

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

April 8, 2019

3:20 p.m.

MEMBERS PRESENT

Representative Gabrielle LeDoux, Co-Chair
Representative Adam Wool, Co-Chair
Representative Zack Fields
Representative Sara Hannan
Representative Louise Stutes
Representative Josh Revak
Representative Dave Talerico

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 30

"An Act relating to the exclusiveness of liability of an employer in the case of death; relating to the payment of workers' compensation benefits in the case of permanent partial impairment; relating to notice of workers' compensation death benefits; relating to the payment of workers' compensation death benefits payable to a child of an employee where there is no surviving spouse; relating to the payment of workers' compensation death benefits for an employee without a surviving spouse or child; and providing for an effective date."

- MOVED CSHB 30(L&C) OUT OF COMMITTEE

HOUSE BILL NO. 102

"An Act relating to rental vehicles; relating to vehicle rental networks; relating to liability for vehicle rental taxes; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 91

"An Act relating to the practice of naturopathy; relating to the licensure of naturopaths; relating to the Department of Commerce, Community, and Economic Development; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 103

"An Act establishing the State Gaming Commission; relating to the Alcoholic Beverage Control Board; relating to the regulation of card rooms and card games; relating to criminal history record checks; and relating to the regulation of alcoholic beverages."

- BILL HEARING CANCELED

PREVIOUS COMMITTEE ACTION

BILL: HB 30

SHORT TITLE: WORKERS' COMP: DEATH; PERM PARTIAL IMPAIR

SPONSOR(S): REPRESENTATIVE(S) JOSEPHSON

02/20/19	(H)	PREFILE RELEASED 1/11/19
02/20/19	(H)	READ THE FIRST TIME - REFERRALS
02/20/19	(H)	L&C, FIN
03/25/19	(H)	L&C AT 3:15 PM BARNES 124
03/25/19	(H)	Heard & Held
03/25/19	(H)	MINUTE(L&C)
03/29/19	(H)	L&C AT 3:15 PM BARNES 124
03/29/19	(H)	-- MEETING CANCELED --
04/05/19	(H)	L&C AT 3:15 PM BARNES 124
04/05/19	(H)	Heard & Held
04/05/19	(H)	MINUTE(L&C)
04/08/19	(H)	L&C AT 3:15 PM BARNES 124

BILL: HB 102

SHORT TITLE: RENTAL VEHICLE BY PRIVATE OWNER

SPONSOR(S): REPRESENTATIVE(S) WOOL

03/20/19	(H)	READ THE FIRST TIME - REFERRALS
03/20/19	(H)	L&C, FIN
04/03/19	(H)	L&C AT 3:15 PM BARNES 124
04/03/19	(H)	Heard & Held
04/03/19	(H)	MINUTE(L&C)
04/08/19	(H)	L&C AT 3:15 PM BARNES 124

BILL: HB 91

SHORT TITLE: NATUROPATHS: LICENSING; PRACTICE

SPONSOR(S): REPRESENTATIVE(S) JOHNSTON

03/13/19	(H)	READ THE FIRST TIME - REFERRALS
03/13/19	(H)	L&C, FIN

04/03/19 (H) L&C AT 3:15 PM BARNES 124
04/03/19 (H) Heard & Held
04/03/19 (H) MINUTE (L&C)
04/08/19 (H) L&C AT 3:15 PM BARNES 124

WITNESS REGISTER

JESSICA KIM

Alaska Community Action on Toxics
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 30.

KEVIN DAUGHTRY

Alaska District Council of Laborers
Eagle River, Alaska

POSITION STATEMENT: Testified in support of HB 30.

MARYANNE BURKE

Anchorage, Alaska

POSITION STATEMENT: Testified during the hearing on HB 30.

REPRESENTATIVE ANDY JOSEPHSON

Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As prime sponsor of HB 30, answered questions from the committee

ETHAN WILSON, Government Relations Manager/Legal Counsel
Turo

San Francisco, California

POSITION STATEMENT: Testified in opposition to HB 102 in its current form.

BRANDON SPANOS, Deputy Director

Tax Division

Department of Revenue

Juneau, Alaska

POSITION STATEMENT: answered questions from the committee during the hearing on HB 102.

WILLIAM BAILEY

Anchorage, Alaska

POSITION STATEMENT: Testified in opposition to HB 102.

ROSE FELICIANO, Regional Director

Internet Associations

Helena, Montana

POSITION STATEMENT: Testified in opposition to HB 102.

ABBY LAING, Owner
Thrive Integrative Medicine;
Alaska Association of Naturopaths
Juneau, Alaska

POSITION STATEMENT: Testified in support of HB 91.

SUZETTE MAILLOUX, secretary
Alaska Association of Naturopathic Physicians
Juneau, Alaska

POSITION STATEMENT: Testified in support of HB 91.

ACTION NARRATIVE

[3:20:08 PM](#)

CO-CHAIR ADAM WOOL called the House Labor and Commerce Standing Committee meeting to order at 3:20 p.m. Representatives Revak, Hannan, Stutes, LeDoux, and Wool were present at the call to order. Representatives Fields and Talerico arrived as the meeting was in progress.

HB 30-WORKERS' COMP: DEATH; PERM PARTIAL IMPAIR

[3:21:16 PM](#)

CO-CHAIR WOOL announced that the first order of business would be CS FOR HOUSE BILL NO. 30(L&C), "An Act relating to the payment of workers' compensation benefits in the case of permanent partial impairment; relating to notice of workers' compensation death benefits; relating to the payment of workers' compensation death benefits payable to a child of an employee when there is no surviving spouse; relating to the payment of workers' compensation death benefits for an employee without a surviving spouse or child; and providing for an effective date."

[3:21:36 PM](#)

The committee took a brief at-ease.

[3:22:27 PM](#)

CO-CHAIR WOOL opened public testimony.

[3:22:41 PM](#)

JESSICA KIM, Alaska Community Action on Toxics, informed the committee that she is testifying in support of HB 30 on behalf of Alaska Community Action on Toxics (ACAT), a statewide environmental health research and advocacy organization. She stated that ACAT has a 22-year history working on behalf of workers harmed by chemical and radiation exposures, as well as for equitable workers' compensation. She opined that the current system unfairly and adversely hurts Alaskan workers and their families, particularly those who are single or disabled, from workplace accidents. HB 30, she said, would remedy inequities under the current system by ensuring that workplace injuries or deaths are properly compensated. She concluded by stating that, as an organization that advocates for the health, safety, and fair compensation of Alaskan workers, ACAT strongly supports HB 30.

[3:25:57 PM](#)

KEVIN DAUGHTRY, Alaska District Council of Laborers, offered his understanding of the "practical and tragic" impacts of the current law, which HB 30 intends to correct. He encouraged the committee to move the bill forward and expressed his strong support for it passing.

[3:30:43 PM](#)

MARYANNE BURKE addressed Abigail Caudle's death and pointed out that, despite evidence of gross negligence by her employer, her family still hasn't received any benefits other than her funeral costs. She opined that there is no liability with current workers' compensation laws in Alaska, adding that if a benefit were to be paid to the deceased individual's family and the employer were to face disciplinary action then there would be fewer lives lost.

[3:34:59 PM](#)

CO-CHAIR WOOL closed public testimony.

[3:35:11 PM](#)

REPRESENTATIVE HANNAN sought clarification on whether the ability for the family to litigate an accidental death was taken out of the current version of the bill.

[3:35:36 PM](#)

REPRESENTATIVE ANDY JOSEPHSON, Alaska State Legislature, answered yes. He explained that, normally, in a workers' compensation case the injured worker does not pay any attorney's fees and there are limits to the amount he or she can receive in damages in a personal injury action. He opined that, while it sounds good to have the right to go to trial, the injured individual is better off under Title 23 [labor and Workers' Compensation].

[3:38:25 PM](#)

CO-CHAIR LEDOUX moved to report CSHB 30, Version LS0280\S, Marx, 4/3/19, out of committee with individual recommendations and the accompanying fiscal notes. Without objection, CSHB 30(L&C) was moved from the House Labor and Commerce Standing Committee.

[3:38:56 PM](#)

The committee took an at-ease from 3:38 to 4:41 p.m.

[Co-Chair Wool passed the gavel to Co-Chair LeDoux.]

HB 102-RENTAL VEHICLE BY PRIVATE OWNER

[3:41:55 PM](#)

CO-CHAIR LEDOUX announced that the next order of business would be HOUSE BILL NO. 102, "An Act relating to rental vehicles; relating to vehicle rental networks; relating to liability for vehicle rental taxes; and providing for an effective date."

[3:42:22 PM](#)

CO-CHAIR LEDOUX opened public testimony.

[3:42:39 PM](#)

ETHAN WILSON, Government Relations Manager/Legal Counsel, Turo, stated that Turo is an internet-based peer-to-peer car sharing platform. He expressed Turo's opposition to HB 102 in its current form, adding that they are, however, willing to help develop a legislative solution that works for Alaska and its citizens, protects consumers, and recognizes an individual's personal property right to share his or her car without undue burdens or barriers to entry. He offered his belief that HB 102 takes a one-sided approach to regulating peer-to-peer car sharing that is an "antiquated, complex, and corporately

manipulated" attempt at regulating and taxing the industry. He reiterated that the peer-to-peer car sharing industry is willing to engage with Alaska's lawmakers to create a "smart, new, and innovative regulatory structure for the sharing economy." He contended that it is consumers, not rental car companies, who pay sales and excise taxes to rent cars. He further alleged that rental cars, hotels, lodging, and resorts are targeted for excise taxes due to their high rate of consumption by travelers from out of state, adding that "by taxing peer-to-peer car sharing in the same manner as big rental, the legislature, albeit inadvertently, is not capturing the economic activity of out of state actors - rather, it would be capturing locally sourced economic activity." He reported that while peer-to-peer car sharing platforms take 25 percent of the overall transaction cost, Alaskans that share their cars keep up to 75 percent of the gross revenue of that transaction. He opined that HB 102 treats Turo and peer-to-peer car sharing as an enemy.

[3:50:04 PM](#)

REPRESENTATIVE FIELDS asked if Turo is the equivalent of Airbnb for renting vehicles.

MR. WILSON stated that it's an asset sharing economy, not a gig sharing economy, adding that the very nature and use of [cars and houses] are inherently different.

REPRESENTATIVE FIELDS offered that both [companies] are digital platforms that enable property owners to rent their property. He asked if Mr. Wilson agreed.

MR. WILSON answered yes.

REPRESENTATIVE FIELDS asked if Mr. Wilson is familiar with Airbnb's payment of occupancy taxes around the world.

MR. WILSON replied that he is not an expert in public policy for Airbnb.

REPRESENTATIVE FIELDS explained that Airbnb negotiates with jurisdictions to pay occupancy taxes around the world. He disputed the idea that no one from the legislature offered to work with Turo, adding that he had asked the company's lobbyist to review their equitable tax proposal.

REPRESENTATIVE FIELDS asked how much money Turo has earned in Alaska.

MR. WILSON said he is unsure of the exact number.

[3:51:52 PM](#)

REPRESENTATIVE FIELDS asked if Mr. Wilson was aware of the Department of Revenue's inquiries to determine how much money Turo has earned in Alaska.

MR. WILSON said he is not familiar with those specifics.

REPRESENTATIVE FIELDS asked if he would be sharing the amount of money Turo has earned in Alaska with the committee today.

MR WILSON replied that he would try.

REPRESENTATIVE FIELDS stated that the legislature received letters from Alaskans suggesting that HB 102 would prohibit or ban peer-to-peer vehicle sharing. He asked if Turo was behind those "misleading" letters.

MR. WILSON said he's not familiar with any misleading letters.

REPRESENTATIVE FIELDS asked if Turo has suggested that HB 102 would somehow prohibit peer-to-peer vehicle sharing in Alaska.

MR. WILSON answered that he has not and was not familiar with the communications being referred to.

[3:53:38 PM](#)

REPRESENTATIVE STUTES asked for the location of Turo's headquarters.

MR. WILSON relayed that they are located in San Francisco, California.

REPRESENTATIVE STUTES questioned whether Turo makes revenue off the vehicle rentals.

MR. WILSON answered yes, adding that they generally take 25 percent of the gross revenue of each transaction.

REPRESENTATIVE STUTES asked why it's okay to have a business in Alaska that doesn't pay any of Alaska's business taxes.

MR. WILSON maintained that Turo is not anti-tax or against creating a tax that is designed to capture aspects of the sharing economy. He reiterated the desire to work with the legislature on establishing what the taxation framework would look like.

[3:54:45 PM](#)

REPRESENTATIVE STUTES presumed that if there were to be a tax increase on Turo rental vehicles, that it would be paid by the renter rather than the vehicle owner.

MR. WILSON acknowledged that [the tax] would be paid by the consumer of the transaction, noting that it would increase the cost of the total transaction. He contended that peer-to-peer transactions are inherently different than rental car transactions because peer-to-peer transactions are locally sourced.

REPRESENTATIVE STUTES questioned whether Turo has any bricks-and-mortar stores in Alaska.

MR. WILSON replied that there are over 700 Alaskan hosts on their platform; however, no stores are in the state.

REPRESENTATIVE STUTES asked if they offer any vehicle maintenance or if they just collect 25 percent of each transaction.

MR. WILSON explained that Turo establishes the framework for the platform. He noted that all the rental vehicles are owned by individual Alaskans in a dispersed ownership model, which "is the beauty of the sharing economy."

REPRESENTATIVE STUTES questioned whether Turo is involved in any other businesses aside from the vehicle sharing.

MR. WILSON answered no. He said to the best of his knowledge they are a peer-to-peer car sharing platform.

[3:57:15 PM](#)

REPRESENTATIVE HANNAN asked how many states Turo operates in and how many states they are paying tax revenue in.

MR. WILSON stated that they operate in 49 states and are paying tax revenue in Maryland after working with the state legislature

to create a tax framework that is separate from the rental car framework.

[3:57:49 PM](#)

REPRESENTATIVE HANNAN asked what the peer-to-peer tax rate is in Maryland.

MR. WILSON replied that every state's taxation framework is different. He offered his understanding that Maryland has a combination of both a statewide sales tax and an excise tax. He further noted that, in Maryland, peer-to-peer car sharing is subject to an excise tax that is less than the rental car excise tax.

REPRESENTATIVE HANNAN asked if Mr. Wilson was aware of Alaska's sales tax.

MR. WILSON shared his understanding that there is no statewide sales tax; however, municipalities have the option to collect a city sales tax. He added that there is a statewide excise tax on rental cars.

REPRESENTATIVE HANNAN asked if Mr. Wilson was informed of Alaska's locally sourced rental car companies, which have no affiliation to national corporations. She pointed out that those companies are fully culpable for state rental car taxes.

MR. WILSON suggested that those transactions are taxable as a rental car transaction as they are rental car companies.

REPRESENTATIVE HANNAN inquired as to how many rental days it would take to establish the arrangement as a business rather than a peer-to-peer transaction.

MR. WILSON said that would be a policy decision for the legislative body.

[4:00:36 PM](#)

CO-CHAIR LEDOUX addressed the taxes and "other fees" that Mr. Wilson said the rental companies charge to recoup the amount they have expended in collecting taxes. She asked what the "other fees" are.

MR. WILSON offered his understanding that it is a "cost recovery mechanism" that is statutory and related to an estimate on what

the rental car company's expenses would be for registering vehicles every year. He further alleged that the fee is one dollar and thirteen cents per day per transaction.

CO-CHAIR LEDOUX sought clarification on how peer-to-peer vehicle rental concerns in-state people, whereas car rental companies deal with out-of-state people.

MR. WILSON asserted that the way peer-to-peer vehicle transactions are sourced helps to facilitate "locally-sourced" transactions due to the dynamic of the app platform.

CO-CHAIR LEDOUX asked if there are any statistics that support that statement.

MR. WILSON said he did not have those figures. Nonetheless, he pointed out that there are 14,000 people in Alaska that are active on the Turo platform.

CO-CHAIR LEDOUX sought clarification on how Turo's ideal piece of legislation would be different than the current bill.

MR. WILSON replied that there is certain language they would include that is conducive and friendly to the sharing economy that defines it distinctly from the rental vehicle business. He emphasized the importance of making sure there are consumer protections and adequate insurance protections, and a fair taxable framework.

[4:05:37 PM](#)

CO-CHAIR WOOL sought clarification on the definition of "sharing" when it involves a monetary transaction.

MR. WILSON explained that the ownership of that vehicle is the relevant aspect. He offered his belief that sharing is when an individual has bought a car for personal use and lets someone else drive it in exchange for financial remuneration.

[4:06:41 PM](#)

CO-CHAIR WOOL, referencing Airbnb, said that an individual can stay at a private residence that is lived in by someone else in exchange for financial remuneration. He asked if that could be considered sharing.

MR. WILSON acknowledged that, yes, if a residence is personally owned and "shared" with someone else then it would be considered sharing.

CO-CHAIR WOOL suggested that if Mr. Wilson came from San Francisco to Alaska to testify he might be armed with data. He asked for last year's gross revenue from the Turo hosts in Alaska.

MR. WILSON answered, on average, 300 dollars per month.

CO-CHAIR WOOL asked how much revenue Turo grossed in 2018.

MR. WILSON said he did not know that exact number.

CO-CHAIR WOOL asked if Turo is a multinational company.

MR. WILSON affirmed that.

[4:12:20 PM](#)

REPRESENTATIVE FIELDS inquired as to whether Turo had paid any taxes to the state of Alaska for the vehicle rentals that they enable through a digital platform.

BRANDON SPANOS, Deputy Director, Tax Division, Department of Revenue, noted that, normally, he would not be able to answer that question due to specific statutes on confidentiality; however, in the case of this new industry, he said he can state that the division has not received revenue from any peer-to-peer car sharing company.

REPRESENTATIVE FIELDS asked if it's the division's position that [peer-to-peer vehicle sharing] does represent a form of car rental and that either the company, the customers, or the car owners should be paying vehicle rental taxes.

MR. SPANOS answered yes, they would define it as a rental, in which case the statute clearly states that a tax is due.

REPRESENTATIVE FIELDS stated that, under current law, individual Alaska car owners are "on the hook" for paying these taxes; however, if this bill passed, it would clarify that customers would be paying the taxes. He asked if that was an accurate understanding.

MR. SPANOS clarified that the renter of the vehicle, the Alaskan resident putting their vehicle available for rent, would be the taxpayer. He noted that there is a question as to whether Turo would also be a taxpayer, as they previously testified that they are collecting 25 percent of the revenue.

[4:18:00 PM](#)

REPRESENTATIVE STUTES calculated that Turo is generating approximately 2.5 million dollars from their rentals here in Alaska, of which they are netting 650,000. She asked what the taxes on that would be.

MR. SPANOS said 250,000 dollars, which is 10 percent of the transaction.

[4:19:05 PM](#)

REPRESENTATIVE HANNAN asked how much revenue Alaska made in 2018 from rental car taxes.

MR. SPANOS answered 10.5 million dollars.

REPRESENTATIVE HANNAN questioned whether the Tax Division verifies business licenses, liability insurance, and vehicle registration.

MR. SPANOS stated that it depends on the tax type, adding that in the case of the vehicle rental tax they simply collect the tax and do audits to verify that the gross receipts were valid.

REPRESENTATIVE HANNAN asked how many businesses that rent vehicles in Alaska pay taxes to the state.

MR. SPANOS relayed that in FY18 there were 142 taxpayers, of which they received 514 quarterly tax returns.

[4:21:21 PM](#)

REPRESENTATIVE TALERICO questioned whether there are incentives built into the rental vehicle statute or if is a flat 10 percent for cars and 3 percent for recreational vehicles (RVs).

MR. SPANOS shared that there are certain credits available, such as discounts for state business.

REPRESENTATIVE TALERICO asked if rental company cars are considered private vehicles for rent.

MR. SPANOS explained that the statute refers to them as "passenger vehicles," adding that they don't differentiate private from corporate owned.

[4:22:54 PM](#)

CO-CHAIR WOOL asked how much revenue Alaska made from rental car taxes in years prior to 2018.

MR. SPANOS reported 11.9 million in FY17, 10.5 million in FY16, and 9.7 million in FY15.

[4:23:42 PM](#)

CO-CHAIR LEDOUX sought clarification on the Tax Division's attempt to subpoena records from peer-to-peer companies.

MR. SPANOS explained that there are technicalities in the statute that must be changed in order to enforce the tax subpoena on out-of-state companies; therefore, they could not obtain records from those companies.

CO-CHAIR LEDOUX questioned whether it's common for companies to voluntarily open their records.

MR. SPANOS said it happens often, adding that, usually, a subpoena isn't necessary.

CO-CHAIR LEDOUX asked if Turo is paying the corporate income tax.

MR. SPANOS replied that can't speak to that for confidentiality reasons.

[4:26:21 PM](#)

REPRESENTATIVE FIELDS offered support for the [peer-to-peer] business model. Nonetheless, he shared his belief that the company's refusal to pay taxes is insulting. He asked for the market capitalization of Turo.

MR. WILSON said he was unsure.

REPRESENTATIVE FIELDS, referencing "public sources", asserted that the market capitalization of Allstate, Turo, and Getaround, which are three peer-to-peer car sharing companies, totals approximately 32 billion dollars. He further noted that there is a difference between innovation and rent seeking, the latter being when you manipulate laws to find a tax advantage. He opined that innovation should be supported rather than rent-seeking behavior that distorts marketplaces.

[4:28:18 PM](#)

REPRESENTATIVE HANNAN inquired as to how Turo verifies that the cars being rented through their app are legally registered and carry the proper insurance.

MR. WILSON explained that Turo has partnered with Liberty Mutual to provide "robust" insurance protections on every transaction that takes place on their platform. He noted that they always offer the state mandated minimums for the driver of each vehicle.

REPRESENTATIVE HANNAN questioned whether a Liberty Mutual inspector looks at each vehicle prior to it being "shared."

MR. WILSON answered no.

REPRESENTATIVE HANNAN asked how Turo knows that each vehicle is legally registered and safe to drive in Alaska.

MR. WILSON replied that there is a self-regulating aspect in that all the vehicles are personally owned and should already be legally registered if it's being driven around by the owner in the first place.

[4:31:24 PM](#)

REPRESENTATIVE HANNAN established a scenario in which someone places their vehicle that has a bald tire up for "sharing" and the consumer rents it, drives away, and gets into a major car crash with substantial injuries. She asked who would be liable.

MR. WILSON shared his understanding that it would have to be litigated by attorneys afforded by the insurance provider to determine who was at fault and whether there was any negligence.

REPRESENTATIVE HANNAN questioned whether Turo would have any responsibility in the court.

MR. WILSON relayed that Turo assumes the liability of their hosts, adding that the drivers' culpability is determined by the court.

[4:33:32 PM](#)

WILLIAM BAILEY disclosed that he is an operator of Turo in Anchorage. He expressed his opposition to HB 102. He opined that when innovative industries offer cheaper and better alternatives the large corporations feel threatened by competition and possible loss of revenue. He stated that Turo offers a more personal experience than renting, as well as an option when rental companies are low on inventory.

[4:36:06 PM](#)

REPRESENTATIVE FIELDS asked what a reasonable tax amount would be for vehicles being "shared."

MR. BAILEY opined that a reasonable tax would be 5-7 percent.

[4:37:10 PM](#)

REPRESENTATIVE HANNAN asked what kind of vehicle Mr. Bailey "shares" and how much he charges.

MR. BAILEY said he shares his Jeep Wrangler for anywhere from 40-60 dollars per day, depending on the time of year.

REPRESENTATIVE HANNAN inquired as to how Mr. Bailey reports the revenue that he generates through Turo on his income taxes.

MR. BAILEY stated that he reports it as a secondary source of income.

REPRESENTATIVE HANNAN asked if Mr. Bailey should have to carry a business license if he shares his vehicle for a substantial amount of time.

MR. BAILEY answered no, "because I'm not the one running the business."

[4:39:06 PM](#)

CO-CHAIR LEDOUX asked what percentage of his renters are from in state versus out of state.

MR. BAILEY surmised that 75-80 percent are in state and 20-25 percent are out of state.

[4:40:10 PM](#)

ROSE FELICIANO, Regional Director, Internet Associations, informed the committee that Internet Associations represents more than 40 of the world's leading internet companies. She expressed her opposition to HB 102, stating that they are not opposed to ensuring the vehicles are safe and properly insured; however, she said, they believe the tax structure should be more appropriate for their business model.

[4:45:17 PM](#)

REPRESENTATIVE STUTES asked where Internet Associations is located.

MS. FELICIANO said they have headquarters in Washington, DC and several other offices across the country.

REPRESENTATIVE STUTES asked if Internet Associations has any branches in Alaska.

MS. FELICIANO answered no.

[4:46:51 PM](#)

REPRESENTATIVE HANNAN asked which internet businesses Internet Association represents aside from peer-to-peer car sharing companies.

MS. FELICIANO said that they represent Airbnb, Zillow, Yelp, Uber, Lyft, Postmates, Quicken Loans, Groupon, and others.

REPRESENTATIVE HANNAN questioned whether Internet Associations objects to those companies paying statewide sales taxes in states they operate in.

MS. FELICIANO offered her belief that the tax should be appropriate. She referenced two of the companies that Internet associations represents, Amazon and Etsy, adding that they now pay state taxes after the Supreme Court decision ruled that remote sellers are required to pay them.

REPRESENTATIVE HANNAN, referencing Ms. Feliciano's written testimony, asked why HB 102 would make it "impossible" for peer-to-peer vehicle sharing to operate in Alaska.

MS. FELICIANO stated that there is a fundamental concern from the peer-to-peer vehicle sharing category about being categorized as a rental car company.

[HB 102 was held over.]

HB 91-NATUROPATHS: LICENSING; PRACTICE

[4:51:33 PM](#)

CO-CHAIR LEDOUX announced that the final order of business would be HOUSE BILL NO. 91, "An Act relating to the practice of naturopathy; relating to the licensure of naturopaths; relating to the Department of Commerce, Community, and Economic Development; and providing for an effective date."

[4:51:57 PM](#)

CO-CHAIR LEDOUX opened public testimony.

[4:52:21 PM](#)

ABBY LAING, Owner, Thrive Integrative Medicine; Alaska Association of Naturopaths, offered her belief that naturopaths are unable to provide the current scope of practice that they are trained for under current law, adding that it creates unnecessary inefficiencies in the healthcare system. She stated that HB 91 improves healthcare access, removes the need for Alaskans to seek costly and duplicative care, addresses the shortage of primary care providers in the state, and allows each consumer a greater freedom to choose how to best address their healthcare needs by allowing naturopathic doctors to do what they are trained for. She addressed provisions in the bill that allows naturopathic doctors prescriptive privileges of noncontrolled substance medications and allows them to provide minor office procedures. She gave a short description of her educational background, which included a 4-year medical doctorate level program with 140 hours of pharmaceutical training. She noted that prescriptive privileges are currently being provided in Alaska by other healthcare providers with equal or lesser pharmaceutical training.

[4:59:25 PM](#)

REPRESENTATIVE FIELDS asked what kind of training it takes to become a naturopathic doctor (ND).

MS. LAING stated that regulated states require 4 years of an undergraduate degree with a premedical track and 4 years of a doctorate level program, adding that a residency is optional.

[5:00:39 PM](#)

SUZETTE MAILLOUX, Secretary, Alaska Association of Naturopathic Physicians, gave a short description of her educational background, adding that it was a tough decision to return to Alaska after completing her training because of the "current licensure." She informed the committee that her practice focuses on women's health and HB 91 would allow her to prescribe birth control and hormone replacement.

[5:03:21 PM](#)

REPRESENTATIVE HANNAN questioned whether there is a decline in naturopathic doctors in Alaska.

MS. MAILLOUX relayed that there are currently 46 licensed naturopathic doctors, while in 2010 there were over 82. She offered her belief that Alaska is losing doctors because of the more limited scope of practice in the state.

MS. MAILLOUX, in response to a follow up question from Representative Hannan, said that sometimes it's tempting to move her business to another state where she could practice to the full extent of her training.

[5:04:20 PM](#)

REPRESENTATIVE FIELDS suggested that, even with only 46 practitioners, there still is the potential to make women's health substantially more available and potentially affordable with HB 91. He asked if Ms. Mailloux agreed.

MS. MAILLOUX answered yes. She added that many of the naturopathic doctors in Alaska would like to offer their services to lower income populations and having prescriptive rights would better allow them to do that.

[5:06:22 PM](#)

CO-CHAIR WOOL asked if it was a tough decision between becoming a medical doctor or a naturopathic doctor.

MS. MAILLOUX conveyed that, after shadowing five different medical practitioners, it was a clear choice.

[HB 91 was held over.]

[5:07:28 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at [5:07] p.m.