

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

March 2, 2020

3:19 p.m.

MEMBERS PRESENT

Representative Ivy Spohnholz, Chair
Representative Louise Stutes
Representative Zack Fields
Representative Sara Hannan
Representative Andi Story
Representative Mel Gillis
Representative Sara Rasmussen

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 232

"An Act relating to a municipal air quality improvement tax credit; and relating to a municipal energy efficient new construction tax credit."

- MOVED CSHB 232(L&C) OUT OF COMMITTEE

HOUSE BILL NO. 93

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

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 232

SHORT TITLE: MUNICIPAL TAX CREDITS

SPONSOR(S): REPRESENTATIVE(S) HOPKINS

02/03/20	(H)	READ THE FIRST TIME - REFERRALS
02/03/20	(H)	ENE, L&C
02/11/20	(H)	ENE AT 10:15 AM CAPITOL 17
02/11/20	(H)	Heard & Held
02/11/20	(H)	MINUTE(ENE)
02/20/20	(H)	ENE AT 10:15 AM CAPITOL 17

02/20/20 (H) Moved CSHB 232(ENE) Out of Committee
02/20/20 (H) MINUTE(ENE)
02/21/20 (H) ENE RPT CS(ENE) NT 5DP 1NR
02/21/20 (H) DP: FIELDS, LINCOLN, SPOHNHOLZ,
ZULKOSKY, HOPKINS
02/21/20 (H) NR: RAUSCHER
02/26/20 (H) L&C AT 3:15 PM BARNES 124
02/26/20 (H) Heard & Held
02/26/20 (H) MINUTE(L&C)
03/02/20 (H) L&C AT 3:15 PM BARNES 124

BILL: HB 93

SHORT TITLE: MILITARY SPOUSE COURTESY LICENSE

SPONSOR(s): REPRESENTATIVE(s) TUCK

03/13/19 (H) READ THE FIRST TIME - REFERRALS
03/13/19 (H) MLV, L&C
04/02/19 (H) MLV AT 1:00 PM GRUENBERG 120
04/02/19 (H) Heard & Held
04/02/19 (H) MINUTE(MLV)
04/04/19 (H) MLV AT 1:00 PM GRUENBERG 120
04/04/19 (H) -- MEETING CANCELED --
04/09/19 (H) MLV AT 1:00 PM GRUENBERG 120
04/09/19 (H) -- MEETING CANCELED --
04/16/19 (H) MLV AT 1:00 PM GRUENBERG 120
04/16/19 (H) Moved HB 93 Out of Committee
04/16/19 (H) MINUTE(MLV)
04/17/19 (H) MLV RPT 6DP
04/17/19 (H) DP: THOMPSON, RAUSCHER, TUCK, JACKSON,
TARR, LEDOUX
05/06/19 (H) L&C AT 3:15 PM BARNES 124
05/06/19 (H) -- MEETING CANCELED --
05/10/19 (H) L&C AT 3:15 PM BARNES 124
05/10/19 (H) Heard & Held
05/10/19 (H) MINUTE(L&C)
03/02/20 (H) L&C AT 3:15 PM BARNES 124

WITNESS REGISTER

REPRESENTATIVE GRIER HOPKINS

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: As prime sponsor, provided an opening statement reviewing HB 232 and answered questions.

NILS ANDREASSEN, Executive Director

Alaska Municipal League

Juneau, Alaska

POSITION STATEMENT: Testified in support of HB 232.

AARON WELTERLEN

Alaska State Home Building Association

Fairbanks, Alaska

POSITION STATEMENT: Testified in support of HB 232.

BRANDON SNODGRASS, Construction/Commercial Lender

First National Bank of Alaska

Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 232.

JOSEPH CAISSIE, Assistant State Assessor

Division of Community and Regional Affairs

Department of Commerce, Community & Economic Development

Anchorage, Alaska

POSITION STATEMENT: Answered questions during the hearing on HB 232.

REPRESENTATIVE CHRIS TUCK

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: As prime sponsor, introduced HB 93.

MICHAEL MASON, Staff

Representative Chris Tuck

Juneau, Alaska

POSITION STATEMENT: Provided a sectional analysis for HB 93 on behalf of Representative Tuck, prime sponsor.

SARA CHAMBERS, Director

Division of Corporations, Business, & Professional Licensing

Department of Commerce, Community & Economic Development

Juneau, Alaska

POSITION STATEMENT: Testified during the hearing on HB 93.

TAMMIE PERREAULT, Regional Liaison

Defense-State Liaison Office

U.S. Department of Defense

Joint Base Lewis-McChord, Washington

POSITION STATEMENT: Answered questions during the hearing on HB 93.

TED MADSEN, Staff

Representative Ivy Spohnholz

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Explained Conceptual Amendment 1, on behalf of Representative Spohnholz, during the hearing on HB 232.

ACTION NARRATIVE

[3:19:44 PM](#)

CHAIR IVY SPOHNHOLZ called the House Labor and Commerce Standing Committee meeting to order at 3:19 p.m. Representatives Stutes, Hannan, Story, and Spohnholz were present at the call to order. Representatives Fields, Gillis, and Rasmussen arrived as the meeting was in progress.

HB 232-MUNICIPAL TAX CREDITS

[3:20:24 PM](#)

CHAIR SPOHNHOLZ announced that the first order of business would be HOUSE BILL NO. 232, "An Act relating to a municipal air quality improvement tax credit; and relating to a municipal energy efficient new construction tax credit."

[3:20:38 PM](#)

REPRESENTATIVE GRIER HOPKINS, Alaska State Legislature, as prime sponsor, provided a summary of HB 232. He informed the committee that HB 232 is being introduced at the request of the Fairbanks North Star Borough. This legislation, he said, allows local governments to offer municipal tax credits to home and business owners who invest in property improvements, which result in increased energy efficiency or improved local air quality. Relying on the adage that local problems are best solved through local solutions, HB 232 allows municipalities to offer tax credits to businesses and or residents who make investments that will result in cleaner air or reductions in overall energy use. The bill allows for maximum flexibility by municipalities who choose to offer these credits. He expressed his hope that these tools will result in more interior Alaskans choosing to convert their home heating systems to the expanding Interior Gas Utility distribution system, thereby maximizing the return on the state's investment in the system. He reported that the legislation has garnered support beyond the local municipality, as Aurora Energy, LLC. and Usibelli Coal Mine, Inc. have both offered letters of support [included in the bill packet]. Furthermore, Alaska Municipal League, Alaska State Homebuilders Association, Interior Gas Utility, Alaska Miners

Association, and Cold Climate Housing Research Center have also endorsed this legislation. He stated that this is a no harm bill that offers municipalities maximum flexibility. HB 232 has been expanded to offer more options for municipalities that are addressing local air quality concerns and makes credits available for new construction as well as refurbishments, remodels, and renovations.

[3:23:04 PM](#)

REPRESENTATIVE HANNAN speculated that Fairbanks has already figured out how much tax credit they will have to give to get a return. She inquired as to the amount they think they will need to give as an incentive to get their ideal results in reduced air pollution.

REPRESENTATIVE HOPKINS said he has not heard what their specific plans are. He explained that hooking each type of home system up to a natural gas system will vary in cost. Much of the available area for hookup to Interior Gas Utilities is within the city of Fairbanks, as well as in North Pole, which is outside the city. It will fluctuate based on who pays what property tax to which entity and where they are in that system.

[3:24:14 PM](#)

CHAIR SPOHNHOLZ pointed out that HB 232 as its currently defined, would only allow for the tax credits to be good for one year at a time. She asked if that was intentional.

REPRESENTATIVE HOPKINS answered no, it was through legal drafting. He offered his understanding that the local municipality would need to make sure that they maintain them throughout each year's assessment period.

CHAIR SPOHNHOLZ speculated that, "it does seem that there might be times when an energy efficiency improvement - you might want to take the tax credit over multiple years, or there might be some projects that might take longer." She asked if there has been any discussion about that.

REPRESENTATIVE HOPKINS offered his understanding that they are assessed annually, and property taxes are paid for the previous year. He went on to say, "it would be what those assessments are for that previous year and so they would get that one-year tax credit for that (indisc.) ... carry forward, or would they be

able to offset tax credits for future years and that would be available to the municipality to write how they'd like it."

3:26:08 PM

CHAIR SPOHNHOLZ asked if it's possible to have a credit that is larger than the tax liability in any one year.

REPRESENTATIVE HOPKINS explained that in terms of property tax credit, he's never heard of it done that way. He added, "if your home is worth less than \$100,000, that property tax would be written only up to the \$92,485 - or whatever it would be, not in addition - those additional tax credits left over."

CHAIR SPOHNHOLZ asked if the tax credit would apply against the tax itself or if it would apply against the taxable value of the property.

REPRESENTATIVE HOPKINS said the cost itself, adding that the resident must pay to the borough.

CHAIR SPOHNHOLZ clarified, "the tax itself to the borough, not the tax value of the property."

REPRESENTATIVE HOPKINS answered yes.

3:27:07 PM

CHAIR SPOHNHOLZ pointed out that the term "energy efficient construction" is not currently defined in statute. She asked if there is any other reference statute.

REPRESENTATIVE HOPKINS noted that after speaking with Legislative Legal Services, they were not concerned about that.

CHAIR SPOHNHOLZ asked if that would take place at the local level.

REPRESENTATIVE HOPKINS acknowledged that his intent is to give municipalities the maximum flexibility in regard to construction, adding that he heard a number of ideas that could hopefully be done at the local level.

CHAIR SPOHNHOLZ clarified that there are multiple ways they could be structured, depending on what the community wants.

REPRESENTATIVE HOPKINS said there are many ways that the energy improvements have shown to be effective. He shared several examples.

[3:28:29 PM](#)

REPRESENTATIVE HANNAN questioned whether there are specific commercial enterprises in the Fairbanks North Star Borough that anticipate taking advantage of the tax credit and reducing their air pollution as opposed to the individual homeowner coming onboard with a new energy efficient system.

REPRESENTATIVE HOPKINS said the intention is that commercial businesses would also be able to hook up to the Interior Gas Utility system and not limit that to homeowners. He addressed the Aurora Energy Plant and their consideration of creating a dry wood kiln for Fairbanks residents to be able to purchase dried firewood, which would allow for better air quality improvement. He went on to say that this bill would be an economic boost to communities by giving municipalities the ability to create tax incentives for new construction. He explained that there are ways of reducing the new constructors tax liability without negatively impacting the municipalities revenue or offsetting the lose revenues onto other people.

[3:31:30 PM](#)

REPRESENTATIVE GILLIS asked if someone would receive tax credits if they are already saving energy, or if the bill specifically applies to new construction.

REPRESENTATIVE HOPKINS said it would not apply to past improvements.

REPRESENTATIVE GILLIS clarified that it would not apply to someone who had already spent \$15,000 to put a heated floor in.

REPRESENTATIVE HOPKINS confirmed that.

[3:32:14 PM](#)

CHAIR SPOHNHOLZ in response to Representative Gillis, noted that the bill specifically says to allow for tax credits based on real property improvements made in the immediately preceding tax year.

[3:32:31 PM](#)

CHAIR SPOHNHOLZ opened public testimony.

[3:32:44 PM](#)

NILS ANDREASSEN, Executive Director, Alaska Municipal League, commended the bill sponsor for the construction of the HB 232 and maximizing local control. He said that the way the bill is constructed empowers local governments and allows them to set the terms that they deem necessary for their economic development and tax evaluation. This gives local governments additional tools to look for solutions to air quality and energy efficiency improvements. He offered his belief that the more tools created for local governments the more ability they have to address the needs of Alaskans.

[3:34:11 PM](#)

AARON WELTERLEN, Alaska State Home Building Association, informed the committee that he is a local contractor in Fairbanks and a member of both the Interior Alaska Building Association and the Alaska State Home Building Association (ASHBA). He stated that the ASHBA looks forward to HB 232 passing as quickly as possible. The ASHBA has a long history of supporting energy efficient construction, he said. They have supported state programs in the past, such as home energy rebates and funding for low income (indisc.). He said that Fairbanks has some of the highest energy costs in the country. He explained that most consumers want energy efficient homes but often can't afford them, due to low appraisals and high construction costs. He added that HB 232 could stimulate housing starts in the Fairbanks community. Energy efficient construction pays dividends for years to come in terms of monthly cost reductions, as well as healthy homes which lead to healthy inhabitants, he said. Remodeling poorly constructed homes is more expensive than building them properly up front, which is why the ASHBA fully supports this bill. He said it would improve the standard of living for homeowners and tenants.

[3:36:41 PM](#)

REPRESENTATIVE RASMUSSEN noted that Alaska housing is working with the Appraisal Institute to ensure that appraisers are well trained in valuing energy efficient properties.

[3:37:23 PM](#)

BRANDON SNODGRASS, Construction/Commercial Lender, First National Bank of Alaska, stated that he is a board member for the Anchorage Home Builders Association (AHBA) and the Alaska State Home Building Association (ASHBA). He informed the committee that energy efficient homes are more beneficial to the environment, cost less to maintain, last longer, and provide healthier living spaces for their occupants. He recounted having seen people who have reduced the planned efficiency of their home because of the equity requirements and evaluation of the property. When building a new home, the borrower typically needs 20-25 percent equity in the project upfront - through land or cash. If the evaluation comes in lower than the total cost, often times borrowers will sacrifice energy efficiency instead of coming up with the extra cash. He addressed various appraisal issues related to energy efficiencies. He offered his belief that this bill would add to the economy and create new business opportunities for businesses to enter the market or for existing businesses to grow.

REPRESENTATIVE RASMUSSEN asked if solar will be included under the Anchorage ordinance.

[3:42:57 PM](#)

MR. SNODGRASS said there is no mention of solar [power]. He noted that there are a growing number of solar projects happening in Anchorage. He offered his understanding that he financed the only home in the Anchorage inspection area that is completely off the grid with solar and wind power.

[3:44:04 PM](#)

CHAIR SPOHNHOLZ questioned whether the one-year limitation on the tax credit represents an obstacle or a natural framework.

MR. SNODGRASS offered his understanding that the one-year limit referred to things that had happened within the last year. The way the proposed municipality ordinance is written in Anchorage, he said, would allow for five years of tax exemptions for anything that was retrofitted or built within the last year when the credit was applied for.

CHAIR SPOHNHOLZ said she wants to ensure that local communities have the flexibility to implement this. In Anchorage, for example, adding energy efficient elements to a higher value property could be expensive; however, they could pay themselves back if they were spread out over several years for which the

municipality would be willing to offer a multi-year tax credit, as they have identified energy efficiency as a primary strategy in their climate action plan at the local level. She reiterated that she wants to offer communities the ability to offer multi-year tax credits.

MR. SNODGRASS replied that he fully supports that.

[3:46:25 PM](#)

REPRESENTATIVE HOPKINS agreed. He said the improvements would be made the previous year; however, the tax credit could be for multiple years afterward. He provided several examples.

CHAIR SPOHNHOLZ asked Mr. Caisse to answer the question regarding tax exemptions over multiple years.

[3:47:33 PM](#)

JOSEPH CAISSIE, Assistant State Assessor, Division of Community and Regional Affairs, Department of Commerce, Community & Economic Development, disclosed that he is not a lawyer although he did attend law school. He said he would have read that to mean only one year after the improvement is made.

[3:48:00 PM](#)

REPRESENTATIVE HANNAN sought clarification on his understanding of the issue in question.

MR. CAISSIE stated that he would interpret the current language to mean "only the one year after and if you are intending something like five years, I think you might want to reword the bill."

CHAIR SPOHNHOLZ read the following:

An ordinance may provide for an energy efficient new construction tax credit to offset a portion of property taxes due on a residential commercial property that during the immediately preceding tax year was improved with energy efficient new construction.

CHAIR SPOHNHOLZ added that they may want to spend more time on this to get it right. She asked if anyone is available from Legislative Legal Services.

[3:49:17 PM](#)

CHAIR SPOHNHOLZ closed public testimony. She announced that they would resume HB 232 at the end of this committee meeting.

HB 93-MILITARY SPOUSE COURTESY LICENSE

[3:49:33 PM](#)

CHAIR SPOHNHOLZ announced that the next order of business would be HOUSE BILL NO. 93, "An Act relating to temporary courtesy licenses for certain nonresident professionals; and relating to the Department of Commerce, Community, and Economic Development."

[3:50:01 PM](#)

REPRESENTATIVE CHRIS TUCK, Alaska State Legislature, as prime sponsor, introduced HB 93 and paraphrased the sponsor statement included in the committee packet, which read in its entirety as follows [original punctuation provided]:

House Bill 93 calls for the Alaska Department of Commerce, Community and Economic Development to prepare an annual report to allow the Alaska Legislature to evaluate the progress of a program to make temporary courtesy occupational licenses available to the spouses of active duty service members stationed in Alaska. In 2011, the Alaska Legislature passed House Bill 28 to provide expedited temporary courtesy licenses if a military spouse possesses a license from a previous jurisdiction with similar requirements to the State of Alaska. However, the bill didn't include reporting requirements.

Making temporary courtesy licenses available to the spouses of active duty service members allows them to practice their chosen trade without having to go through the time-consuming process of meeting state licensure requirements before beginning work. Expediting courtesy licenses for military spouses allows them to go to work quickly after relocating to Alaska, while they work to fulfill the state requirements for their license.

The requirement in House Bill 93 for an annual report will allow the Alaska Legislature, the Joint Armed Services Committee, military installations, and local communities to track the progress of the Department of Commerce, Community and Economic Development in making temporary courtesy licenses available to military spouses. HB 93 also calls for the department to produce and distribute informational materials about temporary courtesy licenses to each board authorized to issue such licenses. The intent of this stipulation is to improve the board's knowledge of the licenses, the application process, and the best practices in providing applicant support. Additionally, the bill calls for the department to encourage boards to designate a single employee to serve as the point of contact for public information and inquiries related to temporary courtesy licenses for military spouses.

The annual report called for in HB 93 would also highlight many of the opportunities available to help military spouses enter the workforce in Alaska. To date, a low number of eligible professionals have taken advantage of the temporary courtesy license program in Alaska, and many participants have reported delays. House Bill 93 would help identify inefficiencies in the program.

Legislation similar to House Bill 93 passed the Alaska House of Representatives unanimously in 2018 but was not taken up by the Alaska State Senate.

Making temporary courtesy occupational and other licenses available to military spouses is a priority for the U.S. Department of Defense.

REPRESENTATIVE TUCK continued to provide several statistics on military families and spouses.

[3:54:57 PM](#)

CHAIR SPOHNHOLZ inquired as to the length of a temporary license.

REPRESENTATIVE TUCK answered 180 days.

CHAIR SPOHNHOLZ asked how many days temporary licenses can be extended for.

REPRESENTATIVE TUCK said another 180 days.

REPRESENTATIVE TUCK stated that HB 93 seeks to create a progress report for the legislature. He added that the original bill allowing temporary licensure for spouses passed in 2011. He explained that the bill calls for the Department of Commerce, Community & Economic Development (DCCED) to produce and distribute the information annually and biennially to the legislature, and it calls for the department to encourage professional licensing boards to designate a single employee to serve as the point of contact for public information.

[3:56:14 PM](#)

The committee took a brief at-ease.

[3:56:20 PM](#)

MICHAEL MASON, Staff, Representative Chris Tuck, on behalf of Representative Tuck, prime sponsor, presented the sectional analysis for HB 93 included in the committee packet.

REPRESENTATIVE TUCK added that this is a difficult process. He said the report will help the legislature understand the direction and how to help the department get there. He added that because of the high turnover from one administration to another, consistent progress and oversight is desired.

[3:59:53 PM](#)

REPRESENTATIVE STUTES asked what prompted this bill.

REPRESENTATIVE TUCK replied that military spouses who were unable to get their temporary licenses over the years is what prompted HB 93.

[4:00:14 PM](#)

REPRESENTATIVE STUTES offered her understanding that this legislation is amending the original bill to include a reporting requirement.

REPRESENTATIVE TUCK acknowledged that the original bill passed in 2011; however, despite all the different occupational licenses available, they still lack the ability to issue temporary licenses for military spouses. He said it's important

to look at the past experiences of other states, as well as their requirements and if there are any existing problems with their reciprocity or with issuing licenses.

REPRESENTATIVE STUTES expressed confusion and asked for the difference between the current bill and the original legislation that passed in 2011.

REPRESENTATIVE TUCK explained that the difference is that the current bill implements the reporting requirements that go to the legislature while fulfilling the conditions of the 2011 legislation.

REPRESENTATIVE STUTES asked if there's already a reciprocity agreement in place.

REPRESENTATIVE TUCK said a bill that allows temporary licenses has passed; however, not all the criteria is being met, as temporary licenses for all occupations are not being issued yet.

REPRESENTATIVE STUTES sought to clarify the purpose of HB 93.

REPRESENTATIVE TUCK explained that there are various alignments that needs to happen for a temporary license to be issued per profession. He reiterated that the report would show the progress being made for each occupation by every state.

CHAIR SPOHNHOLZ summarized that this was already allowed in a bill that passed in 2011, but it's not being implemented and executed in every state. She added that HB 93 requests a report on what needs to be done and why.

[4:04:41 PM](#)

MR. MASON noted that military spouses are not using the program as much as was anticipated. The hope is that the report will increase attention and the dedicated person on each board will help facilitate more usage of the temporary licenses.

REPRESENTATIVE STUTES asked how the need for HB 93 came to light.

REPRESENTATIVE TUCK explained that HB 93 was prompted by military spouses not being able to get temporary licenses.

[4:05:46 PM](#)

SARA CHAMBERS, Director, Division of Corporations, Business, and Professional Licensing, Department of Commerce, Community & Economic Development, said that the 2011 legislation states that the department and boards may issue temporary licenses; however, it does not mandate that temporary licenses be issued or created for military spouses. She reported that there is a level of frustration among Alaska's military families and military community that boards can choose to issue a temporary license or not. She said that this is one in a continuum of best practices that the U.S. Department of Defense is illuminating for state legislatures and state licensing professionals. Furthermore, temporary licensing is one of the lighter ways to accommodate military families. She added that there is a wide range of things that could be done, with licensing compacts being the most desired aspect. This report, she said, would compel the department to provide the data that legislators could use to see what is being done, how it's being used, whether there is a demand that is being met or not, and if Alaska is at risk for losing military basing or expansion opportunities because of a lack of response to workplace economic needs.

[4:08:26 PM](#)

REPRESENTATIVE FIELDS asked in general, which temporary licenses are currently being issued.

MS. CHAMBERS stated that there are over 200 types of licenses that are offered among the 21 boards and 22 professions.

REPRESENTATIVE FIELDS asked if temporary licenses can be issued for doctors

MS. CHAMBERS answered yes.

[4:09:03 PM](#)

REPRESENTATIVE FIELDS noted that several groups like Americans for Prosperity have worked to deregulate occupational licensing with the goal of breaking unions and driving down wages. He stated that he supports HB 93 and Alaska's military families; however, he said he wants to make sure that military families are not being used as (indisc.) to undermine Alaska's (indisc.) and high wages.

CHAIR SPOHNHOLZ concurred with the concern that Alaska's licensure standards are not being undermined by forces outside of the state. She said she wants to make sure that military

spouses are supported and that the state is taking advantage of the human capital.

[4:09:48 PM](#)

MS. CHAMBERS, responding to a question from Representative Hannan, explained that through attrition, waning interests, or competing priorities, some of the boards have failed to adopt temporary licenses.

REPRESENTATIVE HANNAN asked if the omnibus bill concerning temporary licenses passes, "would it be duplicative of the law that already gives that authority on military spouses."

MS. CHAMBERS said the omnibus bill was crafted to subsume this. She explained that it would continue to require expediting military spouse licensure, while opening an opportunity for more than just military spouses to take advantage of temporary licensing.

[4:13:26 PM](#)

REPRESENTATIVE HANNAN noted that there is no fiscal note for HB 93. She questioned whether Ms. Chambers anticipates a fiscal note to make this goal of more temporary licenses achievable.

MS. CHAMBERS offered her belief that they have adequate authority to get that done. She said they would make a budget request if a problem arose.

CHAIR SPOHNHOLZ reminded members that HB 93 is just providing a report on the work that's already been done.

[4:14:28 PM](#)

REPRESENTATIVE STORY asked if the boards have access to staff from the DCCED to help them understand the goals of the department.

[4:14:59 PM](#)

MS. CHAMBERS explained that all the boards have assigned staff who work every day to support and process licenses. She said the department has an interesting staffing structure in which most boards have licensing examiners who tend to be junior level assistants. Furthermore, several boards have executive administrators, which are partially exempt positions, who can

engage in policy. She said in the absence of an executive administrator, the department's management team helps provide information to the board and its examiners. She noted that at the end of the day, the boards are responsible for hearing the information that is being passed along to them.

[4:17:39 PM](#)

REPRESENTATIVE RASMUSSEN expressed her concern about the temporary licenses. She said "I want to make sure that we're not putting any group before another group, so we have Alaskans who are trying to start working and they need to get their approval through a board, and we also have military families who are coming in and maybe it becomes a status quo to do everybody with temporary licenses, but again the exposure to liability worries me.

[4:20:21 PM](#)

CHAIR SPOHNHOLZ agreed that she would be reticent to "rip the band aid off" when it comes to major reforms. She said that it's legislators' job to do the due diligence to understand the implications of the decisions that are being discussed. She reiterated that today's discussion is about HB 93 which would require a report around military spouse licensure, not about the omnibus bill that was introduced by the governor.

REPRESENTATIVE FIELDS noted that he has heard from doctors who are very opposed to anything that would expand or even use temporary licensing for medical professionals. He added that they are very concerned about the health and safety implications involved with such a step.

[4:21:32 PM](#)

REPRESENTATIVE GILLIS asked if military personnel and their spouses can apply for a temporary license at this time.

MS. CHAMBERS confirmed that they can if the board offers a temporary license; however, part of the problem is that not all boards offer temporary licenses, and if they aren't in regulation then they're not available for people to apply for.

REPRESENTATIVE GILLIS asked if the boards currently offer any temporary licenses.

MS. CHAMBERS answered yes, the boards currently offer quite a few temporary licenses for a variety of programs including doctors and nurses.

REPRESENTATIVE GILLIS inquired as to how many licenses have been requested in the last three years. He opined that the term "shall" instead of "may" sounds like "you're not giving licenses." He asked how many have been requested and how many have been given.

CHAIR SPOHNHOLZ clarified that the language in the original bill was "may" not "shall."

[4:23:04 PM](#)

MS. CHAMBERS said the numbers stay low. She explained that they don't have a "push-a-button-and-this-is-the-number-of-military-licenses-that-are-available-type system." She offered her belief that the report would help the department get there, because what's expected in the report would cause them to make some database changes. She approximated that last year they had 100 or fewer military spouse applications.

REPRESENTATIVE GILLIS questioned whether 50 percent of the license requests made by military spouses have been granted.

MS. CHAMBERS explained that if they're qualified, they are issued a license. She said she would expect that all of them are qualified because they are coming from a state where they're already licensed and credentialled.

[4:25:46 PM](#)

REPRESENTATIVE RASMUSSEN addressed the zero fiscal note and asked how the department would be able to handle the necessary database changes for the reporting requirement with no additional cost incurred.

MS. CHAMBERS said over the last few years, the department has been figuring out a way to get certain levels of database changes done without having to request additional IT help. She said they are trying to keep the cost low and not hire contractors or additional staff.

[4:26:26 PM](#)

CHAIR SPOHNHOLZ asked how many boards oversee licensure.

MS. CHAMBERS answered 21 licensing boards and 22 regulated professions.

CHAIR SPOHNHOLZ asked how many of them have executive administrators.

MS. CHAMBERS said seven.

CHAIR SPOHNHOLZ questioned whether they have the capacity to undertake the support of the boards that would be necessary to explore military spouse licensure in each case.

MS. CHAMBERS answered yes, they have systems for communicating with boards and farming out that communication responsibility to the management team, which occurs regularly.

[4:27:31 PM](#)

REPRESENTATIVE TUCK added that U.S. Department of Defense has a contract with the University of Minnesota to evaluate occupational board implementation of laws and policies that support military spouses in all 50 states. He directed attention to a report included in the committee packet, entitled "Military Spouse Licensure Portability Examination State Report." He reported one of the study's general findings: that there's no information available pertaining to how many spouses have transferred their licenses in the last year. It went on to say that spouses cannot be licensed by endorsement or temporary licensure for any of the following boards: cosmetology, dental hygiene, massage therapy, mental health counseling, occupational therapy, and the real estate commission. He indicated that temporary licenses are issued on a board-by-board basis and that it's necessary to find out where each board is at, where the legislature can help out, and to understand why some occupations do not have temporary licensure. He addressed a concern from Representative Fields with an anecdotal example.

[4:31:05 PM](#)

REPRESENTATIVE HANNAN returned attention to the University of Minnesota's analysis of the portability exam and the six boards that they chose to study. She sought clarification on why those six were specifically selected. She asked if it's because they have the highest number of applicants or if military spouses are most likely to hold licensure and ask for reciprocity in those areas.

REPRESENTATIVE TUCK deferred to Ms. Perreault.

[4:32:20 PM](#)

TAMMIE PERREAULT, Regional Liaison, Defense-State Liaison Office, U.S. Department of Defense, said the six specific occupations were chosen randomly by the researchers because they felt that they represented a cross-section of occupations which military spouses participated in. She said they used these [six] occupations in all 50 states, adding that there's an identical report for each state that addresses the same research.

[4:33:17 PM](#)

REPRESENTATIVE HANNAN asked when the study was conducted.

MS. PERREAULT replied the study was conducted in 2017. After completion, they asked each state to go back and look at how their occupational licensure laws were being implemented and how they are working for the military spouses, which is part of what led to HB 93 and this reporting request.

[4:34:35 PM](#)

REPRESENTATIVE TUCK clarified that HB 28 states that boards may issue temporary licenses, but also that they shall expedite application procedures for military spouses. There's a combination of both "may" and "shall," he said.

[4:35:05 PM](#)

MS. PERREAULT addressed the PowerPoint presentation included in the committee pack, entitled "Defense-State Liaison Office." She explained that most of the information had been covered and directed attention to slide 9, entitled "Licensure Portability." She said the slide shows where different efforts have been made for license portability by different states and where Alaska falls on this continuum.

[4:36:21 PM](#)

REPRESENTATIVE HANNAN asked Ms. Perreault where she would place Alaska on the continuum.

MS. PERREAULT stated that Alaska is in the yellow zone for this particular subject. She went on to say that Alaska is fully implementing its current laws; however, the state has not implemented or adopted any interstate occupational licensure compacts.

CHAIR SPOHNHOLZ pointed out that Alaska is not displayed anywhere on the continuum.

MR. MASON indicated that Alaska is represented by the lighter shade of yellow on slide 9.

CHAIR SPOHNHOLZ announced that HB 93 was held over.

[4:38:33 PM](#)

The committee took a brief at-ease.

HB 232-MUNICIPAL TAX CREDITS

[4:39:47 PM](#)

CHAIR SPOHNHOLZ announced that the final order of business would be resuming HOUSE BILL NO. 232, "An Act relating to a municipal air quality improvement tax credit; and relating to a municipal energy efficient new construction tax credit."

CHAIR SPOHNHOLZ moved to adopt Conceptual Amendment 1, as follows:

Page 1, line 6
Following "for"
Delete "an"
Insert "a single or multiple year"

Page 1, line 8
Following "year"
Insert "prior to the municipality's initial approval of the tax credit"

Page 1, line 14
Following "for"
Delete "an"
Insert "a single or multiple year"

Page 2, line 2
Following "year"

Insert "prior to the municipality's initial approval of the tax credit"

REPRESENTATIVE STUTES objected for the purpose of discussion.

[4:40:29 PM](#)

TED MADSEN, Staff, Representative Ivy Spohnholz, Alaska State Legislature, on behalf of Representative Spohnholz, explained that the intent behind Conceptual Amendment 1 is to allow for municipalities to offer single or multiple year energy efficiency and air quality improvement tax credits. He proceeded to read the two sections of legislation as if the amendment was adopted. He offered his understanding from prior committee discussion that their intent is that this energy efficiency and air quality tax credit could be offered for multiple years after the improvements are made. He asked if that is accurate.

CHAIR SPOHNHOLZ confirmed that her intention is to make sure that local municipalities have the opportunity to extend multi-year tax credits should they choose to do so.

[4:42:29 PM](#)

REPRESENTATIVE HOPKINS acknowledged that is consistent with the intent of the initial legislation. He said now that the language specifically allows for single or multiple year tax credits for both types of improvements based on when the improvement was made, he is supportive of Conceptual Amendment 1.

MR. MADSEN noted that on the final line of Conceptual Amendment 1 it says, "legislative legal may make conforming changes in line with the intent of this amendment." He shared his belief that through this discussion the intent has been made clear and Legislative Legal Services will understand the committee's intention.

CHAIR SPOHNHOLZ agreed that the intention is clear.

REPRESENTATIVE STUTES removed her objection. There being no further objection, Conceptual Amendment 1 was adopted.

[4:44:05 PM](#)

REPRESENTATIVE STUTES moved to report CSHB 232, Version LS1355\K, out of committee with individual recommendations and the accompanying fiscal notes. Without objection, CSHB 232(L&C) was moved out of the House Labor and Commerce Standing Committee.

[4:45:27 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 4:45 p.m.