

ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE

January 22, 2024

3:15 p.m.

MEMBERS PRESENT

Representative Jesse Sumner, Chair
Representative Justin Ruffridge, Vice Chair
Representative Mike Prax
Representative Dan Saddler
Representative Stanley Wright
Representative Ashley Carrick
Representative Zack Fields

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 143

"An Act relating to the Department of Environmental Conservation; relating to advanced recycling and advanced recycling facilities; relating to waste; and providing for an effective date."

- MOVED CSHB 143 (RES) OUT OF COMMITTEE

HOUSE BILL NO. 115

"An Act relating to the practice of naturopathy; establishing the Naturopathy Advisory Board; relating to the licensure of naturopaths; relating to disciplinary sanctions for naturopaths; relating to the Department of Commerce, Community, and Economic Development; and providing for an effective date."

- MOVED CSHB 115 (L&C) OUT OF COMMITTEE

HOUSE BILL NO. 192

"An Act relating to curbside pickup of alcoholic beverages sold by a package store; relating to consumer delivery licenses; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 159

"An Act relating to registered interior designers and interior design; establishing requirements for the practice of registered interior design; renaming the State Board of Registration for Architects, Engineers, and Land Surveyors the State Board of Registration for Design Professionals; relating to the State Board of Registration for Design Professionals; relating to liens for labor or materials furnished; relating to the procurement of interior design services; and providing for an effective date."

- BILL HEARING POSTPONED TO 2/24/24

PREVIOUS COMMITTEE ACTION

BILL: HB 143

SHORT TITLE: ADVANCED RECYCLING AND FACILITIES

SPONSOR(s): RESOURCES

03/27/23	(H)	READ THE FIRST TIME - REFERRALS
03/27/23	(H)	RES, L&C
04/05/23	(H)	RES AT 1:00 PM BARNES 124
04/05/23	(H)	-- MEETING CANCELED --
04/12/23	(H)	RES AT 1:00 PM BARNES 124
04/12/23	(H)	Heard & Held
04/12/23	(H)	MINUTE(RES)
04/19/23	(H)	RES AT 1:00 PM BARNES 124
04/19/23	(H)	-- MEETING CANCELED --
04/21/23	(H)	RES AT 1:00 PM BARNES 124
04/21/23	(H)	Heard & Held
04/21/23	(H)	MINUTE(RES)
04/26/23	(H)	RES AT 1:00 PM BARNES 124
04/26/23	(H)	Moved CSHB 143(RES) Out of Committee
04/26/23	(H)	MINUTE(RES)
04/28/23	(H)	RES RPT CS(RES) 5DP 2DNP 1AM
04/28/23	(H)	DP: MCCABE, WRIGHT, RAUSCHER, SADDLER, MCKAY
04/28/23	(H)	DNP: MEARS, DIBERT
04/28/23	(H)	AM: ARMSTRONG
05/08/23	(H)	L&C AT 3:15 PM BARNES 124
05/08/23	(H)	Heard & Held
05/08/23	(H)	MINUTE(L&C)
01/22/24	(H)	L&C AT 3:15 PM BARNES 124

BILL: HB 115

SHORT TITLE: NATUROPATHS: LICENSING; PRACTICE

SPONSOR(s): PRAX

03/17/23	(H)	READ THE FIRST TIME - REFERRALS
03/17/23	(H)	HSS, JUD, L&C
03/25/23	(H)	HSS AT 3:00 PM DAVIS 106
03/25/23	(H)	Heard & Held
03/25/23	(H)	MINUTE(HSS)
04/06/23	(H)	HSS AT 3:00 PM DAVIS 106
04/06/23	(H)	Heard & Held
04/06/23	(H)	MINUTE(HSS)
04/11/23	(H)	HSS AT 3:00 PM DAVIS 106
04/11/23	(H)	Heard & Held
04/11/23	(H)	MINUTE(HSS)
04/13/23	(H)	HSS AT 3:00 PM DAVIS 106
04/13/23	(H)	<Bill Hearing Canceled>
04/18/23	(H)	HSS AT 3:00 PM DAVIS 106
04/18/23	(H)	Moved HB 115 Out of Committee
04/18/23	(H)	MINUTE(HSS)
04/19/23	(H)	JUD REFERRAL REMOVED
04/19/23	(H)	BILL REPRINTED
04/20/23	(H)	HSS RPT 1DP 1NR 5AM
04/20/23	(H)	DP: PRAX
04/20/23	(H)	NR: MCCORMICK
04/20/23	(H)	AM: FIELDS, SUMNER, RUFFRIDGE, SADDLER, MINA
12/05/23	(H)	L&C AT 2:00 PM ANCH LIO DENALI Rm
12/05/23	(H)	Heard & Held
12/05/23	(H)	MINUTE(L&C)
01/22/24	(H)	L&C AT 3:15 PM BARNES 124

BILL: HB 192

SHORT TITLE: DELIVERY/PICK UP OF ALCOHOL; LICENSING

SPONSOR(s): SUMNER

05/03/23	(H)	READ THE FIRST TIME - REFERRALS
05/03/23	(H)	L&C, FIN
01/22/24	(H)	L&C AT 3:15 PM BARNES 124

WITNESS REGISTER

TREVOR JEPSEN, Staff
Representative Tom McKay
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented a PowerPoint presentation on CSHB 143 (RES) on behalf of the sponsor, the House Resources Standing Committee, on which Representative McKay serves as chair.

CRAIG COOKSON, Senior Director

Plastics Sustainability
American Chemistry Council
Washington, D.C.

POSITION STATEMENT: Answered questions during the hearing on CSHB 143 (RES).

SYLVAN ROBB, Director of Division of Corporations, Business, and Professional Licensing
Department of Commerce, Community, and Economic Development
Juneau, Alaska

POSITION STATEMENT: Answered committee questions regarding HB 115.

BRUCE CAMPBELL, representing self
Fairbanks, Alaska

POSITION STATEMENT: Testified in support of HB 115.

WAYNE ADERHOLD, representing self
Homer, Alaska

POSITION STATEMENT: Testified in support of HB 115.

MARY ANNE FOLAND, MD, representing self
Alaska State Medical Association
Anchorage, Alaska

POSITION STATEMENT: Spoke in opposition to HB 115.

ANNETTE O'CONNELL, representing self
Nikiski, Alaska

POSITION STATEMENT: Testified in support of HB 115.

PAM VENTGEN, Executive Director
Alaska State Medical Association
Anchorage, Alaska

POSITION STATEMENT: Testified in opposition to HB 115.

LISA MARTSOLF, representing self
Fairbanks, Alaska

POSITION STATEMENT: Testified in support of HB 115.

CHRISTINE SAGIN, representing self
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 115.

SARENA HACKENMILLER, Staff
Representative Sumner
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented an overview, sponsor statement, and sectional analysis of HB 192 on behalf of Representative Sumner, prime sponsor.

ACTION NARRATIVE

[3:15:14 PM](#)

CHAIR JESSE SUMNER called the House Labor and Commerce Standing Committee meeting to order at 3:15 p.m. Representatives Prax, Wright, Carrick, Fields, Ruffridge, and Sumner were present at the call to order. Representative Saddler arrived as the meeting was in progress.

HB 143-ADVANCED RECYCLING AND FACILITIES

[3:16:00 PM](#)

CHAIR SUMNER announced the first order of business would be HOUSE BILL NO. 143, "An Act relating to the Department of Environmental Conservation; relating to advanced recycling and advanced recycling facilities; relating to waste; and providing for an effective date." [Before the committee was CSHB 143(RES).]

[3:16:20 PM](#)

TREVOR JEPSEN, Staff, Representative Tom McKay, Alaska State Legislature, on behalf of the sponsor, the House Resources Standing Committee, on which Representative McKay serves as chair, presented a refresher PowerPoint presentation on CSHB 143(RES) which puts into statute a regulatory framework for advanced recycling to come to Alaska. He presented slides 2 and 3, "What is 'Advanced Recycling?'" He defined advanced recycling as chemical recycling which converts post-use plastics that currently cannot be recycled mechanically into hydrocarbon-based products. Twenty-four other states have passed similar legislation to HB 143, leading to regulatory stability and billions of dollars going into the domestic advanced recycling industry. This technology can convert discarded plastics into valuable products. This new industry is not dependent on government subsidies and is meant to complement not replace mechanical or traditional recycling.

MR. JEPSEN moved to slides 4 and 5, "Advanced Recycling Processes" and "Potential Economic Benefits," which briefly defined the manufacturing components of gasification, pyrolysis,

and solvolysis and also described the economic benefits in Alaska.

[3:20:00 PM](#)

REPRESENTATIVE SADDLER stated he felt the numbers on slide 5 might be overstating the amount of material produced in Alaska.

MR. JEPSEN described a weighing factor to account for the amount of recycling that Alaska does compared to other states. He deferred to Craig Cookson.

[3:20:45 PM](#)

CRAIG COOKSON, Senior Director, Plastics Sustainability, American Chemistry Council, explained that the numbers are not based on manufacturing but on waste generation. People still drink milk and eat snack mix as well as using toothpaste and hand cream. In addition, things are shipped to Alaska in plastic. It's based on the generation of plastics in the economy.

[3:22:28 PM](#)

REPRESENTATIVE FIELDS asked whether this bill was helpful for the higher numbered plastics that are not being recycled as opposed to the "1s" and "2s" that are to be recycled.

MR. JEPSEN agreed that the 1s and 2s are the traditional mechanical recycled plastics and the 3s to 7s can be done with advanced recycling.

[3:23:10 PM](#)

MR. COOKSON verified that the advanced recycling technology complements current plastic recycling. Alaska is similar to other states in recycling PET bottles, but all over the country, the tubes, pouches, and film wraps are not being effectively recycled.

[3:23:50 PM](#)

REPRESENTATIVE FIELDS explained that in Anchorage there is a single waste stream where all plastics are mixed together. He asked whether there are states where there is a meaningful rate of recycling for 3 through 7 plastics and whether it requires pre-sorting by consumers.

MR. JEPSEN pointed out that under HB 143, plastic is not defined as solid waste because there is a sorting, cleaning, and packaging process in route to the advanced recycling facility.

REPRESENTATIVE FIELDS asked Mr. Cookson for clarification regarding possible changes in air and water regulations. He requested information on why the chemistry council wants a different regulatory structure from the one covering mechanical recycling.

[3:25:08 PM](#)

MR. COOKSON responded that current waste and recycling laws effectively regulate facilities that either comingle or separate plastics. It's a different regulation for what advanced recycling facility does because they are actually small chemical manufacturing plants. They take plastics that are homogeneous raw materials, heat them in the absence of oxygen until they melt and then heat them until they turn to gas vapors. The vapors are cooled and condensed down until it becomes a liquid feed stock that is kind of an oil equivalent. That feed stock is used in the production of new plastics and chemicals again. To best protect Alaska's health and environment, manufacturing regulations are the best fit because the activities are much different from a solid waste facility.

[3:26:30 PM](#)

REPRESENTATIVE RUFFRIDGE questioned the economic benefits and whether these were export products or for Alaska production.

MR. COOKSON replied that this would be an export product.

[3:27:16 PM](#)

MR. JEPSEN concluded his presentation by explaining that advanced recycling is a low greenhouse gas process which can be used to create petroleum-based products from discarded plastics. The technology greatly increases the percentage of plastics that can be recycled, decreases landfill space taken up by plastics, and provides economic benefits to Alaska. The precursor to those benefits is passing CSHB 143(RES).

[3:27:53 PM](#)

CHAIR SUMNER opened public testimony on CSHB 143(RES). After ascertaining there was no one who wished to testify, he closed public testimony.

[3:28:25 PM](#)

REPRESENTATIVE RUFFRIDGE moved to report CSHB 143(RES) out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSHB 143(RES) was reported out of the House Labor and Commerce Standing Committee.

[3:28:47 PM](#)

The committee took an at-ease from 3:28 p.m. to 3:33 p.m.

HB 115-NATUROPATHS: LICENSING; PRACTICE

[3:28:47 PM](#)

[Due to technical difficulties, some audio following the call back to order was not captured on the recording but information from the secretary's log notes was provided.]

CHAIR SUMNER announced that the next order of business would be HOUSE BILL NO. 115, "An Act relating to the practice of naturopathy; establishing the Naturopathy Advisory Board; relating to the licensure of naturopaths; relating to disciplinary sanctions for naturopaths; relating to the Department of Commerce, Community, and Economic Development; and providing for an effective date."

REPRESENTATIVE RUFFRIDGE moved to adopt Amendment 1 to HB 115, labeled 33-LS0631\A.2, Bergarud, 4/10/23, which read as follows:

Page 1, line 1:
Delete "**Advisory**"

Page 2, line 16:
Delete "**Advisory**"
Delete "Advisory"

REPRESENTATIVE PRAX objected for purposes of discussion.

[3:33:22 PM](#)

REPRESENTATIVE RUFFRIDGE spoke to Amendment 1. He explained that a full-fledged board would better suit the ability of

naturopaths to function in line with other medical providers in the state. The amendment simply would remove the word "advisory" and would propose establishing a full functioning board for naturopaths.

[3:33:59 PM](#)

CHAIR SUMNER noted that the Director of Division of Corporations, Business, and Professional Licensing, Sylvan Robb, was available to answer questions.

[3:34:16 PM](#)

REPRESENTATIVE CARRICK asked whether Ms. Sylvan could enumerate some of the differences between an advisory and a full board. She queried Representative Ruffridge regarding whether there are any professional boards in the state of Alaska that are of this type that are advisory right now and where this board would fall with this amendment in relation to other boards of this type.

[3:34:59 PM](#)

REPRESENTATIVE RUFFRIDGE deferred to Director Robb but commented that advisory boards are within her capacity to manage. However, as far as medical provider status, there is no advisory board that allows full prescriptive authority.

[3:35:28 PM](#)

SYLVAN ROBB, Director of Division of Corporations, Business, and Professional Licensing, Department of Commerce, Community, and Economic Development, in answer to Representative Carrick's question stated that her division currently did not have any advisory boards in the division.

REPRESENTATIVE CARRICK requested that Ms. Robb enumerate the differences between an advisory board and a full board in terms of authority that is granted.

MS. ROBB explained that the division has 21 regulatory boards invested with the powers that are given to them in statute. She provided examples of the powers granted by statute. An advisory board on the other hand, is less of a policy making body and more of an advisory body.

[3:36:59 PM](#)

REPRESENTATIVE SADDLER pointed out the amendment proposes changing the name, but there apparently are no other changes in function, so it is unclear what changing the name actually accomplishes.

MS. ROBB deferred to the maker of the amendment.

[3:37:47 PM](#)

REPRESENTATIVE PRAX asked whether the department has any opinion or recommendation regarding the advisability of a policy making board as opposed to an advisory board. He questioned whether the department can take on the regulatory power of the board.

[3:38:22 PM](#)

MS. ROBB explained that currently there are 21 different programs covering approximately 80 professions where there is no board, and the division provides regulatory oversight. This would be similar, but it would be an enhanced situation because there would be a formal advisory board. She discussed concerns with a board in a small profession. In 2023 there were only 56 licensed naturopaths in Alaska. The expenses incurred by the board would fall on the members of the profession. She commented that although Alaska is a large area, it is like a small town where people in a particular profession know each other. She gave an example of a board of similar size where the members "conflicted out" of a disciplinary matter because they all knew each other.

REPRESENTATIVE PRAX asked whether decisions get delayed because of lack of a quorum.

MS. ROBB explained that some boards have struggled to achieve a quorum, so business is delayed. Licensing and discipline matters are similarly delayed.

REPRESENTATIVE PRAX questioned whether that would generally be weeks or months.

MS. ROBB stated that the frequency depends on the composition of the board and changes in the board over time. A meeting can't be scheduled for the next day because of the Open Meetings Act.

REPRESENTATIVE PRAX asked whether the department is accountable to the governor, an elected official, and to the legislature, a group of elected officials, whereas boards are less accountable.

MS. ROBB replied in the affirmative.

[3:42:07 PM](#)

REPRESENTATIVE RUFFRIDGE asked whether there are any professions with prescriptive authority in the state that do not have a regulatory board.

MS. ROBB said there are none.

[3:42:44 PM](#)

REPRESENTATIVE SADDLER explained that he was still not sure that changing the name from advisory board to board imparts any regulatory authority and at this point seems like window dressing.

REPRESENTATIVE RUFFRIDGE stated that there were big differences between an advisory board and a naturopathy board. Moving forward, depending on the wishes of the committee, they could clean up language in section B regarding the commissioner having oversight.

REPRESENTATIVE SADDLER asked Ms. Robb whether there was a definition of board versus advisory board. He mentioned that he did not see a change in the function of the two boards.

[3:44:19 PM](#)

MS. ROBB explained that without giving the board powers, the board would remain mostly advisory.

REPRESENTATIVE SADDLER reiterated that it seemed there was no real effect to the amendment.

[3:44:49 PM](#)

REPRESENTATIVE PRAX commented that he supposed the answer was literally "no," but if someone starts to think about this somewhere in the future, the intent needs to be clear. He explained his real concern is that boards could make it more difficult to get into the profession. He doesn't mind seeing a board advising an official that works for the government that works for elected officials. He reiterated his concern that a board would, to some degree, have a conflict of interest with people who might want to get into the profession.

[3:46:00 PM](#)

REPRESENTATIVE FIELDS pointed out that if the legislature were to create a board with real powers, then the intent would be clear. If it is a board, then implicitly the costs would be user fees rather than coming from the general fund.

[3:46:28 PM](#)

REPRESENTATIVE RUFFRIDGE explained that the intent is to make this a full regulatory board with prescriptive authority similar to other medical professions in the state. In response to Representative Saddler's questions, he suggested the possibility of adding to the amendment a removal of the language in [subsection] (b) which would clarify that. Then in [subsection] (c), changing the language from, serving "at the pleasure of the commissioner" to, serving "at the pleasure of the Governor". He added he thought this was an appropriate place to have the discussion of what is an advisory board versus what is a full-fledged regulatory board.

[3:47:40 PM](#)

REPRESENTATIVE FIELDS said the bill significantly expands the scope of naturopathy as it overlaps with doctors and pharmacists. Therefore, it seems that creating a more expansive, almost new profession, it would seem strange to have regulatory authority over two professions but not over naturopaths who in some cases do the same procedures. For that reason, he supports Amendment 1.

[3:48:19 PM](#)

The committee took an at-ease from 3:48 p.m. to 4:01 p.m.

[4:01:41 PM](#)

REPRESENTATIVE RUFFRIDGE moved Conceptual Amendment 1 to Amendment 1, to delete [subsection (b) in Section 2 on page 2 line 18-21 and inserting the following: "The board may adopt regulations necessary to carry into effect the provisions of this chapter." Then, on page 2, line 23, delete "commissioner" and insert "governor". The intent would be to form a naturopathy board as a regulatory board instead of an advisory board.

[4:02:37 PM](#)

REPRESENTATIVE SUMNER asked about making conforming changes.

REPRESENTATIVE RUFFRIDGE replied that it would be open to Legislative Legal Services to make any conforming changes as needed.

[4:02:53 PM](#)

REPRESENTATIVE PRAX objected to Conceptual Amendment 1 to Amendment 1. He did not think spending only five minutes considering the issue in a committee hearing was a good idea. As a matter of process, if the committee or someone else wants to make these changes, they could be considered in the House Rules Standing Committee. He opined that it should be the elected officials or somebody under the authority above the elected officials that should be making the rules, not a specific group which "the boards end up being." He suggested that a group of citizens could advise, but it should be the commissioner or the director who have the legal authority to do this. He noted that the governor has sent the legislature several executive orders to get rid of boards which, he opined, are slowing down opening Alaska for business and protect their own interest first. That is not necessarily in the public's interest. He advocated limiting the board to an advisory function rather than giving regulatory authority.

[4:05:50 PM](#)

REPRESENTATIVE SADDLER spoke to his colleague's objection, explaining that his reading of the statutes is that other boards that are regulatory boards have fully defined powers and duties. This rather expansive bill purports to expand the scope and practice for naturopaths. He suggested that there should be some side boards regarding the duties and responsibilities for this board rather than simply allowing it to adopt regulations. He explained that was the source of his discomfort for this bill.

[4:06:35 PM](#)

A roll call vote was taken on Conceptual Amendment number 1 to Amendment 1. Representatives Ruffridge, Wright, Carrick, Fields, and Sumner voted in favor of Conceptual Amendment 1 to Amendment 1. Representatives Prax and Saddler voted against it.

Therefore, Conceptual Amendment 1 to Amendment 1 was adopted by a vote of 5-2.

[4:07:34 PM](#)

A roll call vote was taken on Amendment 1 as amended. Representatives Carrick, Fields, Ruffridge, Wright, and Sumner voted in favor of Amendment 1, as amended. Representatives Prax and Saddler voted against it. Therefore, Amendment number 1, as amended, was adopted by a vote of 5-2.

[4:08:03 PM](#)

CHAIR SUMNER opened public testimony on HB 115, as amended.

[4:08:50 PM](#)

BRUCE CAMPBELL, representing self, spoke in support of HB 115. He explained that he values naturopathic care and believes the bill is an important update to statutes allowing naturopathic doctors (NDs) to practice at their level of training. He described a personal experience regarding using pre- and post-surgery supplements following the instructions of an ND.

[4:10:14 PM](#)

WAYNE ADERHOLD, representing self, spoke in support of support HB 115. He explained that he has used NDs in collaboration with other licensed medical providers since 1993. He also served on the state chiropractic board. He is a strong advocate of patient-centered care. He described the process for applications and the statutes regulating naturopathic doctors. He opined that HB 115 is in the public's interest.

[4:12:48 PM](#)

MARY ANNE FOLAND, MD, representing self, Alaska State Medical Association, explained that she is a family practice physician, and she opposes this expansion of scope of practice. She said that the Alaska State Medical Association, the Alaska Academy of Family Physicians, and the American Medical Association (AMA) all oppose expansion, but there has never been an effort to restrict collaborative use. It is about patient safety. An apprenticeship is not the same as a post-graduate residency. She gave three scenarios in which naturopathy had negative results. She described HB 115 as a Pandora's box with irreversible impact on patient safety.

[4:15:38 PM](#)

ANNETTE O'CONNELL, representing self, spoke in support of HB 115. She explained that NDs are trained in the use of prescriptive drugs and referenced several states that use this format. She also pointed out the opioid epidemic was brought about by well-trained MDs. She shared her personal experiences regarding when physicians didn't help but naturopaths did.

[4:18:03 PM](#)

[4:18:41 PM](#)

PAM VENTGEN, Executive Director, Alaska State Medical Association, explained that the association opposes the expansion of naturopath scope of practice in HB 115 to include minor office procedures and prescriptive authority. She compared the number of hours and types of training and residency of physicians versus naturopathic doctors. She noted the lack of specifics in the bill regarding what constitutes minor office procedures. She questioned the safety of patients under a naturopath's care.

[4:20:29 PM](#)

LISA MARTSOLF, representing self, explained that her family's naturopath has been their primary care physician for 25 years. She is confident of this model as a standard of care. She appreciates the therapeutic care and wealth of information her ND provides as well as the proactive care and treatment as opposed to more invasive models of care.

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CHRISTINE SAGIN, representing self, described her work as a family nurse practitioner for 17 years. She collaborates with naturopaths and finds them to be competent and great primary care physicians for their patients. She pointed out that there are different personalities and different types of medicine for different people. She finds that people who want naturopathic medicine aren't getting what they need from traditional medicine. She said HB 115 would allow more access to care.

[4:23:36 PM](#)

CHAIR SUMNER, after ascertaining there was no one else who wished to testify, closed public testimony on HB 115, as amended.

[4:23:39 PM](#)

REPRESENTATIVE RUFFRIDGE moved to report HB 115, as amended, out of committee with individual recommendations and the accompanying fiscal notes, and to allow Legislative Legal Services to make any conforming changes, as necessary. There being no objection, CSHB 115(L&C) was reported out of the House Labor and Commerce Standing Committee.

[4:23:14 PM](#)

The committee took an at-ease from 4:23 p.m. to 4:27 p.m.

HB 192-DELIVERY/PICK UP OF ALCOHOL; LICENSING

[4:27:21 PM](#)

CHAIR SUMNER announced that the final order of business would be HOUSE BILL NO. 192, "An Act relating to curbside pickup of alcoholic beverages sold by a package store; relating to consumer delivery licenses; and providing for an effective date."

[4:27:42 PM](#)

SARENA HACKENMILLER, Staff, Representative Jesse Sumner, Alaska State Legislature, on behalf of Representative Sumner, prime sponsor, explained that HB 192 would allow package store license holders to sell alcohol via curbside pick-up and delivery. Delivery and curbside pick-up service options boomed during the COVID 19 pandemic. This allowed many Alaska retailers to stay in business and provided a way for consumers to access goods while maintaining distance. At the time statutes prohibiting the pick-up and delivery of alcohol were suspended.

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MS. HACKENMILLER explained that the statute prohibiting pick-up and delivery of alcohol was suspended by Governor Dunleavy in April 2020 COVID 19 Order of Suspension Number Two. The suspensions were renewed in November 2020 but expired on March 3, 2021. During this one-year period no infractions related to

these services were reported. This success shows that Alaska could now administer the suspended laws as Alaska law and allow an avenue for businesses to provide this service to Alaska's citizens. She cited statistics concerning the number of states offering curbside pickup and delivery of alcohol as well as the ages of consumers using this type of service. She pointed out the advantages to retailers and customers.

[4:30:09 PM](#)

MS. HACKENMILLER presented the sectional analysis for HB 192 [included in the committee packet], which reads as follows [original punctuation provided]:

Section 1: AS 04.09.230(e) amends sub-section (4) to add an exception under (h) and implements a requirement for a package store delivery endorsement under AS 04.09.470 or consumer delivery license under AS 04.09.380 for the delivery of alcoholic beverages to a person not present on the licensed premises.

Sec. 2. AS 04.09.230(f) is amended to clearly communicate (h) cannot be violated within the amended statute.

Sec. 3. AS 04.09.230 is amended by adding new subsections to allow the holder of a package store license to offer curbside pickup of alcoholic beverages if the alcoholic beverage is sealed or package in a closed bottle or can by the manufacturer or sealed, tamper-proofed, and labeled in a growler by the holder.

Furthermore, an agent or employee who is not an independent contractor and has completed an alcohol server education course delivers the alcoholic beverage from the licensed premises to the purchaser at the location described in the next paragraph of this sectional analysis and requires the purchaser to provide identification and acceptable proof of age. House Bill 192 also includes the following subsections to better define the bill:

- The holder designates a parking place less than 225 feet from the entry to the package store premises for pickup of alcoholic beverages.

- The transaction is not prohibited under AS 04.16.030
- The holder provides written information regarding the license and curbside pickup on a form prescribed by the director.
- The holder consents to an inspection of the area designated for curbside pickup, excluding private vehicles, at all reasonable times and in a reasonable time and in a reasonable manner by an officer or employee charged with enforcing the alcoholic beverage control laws and the regulations of the board or by a peace officer acting in the official capacity of a peace office.

Sec. 4. AS 04.09 is amended by adding a new section named "Sec. 04.09.380. Consumer deliver license" which allows the holder of a package store license, or a person who contracts with or employs individuals for the delivery of retail goods to consumers, or an agent, employee, or independent contractor of the holder or person to deliver alcoholic beverages from the license premise of a package store to an individual who is located off the licensed premises.

Furthermore, the holder of a consumer license or the agent, employee, or independent contractor of the holder may deliver an alcoholic beverage only to an individual who meets the following criteria:

- Is 21 years of age or older
- Provides identification and acceptable proof of age under AS 04.21.050(b)
- Places the order for purchase of the alcoholic beverage, is designated by the purchaser as a delivery recipient, or is located at the delivery address provided by the purchaser.

The holder of a consumer delivery license may deliver an alcoholic beverage outside the hours of operation of the package store if the holder receives the order for purchase during the hours permitted under AS 04.16.010 and the individual delivering the alcoholic beverage completes the delivery within a reasonable amount of time after leaving the package store.

If the holder of a consumer delivery license does not hold a package store license, the holder of the package store license is not liable for an action of the holder of the consumer delivery license or an agent, employee, or independent contractor of the holder of the consumer delivery license relating to an alcoholic beverage delivered from the package store, including delivery to an individual under 21 years of age in violation of AS 04.16.051 or a drunken person in violation of AS 04.16.030.

An individual may not deliver an alcoholic beverage under this section unless the individual is 21 years of age or older and holds a valid driver's license. The holder of a consumer delivery license or the agent, employee, or independent contractor of the holder may not deliver an alcoholic beverage under this section who is in an area where the sale of alcoholic beverages has been restricted under AS 04.11.491.

The holder of a consumer delivery license commits the offense of failure to comply with the terms of a consumer delivery license if the person sells alcoholic beverages in violation of (a) in this statute or fails to comply with the requirements of (b), (c), (e), or (f) of this section. Failure to comply with the terms of a consumer delivery license is a violation.

Sec. 5. AS 04.09.480(c) is amended to insert AS 04.09.230(h) on sub-section B within (1) as an additional accordance to subdivide alcoholic beverages in response to a purchase request from a person who is on the licensed premises or purchase order submitted.

Sec. 6. AS 04.11.400(i) is amended to replace sub-section (11) with the following language: "consumer delivery license issued under AS 04.09.380." The former sub-section (11) is reformatted in section 6 to sub-section (12).

Sec. 7. AS 04.21.020(a) is amended to replace AS 04.11.080 - 04.11.220 with AS 04.09.020 - 04.09.380 [AS 04.09.020 - 04.09.370]. Sec. 8. AS 09.65.315(b) is

amended to replace AS 04.09.020-04.09.370 with AS 04.09.020 - 04.09.380 [AS 04.09.020 - 04.09.370].
Sec. 9. This Act takes effect on the effective date of sec. 13, ch. 8, SLA 2024.

[4:36:19 PM](#)

REPRESENTATIVE FIELDS noted that he generally supported the concept. He questioned the chain of responsibility for service regarding onsite sales versus delivery to someone's home. He questioned who was responsible if alcohol were provided to someone under the age of 21 or inebriated.

[4:37:03 PM](#)

MS. HACKENMILLER clarified that if a third party is delivering the alcohol from a package store license holder, then the delivery agent is liable.

REPRESENTATIVE FIELDS asked whether the bill sponsor's staff had talked to Legislative Legal Services about the definition of the term "independent contractor." He expressed concern that the application-based employers are trying to avoid workers' compensation (workers' comp) and wanted clarification regarding labor law.

[4:38:13 PM](#)

CHAIR SUMNER replied that his office had not reached out to Legislative Legal Services or the Department of Law but would.

REPRESENTATIVE FIELDS said it was his understanding that under current law some transportation network companies were exempted, but others were not exempted from workers' comp responsibilities. He questioned whether this should be available to breweries or package stores.

[4:39:07 PM](#)

CHAIR SUMNER explained that Representative Fields could make an amendment at a future date.

REPRESENTATIVE CARRICK requested clarification regarding whether "package store" includes stores such as Fred Meyers with alcohol sections as well as a Brown Jug-type of establishment.

MS. HACKENMILLER replied in the affirmative.

REPRESENTATIVE CARRICK brought up the question of whether a person who is younger than 21 could pick up and deliver alcohol.

[4:40:30 PM](#)

CHAIR SUMNER replied that it still would be illegal and compared it to a purchase at a package store.

MS. HACKENMILLER said the committee would have some industry experts testify to explain how other states approach the issue of sales to under-age individuals.

REPRESENTATIVE CARRICK asked whether a person driving from point A to point B while transporting alcohol has to be 21 years old.

[4:42:19 PM](#)

CHAIR SUMNER drew attention to Section 4, lines 9-12 of HB 192.

[4:42:45 PM](#)

REPRESENTATIVE SADDLER asked whether, under HB 192, there would be a limit to the number of delivery licenses. Referring to Section 4, he questioned how the delivery license holder would confirm the identity of the purchaser.

MS. HACKENMILLER replied that the details of how that is done will be explained by the industry testimony at the next meeting.

[4:44:16 PM](#)

CHAIR SUMNER corrected his earlier statement and referred the committee to Section 4, lines 29-30.

[4:44:50 PM](#)

REPRESENTATIVE PRAX asked whether there was information regarding what solutions other states have to prevent what would essentially be bootlegging.

[4:45:29 PM](#)

CHAIR SUMNER announced that HB 192 was held over.

[4:45:40 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.