

HOUSE FINANCE COMMITTEE
May 6, 2022
1:33 p.m.

1:33:19 PM

CALL TO ORDER

Co-Chair Merrick called the House Finance Committee meeting to order at 1:33 p.m.

MEMBERS PRESENT

Representative Neal Foster, Co-Chair
Representative Kelly Merrick, Co-Chair
Representative Dan Ortiz, Vice-Chair
Representative Ben Carpenter
Representative Bryce Edgmon
Representative DeLena Johnson
Representative Andy Josephson
Representative Bart LeBon
Representative Sara Rasmussen
Representative Steve Thompson (via teleconference)

MEMBERS ABSENT

Representative Adam Wool

ALSO PRESENT

Micaela Fowler, Administrative Services Director, Department of Commerce, Community and Economic Development, Office of Management and Budget, Office of the Governor.

PRESENT VIA TELECONFERENCE

Dana Walukiewicz, Alcohol Beverage Control Board, Anchorage; Carrie Craig, Acting Director, Alcohol and Marijuana Control Office, Department of Commerce, Community and Economic Development.

SUMMARY

SB 151 EXTEND ALCOHOLIC BEVERAGE CONTROL BOARD

HCS SB 151(L&C) was REPORTED out of committee with four "do pass" recommendations and two "no recommendation" recommendations and with one new fiscal impact note from the Department of Commerce, Community and Economic Development.

SB 186 EXTEND BOARD OF EXAMINERS IN OPTOMETRY

SB 186 was REPORTED out of committee with three "do pass" recommendations and three "no recommendation" recommendations and with one previously published fiscal impact note: FN1(CED).

CSSB 193 (FIN)

EXTEND BOARD OF CHIROPRACTIC EXAMINERS

CSSB 193(FIN) was REPORTED out of committee with four "do pass" recommendations and two "no recommendation" recommendations and with one previously published fiscal impact note: FN1(CED).

Co-Chair Merrick reviewed the agenda for the meeting.

#sb186

SENATE BILL NO. 186

"An Act extending the termination date of the Board of Examiners in Optometry; and providing for an effective date."

[1:33:50 PM](#)

Co-Chair Merrick indicated there were no amendments for the bill. She added that Co-Chair Foster and Representative Johnson had joined the meeting.

Representative Thompson reported he was online and listening in.

[1:34:39 PM](#)

Co-Chair Merrick OPENED public testimony.

[1:34:49 PM](#)

Co-Chair Merrick CLOSED public testimony.

Co-Chair Foster MOVED to report SB 186 out of Committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

SB 186 was REPORTED out of committee with three "do pass" recommendations and three "no recommendation" recommendations and with one previously published fiscal impact note: FN1(CED).

[1:35:18 PM](#)

AT EASE

[1:36:14 PM](#)

RECONVENED

#sb193

CS FOR SENATE BILL NO. 193 (FIN)

"An Act extending the termination date of the Board of Chiropractic Examiners; requiring a report on audit compliance by the Board of Chiropractic Examiners; and providing for an effective date."

[1:36:22 PM](#)

Co-Chair Merrick indicated there were no amendments to the bill.

[1:36:42 PM](#)

Co-Chair Merrick OPENED public testimony.

[1:36:50 PM](#)

Co-Chair Merrick CLOSED public testimony.

Co-Chair Foster MOVED to report CSSB 193(FIN) out of Committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

CSSB 193(FIN) was REPORTED out of committee with four "do pass" recommendations and two "no recommendation" recommendations and with one previously published fiscal impact note: FN1(CED).

[1:37:20 PM](#)

AT EASE

[1:41:04 PM](#)

RECONVENED

#sb151

SENATE BILL NO. 151

"An Act extending the termination date of the Alcoholic Beverage Control Board; and providing for an effective date."

[1:41:15 PM](#)

Co-Chair Merrick OPENED public testimony.

DANA WALUKIEWICZ, ALCOHOL BEVERAGE CONTROL BOARD, ANCHORAGE, wanted to address a concern that had been raised at a previous committee meeting. He indicated that the concern had to do with licensees that had been issued a violation, and that it seemed that a delay in license application processing could result in harm to the public if the licensees were not appropriately monitored. The Alcohol Beverage Control (ABC) Board reviewed all the license violations reported by the Alcohol & Marijuana Control Office (AMCO) at every meeting. The board had acted on all license violations, including suspending and revoking licenses if it was deemed necessary. There were additional disciplinary actions at the disposal of the board for advanced situations, which had all been employed over the years. The tardiness of license renewal applications was typically due to administrative processing delays. It did not result in delays in reporting of violations to the board and did not hinder any enforcement action.

[1:44:34 PM](#)

Co-Chair Merrick CLOSED public testimony.

Co-Chair Merrick invited Micaela Fowler from the Department of Commerce, Community and Economic Development (DCCED) to present the fiscal note.

[1:44:55 PM](#)

MICAELA FOWLER, ADMINISTRATIVE SERVICES DIRECTOR, DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT, OFFICE OF MANAGEMENT AND BUDGET, OFFICE OF THE GOVERNOR, reported that the fiscal note reflected the ongoing costs of regulation of alcohol within AMCO. She shared that AMCO's total budget was about \$3.9 million, with \$1.2 million of the budget dedicated to the regulation of alcohol. The fiscal note simply reflected the ongoing regulation costs through 2027.

[1:45:36 PM](#)

Representative Josephson asked Ms. Fowler to remind members how the time period changed from 2026 to 2027.

Ms. Fowler responded that the legislation had been amended to reflect the auditor's recommendation that the program be extended through June 30, 2027.

Co-Chair Merrick believed that there was an amendment to address the issue.

Representative Josephson could not recall the circumstances of the change.

Representative LeBon asked Ms. Fowler to comment about the date extension.

Ms. Fowler deferred to Carrie Craig from AMCO.

[1:47:05 PM](#)

CARRIE CRAIG, ACTING DIRECTOR, ALCOHOL AND MARIJUANA CONTROL OFFICE, DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT (via teleconference), responded that the auditor had recommended sunseting the board in 4 years. The chair of the ABC board, Mr. Walukiewicz, disagreed with the 4-year extension and wanted it to be changed to an 8-year extension. There was a compromise of a 5-year extension to 2027.

Co-Chair Merrick indicated there was one amendment.

[1:48:06 PM](#)

Representative LeBon MOVED to ADOPT Amendment 1,
32-LS1280\B.1 (Dunmire, 5/3/22) (copy on file):

Page 1, line 5:
Delete "2027"
Insert "2026"

Co-Chair Merrick OBJECTED for discussion.

Representative LeBon explained the amendment. The amendment was in line with the auditor's recommendation for the new sunset date. He relayed that the auditor's recommendations reflected the need for more timely oversight to evaluate the board's progress in addressing licensing inefficiencies and filling vacancies.

[1:49:09 PM](#)

Representative Edgmon noted there was omnibus legislation that would likely pass in the current session, and he presumed that it would take at least one year to implement the regulations. He noted that due to this necessary administrative time, a 4-year extension would quickly become a 3-year extension. He did not think that the auditor factored that into the recommendation. It was the legislature's job to factor in that information. He wondered if someone could speak to the issue.

[1:50:35 PM](#)

Mr. Walukiewicz commented that the ABC board felt that there would be a lot of new responsibility going forward with the expectation that SB 9 would pass, which would rewrite the Title IV alcohol regulations in Alaska Statute. Public input would be important to ensure that the legislative intent was met. It would take a fair amount of work to draft new regulations, and developing the information technology (IT) project associated with improving the licensing application process would be a significant undertaking as well. He predicted that developing and implementing the new IT project would take at least 18 months. The intent of the extension being 5 years was to show support for the board and show the public that there was confidence that the board was capable of handling new duties. It would indicate that there was a reliable public process.

Representative Edgmon thought the 5-year extension made sense. He would continue to support a 5-year extension. He commented that the ABC board had done a great job. He was going to oppose Amendment 1 because he thought it would shortchange the ability of the board to work efficiently.

Representative LeBon did not have a passionate position on the bill. He commented that when he worked in banking, if an auditor or examiner had a recommendation and the banks did not follow it, it was problematic. He thought that the legislature should follow the recommendation of the auditor.

Co-Chair Merrick MAINTAINED the OBJECTION.

A roll call vote was taken on the motion.

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

The MOTION FAILED (4/4). Amendment 1 FAILED.

Co-Chair Foster MOVED to report HCS SB 151(L&C) out of Committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

HCS SB 151(L&C) was REPORTED out of committee with four "do pass" recommendations and two "no recommendation" recommendations and with one new fiscal impact note from the Department of Commerce, Community and Economic Development.

ADJOURNMENT

1:55:40 PM

The meeting was adjourned at 1:55 p.m.