

**ALASKA STATE LEGISLATURE  
HOUSE RULES STANDING COMMITTEE**

March 24, 2020

4:22 p.m.

**MEMBERS PRESENT**

Representative Chuck Kopp, Chair  
Representative Jennifer Johnston, Vice Chair  
Representative Bryce Edgmon  
Representative Louise Stutes  
Representative Steve Thompson  
Representative Lance Pruitt  
Representative DeLena Johnson

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

HOUSE BILL NO. 311

"An Act extending the March 11, 2020, governor's declaration of a public health disaster emergency in response to the COVID-19 pandemic; relating to the powers of the director of insurance; relating to standing orders issued by the chief medical officer; relating to professional licensing; relating to telemedicine and telehealth; relating to board of nursing fingerprint requirements; relating to the 2020 primary and general elections; relating to permanent fund dividend applications; relating to automatic voter registration; relating to tax; relating to shareholder meetings; and providing for an effective date."

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: HB 311

SHORT TITLE: EXTENDING COVID 19 DISASTER EMERGENCY

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

03/23/20	(H)	READ THE FIRST TIME - REFERRALS
03/23/20	(H)	RLS
03/23/20	(H)	RLS WAIVED PUBLIC HEARING NOTICE, RULE 23 - UC
03/24/20	(H)	RLS AT 3:00 PM BUTROVICH 205

## WITNESS REGISTER

GRACE ERVINE, Staff  
Representative Chuck Kopp  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** On behalf of Representative Kopp, chair of the House Rules Standing Committee, sponsor by request of the governor, provided a sectional summary of the committee substitute for HB 311, Version M, during the hearing on HB 311.

SARA CHAMBERS, Director  
Division of Corporations, Business and Professional Licensing  
Department of Commerce, Community & Economic Development  
Juneau, Alaska

**POSITION STATEMENT:** Answered questions during the hearing on HB 311.

BRANDON SPANOS, Deputy Director  
Tax Division  
Department of Revenue  
Anchorage, Alaska

**POSITION STATEMENT:** Answered questions during the hearing on HB 311.

## ACTION NARRATIVE

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**CHAIR CHUCK KOPP** called the House Rules Standing Committee meeting to order at 4:22 p.m. Representatives Pruitt, Stutes, Edgmon, Johnston, Thompson, and Kopp were present at the call to order. Representative Johnson arrived as the meeting was in progress.

### HB 311-EXTENDING COVID 19 DISASTER EMERGENCY

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CHAIR KOPP announced the only order of business would be HOUSE BILL NO. 311, "An Act extending the March 11, 2020, governor's declaration of a public health disaster emergency in response to the COVID-19 pandemic; relating to the powers of the director of insurance; relating to standing orders issued by the chief medical officer; relating to professional licensing; relating to telemedicine and telehealth; relating to board of nursing

fingerprint requirements; relating to the 2020 primary and general elections; relating to permanent fund dividend applications; relating to automatic voter registration; relating to tax; relating to shareholder meetings; and providing for an effective date."

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REPRESENTATIVE JOHNSTON moved to adopt the committee substitute (CS) for HB 311, Version 31-GH2260\M, Marx, 3/23/20, as the working document. There being no objection, Version M was before the committee.

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GRACE ERVINE, Staff, Representative Chuck Kopp, Alaska State Legislature, informed the committee [Version M] mirrors [CSSB 241(RLS), that was reported from the Senate Rules Standing Committee on 3/23/20]. Ms. Ervine paraphrased from the sectional summary entitled, "House Bill 311 - Sectional Summary for CS for HB 311 version M: Extending COVID-19 Disaster Emergency," included in the committee packet, which read [original punctuation provided]:

House Bill 311 - Sectional Summary for CS for HB 311  
version M: Extending COVID-19 Disaster Emergency

Section 1 Legislative Findings (page 1-3) Makes legislative findings related to COVID-19, establishing the need to extend the March 11, 2020, public health disaster declaration.

Section 2 Extension of Public Health Emergency / Disaster (page 3) Extends the public health disaster emergency until the earlier of Sept. 1, 2020, or the date on which the governor declares the emergency over. If the Department of Health and Social Services commissioner certifies to the governor that there is no longer an outbreak of COVID-19 or a credible threat of an outbreak, the governor shall issue a proclamation declaring the disaster over. The certification must be based on specific information from a state or federal agency, or another source the commissioner decides is reliable.

Section 3 Disaster Financing Plan (page 3-4) Presents the financing plan for the public health disaster

emergency, referencing the appropriations made in several bills passed by the 31st Legislature. Allows the governor to spend up to \$10 million of the disaster relief fund in response to the emergency. Limits emergency spending to the financing plan.

Section 4 Chief Medical Officer Standing Orders (page 4-5) Allows the Department of Health and Social Services' chief medical officer to issue standing orders related to COVID-19. If the chief medical officer is incapacitated, a designee may issue the orders. Standing orders are effective until retracted or through the duration of the emergency declaration. The chief medical officer and health care providers are not liable for civil damages for issuing or acting under a standing order, except misconduct.

Section 5 Reports to Legislature (page 5-6) Requires the governor to report monthly the expenditures made in relation to the COVID-19 disaster and the actions taken related to prevention, control and status of COVID-19. Reports begin May 1, 2020 and culminate with a final report 60 days after the end of the emergency or Sept. 1, 2020, whichever comes first.

Section 6 Professional and Occupational Licensing (page 6-7) During the public health emergency, allows the Division of Corporations, Business and Professional Licensing director or a relevant board to grant a license, permit or certificate on an expedited basis to an individual who holds a corresponding license in another jurisdiction. The boards, commissions and director may take additional action as necessary to protect public health, including temporarily waiving or modifying continuing education requirements; regulating the scope and duration of licenses; and arranging for supervision of licensees. Professionals who come to Alaska to work under one of these licenses must comply with CDC travel guidelines.

Section 7 Telemedicine and Telehealth (page 7-8) During the emergency declaration and limited to actions related to COVID-19, licensing is waived for health care providers who provide treatment, diagnosis, or prescribe prescriptions (other than controlled substances), and who do not first conduct an in-person exam, for telemedicine and telehealth.

Providers must be in good standing in their jurisdiction and practicing within their scope of license. The amount charged for telehealth must be reasonable and customary, and may not exceed 5 percent of the regular fee for the service provided. The Department of Health and Social Services commissioner may waive regulations or laws that would substantially prevent provision of telehealth services.

Section 8 Fingerprinting (page 8) For professional occupations related to public health that require fingerprinting for licensure, directs the Department of Commerce, Community and Economic Development to coordinate with the Department of Health and Social Services and the Department of Public Safety to expedite the fingerprinting process. Section 9 Division of Elections (page 8-9) Enables the Lieutenant Governor, after consulting with the Department of Health and Social Services commissioner, to direct the Division of Elections to hold a primary or statewide special election in 2020 by mail.

Section 10 Permanent Fund Dividend Application Deadline (page 9) Extends the application period for the 2020 Permanent Fund Dividend from March 31, 2020, to April 30, 2020. Applications received after March 31 are exempt from automatic voter registration.

Section 11 Department of Revenue Taxation (page 9) Extends to July 15, 2020, the filing deadline for certain tax returns, reports or payments to the Department of Revenue. The filing dates for oil and gas taxes and oil and gas property taxes will not be extended. Department of Revenue will not assess penalties or interest to individuals who file under the extension.

Section 12 Shareholder Meetings (page 9-10) Allows for meetings of shareholders to be held by electronic communication to the extent allowed by the corporation's board, and allows corporations that have or are planning to distribute a proxy statement and notice of annual meetings to re-notice or notice so that it can be held via electronic communication.

Section 13 Repealer (page 10) Repeals Sections 1-4 and 6-12 on the earlier of Sept. 1, 2020, or the date the governor determines the emergency no longer exists.

Section 14 Repealer (page 10) Repeals Section 5, Reports, on Nov. 2, 2020.

Section 15 Retroactive clause (page 10) HB 311 is retroactive to April 10, 2020, if signed into law after that date.

Section 16 Effective date (page 10) HB 311 takes effect immediately.

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MS. ERVINE directed attention to a document provided by the Department of Health and Social Services (DHSS) entitled, "House Bill 311 - Extend Disaster; Public Health Emergency Section Leads/Points of Contact," which identified experts who could provide clarity on certain sections of the bill.

REPRESENTATIVE KOPP noted staff are available [via teleconference] to answer questions and the ten fiscal notes [Identifiers(s): LL0260-3-DCCED-CBPL-03-20-20; LL0260-3-DCCED-DOI-03-20-2020; LL0260-GOV-EO-3-20-20; 2260-OOG-DOE-3-20-2020; LL0260-DHSS-EP-3-20-2020; LL0260-DHSS-MS-3-20-2020; 0260-DPS-CJISP-03-20-20; LL-0260-3-DOR-PFD-3-20-20; LL0260-MVA-COM-3-20-20; HB311-DOR-TAX-3-23-2020] attached to the bill are included in the committee packet.

REPRESENTATIVE EDGMON asked whether the bill before the committee is the governor's bill.

REPRESENTATIVE KOPP explained [Version M] is the version of the governor's original bill that was amended and passed from the Senate Rules Standing Committee. The committee will address the version that incorporates amendments made on the Senate floor after it is transmitted from the Senate on [3/25/20].

REPRESENTATIVE EDGMON cautioned the bill title may exceed the single subject rule and asked whether the bill title has been discussed with Legislative Legal Services.

MS. ERVINE said Legislative Legal Services advised, as long as the bill relates to the [coronavirus disease (COVID-19)] pandemic, the bill title complies with the single subject rule,

and she offered to provide a memorandum in this regard from legal services on [3/25/20].

REPRESENTATIVE PRUITT [directed attention to Section 12] and said Alaska Statutes related to shareholder meetings for Alaska Native Claims Settlement Act (ANCSA) corporations are separate from those related to shareholder meetings for other corporations. He questioned whether the allowance for electronic communication extends to Alaska Native corporations.

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SARA CHAMBERS, Director, Division of Corporations, Business and Professional Licensing, Department of Commerce, Community and Economic Development (DCCED), said the section in the bill is directed to for-profit corporations, and she will provide clarification as to Alaska Native corporations.

REPRESENTATIVE PRUITT urged Ms. Chambers to contact ANCSA corporations to hear their concerns about their ability to safely conduct business.

REPRESENTATIVE THOMPSON directed attention to Section 7 and asked whether Section 7 allows for medical professionals to continue to provide telehealth services to their current patients for medical issues not related to COVID-19.

MS. CHAMBERS said [the provisions in Section 7] would be in addition to the existing law and would not impair existing healthcare providers who have the ability to continue to provide telehealth services under existing law. Section 7 adds a provision to allow healthcare professionals licensed outside the state to provide COVID-19 care via telemedicine, during the course of the COVID-19 emergency.

REPRESENTATIVE PRUITT directed attention to Section 11, which provides that the Tax Division, Department of Revenue (DOR), [will provide an extension] for typical tax [payments]; he asked for the financial effects of the extension on DOR and the financial standing of the state.

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BRANDON SPANOS, Deputy Director, Tax Division, DOR, said the federal government has changed due [tax] dates for individuals and corporations up to certain thresholds, and because DOR conforms to the Internal Revenue Service (IRS), U.S. Department

of the Treasury, tax code, DOR will automatically also extend tax dates for C corporations; however, the bill will extend due dates for all other tax types, except for oil and gas property and production taxes. In regard to the cost of the bill's provisions to DOR, he acknowledged there will be the cost of reprogramming and notifications; however, DOR feels this capacity should be in place anyway - in case of natural disasters - and DOR will utilize available resources to proceed with reprogramming with or without passage of the bill.

REPRESENTATIVE PRUITT surmised the state will still receive tax payments and asked whether the delay will impact the state's ability to manage its finances.

MR. SPANOS confirmed the delay will affect when the state receives payments from taxpayers: as set by federal regulations, C corporation payments that would have been received earlier will be received in July; payments for other tax types, such as excise taxes from fishing, mining, and other industries, will be delayed. For example, the state collects approximately \$2 million per month in marijuana industry taxes, which would not be due until July, but the state will receive all of the payments due.

REPRESENTATIVE PRUITT asked, "Do you see us being short this year because some of this revenue will not be received until the next fiscal year?"

MR. SPANOS deferred to the Division of Finance, Department of Administration or the Treasury Division, DOR.

CHAIR KOPP indicated a response to Representative Pruitt's question would be forthcoming.

REPRESENTATIVE JOHNSTON asked DOR to provide a model of the state's cash flow needed in the Constitutional Budget Reserve Fund.

REPRESENTATIVE THOMPSON, as an aside, informed the committee the deadline for nonprofits to apply for Pick.Click.Give. [Permanent Fund Dividend Charitable Contributions Program] is March 31; furthermore, the application must include a fee, and copies of the nonprofit's current tax return and single audit. Even though, at this time, many nonprofits are unable to comply, regulations state incomplete applications are to be denied. However, Representative Thompson was notified today that

nonprofits can use last year's tax returns and audit for applications.

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REPRESENTATIVE KOPP noted other issues have been raised related to the permanent fund dividend (PFD) such as, Alaskans who are out of state need to return in order to comply with residency requirements. He said he was unsure as to whether these issues could be addressed by the administration during its review of PFD applications or should be addressed by the disaster declaration.

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CHAIR KOPP opened public testimony on HB 311. After ascertaining no one wished to testify, he closed public testimony.

[HB 311 was held over.]

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#### **ADJOURNMENT**

There being no further business before the committee, the House Rules Standing Committee meeting was adjourned at 4:48 p.m.