

HOUSE FINANCE COMMITTEE
February 2, 2022
9:06 a.m.

9:06:00 AM

CALL TO ORDER

Co-Chair Foster called the House Finance Committee meeting to order at 9:06 a.m.

MEMBERS PRESENT

Representative Neal Foster, Co-Chair
Representative Kelly Merrick, Co-Chair
Representative Dan Ortiz, Vice-Chair
Representative Ben Carpenter via teleconference
Representative Bryce Edgmon
Representative Andy Josephson
Representative Bart LeBon via teleconference
Representative Steve Thompson
Representative Adam Wool

MEMBERS ABSENT

Representative DeLena Johnson
Representative Sara Rasmussen

ALSO PRESENT

Representative Geran Tarr, Chair, House Fisheries Committee; Representative Ivy Spohnholz, Sponsor.

PRESENT VIA TELECONFERENCE

Sara Chambers, Director, Division of Corporations, Business and Professional Licensing, Department of Commerce, Community and Economic Development; Renee Gayhart, Director, Health Care Services, Department of Health and Social Services.

SUMMARY

HB 54 INVASIVE SPECIES MANAGEMENT

CSHB 54(FIN) was REPORTED out of committee with four "do pass" recommendations and three "no

recommendation" recommendations and with a new zero fiscal note by Gov/Combined and a new fiscal impact note by the Department of Fish and Game.

HB 90 VEHICLE RENTALS & VEHICLE RENTAL NETWORKS

HB 90 was REPORTED out of committee with a "do pass" recommendation and with a new zero fiscal note by the Department of Administration and a new fiscal impact note by the Department of Revenue.

HB 111 DENTAL HYGIENIST ADVANCED PRAC PERMIT

CSHB 111(FIN) was REPORTED out of committee with a "do pass" recommendation and with a new fiscal impact note by the Department of Commerce, Community and Economic Development and a new fiscal impact note by the Department of Health and Social Services.

Co-Chair Foster reviewed the agenda for the morning meeting.

#hb54

HOUSE BILL NO. 54

"An Act establishing the Alaska Invasive Species Council in the Department of Fish and Game; relating to management of invasive species; relating to invasive species management decals; and providing for an effective date."

9:07:13 AM

Co-Chair Foster indicated that the committee last heard HB 54 on May 18, 2021.

9:07:31 AM

REPRESENTATIVE GERAN TARR, CHAIR, HOUSE FISHERIES COMMITTEE, briefly summarized the bill. She explained that the bill created an Alaska Invasive Species Council housed in the Department of Fish and Game (DFG). The bill represented a culmination of 5 years of work that initially centered on a rapid response to the problem. Overtime in working with professionals across the state she had found

the state was well prepared to stay ahead of the problem. She shared that the impacts of invasive species were costly and included impacts to wastewater systems, tourism, and salmon habitat. She detailed that the council envisioned a partnership through multi-stakeholder engagement among private sector professionals, government agencies, and tribal agencies to develop efficient and effective responses to the problem. The council's work would limit the state's spending on invasive species due to the more coordinated approach that would enhance prevention and response efforts. She appreciated the time to reintroduce the bill.

Co-Chair Foster relayed that there was a new updated zero Statement of Fiscal Impact from the Department of Environmental Conservation.

[9:10:25 AM](#)

Representative Carpenter MOVED to ADOPT Amendment 1 (copy on file):

Page 5, following line 31:

Insert a new bill section to read:

"* Sec. 4. AS 16.20.800, 16.20.810, 16.20.820, 16.20.850, and AS 37.05.146(c)(80) are repealed July 1, 2027."

Renumber the following bill sections accordingly.

Representative Josephson OBJECTED.

Representative Carpenter reviewed the amendment. The amendment created a 7-year [Stated in error, the amendment was for 5 years.] sunset clause for the council.

Representative Wool MOVED to ADOPT Conceptual Amendment 1 to Amendment 1 to make the sunset a 7-year sunset in 2029, rather than a 5-year sunset. He believed that it would give the council a longer eradication process and was supported by the sponsor.

Representative Carpenter OBJECTED.

Representative Carpenter clarified that he misspoke, and the original amendment was a 5-year sunset clause. He would not support a 7-year sunset.

Co-Chair Foster indicated that the committee would discuss Conceptual Amendment 1.

Representative Josephson favored Conceptual Amendment 1.

Representative Thompson asked for a discussion of why either 5 or 7 years was appropriate.

[9:14:38 AM](#)

Co-Chair Foster requested that the sponsor respond to the conceptual amendment and Amendment 1.

Representative Tarr appreciated the notion of a sunset date. She believed that a sunset offered a "benchmark for completing work" and gave the legislature the opportunity to assess whether the council should terminate or extend. She referred to pages 5 and 6, of the bill that outlined the timing for the appointment of the council's members. She indicated that it would take one to two years for the governor to complete the appointments. She determined that the council would need 5 years after the appointments to complete its work and favored a 7-year sunset.

Representative Carpenter thought a 7-year sunset was too long and that it would not take up to 2 years to appoint members. He supported a 5-year sunset.

Co-Chair Foster indicated that Representative Ortiz joined the meeting.

Representative Carpenter MAINTAINED his OBJECTION.

A roll call vote was taken on the motion. (Conceptual amendment 1 to Amendment 1)

IN FAVOR: Edgmon, Josephson, LeBon, Ortiz, Thompson, Wool, Foster, Merrick
OPPOSED: Carpenter

The MOTION PASSED (8/1). Conceptual 1 to Amendment 1 was ADOPTED.

Representative Josephson supported the bill and preferred that the council would not sunset. He understood that there would not be a final end to the invasive species problem. He asked Representative Tarr why she was comfortable with

the amendment. Representative Tarr responded that she agreed the problem would never end considering the many ways invasive species entered the state, especially via shipping. She elaborated that a sunset included an audit and she felt that an audit would evaluate the work of the council and recommend any necessary changes. She reiterated that at times members were not chosen in a timely manner and it limited the effectiveness of the council. She believed the audit provided a "refresh moment." Representative Josephson inquired whether Representative Tarr was confident someone would advocate for the council in 2029. Representative Tarr responded in the affirmative. She noted that there was an array of "impressive" professionals working on the effort. She believed that they were a very dedicated group of people, and the state would benefit from their participation on the council. Representative Josephson indicated that one of the repealers was AS 16.20.820, which identified that the decal fund would be part of the General Fund (GF), which meant that it was subject to a reverse sweep. He wondered whether it was a concern. Representative Tarr responded that the council would recommend how the funds should be spent. She deduced that if the council was disbanded, she guessed that the response would revert to relying on special capital budget appropriations, which was the current funding source for invasive species response.

Representative Josephson WITHDREW his OBJECTION.

There being NO OBJECTION, it was so ordered. Amendment 1 as amended was ADOPTED.

Vice-Chair Ortiz MOVED to report CSHB 54(FIN) out of Committee with individual recommendations and the accompanying fiscal notes.

There being NO OBJECTION, it was so ordered.

CSHB 54(FIN) was REPORTED out of committee with four "do pass" recommendations and three "no recommendation" recommendations and with a new zero fiscal note by Gov/Combined and a new fiscal impact note by the Department of Fish and Game.

9:23:29 AM
AT EASE

[9:24:40 AM](#)

RECONVENED

#hb90

HOUSE BILL NO. 90

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

[9:25:16 AM](#)

Co-Chair Foster reported that the bill was previously heard on May 13, 2021.

REPRESENTATIVE ADAM WOOL, SPONSOR, indicated that HB 90 applied the existing vehicle rental tax that Alaska already had in place to peer-to-peer network rentals like Turo. He reiterated that there was already a 10 percent tax on rental cars in the state that should be applied to the peer-to-peer rentals. However, the state did not enforce it. He detailed that the state had lacked the information to collect the tax and the Department of Revenue (DOR) asked Turo for a list of names of drivers and the company did not comply. The tax would apply to the person renting the car through the app and Turo would pay the tax to the state. He emphasized that similar to renting a car through a company like AVIS, the tax was paid by the person renting the car through the app and the owner of the car did not pay the tax. He noted that through the pandemic, Turo use soared due to the scarcity of rental cars. He guessed that the tax would raise "several million" dollars for the state. He analogized Airbnb that paid a bed tax, which was a similar premise as the peer-to-peer car rental networks.

Co-Chair Foster reviewed the testifiers available online.

Representative Wool also pointed out that the municipality of Anchorage in addition the state's tax had its own municipal tax for vehicle rentals. Anchorage passed a law requiring the peer-to-peer networks to pay the city tax.

[9:29:32 AM](#)

Representative Thompson reported that Recreational Vehicle (RV) rentals only required a 3 percent tax. He asked if Turo had engaged in any discussions regarding the disparity in the tax percentages or offered to compromise between 3 percent and 10 percent.

Representative Wool relayed that the 3 percent tax RV was already in state law. He did not want to change existing statute. He commented that if someone rented an RV from Turo they would pay the 3 percent tax. He was uncertain why there were different rates for the different vehicles. He noted that the bill did not attempt to change the existing tax rates. The peer-to-peer tax rate would be the same as what existed in state law. He was merely wanting to apply the car rental tax to the peer-to-peer network model. Representative Thompson asked whether the municipality of Anchorage collected 3 percent on RV rentals. Representative Wool acknowledged that the Anchorage vehicle rental tax was 8 percent and did not know what the municipality did regarding taxing RV rentals. He reiterated that the state tax for RV rentals was 3 percent, and a brick and mortar RV rental agency was accountable for the tax.

[9:33:03 AM](#)

Vice-Chair Ortiz asked if it was safe to say if the bill were to pass it would apply to all peer-to-peer vehicle rental networks. It would not be limited to Turo. Representative Wool answered in the affirmative. He noted that other peer-to-peer vehicle rental networks existed besides Turo.

[9:33:55 AM](#)

Co-Chair Merrick declared a conflict of interest as her family rents out a car as a Turo vehicle.

[9:34:35 AM](#)

AT EASE

[9:35:12 AM](#)

RECONVENED

Co-Chair Foster did not hear any objections to her conflict.

[9:35:28 AM](#)

AT EASE

[9:36:41 AM](#)

RECONVENED

Co-Chair Foster asked for a motion to move the bill out of committee.

Vice-Chair Ortiz requested an at ease.

[9:36:41 AM](#)

AT EASE

[9:37:35 AM](#)

RECONVENED

Vice-Chair Ortiz MOVED to report HB 90 out of Committee with individual recommendations and the accompanying fiscal notes.

There being NO OBJECTION, it was so ordered.

HB 90 was REPORTED out of committee with a "do pass" recommendation and with a new zero fiscal note by the Department of Administration and a new fiscal impact note by the Department of Revenue.

#hb111

HOUSE BILL NO. 111

"An Act relating to the practice of dental hygiene; relating to advanced practice permits for dental hygienists; relating to dental assistants; prohibiting unfair discrimination under group health insurance against a dental hygienist who holds an advanced practice permit; relating to medical assistance for dental hygiene services; and providing for an effective date."

[9:38:12 AM](#)

Co-Chair Foster indicated the committee heard the bill last on May 15, 2021, and there was one amendment.

REPRESENTATIVE IVY SPOHNHOLZ, SPONSOR, thanked members for hearing the bill. She explained that the bill created an advanced practice permit for experienced dental hygienists who had 4,000 hours of clinical experience and passed an exam issued by the Alaska Board of Dental Examiners. She furthered that the bill would allow experienced licensed hygienists to provide preventative oral health care to underserved populations at senior centers, health care facilities, day care centers, schools, those eligible for public assistance, and rural underserved communities.

[9:40:18 AM](#)

Representative Spohnholz continued that importantly, the bill had been crafted with the support of the Alaska Dental Hygienists Association, Alaska Dental Society, and the Board of Dental Examiners and the process was very collaborative.

Representative Spohnholz stated that the amendment corrected a technical issue.

Representative Wool MOVED to ADOPT Amendment 1 (copy on file):

Page 6, Line 23:

*Sec. 9. Except as provided in sec. 8 of this Act, this Act takes effect January 1, 2023. [Replaced 2022 with 2023].

Co-Chair Foster OBJECTED for discussion.

Representative Wool reviewed the amendment. He explained that the bill was introduced in the prior year and the effective date was 2022. The amendment updated the date to January 1, 2023.

Co-Chair Foster asked if the sponsor approved the amendment.

Representative Spohnholz responded.

Co-Chair Foster WITHDREW his OBJECTION.

There being NO OBJECTION, it was so ordered.

9:43:33 AM

Co-Chair Foster OPENED public testimony.

Co-Chair Foster CLOSED public testimony.

9:44:50 AM

Co-Chair Foster requested a review of the fiscal notes.

SARA CHAMBERS, DIRECTOR, DIVISION OF CORPORATIONS, BUSINESS AND PROFESSIONAL LICENSING, DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT (via teleconference), explained the Department of Commerce, Community and Economic Development (DCCED) published fiscal impact fiscal note allocated to Corporations, Business and Professional Licensing (FN3 (CED)). She indicated that the fiscal note for \$1,700 covered legal costs for the board to amend regulations, printing, and postage in first year of the program. She added that most of the costs would be recuperated through licensing fees.

RENEE GAYHART, DIRECTOR, HEALTH CARE SERVICES, DEPARTMENT OF HEALTH AND SOCIAL SERVICES (via teleconference), relayed that the published fiscal impact fiscal note for the Department of Health (DOH) allocated to Medicaid Services (FN4 (HSS)) was needed to cover the costs associated with the Medicaid Management Information System (MMIS). The funding would reconfigure a new provider type, allow for provider enrollment, and allow for claims processing in the MMIS system. She added that the fiscal noted totaled \$275,000.

Vice-Chair Ortiz MOVED to report CSHB 111(FIN) out of Committee with individual recommendations and the accompanying fiscal note

There being NO OBJECTION, it was so ordered.

CSHB 111(FIN) was REPORTED out of committee with a "do pass" recommendation and with a new fiscal impact note by the Department of Commerce, Community and Economic Development and a new fiscal impact note by the Department of Health and Social Services.

Co-Chair Foster reviewed the agenda for the afternoon meeting.

ADJOURNMENT

9:47:29 AM

The meeting was adjourned at 9:46 a.m.