

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

January 31, 2024

3:17 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. 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."

- MOVED CSHB 159(L&C) OUT OF COMMITTEE

HOUSE BILL NO. 100

"An Act relating to teacher and public employee leave."

- MOVED CSHB 100(L&C) OUT OF COMMITTEE

HOUSE BILL NO. 254

"An Act relating to liability for publishing or distributing pornography to minors on the Internet."

- HEARD & HELD

HOUSE BILL NO. 273

"An Act relating to the power of the Alaska Housing Finance Corporation to make or purchase mortgage loans."

- HEARD & HELD

SENATE BILL NO. 37

"An Act establishing the crime of airbag fraud."

- SCHEDULED BUT NOT HEARD

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 89(FIN)

"An Act relating to tobacco, tobacco products, electronic smoking products, nicotine, and products containing nicotine; raising the minimum age to purchase, exchange, or possess tobacco, a product containing nicotine, or an electronic smoking product; relating to the tobacco use education and cessation fund; relating to the taxation of electronic smoking products and vapor products; and providing for an effective date."

- BILL HEARING CANCELED

#### **PREVIOUS COMMITTEE ACTION**

BILL: HB 159

SHORT TITLE: REGISTER INTERIOR DESIGNERS

SPONSOR(S): LABOR & COMMERCE

04/14/23	(H)	READ THE FIRST TIME - REFERRALS
04/14/23	(H)	L&C, FIN
05/10/23	(H)	L&C AT 3:15 PM BARNES 124
05/10/23	(H)	-- MEETING CANCELED --
05/12/23	(H)	L&C AT 3:15 PM BARNES 124
05/12/23	(H)	<Bill Hearing Canceled>
01/22/24	(H)	L&C AT 3:15 PM BARNES 124
01/22/24	(H)	<Bill Hearing Rescheduled to 01/24/24>
01/24/24	(H)	L&C AT 3:15 PM BARNES 124
01/24/24	(H)	<Bill Hearing Rescheduled to 01/26/24>
01/26/24	(H)	L&C AT 3:15 PM BARNES 124
01/26/24	(H)	-- MEETING CANCELED --
01/29/24	(H)	L&C AT 3:15 PM BARNES 124
01/29/24	(H)	-- MEETING CANCELED --
01/31/24	(H)	L&C AT 3:15 PM BARNES 124

BILL: HB 100

SHORT TITLE: PAID FAMILY LEAVE INSURANCE PLAN

SPONSOR(S): ARMSTRONG

03/08/23 (H) READ THE FIRST TIME - REFERRALS  
03/08/23 (H) L&C, EDC  
04/07/23 (H) L&C AT 3:15 PM BARNES 124  
04/07/23 (H) -- MEETING CANCELED --  
04/10/23 (H) L&C AT 3:15 PM BARNES 124  
04/10/23 (H) <Bill Hearing Canceled>  
05/01/23 (H) L&C AT 3:15 PM BARNES 124  
05/01/23 (H) Heard & Held  
05/01/23 (H) MINUTE(L&C)  
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)  
01/17/24 (H) L&C AT 3:15 PM BARNES 124  
01/17/24 (H) Heard & Held  
01/17/24 (H) MINUTE(L&C)  
01/31/24 (H) L&C AT 3:15 PM BARNES 124

BILL: HB 254

SHORT TITLE: PROHIBIT PORNOGRAPHY TO MINORS

SPONSOR(s): VANCE

01/16/24 (H) PREFILE RELEASED 1/12/24  
01/16/24 (H) READ THE FIRST TIME - REFERRALS  
01/16/24 (H) L&C, JUD  
01/31/24 (H) L&C AT 3:15 PM BARNES 124

BILL: HB 273

SHORT TITLE: AHFC MAKE/PURCHASE MORTGAGE LOANS

SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

01/18/24 (H) READ THE FIRST TIME - REFERRALS  
01/18/24 (H) L&C  
01/29/24 (H) L&C AT 3:15 PM BARNES 124  
01/29/24 (H) -- MEETING CANCELED --  
01/31/24 (H) L&C AT 3:15 PM BARNES 124

**WITNESS REGISTER**

SARENA HACKENMILLER, Staff  
Representative Justin Ruffridge  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Read the summary of changes to HB 159 on behalf of Representative Ruffridge, prime sponsor.

CATHERINE FRITZ, Chair

Alaska Board of Registration for Architects, Engineers, and Land Surveyors

Juneau, Alaska

**POSITION STATEMENT:** Testified in support of HB 159.

LARRY CASH, Architect

RIM Architects

Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HB 159.

CHARLES BETTISWORTH, representing self

Fairbanks, Alaska

**POSITION STATEMENT:** Testified in support of HB 159.

JASON GAMACHE, representing self

Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HB 159.

JOHN WEIR, President/Principal Registered Architect

MCGA Explorer Design

Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HB 159.

MATTHEW BARUSCH, Government Relations and Advocacy

Council for Interior Design Qualification

Alexandria, Washington

**POSITION STATEMENT:** Testified in support of HB 159.

BRIAN MEISNER, representing self

Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HB 159.

DANA NUNN, Chair

American Society of Interior Designers, Alaska Chapter

Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HB 159.

COLIN MAYNARD, Legislative Committee Chair

Alaska Professional Design Council

Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HB 159.

BARBARA CASH, representing self

Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HB 159.

HARLEY HIGHTOWER, representing self

Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HB 159.

MARY KNOPF, representing self

Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HB 159.

RITA TROMETTER, representing self

North Pole, Alaska

**POSITION STATEMENT:** Testified in opposition of HB 159.

ELIZABETH JOHNSTON, representing self

Fairbanks, Alaska

**POSITION STATEMENT:** Testified in support of HB 159.

PAUL BARIL, representing self

Anchorage, Alaska

**POSITION STATEMENT:** Testified in opposition to HB 159.

DAVID GAMEZ, representing self

Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HB 159.

JASON FLOYD, representing self

Soldotna, Alaska

**POSITION STATEMENT:** Testified against HB 159.

SYLVAN ROBB, Director

Division of Corporations, Business and Professional Licensing

Department of Commerce, Community and Economic Development

Juneau, Alaska

**POSITION STATEMENT:** Answered questions during the hearing on HB 159.

REPRESENTATIVE JENNIE ARMSTRONG

Alaska State Legislature

Juneau, Alaska

**POSITION STATEMENT:** As prime sponsor, answered questions on HB 100.

TRISTAN WALSH, Staff

Representative Jennie Armstrong

Alaska State Legislature

Juneau, Alaska

**POSITION STATEMENT:** Assisted in answering questions during the hearing on HB 100 on behalf of Representative Armstrong, prime sponsor.

REPRESENTATIVE SARAH VANCE  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** As prime sponsor, introduced HB 254.

BOB BALLINGER, Staff  
Representative Sarah Vance  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Read the sectional analysis for HB 254 on behalf of Representative Vance, prime sponsor.

ADAM CRUM, Commissioner  
Department of Revenue  
Juneau, Alaska

**POSITION STATEMENT:** Presented HB 273 on behalf of the bill sponsor, House Rules by request of the governor.

STACY BARNES, Director  
Alaska Housing Finance Corporation  
Department of Revenue  
Anchorage, Alaska

**POSITION STATEMENT:** Testified during the hearing on HB 273.

#### **ACTION NARRATIVE**

[3:17:43 PM](#)

**CHAIR JESSE SUMNER** called the House Labor and Commerce Standing Committee meeting to order at 3:17 p.m. Representatives Saddler, Prax, Wright, Carrick, Fields, Ruffridge and Sumner were present at the call to order.

#### **HB 159-REGISTER INTERIOR DESIGNERS**

[Contains discussion of SB 73 AND SB 126.]

[3:18:24 PM](#)

CHAIR SUMNER announced that the first order of business would be 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."

[3:18:34 PM](#)

REPRESENTATIVE RUFFRIDGE moved to adopt the proposed committee substitute (CS) for HB 159, Version 33-LS0745\S, Gunther, 1/25/24, as a working document.

[3:18:48 PM](#)

REPRESENTATIVE SUMNER objected for the purpose of discussion.

[3:19:07 PM](#)

SARENA HACKENMILLER, Staff, Representative Jesse Sumner, on behalf of Representative Justin Ruffridge, prime sponsor of HB 159, gave the summary of changes within version S [included in the committee packet], which read as follows [original punctuation provided]:

Sections 1-2. No change.

Old Sections 3-4 deleted. Following sections renumbered.

Sections 3-18 renumbered.

Old Section 19 deleted.

New Section 19 through 23 renumbered.

Section 24. Renumbered, adds "construction" as an exempt activity under subsection 08.48.311(8).

Sections 25-26 renumbered.

Section 27. Renumbered, adds interior designer as a professional service to the definition of "registrant."

Section 28. Renumbered, updates subsection numbers from 24 to 27, 25 to 28.

Sections 29-38 renumbered.

Section 39. Updates effective date to July 1, 2024.

[3:21:54 PM](#)

REPRESENTATIVE SADDLER asked whether there is a sectional analysis.

MS. HACKENMILLER offered to follow up to provide the sectional analysis.

[3:22:27 PM](#)

CHAIR SUMNER removed his objection. There being no further objection, Version S was before the committee.

[3:22:44 PM](#)

CHAIR SUMNER opened public testimony on HB 159.

[3:23:00 PM](#)

CATHERINE FRITZ, Chair, Alaska Board of Registration for Architects, Engineers, and Land Surveyors, shared that she is an architect by profession and had submitted personal written testimony but will be speaking on behalf of the Alaska Board of Registration for Architects, Engineers, and Land Surveyors (AELS). She relayed that the board took two actions during its May 2023 meeting: recommended against adding interior design to its responsibilities, and suggested amendments to SB 73. She said that while SB 73 now differs from HB 159, many sections are the same. She advised that passage of SB 126 had changed the board make-up and solved an issue related to electrical and mechanical engineer board seats. She talked about the Interior Design Working Group, and said that, in spring of 2022, the board requested that a working group of Alaska interior designers and architects be formed to collaboratively study interior design regulation and bring forth possible options. She said she served as an architect on the working group, and in February 2023, a special AELS board meeting was held to discuss interior design regulation where three regulatory models were offered: one, which is within HB 159 and SB 73; two, that interior design be exempt from 0848, which would allow interior designers to work independently while clarifying that they are not practicing architecture; and three, to establish interior designer in another section of occupational licensing statute.

[3:26:37 PM](#)

LARRY CASH, Architect, RIM Architects, said he is a licensed architect and has worked in Alaska for 46 years. He explained that the U.S. Department of Defense (DoD) and the U.S. Corps of Engineers (CoE) now require that an interior designer provide services on DoD and CoE projects, and in Alaska, they be a registered interior designers. He said given the increasing number of military projects in Alaska, and if this registration is not available to Alaska citizens, the work will have to be contracted to registered designers outside of Alaska. Currently, Alaska architects hire interior designers who are not registered and do not stamp the documents they prepare, but the architect does, thereby putting all the professional liability on the architect. He pointed out that credentialed Alaska interior designers provide services that affect public health, safety, and welfare; they want to have the option to become registered professionals who are required to stamp, sign, certify, and be legally accountable for their work. He said that HB 159 accomplishes this, and enhances the safety of buildings in Alaska, something he agrees with. He urged members to pass HB 159.

[3:28:41 PM](#)

CHARLES BETTISWORTH, representing self, shared that he has been a registered architect in the state for over 40 years. He voiced his support for HB 159. He explained that, when an architect hires an unregistered interior designer, the architect assumes all liability for that designer's work.

[3:30:13 PM](#)

JASON GAMACHE, representing self, said he is a licensed architect and business owner of an architecture firm in Anchorage. He stated that he supports passage of HB 159, as it is in the best interest of the design community and the people they create the spaces for.

[3:31:01 PM](#)

JOHN WEIR, President/Principal Registered Architect, MCGA Explorer Design, stated that he is in support of HB 159, and said that DoD projects require registered interior designers.

[3:31:47 PM](#)

MATTHEW BARUSCH, Government Relations and Advocacy, Council for Interior Design Qualification, said the council administers the national certification exam that is required for licensure and registration of interior designers in the U.S. and Canada; it supports HB 159 for the same reason as it administers the test: it helps protect public health, safety, and welfare through oversight with qualified practitioners. He informed members that they also submitted a joint statement from the four national regulatory associations for design professions. He urged members to support the bill.

[3:32:58 PM](#)

BRIAN MEISNER, representing self, said HB 159 is good and could attract families to Alaska. He asked members to support the bill.

[3:33:30 PM](#)

DANA NUNN, Chair, American Society of Interior Designers, Alaska Chapter, said that HB 159 and SB 73 propose reasonable regulation to protect public health, safety, and welfare by establishing professional registration for interior designers. She said the bill would allow those who have been educated on codes, and have experience in state planning and design, pass the three-part exam. She stressed that HB 159 does not negatively impact architects, as they can continue to provide interior design services.

[3:35:06 PM](#)

COLIN MAYNARD, Legislative Committee Chair, Alaska Professional Design Council, shared that he is a retired state of Alaska civil structural engineer, and has worked 42-years with architects and interior designers. He said the tenet, that licensure is for protecting public safety by verifying the education and experience of applicants, was bolstered after his 8 years on licensing board for architects, engineers, and land surveyors. He advised members that national registration organizations place interior designers on the same plane as the other design professions, as their work also affects public health, safety, and welfare. He urged members to pass HB 159.

[3:36:08 PM](#)

BARBARA CASH, representing self, shared that she has been a member of the joint ASIB and AIA working group and is an

interior designer. She urged members to support HB 159 because ensuring interior design that affects public safety is regulated through licensure is good for Alaska. She explained that the bill would allow all designers to continue practicing as they are, provided that services that affect public health, safety, and welfare are done under direct supervision of a registered architect or registered interior designer. She said the bill saves costly additional oversight by architects, gives interior designers responsibility for their own work, and ensures those designers are qualified. She asked members to pass HB 159.

[3:37:37 PM](#)

HARLEY HIGHTOWER, representing self, shared that he is a retired architect with 60 years of experience in Alaska. He recommended that members pass HB 159.

[3:38:45 PM](#)

MARY KNOPF, representing self, said she is an interior designer and member of the joint ASIB and AIA working group. She stressed that, under HB 159, residential design would remain as is in current statute; it would expand options for non-registered designers to work throughout the state on non-structural interior design projects, as they do currently, through working with an architect or registered interior designer.

[3:39:42 PM](#)

RITA TROMETTER, representing self, informed members that she submitted testimony voicing opposition to HB 159.

[3:40:22 PM](#)

ELIZABETH JOHNSTON, representing self, informed members that she is a registered professional electrical and fire protection engineer and was appointed to the State Board of Registration for Architects, Engineers, and Marine Surveyors. She advised that her testimony is her own and should not reflect a consensus of the board. She asked members to pass HB 159. She explained that the bill separates and dedicates the mechanical and electrical engineer seats on the board, as a prior change to the boards make-up clarified that a Mechanical and Electrical Engineer can simultaneously serve on the board by using one of the different open seats; the prior change did not create separate seats[ for each distinct field of practice. She stated

that the technical knowledge on the board is relied on to enforce responsible practice. She recommended two changes to the bill: the scope of practice is too lengthy and should be simplified to align with National Council for Interior Design Qualification (NCIDQ) definition of practice; second, interior designers should be excluded from provision for license by comity, as there are not enough systems in place to compare Alaska registers with those of another state. She stressed the importance of interior designers.

[3:42:27 PM](#)

PAUL BARIL, representing self, shared that he is an AIA member and registered architect in Alaska, as well as owner of Vision Architecture. He said he is in opposition to HB 159, as the legislation has unnecessary and confusing elements to it. He shared that he is part of the ASIB working group, who has been working with interior designers. He said the level of registration and what designers would be allowed to do is what is confusing to people. He added that, while they understand that the designers want to be registered, it is possible, but some changes need to be made to the bill.

[3:44:01 PM](#)

DAVID GAMEZ, representing self, said that he is a licensed civil engineer in Anchorage, as well as president of the Alaska Professional Design Council. He conveyed support of HB 159, as interior designers shape interior spaces, which impacts life and safety. He said licensure ensures that interior designers meet education, experience, and examination standards. He said passage of the bill grants qualified designers the autonomy to practice their profession and stamp their own designs in the state. He urged passage of HB 159.

[3:45:06 PM](#)

JASON FLOYD, representing self, shared that he has a freelance design company that works in partnership with qualified builders; everything his company does is submitted as conceptual work. Further, their clients are informed that, before performing a building project, they should first seek guidance and a stamp from a qualified engineer or architect. He said the bill is overreaching and would artificially restrict supply, as many of their clients do not have access to high-quality conceptual design services locally on the peninsula. He pointed out that he has yet to see examples of health and safety crisis

in the state when it comes to interior design. He stressed opposition to the bill as the language is too broad; while he is not against licensure and testing, boards and commissions are set up to protect the public, not necessarily to promote the profession.

[3:47:03 PM](#)

CHAIR SUMNER, after ascertaining that there was no one further wishing to testify, closed public testimony on HB 159.

[3:47:17 PM](#)

REPRESENTATIVE CARRICK sought confirmation from Ms. Fritz about the AELS board being opposed to adding interior designer registration to its list of responsibilities.

MS. FRITZ answered that's correct.

REPRESENTATIVE CARRICK asked why the board is opposed, since HB 159 is cost neutral.

MS. FRITZ responded that the objections come from the appropriateness of interior design being on a board whose focus is health, safety, and welfare.

REPRESENTATIVE CARRICK inquired as to whether interior design registration duties should be assigned to different board.

MS. FRITZ answered that the board, in May, relayed that there is a different way to regulate interior design, and that it isn't the board's call to do that. She said HB 159 is not a bill the AELS board came forward with or was consulted about. She said the board entertained two alternatives: one was to add interior design to the list of exemptions, so it is clear that designers are not practicing architecture; second, was putting interior designers in a different area of professional regulation. These two alternatives were not acted on, however, as the board felt it was not in their purview to do so.

[3:51:54 PM](#)

REPRESENTATIVE SADDLER noted the DoD requirement about DoD projects requiring registered interior designers. He asked Ms. Fritz what she knows about this requirement and whether it would be a compelling reason to register interior designers or not.

MS. FRITZ answered that, speaking as an individual and not the board, some federal agencies strongly suggest that there be someone on the team who has NCIDQ certification; this is not required, as all interior design firms do work on federal projects now without being registered in Alaska. She added that there are only two states that register interior designers.

[3:54:08 PM](#)

REPRESENTATIVE SADDLER, regarding military construction, said he is unsure if Alaska construction has been inhibited by the absence of interior designers. He pointed out that the bill does not prohibit licensed professionals from practicing interior design work. He asked about the overlap between interior designers and architects.

MS. FRITZ answered that there has been no evidence of the need of HB 159, and that the bill grew out of a group of people with advanced education experience wanting to be recognized to work in a realm that is similar to architecture in some ways. She explained that the bill does not restrict architects or engineers from what they already do; architecture is holistic, and interiors are specific limited portions of the interior of a building.

[3:56:23 PM](#)

CHAIR SUMNER noted that public testimony is still open.

[3:56:40 PM](#)

The committee took a brief at-ease.

[3:57:26 PM](#)

REPRESENTATIVE RUFFRIDGE moved to report CSHB 159, Version 33-LS0745\S, Gunther, 1/25/24, out of committee with individual recommendations and the accompanying fiscal notes, and to allow Legislative Legal to make conforming changes.

[3:57:48 PM](#)

REPRESENTATIVE SADDLER objected for the purpose of discussion.

[3:57:58 PM](#)

REPRESENTATIVE CARRICK asked Chair Sumner about how the working group came together during the interim.

CHAIR SUMNER deferred to his staff.

[3:58:47 PM](#)

MS. HACKENMILLER said the working group for HB 159 was organized on the Senate side. She said the work group's findings are in the most recent version of the bill.

REPRESENTATIVE CARRICK commented that she has heard from several professionals about the value of HB 159. She asked how the bill would work in practice. She said that, while she does not intend to object to the bill today, she would like more information and committee discussion.

[4:00:31 PM](#)

The committee took an at-ease from 4:00 p.m. to 4:02 p.m.

[4:01:59 PM](#)

REPRESENTATIVE PRAX said he wants to hear more about how the AELS board works.

[4:02:41 PM](#)

SYLVAN ROBB, Director, Department of Commerce, Community and Economic Development, Division of Corporations, Business and Professional Licensing, asked that the question be re-stated.

REPRESENTATIVE PRAX asked about the concern that having two interior designers would affect the AELS board's makeup.

MS. ROBB deferred questions about the board to its chair. She noted that the AELS board is the largest board with 11 members.

REPRESENTATIVE PRAX said that, with such a large board, there might be quorum issues. He asked whether boards of this size are delayed due to lack of quorum.

MS. ROBB answered that they do meet quorum, but scheduling for so many people is challenging.

[4:05:02 PM](#)

REPRESENTATIVE SADDLER stressed that HB 159 is complicated, and in order to make a decision, one has to understand the interplay of professional responsibilities. He said he'd like more time to study the bill.

[4:05:51 PM](#)

REPRESENTATIVE RUFFRIDGE asked Ms. Fritz about new subsections within the committee substitute on page 13, section 25, which read:

The requirement to be registered as an interior designer under this chapter only applies to a person who practices an aspect of interior design that the board has determined affects the public health, safety, or welfare.

REPRESENTATIVE RUFFRIDGE questioned how an interior designer affects public health, safety, or welfare.

MS. FRITZ answered that the board is concerned about that section; it would leave the board to make the definition of health, safety, and welfare through regulation. She added that it affects how the board works, what its role is, and what it does.

[4:08:15 PM](#)

A roll call vote was taken. Representatives Prax, Ruffridge, Saddler, Wright, Carrick, Fields, and Chair Sumner voted in favor of reporting HB 159, Version 33-LS0745\S, Gunther, 1/25/24, out of committee. Therefore, CSHB 159 (L&C) was reported out of the House Labor and Commerce Standing Committee by a vote of 7-0.

[4:09:12 PM](#)

The committee took an at-ease from 4:09 p.m. to 4:12 p.m.

**HB 100-PAID FAMILY LEAVE INSURANCE PLAN**

[4:12:18 PM](#)

CHAIR SUMNER announced that the next order of business would be HOUSE BILL NO. 100 "An Act relating to teacher and public employee leave."

[4:12:34 PM](#)

CHAIR SUMNER advised that amendment 1 will not be offered. He moved to adopt amendment 2 to HB 100, labeled 33-LS0480\B.5, Klein, 1/25/24, which read as follows:

Page 3, line 4:  
Delete "maximum"

Page 3, lines 8 - 13:  
Delete all material and insert:  
"(2) not less than six weeks of family leave for an enrolled employee of a participating political subdivision of the state or of a participating private employer or for an employee enrolled in a family leave insurance plan through the purchasing pool."

Page 3, line 24:  
Delete "maximum"

Page 6, lines 11 - 13:  
Delete all material and insert:  
"Sec. 23.10.760. Bargaining. Notwithstanding any provision of AS 23.40.070 - 23.40.260 to the contrary, if an agreement between an employer subject to AS 23.40.070 - 23.40.260 and an employee bargaining organization does not contain provisions at least as beneficial to the employee as the provisions provided by AS 23.10.700 - 23.10.790, the provisions of AS 23.10.700 - 23.10.790 apply."

REPRESENTATIVE RUFFRIDGE objected for the purpose of discussion.

CHAIR SUMNER explained that the amendment specifies "not less than 6 weeks of family leave" and allows bargaining for family leave.

[4:13:00 PM](#)

REPRESENTATIVE SADDLER pointed out that Amendment 2 creates a floor, and asked if there is language in the bill that creates a ceiling on the length of family leave.

CHAIR SUMNER answered that HB 100, without Amendment 2, would set the ceiling between 6 and 12 weeks for an enrolled employee of a participating private employer.

[4:13:47 PM](#)

REPRESENTATIVE FIELDS expressed support for Amendment 2 and suggested that the drafters intended to say that the state couldn't have leave at less than the floor; the amendment clarifies that 6 weeks is the floor.

[4:14:10 PM](#)

REPRESENTATIVE SADDLER sought confirmation that the maximum is 12 weeks for private enrollees and 18 for public enrollees.

CHAIR SUMNER answered that the amendment introduces a floor of 6 weeks, as well as allows bargaining.

REPRESENTATIVE SADDLER asked whether there is a cap on time off in the bill.

CHAIR SUMNER responded, "I assume it wouldn't be 54 weeks." He said it would be an element to bargain.

[4:15:14 PM](#)

REPRESENTATIVE JENNIE ARMSTRONG, Alaska State Legislature, as prime sponsor of HB 100, answered that the bill maintains the 18-week ceiling for the state; the amendment only applies to section 2 under political subdivisions.

[4:15:43 PM](#)

REPRESENTATIVE SADDLER asked what the maximum allowable time off is.

[4:16:02 PM](#)

TRISTAN WALSH, Staff, Representative Jennie Armstrong, Alaska State Legislature, on behalf of Representative Armstrong, prime sponsor, explained that Amendment 2 applies to page 2, lines 8-13 of HB 100 and would create a floor for political subdivisions, private employers, and individuals. He pointed to page 3 of the bill and said it would leave the state employee pool as is.

[4:17:02 PM](#)

REPRESENTATIVE PRAX pointed out that, if the bill is passed as amended, there would be a ceiling for state employees and a

floor for municipal employees. He asked what there would be for private employers.

CHAIR SUMNER explained that the amendment deletes "maximum" on page 3, line 24. He offered that no change is being made for private employers.

REPRESENTATIVE PRAX sought confirmation as to whether the committee is establishing a floor for political subdivisions of the state.

CHAIR SUMNER responded that there already would be a floor under HB 100.

[4:18:39 PM](#)

REPRESENTATIVE FIELDS answered Representative Prax's question and pointed to page 3, line 8-13; if the state determined that 19, 20, or 24 weeks are more beneficial in retaining employees, the plan would allow for that as part of the bargaining.

REPRESENTATIVE PRAX asked whether the bill requires political sub-division participation.

REPRESENTATIVE FIELDS answered that it would be optional for political sub-divisions.

[4:21:14 PM](#)

REPRESENTATIVE WRIGHT asked whether this would affect childcare.

REPRESENTATIVE ARMSTRONG answered that there is a child care and elder care crisis, with the biggest crunch being infant care; if there are more parents that can stay home, there would be relief on that crunch.

[4:22:01 PM](#)

REPRESENTATIVE RUFFRIDGE cited Section 1, subsection (b) on page 3, which read as follows:

A family leave insurance plan may not impose a minimum duration of family leave for wage replacement coverage.

REPRESENTATIVE RUFFRIDGE opined that, even with this language, the bill nonetheless indicates imposing a minimum duration. He

surmised that the subsection directs that the leave insurance plan may not go under 6 weeks.

CHAIR SUMNER concurred and explained that the employer does not need to participate, but if they did, the leave floor would be 6 weeks.

[4:23:07 PM](#)

MR. WALSH added that subsection (b) is speaking to whether a plan enforces mandatory leave.

REPRESENTATIVE RUFFRIDGE asked whether the language applies to minimum duration of the plan. He inquired whether, if he had to only take one day of family leave, he could do so.

MR. WALSH answered, "that's correct."

[4:24:14 PM](#)

REPRESENTATIVE RUFFRIDGE removed his objection. There being no further objection, Amendment 2 was adopted.

[4:24:25 PM](#)

REPRESENTATIVE CARRICK moved to Amendment 3, labeled 33-LS0480\B.1, Klein/ A. Radford, 1/12/24, which read as follows:

Page 7, line 7, following "adoption":  
Insert "or foster care"

Page 8, line 1:  
Delete "or adoption"  
Insert ", [OR] adoption, or foster care"

Page 8, line 18, following "adoption":  
Insert "or foster care"

Page 9, line 7:  
Delete "or adoption"  
Insert ", [OR] adoption, or foster care"

Page 9, line 14, following "adoption":  
Insert "or foster care"

REPRESENTATIVE RUFFRIDGE objected for the purpose of discussion.

REPRESENTATIVE CARRICK explained that Amendment 3 addresses a gap between the Alaska Family Leave Act and the federal Family Medical Leave Act, which allows foster parents to take leave to spend time with new foster children.

[4:25:15 PM](#)

REPRESENTATIVE RUFFRIDGE removed his objection. There being no further objection, Amendment 3 was adopted.

[4:25:28 PM](#)

REPRESENTATIVE RUFFRIDGE moved to report HB 100, as amended, out of committee with individual recommendations and the accompanying fiscal notes.

[4:25:53 PM](#)

REPRESENTATIVE PRAX objected for the purpose of discussion. He asked if there will be actuarial analysis done on HB 100.

CHAIR SUMNER advised that the next committee of referral for HB 100 is the House Finance Committee.

[4:26:20 PM](#)

REPRESENTATIVE ARMSTRONG added that the insurance company would do the actuarial, since there would be no self-insurance.

[4:26:39 PM](#)

MR. WALSH commented that the bill does require such an analysis in any bidder who responded to the request for proposal.

REPRESENTATIVE ARMSTRONG noted that the state wouldn't have to do an actuarial.

[4:27:03 PM](#)

REPRESENTATIVE PRAX removed his objection. There being no further objection, CSHB 100(L&C) was reported out of the House Labor and Commerce Standing Committee.

[4:27:14 PM](#)

The committee took an at-ease from 4:27 p.m. to 4:30 p.m.

**HB 254-PROHIBIT PORNOGRAPHY TO MINORS**

4:30:48 PM

CHAIR SUMNER announced that the next order of business would be HOUSE BILL NO. 254, "An Act relating to liability for publishing or distributing pornography to minors on the Internet."

4:31:05 PM

REPRESENTATIVE SARAH VANCE, Alaska State Legislature, as prime sponsor, read the sponsor statement for HB 254 [included in committee packet], which read as follows [original punctuation provided]:

House Bill 254 stands out as a crucial legislative initiative, addressing the growing public health crisis related to the influence of pornography on minors. It serves as a proactive measure to disrupt a tool employed by traffickers, preventing easy access to young would-be victims through explicit content.

Recent years have witnessed an alarming exposure of minors to pornography, facilitated by advances in technology and the widespread availability of explicit content on the internet. This early exposure contributes to the hyper-sexualization of young minds, promoting bullying in schools and setting unreasonable self-expectations, necessitating urgent legislative action.

House Bill 254 recognizes the disturbing connection between pornography and exploitation. It acknowledges that individuals involved in pornography may be victims of exploitation, blurring the line between consensual adult participation and sex trafficking. Some are forced into participating against their will, revealing a sinister aspect of the adult industry.

The bill also addresses the link between the demand for pornography and the demand for commercial sex, including trafficking victims. The normalization of explicit content in society is argued to contribute to an increased demand for sexual services, perpetuating sex trafficking. Organized crime networks profit from both pornography and exploitation, utilizing explicit

content as a lure to manipulate and control vulnerable individuals.

One alarming aspect necessitating urgent legislative intervention is the role of pornography in the tactics employed by human traffickers. By restricting minors' access to explicit material, House Bill 254 serves as a crucial tool in the fight against human trafficking, contributing to the overall well-being and safety of the next generation.

In conclusion, passing House Bill 254 is an urgent and necessary step in safeguarding the mental, emotional, and physical health of our youth. It reflects a collective responsibility to create a secure and nurturing environment, allowing minors to develop into healthy, well-adjusted individuals free from the corrosive influence of explicit material.

[4:35:36 PM](#)

BOB BALLINGER, Staff, Representative Sarah Vance, Alaska State Legislature, on behalf of Representative Vance, prime sponsor, read the sectional analysis for HB 254 [included in committee packet], which read as follows [original punctuation provided]:

Section 1: Adds a new section that establishes civil liability if the person or entity intentionally publishes or distributes pornography and does not use a "commercially reasonable age verification method." The section also defines a "commercially reasonable age verification method" and regulates how identifying information is handled.

Sections 1 (b), (c), and (d) exempt news, public interest sites, internet service providers, search engines, and cloud service providers.

Finally, Section 1 (e) provides definitions for terms used in this bill.

[4:38:02 PM](#)

REPRESENTATIVE RUFFRIDGE offered his understanding that online age verification programs are typically easy to bypass. He asked if HB 254 would require identification to be transmitted

and the business would verify it, or if it would require a program that just asks for the user's birthday.

REPRESENTATIVE VANCE answered that, on the first page of the bill, it would require the business to use a commercially available age verification method.

[4:39:37 PM](#)

MR. BALLINGER cited Section 1 subsection (a), starting on line 11, which read as follows:

In this subsection, "commercially reasonable age verification method" includes requiring the person attempting to access the pornography to provide a digitized identification card, requiring the person to comply with a commercial age verification system that verifies age using government-issued identification, or another method that relies on public or private transactional data.

MR. BALLINGER advised that Pornhub is a leading provider of pornography on the Internet, and that in some states, it has withdrawn.

[4:40:50 PM](#)

REPRESENTATIVE CARRICK said there have been several state data breeches, and asked if there are concerns of data theft when uploading an identification card to access a site.

REPRESENTATIVE VANCE responded that everyone puts their data into websites all the time. She stressed that privacy is important to her, so a provision was written in the bill that disallows a company verifying user ages to retain the data; they will be subject to civil liability if data is retained.

REPRESENTATIVE CARRICK asked for a list of companies that do online age verification services, as well as how other states that approved similar laws go about contracting with the services.

REPRESENTATIVE VANCE answered that she couldn't answer what companies do this services but advised that the state would not be involved in the setting up of age verification, as that would be the website's responsibility.

[4:44:12 PM](#)

REPRESENTATIVE PRAX asked how age verification would work in practice, and how fraud could be avoided.

MR. BALLINGER answered that Louisiana, for example, contracted with an age verification service provider to create a portal. He offered to follow up with a list of such providers and noted that there are about 10 of them. He pointed out that PornHub pulled out of North Carolina and Arkansas.

[4:46:06 PM](#)

REPRESENTATIVE FIELDS said there are many companies that collect data, and that the current language in HB 254 would not endanger Alaskans' private information any more than online companies already harvest themselves.

[4:46:57 PM](#)

REPRESENTATIVE FIELDS stressed that exploitation of minors is bad. He asked whether the right to remove material for minors who are subjected to "revenge porn" should be added to the bill. He further asked about the possibility of broader action against Internet exploitation of minors, like facial recognition.

REPRESENTATIVE VANCE commented that her staff is looking into artificial intelligence (AI) exploitation. She said she is open to ideas on what can be done.

[4:48:17 PM](#)

REPRESENTATIVE SADDLER stated, "This is an area that's ripe for broad legislative action." He asked about page 1 and 2, regarding the violators who retain the personal data, and what liability they would be under.

REPRESENTATIVE VANCE answered civil liability; this allows an individual, who was harmed by the publishers of the site, be able to prove to the courts how it harmed them. She said civil liability poses a higher threat to large companies than criminal liability.

[4:50:27 PM](#)

REPRESENTATIVE CARRICK commented that the potential for identity theft is a concern of hers. She pointed to page 3, Section 5

and said the bill defines "pornography" as something that is of "prurient interest". She explained that, federally speaking, the term is broad. She pointed to Section 7 and said that it would be difficult determining what on a website is a "substantial portion", or one-third of the total material, containing pornography; there's room for interpretation. She said that the bill could be broadly defined to include websites other than just PornHub, like Netflix. She commented that requiring Alaskans to provide their ID when accessing sites, like Netflix, would be a major violation of privacy. She noted that Montana, a state which has passed a law like HB 254, is already being bypassed by people switching their virtual private network location to show they are in another state. She thanked the bill sponsor for bringing the bill forward but conveyed that it may not solve the issue.

REPRESENTATIVE VANCE responded that the purpose of HB 254 is to protect children from harm from content on the Internet.

[4:55:13 PM](#)

CHAIR SUMNER announced that HB 254 was held over.

[4:55:24 PM](#)

The committee took an at-ease from 4:55 p.m. to 4:57 p.m.

**HB 273-AHFC MAKE/PURCHASE MORTGAGE LOANS**

[4:57:24 PM](#)

CHAIR SUMNER announced that the final order of business would be HOUSE BILL NO. 273 "An Act relating to the power of the Alaska Housing Finance Corporation to make or purchase mortgage loans."

[4:57:45 PM](#)

ADAM CRUM, Commissioner, Office of the Commissioner, Department of Revenue, on behalf of the House Rules Standing Committee, sponsored by request of the governor, explained that the idea behind the bill is to allow the board of the Alaska Housing Finance Corporation (AHFC) the capacity to lower the loan-to-value ratio from 95 percent to 97 percent on a first mortgage in order to provide access to housing in Alaska. He said the hope is that families will see the program and be encouraged to come to Alaska.

[4:58:32 PM](#)

STACY BARNES, Director, Alaska Housing Finance Corporation, Department of Revenue, explained that AHFC is legally separate from the state of Alaska, and is able to provide a dividend to the state; this year's was \$48 million. She said the mission of the corporation is to provide access to quality and affordable housing to Alaskans, and there are three tenets to that mission: providing access to housing, improvement of housing, and facilitating the building of more affordable housing. She listed the programs AHFC offers to help with buying a home. She pointed to the handout, "Impact of Proposed Loan-to-Value (LTV) Legislation - HB 273," which she said speaks to what has happened with single family home prices over the last six years. She pointed out that, in 2019, the median price for a single-family home was \$374,000, and in 2023, the price jumped to \$481,000; therefore, access has become more difficult for homebuyers as the down payment increases. A home buyer would need \$24,000 in down payment assistance, in addition to other closing costs. She said that, if HB 273 were to become law, the AHFC board would be able to determine an LTV that is appropriate for a risk profile and offer it to homebuyers. She explained that the bill proposes a 97 percent LTV. She listed home prices in several communities in the state and said they all follow the same trend from 2019 to 2023: increased home prices. She explained that, when an Alaskan chooses a home loan with AHFC, they choose to have their loan serviced in-state. She said the bill has just one section, which would clear up the current 95 percent LTV cap and allow the board to determine the right LTV percentage. She detailed that, following being signed into law, the board would address the regulation for final approval, meaning that the effective date would likely be the start of the next calendar year. She noted that AHFC has 15,000 loans in its portfolio, with a 30-day delinquency rate of less than 3.5 percent; the foreclosure rate is lower at .15 percent.

[5:04:55 PM](#)

REPRESENTATIVE SADDLER asked if there is estimation on how HB 273 would affect delinquency and foreclosure rates.

MS. BARNES answered that the AHFC board feels that the 97 percent LTV is a responsible move forward, and through the regulation process, the board will address questions about the risk profile of individuals who are seeking the loan. She explained that, in order to offset risk, the board may consider

increasing the credit score that a buyer might need or examining the buyer's debt-to-income ratios.

REPRESENTATIVE SADDLER asked what the effect on housing would be.

MS. BARNES responded that the loan gives Alaskans the opportunity to choose Alaska housing.

[5:06:48 PM](#)

CHAIR SUMNER announced that HB 273 was held over.

[5:06:58 PM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 5:06 p.m.