

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

February 14, 2022

3:17 p.m.

MEMBERS PRESENT

Representative Zack Fields, Co-Chair
Representative Ivy Spohnholz, Co-Chair
Representative Calvin Schrage
Representative Liz Snyder
Representative David Nelson
Representative James Kaufman
Representative Ken McCarty

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 295

"An Act relating to the practice of dentistry; relating to dental radiological equipment; and providing for an effective date."

- MOVED HB 295 OUT OF COMMITTEE

SENATE BILL NO. 11

"An Act relating to community property and to community property trusts; and providing for an effective date."

- MOVED CSSB 11(JUD) OUT OF COMMITTEE

HOUSE BILL NO. 289

"An Act establishing the Alaska marijuana industry task force; and providing for an effective date."

- MOVED CSHB 289(L&C) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HB 295

SHORT TITLE: DENTIST SPEC. LICENSE/RADIOLOGIC EQUIP

SPONSOR(S): ORTIZ

1/31/2022 (H) READ THE FIRST TIME - REFERRALS

1/31/2022 (H) L&C, HSS, FIN
 2/9/2022 (H) LABOR & COMMERCE at 04:30 PM BARNES 124
 2/9/2022 (H) Heard & Held - Please Note Time Change -
 2/9/2022 (H) Minutes (HL&C)
 2/14/2022 (H) LABOR & COMMERCE at 04:30 PM BARNES 124

BILL: SB 11

SHORT TITLE: COMMUNITY PROPERTY TRUSTS

SPONSOR(S): SENATOR BEGICH

1/22/2021 (S) PREFILE RELEASED 1/8/21
 1/22/2021 (S) READ THE FIRST TIME - REFERRALS
 1/22/2021 (S) L&C, JUD
 3/10/2021 (S) LABOR & COMMERCE at 01:30 PM BELTZ 105
 (TSBldg)
 3/10/2021 (S) Testimony <Invitation Only> -- MEETING
 CANCELED
 3/12/2021 (S) LABOR & COMMERCE at 01:30 PM BELTZ 105
 (TSBldg)
 3/12/2021 (S) Heard & Held
 3/12/2021 (S) Minutes (SL&C)
 3/19/2021 (S) LABOR & COMMERCE at 01:30 PM BELTZ 105
 (TSBldg)
 3/19/2021 (S) Moved SB 11 Out of Committee
 3/19/2021 (S) Minutes (SL&C)
 3/22/2021 (S) L&C RPT 4DP
 3/22/2021 (S) DP: COSTELLO, GRAY-JACKSON, STEVENS,
 HOLLAND
 3/22/2021 (S) FN1: ZERO(AJS)
 5/5/2021 (S) JUDICIARY at 01:30 PM BUTROVICH 205
 5/5/2021 (S) Heard & Held
 5/5/2021 (S) Minutes (SJUD)
 5/10/2021 (S) JUDICIARY at 01:30 PM BUTROVICH 205
 5/10/2021 (S) Moved CSSB 11(JUD) Out of Committee
 5/10/2021 (S) Minutes (SJUD)
 5/11/2021 (S) JUD RPT CS 3DP 2NR SAME TITLE
 5/11/2021 (S) DP: HOLLAND, HUGHES, KIEHL
 5/11/2021 (S) NR: MYERS, SHOWER
 5/11/2021 (S) FN1: ZERO(AJS)
 5/14/2021 (S) RULES TO CALENDAR 5/14/2021
 5/14/2021 (S) READ THE SECOND TIME
 5/14/2021 (S) JUD CS ADOPTED UC
 5/14/2021 (S) ADVANCED TO THIRD READING 5/15 CALENDAR
 5/15/2021 (S) 5/15 SESSION XLD - ADVANCED TO 3RD READING
 5/17 CAL
 5/17/2021 (S) READ THE THIRD TIME CSSB 11(JUD)
 5/17/2021 (S) PASSED Y19 N- E1

5/17/2021 (S) EFFECTIVE DATES SAME AS PASSAGE
5/17/2021 (S) TRANSMITTED TO (H)
5/17/2021 (S) VERSION: CSSB 11(JUD)
5/18/2021 (H) READ THE FIRST TIME - REFERRALS
5/18/2021 (H) L&C, JUD
2/2/2022 (H) LABOR & COMMERCE at 05:15 PM BARNES 124
2/2/2022 (H) Heard & Held -- Please Note Time Change --
2/2/2022 (H) Minutes (HL&C)
2/14/2022 (H) LABOR & COMMERCE at 03:15 PM BARNES

BILL: HB 289

SHORT TITLE: AK MARIJUANA INDUSTRY TASK FORCE
SPONSOR(S): REPRESENTATIVES HOPKINS, Rasmussen

1/26/2022 (H) READ THE FIRST TIME - REFERRALS
1/26/2022 (H) L&C, FIN
2/9/2022 (H) LABOR & COMMERCE at 04:30 PM BARNES 124
2/9/2022 (H) Minutes (HL&C)
2/14/2022 (H) LABOR & COMMERCE at 04:30 PM BARNES 124

WITNESS REGISTER

DAVID LOGAN, DDS, Executive Director
Alaska Dental Society
Juneau, Alaska

POSITION STATEMENT: During the hearing on HB 295, answered questions.

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

POSITION STATEMENT: During the hearing on HB 295, answered questions.

JAYME PARKER, MD, Chief
Alaska State Public Health Laboratory Fairbanks
Division of Public Health
Department of Health and Social Services (DHSS)
Fairbanks, Alaska

POSITION STATEMENT: During the hearing on HB 295, answered questions.

SENATOR TOM BEGICH
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As the prime sponsor of SB 11, thanked the committee for taking public testimony on the bill.

BELINDA "DOLLY" PHELPS
Kenai, Alaska

POSITION STATEMENT: Testified in support of HB 289 and suggested a language change.

RYAN TUNSETH, Owner
East Rip
Kenai, Alaska

POSITION STATEMENT: Testified in support of HB 289.

JOE HARDENBROOK, Staff
Representative Grier Hopkins
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: During the hearing on HB 289, answered questions on behalf of Representative Hopkins, prime sponsor.

ACTION NARRATIVE

[3:17:28 PM](#)

CO-CHAIR ZACK FIELDS called the House Labor and Commerce Standing Committee meeting to order at 3:17 p.m. Representatives Kaufman, Schrage, McCarty, Snyder, Nelson, Spohnholz, and Fields were present at the call to order.

HB 295-DENTIST SPEC. LICENSE/RADIOLOGIC EQUIP

[3:17:57 PM](#)

CO-CHAIR FIELDS announced that the first order of business would be HOUSE BILL NO. 295, "An Act relating to the practice of dentistry; relating to dental radiological equipment; and providing for an effective date."

[3:18:09 PM](#)

CO-CHAIR FIELDS opened public testimony on HB 295, then closed it after ascertaining that no one wished to testify.

[3:18:59 PM](#)

REPRESENTATIVE MCCARTY, in relation to the fiscal note, inquired about the number of dentists currently under the direction of the Board of Dental Examiners.

[3:19:21 PM](#)

DAVID LOGAN, DDS, Executive Director, Alaska Dental Society, replied that there are about 550 dentists.

REPRESENTATIVE MCCARTY asked how many of those dentists are specialists that could fit under this new proposal.

DR. LOGAN responded that it is about 120-150.

REPRESENTATIVE MCCARTY observed that [the analysis sections in fiscal notes HB295-DCCED-CBPL-02-04-22 and HB295-DOH-LABS-2-4-2022] state that the responsibility for inspecting dental radiological equipment would be moved [from the Board of Dental Examiners in the Department of Commerce, Community, and Economic Development (DCCED)] to the [Division of Public Health] in the Department of Health and Social Services (DHSS). He asked why a large chunk of funds is still requested for DCCED personnel.

[3:21:17 PM](#)

SARA CHAMBERS, Director, Division of Corporations, Business, and Professional Licensing, Department of Commerce, Community, and Economic Development (DCCED), spoke to the fiscal note from DCCED. She answered that the legislature would be moving responsibility to DHSS for a program [within DCCED] that exists in statute but does not exist in practicality. There is no effort, staff time, nor expenditure on this program, she continued, so no staff time is being freed up for this program. The specialty license portion of the bill would add licensure for about 150 people at any number of specialties that could exist. The additional new licenses, complexity, and volume could not be managed by the one person in DCCED who manages the Board of Dental Examiners.

REPRESENTATIVE MCCARTY recalled previous statements [during the bill's 2/9/22 hearing] that the dentists would be paying for an examiner to come inspect their equipment. He therefore inquired about the projection of zero revenue on the DHSS fiscal note.

[3:23:13 PM](#)

JAYME PARKER, MD, Chief, Alaska State Public Health Laboratory Fairbanks, Division of Public Health, Department of Health and Social Services (DHSS), replied that during the initial year the lab would need implementation time to get its house in order and to hire another Radiological Health [Physicist] 1 plus some administrative help. Recruiting and hiring someone in that position will take about four months, she explained, so the general funds request is reduced [for fiscal year 2023]. In the following fiscal years, the "I/A Receipts" line is coming from DCCED and represents the fees that would be charged for the number of devices to be registered.

REPRESENTATIVE MCCARTY asked why no revenue is projected for fiscal years 2026, 2027, and 2028 if equipment is going to be examined during those years.

DR. PARKER replied that the I/A Receipts line of 224.2 would be the total fees collected that would support those two positions and the resources they would need to complete that job.

[3:24:54 PM](#)

The committee took an at-ease from 3:24 p.m. to 3:25 pm.

[3:25:58 PM](#)

CO-CHAIR FIELDS noted that the question had been resolved and that no amendments were received for the bill.

[3:26:10 PM](#)

CO-CHAIR SPOHNHOLZ moved to report HB 295 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 295 was reported from the House Labor and Commerce Standing Committee.

SB 11-COMMUNITY PROPERTY TRUSTS

[3:26:41 PM](#)

CO-CHAIR FIELDS announced that the next order of business would be COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 11(JUD), "An Act relating to community property and to community property trusts; and providing for an effective date."

[3:26:45 PM](#)

SENATOR TOM BEGICH, Alaska State Legislature, as the prime sponsor of SB 11, thanked the committee for taking public testimony during the bill's previous hearing [on 02/02/22].

[3:26:56 PM](#)

The committee took a brief at-ease.

[3:27:02 PM](#)

CO-CHAIR FIELDS re-opened public testimony on CSSB 11(JUD), then closed public testimony after ascertaining no one wished to testify.

CO-CHAIR FIELDS noted that no amendments to CSSB 11(JUD) had been received.

[3:27:30 PM](#)

CO-CHAIR SPOHNHOLZ moved to report CSSB 11(JUD) out of committee with individual recommendations and the accompanying fiscal notes. There being no objection CSSB 11(JUD) was reported from the House Labor and Commerce Standing Committee.

[3:27:54 PM](#)

CO-CHAIR FIELDS recessed the committee meeting to a call of the chair.

[4:50:18 PM](#)

CO-CHAIR FIELDS called the House Labor and Commerce Standing Committee meeting back to order at 4:50 p.m. Representatives Kaufman, Schrage, McCarty, Snyder, Nelson, Spohnholz, and Fields were present at the callback to order.

HB 289-AK MARIJUANA INDUSTRY TASK FORCE

[4:50:22 PM](#)

CO-CHAIR FIELDS announced that the final order of business would be HOUSE BILL NO. 289, "An Act establishing the Alaska marijuana industry task force; and providing for an effective date."

[4:50:30 PM](#)

CO-CHAIR FIELDS opened public testimony on HB 289.

4:50:40 PM

BELINDA "DOLLY" PHELPS, stated she is a licensed [marijuana] cultivator. She said she supports the introduction of HB 289 because the need for a state legislative marijuana task force is long overdue and such a workgroup will offer solid recommendations for change in the marijuana industry, especially concerning the crippling tax structure that is being experienced. She expressed her support of the hard work done by the Alaska Marijuana Industry Association (AMIA) to get the bill heard.

MS. PHELPS drew attention to Section [1(b)(6)] of the bill which states that the AMIA shall choose three industry members for the board, two of which must be AMIA members. She stated that this is highly inappropriate because all licensees should have an equal opportunity to participate on a state legislative task force. Task force members, she continued, should be chosen fairly and equally among the industries they represent based on merit, not affiliation or membership with any certain club or group. She said the members of the Marijuana Control Board should choose the three industry representatives as this board is by far the most qualified to do so. She suggested that the language in Section [1(b)(6)] be changed to read, "three members representing cultivation, manufacturing, and retail cannabis businesses appointed by the Marijuana Control Board members, and each of whom resides in a different judicial district".

4:52:23 PM

REPRESENTATIVE MCCARTY inquired about the number of marijuana associations existing in Alaska.

MS. PHELPS replied that there's one association, but she doesn't know the number of members. However, she added, when talking about a state marijuana task force to deal with the state's marijuana industry, everyone in the industry should have the opportunity for their voices to be heard without having to be a member of a certain group or club.

REPRESENTATIVE MCCARTY asked whether Ms. Phelps has a suggestion for what the three "zones" would look like.

MS. PHELPS responded that the Marijuana Control Board is by far the most qualified to choose from industry members around the state who have put their names in the hat. She pointed out that

the Marijuana Control Board has firsthand information on an industry member's merit related to comprehension of the industry and whether the industry member has been operating several years with no violations, payment of taxes on time, and no unpaid taxes, thereby making them a good candidate for the task force.

[4:54:16 PM](#)

RYAN TUNSETH, Owner, East Rip, testified in support of HB 289. He noted that East Rip is a marijuana [dispensary] business and stated that taxation is the most divisive issue within the industry as well as the most division issue that the [Marijuana Control Board] must deal with. The tax is very broad in its applicability and can potentially shape the landscape that the industry will be in should federal legalization happen. There has now been enough run time to do this technical deep dive. While it is unknown what the exact answers are, it is known that it's a problem and barriers have been run into with some of the technical professionals and access to data through the Department of Revenue. So, this really seems like a ripe-for-discussion issue and very wise to support.

[4:55:39 PM](#)

CO-CHAIR FIELDS closed public testimony after ascertaining that no one else wished to testify.

[4:55:53 PM](#)

REPRESENTATIVE NELSON moved to adopt Amendment 1, labeled 32-LS1317\B.1, Radford, 2/12/22, which read:

Page 2, line 30:

Delete "and travel expenses"

Page 3, line 1, following "meet":

Insert "by telephone or other means of communication that ensures all members participating can hear each other during the meeting"

Page 3, following line 5:

Insert a new subsection to read:

"(f) A meeting of the task force may not take place in person."

Reletter the following subsections accordingly.

[4:55:56 PM](#)

CO-CHAIR FIELDS objected for purpose of discussion.

[4:55:59 PM](#)

REPRESENTATIVE NELSON explained that, after conversing with the bill's sponsor, Amendment 1 would move the task force's meetings from in-person to online. It was heard in public testimony that meetings are already occurring online, he continued, so the \$100,000 in travel cost in the fiscal note could be better used somewhere else.

CO-CHAIR FIELDS invited the bill sponsor to comment.

[4:56:36 PM](#)

JOE HARDENBROOK, Staff, Representative Grier Hopkins, Alaska State Legislature, replied that the sponsor has reviewed Amendment 1 and based on conversations with Mr. Glen Klinkhart, director of the Alcohol and Marijuana Control Office (AMCO) in the Department of Commerce, Community, and Economic Development (DCCED), it seems that this would not be a huge liability for the task force moving forward.

[4:57:11 PM](#)

CO-CHAIR FIELDS removed his objection to the amendment. There being no further objection, Amendment 1 was adopted.

[4:57:22 PM](#)

CO-CHAIR SPOHNHOLZ moved to adopt Conceptional Amendment [2], which read as follows [original punctuation provided]:

Page 2, line 10
Following "following"
Delete "12"
Add "13"
Page 2, line 24
Following "senate"

Delete "and"
Page 2, line 26
Following "representatives"
Delete "."
Insert "; and (9) a public health professional
appointed by the governor."

[4:57:24 PM](#)

CO-CHAIR FIELDS objected for discussion purposes.

[4:57:26 PM](#)

CO-CHAIR SPOHNHOLZ explained that Conceptual Amendment [2] would add to the marijuana industry task force a public health professional appointed by the governor. This is similar to the Marijuana Control Board that already has a public health member, she noted. Since the committee has just eliminated travel, this proposal would not add any fiscal note to the bill. She said it is important that a public health member be a part of the conversations as changes in policy are considered, given the implications of marijuana use on public health.

CO-CHAIR FIELDS invited the bill sponsor to comment.

MR. HARDENBROOK responded that he doesn't know the sponsor's opinion on Conceptual Amendment [2].

[4:58:20 PM](#)

REPRESENTATIVE NELSON said he understands the reason for a public health professional on the Marijuana Control Board but asked what the purpose would be of having a public health professional on a marijuana industry task force that is supposed to be looking at taxes.

CO-CHAIR SPOHNHOLZ answered that, without a public health professional, there would be a lack of expertise in considering the way that taxation impacts consumption. A public health member would not be an opponent necessarily of the marijuana industry, she continued, but it is known that there is a correlation and sometimes causation between taxes and consumption, so it is an important viewpoint to have expressed on the [task force]. It would be one member out of thirteen and would bring important expertise as the [task force] makes recommendations to the full board.

[4:59:38 PM](#)

CO-CHAIR FIELDS removed his objection to Conceptual Amendment [2].

REPRESENTATIVE SCHRAGE objected to Conceptual Amendment [2].

[4:59:51 PM](#)

A roll call vote was taken. Representatives Snyder, Fields, Spohnholz, and McCarty voted in favor of Conceptual Amendment [2]. Representatives Schrage, Nelson, and Kaufman voted against it. Therefore, Conceptual Amendment [2] was adopted by a vote of 4-3.

[5:00:46 PM](#)

REPRESENTATIVE MCCARTY related that several people involved in the cannabis industry in his district have voiced concern about who is the [AMIA]. He said it's an interesting point in the public comment of having assured zones [judicial districts] for these people coming from the association. He said he has asked people in his district about how many associations exist and it is still a question out there and whether there needs to be zones [judicial districts].

CO-CHAIR FIELDS commented that he heard those concerns too and wondered if someone would do an amendment. He said his personal view is that it's beneficial for the industry to self-organize and take the time to represent itself through an organization, so he is comfortable with that construct and moving the bill forward as it is. If members of the committee are comfortable with moving the bill forward, he continued, it can be seen how it is treated in the House Finance Committee, but if members want to change the construct the bill can be held to do that.

[5:02:36 PM](#)

MR. HARDENBROOK addressed Representative McCarty's concern. He said the bill as written anticipates that there would be three members of the marijuana industry appointed to serve on the task force, two of which would be members of the Alaska Marijuana Industry Association (AMIA). He explained that AMIA is similar to the Alaska Cabaret, Hotel, Restaurant and Retailers Association (Alaska CHARR), a statewide membership organization for businesses that sell alcohol. Like CHARR, AMIA does not represent all members of the industry, but it is the existing

statewide organization. As well, he continued, the bill as written requires that one of the folks appointed by AMIA be a non-member of AMIA. Additionally, those three appointees must come from separate Alaska judicial districts, a requirement for geographic diversity in representation.

REPRESENTATIVE MCCARTY drew attention to page 2 of the bill, lines 20-23, and noted that several people with whom he spoke didn't know who the Alaska Marijuana Industry Association is and were concerned that it was a select area of the state rather than representing all the state. He explained he was wanting assurance that the provision to reside in different judicial districts is indeed the case.

[5:05:17 PM](#)

CO-CHAIR SPOHNHOLZ moved to report HB 289, as amended, out of committee with individual recommendations and the accompanying fiscal notes. She further moved that the Alaska Legislative Legal Services be able to make conforming and technical changes as needed. There being no objection, CSHB 289(L&C) was reported from the House Labor and Commerce Standing Committee.

[5:05:55 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 5:05 p.m.