHSON explained that the Amendment is designed to put off the effective date for 6 months to 20 months out to get people ready for the concept of going to stores and retail sites and carry away their goods in something other than a lightweight shopping bag.

[3:37:22 PM](#)

CHAIR KITO removed his objection. There being no further objections, Amendment 1 was adopted.

[3:37:35 PM](#)

REPRESENTATIVE JOSEPHSON moved to adopt Amendment 2, labeled 30-LS1178\R.4, Nauman, 4/5/18, which read as follows:

Page 1, line 2:

Delete "**relating to the sale of reusable shopping bags;**"

Page 2, lines 25 - 26:

Delete all material.

Reletter the following subsections accordingly.

Page 2, line 28:

Delete ", (c), or (d)"

Insert "or (c)"

CHAIR KITO objected for discussion.

[3:37:57 PM](#)

LISA DELANEY, Staff, Representative Andy Josephson, Alaska State Legislature, explained Amendment 2 on behalf of Representative Josephson. She said the amendment would remove the requirement for retailers to sell plastic bags at point of sale.

CHAIR KITO asked for confirmation that retailers would be allowed to sell bags, but not required to.

MS. DELANEY confirmed that was correct.

CHAIR KITO removed his objection. There being no other objection, Amendment 2 was adopted.

[3:38:49 PM](#)

REPRESENTATIVE JOSEPHSON moved to adopt Amendment 3, labeled 30-LS1178\R.3, Nauman, 4/5/18, which read as follows:

Page 1, lines 1 - 2:

Delete "**relating to a minimum price for paper and other shopping bags;**"

Page 1, lines 10 - 11:

Delete "and the minimum price established in (c) of this section do"

Insert "does"

Page 2, lines 12 - 24:  
Delete all material.

Reletter the following subsections accordingly.

Page 2, line 28:  
Delete ", (c), or (d) "  
Insert "or (c) "

Page 3, line 21:  
Delete ";"  
Insert "."

Page 3, lines 22 - 24:  
Delete all material.

MS. DELANEY explained the amendment would remove the .10 minimum fee for non-plastic bags or bags that are thicker than 4 millimeters.

REPRESENTATIVE STUTES asked whether the amendment would remove the ban on bags thinner than or thicker than 4 millimeters. She asked whether it would remove all charges for any bags.

MS. DELANEY answered in the affirmative. She said it would prohibit only the "very thin, flimsy bags."

[3:40:02 PM](#)

CHAIR KITO removed his objection to Amendment 3.

[3:40:08 PM](#)

REPRESENTATIVE KNOPP asked whether the 4 millimeter size is mentioned in the bill.

REPRESENTATIVE JOSEPHSON answered it is found on page 3, line 20.

[3:40:36 PM](#)

CHAIR KITO stated that Amendment 3 was adopted.

[3:40:47 PM](#)

CHAIR KITO remarked there is a lot of support within his communities for the ban. He spoke to the time when paper was seen as more damaging to the environment and plastic bags were considered more environmentally friendly. He said he thinks this is a good idea and something to do on a state-wide basis

[3:42:10 PM](#)

REPRESENTATIVE WOOL moved to report HB 264 out of committee as amended with individual recommendations and the accompanying fiscal notes.

[3:42:23 PM](#)

REPRESENTATIVE SULLIVAN-LEONARD objected.

[3:42:29 PM](#)

A roll call vote was taken. Representatives Josephson, Wool, Knopp, Stutes, and Kito voted in favor of HB 264. Representative Sullivan-Leonard voted against it. Therefore, HB 264 was reported out of the House Labor and Commerce Standing Committee by a vote of 5-1.

[3:43:40 PM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 3:43 p.m.