

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

April 26, 2019

3:29 p.m.

**MEMBERS PRESENT**

Representative Gabrielle LeDoux, Co-Chair  
Representative Sara Hannan  
Representative Louise Stutes  
Representative Josh Revak  
Representative Dave Talerico

**MEMBERS ABSENT**

Representative Adam Wool, Co-Chair  
Representative Zack Fields

**COMMITTEE CALENDAR**

HOUSE BILL NO. 78

"An Act relating to insurance; relating to an insurer's corporate annual disclosure; relating to insurance company holding systems; and providing for an effective date."

- MOVED HB 78 OUT OF COMMITTEE

HOUSE BILL NO. 57

"An Act relating to expanding the period in a day during which an employed child under 16 years of age may perform work in the summer; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 104

"An Act relating to exemptions from mortgage loan originator licensing requirements; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 68

"An Act relating to the division of labor standards and safety; relating to the division of workers' compensation; establishing the division of workers' safety and compensation; and providing for an effective date."

- MOVED CSHB 68(L&C) OUT OF COMMITTEE

HOUSE BILL NO. 29

"An Act relating to insurance coverage for benefits provided through telehealth; and providing for an effective date."

- BILL HEARING CANCELED

**PREVIOUS COMMITTEE ACTION**

SHORT TITLE: INSURER & GROUP INSURANCE DISCLOSURE

SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

03/04/19	(H)	READ THE FIRST TIME - REFERRALS
03/04/19	(H)	L&C
04/22/19	(H)	L&C AT 3:15 PM BARNES 124
04/22/19	(H)	Heard & Held
04/22/19	(H)	MINUTE(L&C)
04/24/19	(H)	L&C AT 3:15 PM BARNES 124
04/24/19	(H)	<Bill Hearing Canceled>
04/26/19	(H)	L&C AT 3:15 PM BARNES 124

BILL: HB 57

SHORT TITLE: CHILD LABOR HOURS

SPONSOR(s): WILSON

02/20/19	(H)	READ THE FIRST TIME - REFERRALS
02/20/19	(H)	STA, L&C
03/05/19	(H)	STA AT 3:00 PM GRUENBERG 120
03/05/19	(H)	Heard & Held
03/05/19	(H)	MINUTE(STA)
03/12/19	(H)	STA AT 3:00 PM GRUENBERG 120
03/12/19	(H)	Heard & Held
03/12/19	(H)	MINUTE(STA)
03/14/19	(H)	STA AT 3:00 PM GRUENBERG 120
03/14/19	(H)	Moved CSHB 57(STA) Out of Committee
03/14/19	(H)	MINUTE(STA)
03/15/19	(H)	STA RPT CS(STA) 3DP 3NR 1AM
03/15/19	(H)	DP: LEDOUX, SHAW, KREISS-TOMKINS
03/15/19	(H)	NR: VANCE, STORY, FIELDS
03/15/19	(H)	AM: WOOL
04/26/19	(H)	L&C AT 3:15 PM BARNES 124

BILL: HB 104

SHORT TITLE: MORTGAGE LOAN ORIGINATOR LICENSING

SPONSOR(s): WILSON

03/25/19	(H)	READ THE FIRST TIME - REFERRALS
03/25/19	(H)	L&C

04/10/19 (H) L&C AT 3:15 PM BARNES 124  
04/10/19 (H) -- MEETING CANCELED --  
04/17/19 (H) L&C AT 3:15 PM BARNES 124  
04/17/19 (H) -- MEETING CANCELED --  
04/26/19 (H) L&C AT 3:15 PM BARNES 124

BILL: HB 68

SHORT TITLE: LABOR STDRS/SAFETY; WORKER COMPENSATION  
SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

02/20/19 (H) READ THE FIRST TIME - REFERRALS  
02/20/19 (H) L&C, FIN  
03/27/19 (H) L&C AT 3:15 PM BARNES 124  
03/27/19 (H) Heard & Held  
03/27/19 (H) MINUTE(L&C)  
04/26/19 (H) L&C AT 3:15 PM BARNES 124

**WITNESS REGISTER**

CHARLES MCKEE

Anchorage, Alaska

**POSITION STATEMENT:** Provided comments not on topic with the published agenda.

REPRESENTATIVE TAMMIE WILSON

Alaska State Legislature

Juneau, Alaska

**POSITION STATEMENT:** As prime sponsor, introduced HB 57.

GREY MITCHELL

Division of Workers' Compensation

Department of Labor & Workforce Development

Juneau, Alaska

**POSITION STATEMENT:** Testified during the hearing on HB 57.

REPRESENTATIVE TAMMIE WILSON

Alaska State Legislature

Juneau, Alaska

**POSITION STATEMENT:** As prime sponsor, introduced HB 104.

PATRICE WALSH, Director

Division of Banking and Securities

Department of Commerce, Community & Economic Development

Anchorage, Alaska

**POSITION STATEMENT:** Testified during the hearing on HB 104.

DENEEN TUCK, Staff

Representative Gabrielle LeDoux  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Presented the committee substitute for HB 68, Version M, and explained the changes.

CATHY MUNOZ, Deputy Commissioner  
Department of Labor & Workforce Development  
Juneau, Alaska

**POSITION STATEMENT:** Testified during the hearing on HB 68.

#### **ACTION NARRATIVE**

[3:29:01 PM](#)

**CO-CHAIR GABRIELLE LEDOUX** called the House Labor and Commerce Standing Committee meeting to order at 3:29 p.m. Representatives Revak, Stutes, Hannan, and LeDoux were present at the call to order. Representative Talerico arrived as the meeting was in progress.

#### **HB 78-INSURER & GROUP INSURANCE DISCLOSURE**

[3:29:46 PM](#)

CO-CHAIR LEDOUX announced that the first order of business would be HOUSE BILL NO. 78, "An Act relating to insurance; relating to an insurer's corporate annual disclosure; relating to insurance company holding systems; and providing for an effective date."

The committee took a brief at-ease.

[3:30:55 PM](#)

CO-CHAIR LEDOUX opened public testimony.

[3:31:38 PM](#)

CHARLES MCKEE provided comments not on topic with the published agenda.

[3:34:18 PM](#)

CO-CHAIR LEDOUX closed public testimony.

[3:34:42 PM](#)

REPRESENTATIVE STUTES moved to report HB 78 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 78 was reported out of the House Labor and Commerce Standing Committee.

**HB 57-CHILD LABOR HOURS**

[3:35:17 PM](#)

CHAIR LEDOUX announced that the next order of business would be HOUSE BILL NO. 57, "An Act relating to expanding the period in a day during which an employed child under 16 years of age may perform work in the summer; and providing for an effective date."

[3:36:02 PM](#)

REPRESENTATIVE STUTES moved to adopt the proposed committee substitute (CS) for HB 57 labeled 31-LS0271\S, Wayne, 3/27/19, as the working draft. There being no objection, Version S was before the committee.

[3:36:40 PM](#)

REPRESENTATIVE TAMMIE WILSON, Alaska State Legislature, introduced HB 57, as prime sponsor, and paraphrased parts of the sponsor statement [included in the committee packet], which read in its entirety as follows [original punctuation provided]:

In Fairbanks, where the sun never sets in the summer, you can go by the soccer fields watching all ages enjoy the sport. Fairbanks Youth Soccer Association adjusted their entire program structure to ensure that games would be finished by 9:00 pm and thus no young employees, a 14 or 15-year-old, would be scheduled beyond that point. However, after continued growth, it has become nearly impossible to complete all the league games that are played in one central location.

House Bill 57 would extend the time of day from 9:00 pm to 10:00 pm as well as adds an additional hour earlier in the day, from 5:00 am to 4:00 am, that youth 14 or 15 years of age can perform work, from June 1st until the first Monday in September, if they are not enrolled in a school term. This expansion of time does not alter the number of hours in a day or week the youth can work, it simply allows them to work

until 10:00 pm and start earlier than 5:00 am during the summer.

This bill would only go into effect once the commissioner of labor and workforce development has obtained a waiver from compliance with the requirement under 29 C.F.R. 570.35(a) from the United States Secretary of Labor.

This bill would not only benefit the referees but allow more children to participate not just in soccer but many other sports. I ask for your support of HB 57.

[3:41:01 PM](#)

REPRESENTATIVE HANNAN asked if references to federal exemptions were deleted because the current version of the bill deals with state child labor restrictions.

REPRESENTATIVE WILSON affirmed that.

REPRESENTATIVE HANNAN asked if the Department of Labor & Workforce Development (DLWD) is concerned with the lack of distinction between labor categories.

[3:43:15 PM](#)

GREY MITCHELL, Division of Workers' Compensation, Department of Labor & Workforce Development, stated that there are no concerns from the department. He added that employers are expected to understand that there are differences between state and federal law.

REPRESENTATIVE HANNAN established a scenario in which two kids work at a soccer field, a 14-year-old referee and a 15-year-old working the concession stand. She asked if it would be illegal for the concession stand worker to work until 10 p.m. because it's a commerce-related position.

MR. MITCHELL said it's a complicated question and the answer depends on what they are selling. He offered his understanding that if he or she is selling locally grown products with cash transactions there would be no problem, whereas if the products had traveled by interstate commerce with credit card transactions "then they would be covered."

REPRESENTATIVE HANNAN expressed concern that the current bill over-complicates the issue by allowing some kids to work until 10 p.m. and not others. She noted that the exemption being sought is for a narrow category of employers. She asked if Alaska would be violating federal law if the state extended the 10 p.m. limit to all youth work permits in the summer.

MR. MITCHELL replied that the state wouldn't necessarily be in violation of federal law because states can vary their requirements from the Fair Labor Act; however, the employer of the minor could be in violation, which would put them in peril with federal enforcement agents.

REPRESENTATIVE HANNAN said she is concerned about small businesses with a variety of 15-year-old employees in both commerce and unrelated positions. She asked how it would be possible to allow all of them to work until 10 p.m.

MR. MITCHELL stated that changing the federal law would be the only way to do that.

[3:47:45 PM](#)

CO-CHAIR LEDOUX asked how active the federal regulators are on soccer fields.

MR. MITCHELL offered that it's not a high priority for them. He offered his understanding that they are more complaint oriented and focused on hazardous occupations.

[3:48:32 PM](#)

CHAIR LEDOUX announced that HB 57 was held over.

#### **HB 104-MORTGAGE LOAN ORIGINATOR LICENSING**

[3:48:47 PM](#)

CO-CHAIR LEDOUX announced that the next order of business would be HOUSE BILL NO. 104, "An Act relating to exemptions from mortgage loan originator licensing requirements; and providing for an effective date."

[3:49:20 PM](#)

REPRESENTATIVE STUTES moved to adopt the proposed committee substitute (CS) for HB 104 labeled 31-LS0275\S, Bannister,

4/10/19, as the working draft. There being no objection, Version S was before the committee.

[3:49:54 PM](#)

REPRESENTATIVE TAMMIE WILSON, Alaska State Legislature, introduced HB 104, as prime sponsor, and paraphrased parts of the sponsor statement [included in the committee packet], which read in its entirety as follows [original punctuation provided]:

Currently Alaska law allows for a person to seller-finance their own home, their second home, or their vacation home if it is not considered an income property. Exceptions apply for seller financing to a family member.

Interior and more rural community property owners have parcels with trailers or cabins on them; some with water and electric, some without. These types of properties are historically difficult to finance through the traditional mortgage process and many times lenders require more money down, shorter loan terms, higher interest rates, and in some cases, will not finance them at all.

Those wishing to take on the responsibility of home ownership and establish roots in the community may find, for many reasons, that they do not qualify for traditional mortgage. Seller financing is another tool that can be utilized to make it affordable for one to realize their dream of having a place they can finally call their home.

Seller financing is a reasonable and practical option for both sellers and buyers of these type properties.

HB 104 would give more opportunity for the dream of home ownership to those who might not otherwise realize it.

[3:54:11 PM](#)

PATRICE WALSH, Director, Division of Banking and Securities, Department of Commerce, Community & Economic Development, related the type of nonprofit organizations that would be affected by the proposed exemption: Habitat for Humanity, Alaska Community Development Corporation (Alaska CDC), Fairbanks

Neighborhood Housing Services, Rural Alaska Community Action Program (RurAL CAP), and others. She explained that these organizations provide loans for projects that are not offered by traditional lenders.

REPRESENTATIVE HANNAN questioned whether Habitat for Humanity needs a licensed mortgage lender on staff or if they are in violation of state law.

MS. WALSH stated that Habitat for Humanity, as a lender, would need a license. She noted that their mortgage loan originator would need a license as well. Currently, she said, Habitat for Humanity is not licensed and is contracted through Cook Inlet Lending Center; however, the other nonprofits are licensed.

[3:57:44 PM](#)

MS. WALSH, in a follow-up question from Representative Hannan, explained that federal law allows for these nonprofit exemptions, which became effective in a 2011 final rule. She said that Alaska has yet to revise their law to accommodate this.

[3:58:36 PM](#)

CO-CHAIR LEDOUX announced that HB 104 was held over.

**HB 68-LABOR STDRS/SAFETY; WORKER COMPENSATION**

[3:58:45 PM](#)

CO-CHAIR LEDOUX announced that the final order of business would be HOUSE BILL NO. 68, "An Act relating to the division of labor standards and safety; relating to the division of workers' compensation; establishing the division of workers' safety and compensation; and providing for an effective date."

[3:59:07 PM](#)

REPRESENTATIVE STUTES moved to adopt the proposed committee substitute (CS) for HB 68, labeled 31-GH1049\M, Marx, 4/5/19, as the working draft.

CO-CHAIR LEDOUX objected for the purpose of discussion.

[3:59:56 PM](#)

DENEEN TUCK, Staff, Representative Gabrielle LeDoux, Alaska State Legislature, presented the changes in committee substitute, Version M. She stated that there was "a three-year sunset added on to it in several sections."

[4:00:14 PM](#)

REPRESENTATIVE HANNAN asked why a sunset was added.

MS. TUCK explained that if joining the two [divisions] together doesn't work after three years they will separate.

CO-CHAIR LEDOUX added that a sunset allows for a trial run with the ability to return to the present system if it doesn't work out as planned.

REPRESENTATIVE HANNAN pointed out that HB 68 originated at the request of the governor. She asked why there wasn't a sunset in the original bill and the Department of Commerce, Community & Economic Development (DCCED) views it as the only change.

[4:01:53 PM](#)

CATHY MUNOZ, Deputy Commissioner, Department of Labor & Workforce Development, responded that the proposed committee substitute includes the three-year sunset, which is the only change from the original bill. She further noted that the idea for the division merger came from within the department and the governor supported proceeding with legislation.

REPRESENTATIVE HANNAN questioned whether the DCCED has any objection to the sunset.

MS. MUNOZ replied that it's more work; nonetheless they are willing to address concerns and demonstrate that the merger will be a success.

[4:02:50 PM](#)

The committee took a brief at-ease.

[4:02:55 PM](#)

REPRESENTATIVE STUTES moved to report CSHB 68, Version GH1049\M, Marx, 4/5/19, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection,

CSHB 68(L&C) was reported out of the House Labor and Commerce Standing Committee.

[4:03:42 PM](#)

**ADJOURNMENT**

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 4:03 p.m.