

ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE

February 23, 2024

4:16 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

MEMBERS ABSENT

Representative Zack Fields

COMMITTEE CALENDAR

SENATE BILL NO. 37

"An Act establishing the crime of airbag fraud."

- MOVED HCS SB 37(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."

- MOVED CSHB 192(L&C) OUT OF COMMITTEE

CS FOR SENATE BILL NO. 45(L&C) AM

"An Act relating to insurance; relating to direct health care agreements; relating to the duties of the director of the division of insurance in the Department of Commerce, Community, and Economic Development; and providing for an effective date."

- MOVED HCS CSSB 45(2D L&C) OUT OF COMMITTEE

HOUSE BILL NO. 314

"An Act relating to occupational licensing fees; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 318

"An Act relating to disclosure of information by nonprofit corporations."

- SCHEDULED BUT NOT HEARD

HOUSE BILL NO. 203

"An Act relating to wage payments."

- SCHEDULED BUT NOT HEARD

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 175

"An Act relating to midwives and the practice of midwifery; relating to apprentice midwives; renaming the Board of Certified Direct-Entry Midwives as the Board of Licensed Midwives; relating to the Board of Licensed Midwives; extending the termination date of the Board of Licensed Midwives; relating to insurance; and providing for an effective date."

- SCHEDULED BUT NOT HEARD

PREVIOUS COMMITTEE ACTION

BILL: SB 37

SHORT TITLE: CRIME COUNTERFEIT/NONFUNCTIONING AIRBAG

SPONSOR(S): SENATOR(S) CLAMAN

01/18/23	(S)	PREFILE RELEASED 1/13/23
01/18/23	(S)	READ THE FIRST TIME - REFERRALS
01/18/23	(S)	JUD
01/27/23	(S)	JUD AT 1:30 PM BUTROVICH 205
01/27/23	(S)	Heard & Held
01/27/23	(S)	MINUTE(JUD)
03/22/23	(S)	JUD AT 1:30 PM BUTROVICH 205
03/22/23	(S)	<Bill Hearing Canceled>
03/29/23	(S)	JUD AT 1:30 PM BUTROVICH 205
03/29/23	(S)	<Bill Hearing Canceled>
04/03/23	(S)	JUD AT 1:30 PM BUTROVICH 205
04/03/23	(S)	Moved SB 37 Out of Committee
04/03/23	(S)	MINUTE(JUD)
04/05/23	(S)	JUD RPT 1DP 3NR
04/05/23	(S)	DP: CLAMAN
04/05/23	(S)	NR: TOBIN, KAUFMAN, KIEHL
05/08/23	(S)	TRANSMITTED TO (H)
05/08/23	(S)	VERSION: SB 37
05/09/23	(H)	READ THE FIRST TIME - REFERRALS
05/09/23	(H)	L&C
01/26/24	(H)	L&C AT 3:15 PM BARNES 124

01/26/24 (H) -- MEETING CANCELED --
01/31/24 (H) L&C AT 3:15 PM BARNES 124
01/31/24 (H) Scheduled but Not Heard
02/02/24 (H) L&C AT 3:15 PM BARNES 124
02/02/24 (H) Scheduled but Not Heard
02/07/24 (H) L&C AT 3:15 PM BARNES 124
02/07/24 (H) Heard & Held
02/07/24 (H) MINUTE(L&C)
02/21/24 (H) L&C AT 3:15 PM BARNES 124
02/21/24 (H) -- MEETING CANCELED --
02/23/24 (H) L&C AT 3:15 PM BARNES 124

BILL: HB 192

SHORT TITLE: DELIVERY/PICK UP OF ALCOHOL; LICENSING
SPONSOR(S): REPRESENTATIVE(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
01/22/24 (H) Heard & Held
01/22/24 (H) MINUTE(L&C)
02/02/24 (H) L&C AT 3:15 PM BARNES 124
02/02/24 (H) Heard & Held
02/02/24 (H) MINUTE(L&C)
02/14/24 (H) L&C AT 3:15 PM BARNES 124
02/14/24 (H) Heard & Held
02/14/24 (H) MINUTE(L&C)
02/21/24 (H) L&C AT 3:15 PM BARNES 124
02/21/24 (H) -- MEETING CANCELED --
02/23/24 (H) L&C AT 3:15 PM BARNES 124

BILL: SB 45

SHORT TITLE: DIRECT HEALTH AGREEMENT: NOT INSURANCE
SPONSOR(S): SENATOR(S) WILSON

01/25/23 (S) READ THE FIRST TIME - REFERRALS
01/25/23 (S) HSS, L&C
02/07/23 (S) HSS AT 3:30 PM BUTROVICH 205
02/07/23 (S) Heard & Held
02/07/23 (S) MINUTE(HSS)
02/09/23 (S) HSS AT 3:30 PM BUTROVICH 205
02/09/23 (S) Heard & Held
02/09/23 (S) MINUTE(HSS)
02/21/23 (S) HSS AT 3:30 PM BUTROVICH 205
02/21/23 (S) Scheduled but Not Heard
02/23/23 (S) HSS AT 3:30 PM BUTROVICH 205
02/23/23 (S) Moved CSSB 45(HSS) Out of Committee

02/23/23 (S) MINUTE (HSS)
 02/24/23 (S) HSS RPT CS 1DP 4NR SAME TITLE
 02/24/23 (S) DP: WILSON
 02/24/23 (S) NR: TOBIN, KAUFMAN, GIESSEL, DUNBAR
 03/27/23 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)
 03/27/23 (S) Heard & Held
 03/27/23 (S) MINUTE (L&C)
 04/05/23 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)
 04/05/23 (S) Heard & Held
 04/05/23 (S) MINUTE (L&C)
 04/19/23 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)
 04/19/23 (S) Moved CSSB 45 (L&C) Out of Committee
 04/19/23 (S) MINUTE (L&C)
 04/21/23 (S) L&C RPT CS 1DP 2NR NEW TITLE
 04/21/23 (S) DP: BJORKMAN
 04/21/23 (S) NR: DUNBAR, GRAY-JACKSON
 05/10/23 (S) TRANSMITTED TO (H)
 05/10/23 (S) VERSION: CSSB 45 (L&C) AM
 05/10/23 (H) L&C AT 3:15 PM BARNES 124
 05/10/23 (H) -- MEETING CANCELED --
 05/11/23 (H) READ THE FIRST TIME - REFERRALS
 05/11/23 (H) L&C
 05/12/23 (H) L&C AT 3:15 PM BARNES 124
 05/12/23 (H) Scheduled but Not Heard
 05/13/23 (H) L&C AT 11:00 AM BARNES 124
 05/13/23 (H) Moved HCS CSSB 45 (L&C) Out of Committee
 05/13/23 (H) MINUTE (L&C)
 05/15/23 (H) L&C RPT HCS (L&C) 2DP 3NR 2AM
 05/15/23 (H) DP: PRAX, SUMNER
 05/15/23 (H) NR: FIELDS, SADDLER, WRIGHT
 05/15/23 (H) AM: RUFFRIDGE, CARRICK
 05/17/23 (H) ADJOURNED - ON 1/16/2024 CALENDAR
 01/16/24 (H) RETURNED TO RLS COMMITTEE
 01/31/24 (H) RETURNED TO L&C COMMITTEE
 01/31/24 (H) BILL REPRINTED
 02/16/24 (H) L&C AT 3:15 PM BARNES 124
 02/16/24 (H) -- MEETING CANCELED --
 02/19/24 (H) L&C AT 4:15 PM BARNES 124
 02/19/24 (H) -- MEETING CANCELED --
 02/23/24 (H) L&C AT 3:15 PM BARNES 124

BILL: HB 314

SHORT TITLE: OCCUPATIONAL LICENSING FEES

SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

02/09/24 (H) READ THE FIRST TIME - REFERRALS
 02/09/24 (H) L&C

02/23/24

(H)

L&C AT 3:15 PM BARNES 124

WITNESS REGISTER

JASMINE MARTIN, Staff
Senator David Wilson
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As prime sponsor, provided an explanation of changes in the proposed HCS for CSSB 45(L&C), Version P.

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

POSITION STATEMENT: Presented a PowerPoint, entitled "Occupational Licensing Fees," during the hearing on HB 314.

ACTION NARRATIVE

[4:16:02 PM](#)

CHAIR JESSE SUMNER called the House Labor and Commerce Standing Committee meeting to order at 4:16 p.m. Representatives Prax, Ruffridge, Saddler, and Sumner were present at the call to order. Representatives Wright and Carrick arrived as the meeting was in progress.

SB 37-CRIME COUNTERFEIT/NONFUNCTIONING AIRBAG

[4:16:42 PM](#)

CHAIR SUMNER announced that the first order of business would be SENATE BILL NO. 37, "An Act establishing the crime of airbag fraud."

[4:17:15 PM](#)

The committee took a brief at-ease at 4:17 p.m.

[4:17:36 PM](#)

REPRESENTATIVE RUFFRIDGE moved to adopt the proposed house committee substitute (HCS) for SB 37, Version 33-LS0277\B, C. Radford, 2/14/24, as the working document.

CHAIR SUMNER objected.

REPRESENTATIVE RUFFRIDGE provided a summary of changes in the proposed HCS for SB 37, ("Version B") [hard copy included in the committee packet], which read as follows [original punctuation provided]:

Section 1 (Page 2, Lines 12-16)

- Adds subsection (b)(3) exempting a person who transfers a vehicle title to an insurance company to satisfy an insurance claim when the insurance company declares the vehicle to be an actual total loss or constructive total loss
- Adds subsection (b)(4) exempting an insurance company that sells or otherwise disposes of a vehicle as authorized by law or regulation

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

[4:19:12 PM](#)

CHAIR SUMNER opened public testimony. After ascertaining that no one wished to testify, he closed public testimony.

[4:19:32 PM](#)

REPRESENTATIVE RUFFRIDGE moved to report HCS SB 37, Version 33-LS0277\B, C. Radford, 2/14/24, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HCS SB 37(L&C) was reported from the House Labor and Commerce Standing Committee.

[4:19:57 PM](#)

The committee took an at-ease from 4:19 p.m. to 4:21 p.m.

HB 192-DELIVERY/PICK UP OF ALCOHOL; LICENSING

[4:21:56 PM](#)

CHAIR SUMNER announced that the next 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." [Before the committee, adopted as the working document

on 2/2/24, was the proposed committee substitute (CS) for HB 192, Version 33-LS0753\B, C. Radford, 2/1/24 ("Version B").]

[4:22:17 PM](#)

CHAIR SUMNER moved to adopt Amendment 1 to Version B, labeled 33-LS0753\B.3, C. Radford, 2/10/24, which read:

Page 1, lines 16 - 20 of the amendment:
Delete all material.

REPRESENTATIVE RUFFRIDGE objected for purposes of discussion.

CHAIR SUMNER explained that amendment 1 would require a person delivering alcohol to have a Techniques of Alcohol Management (TAM) card.

REPRESENTATIVE RUFFRIDGE removed his objection. There being no further objection, Amendment 1 was adopted.

CHAIR SUMNER noted that Amendment 2 would not be offered.

[4:23:17 PM](#)

REPRESENTATIVE CARRICK moved to adopt Amendment 3 to Version B, labeled 33-LS0753\B.5, C. Radford, 2/13/24, which read:

Page 1, line 1, following "**store**":
Insert "**, brewery, winery, or distillery**"

Page 2, following line 30:
Insert new bill sections to read:

"* **Sec. 4.** AS 04.09.320(h) is amended to read:

(h) The holder of a brewery retail license commits the offense of failure to comply with the terms of a brewery retail license if the person stores, sells, or serves brewed beverages in violation of (a) of this section or violates (d), (e), [OR] (f), or (j) of this section.

* **Sec. 5.** AS 04.09.320 is amended by adding a new subsection to read:

(j) The holder of a brewery retail license may offer curbside pickup of brewed beverages if

(1) the brewed beverage is sealed or packaged in a closed bottle or can by the manufacturer or sealed, tamper-proofed, and labeled in a growler by the holder;

(2) an agent or employee who is not an independent contractor and has completed an alcohol server education course under AS 04.21.025 delivers the brewed beverage from the licensed premises to the purchaser at the location designated under (3) of this subsection and requires the purchaser to provide identification and acceptable proof of age under AS 04.21.050(b);

(3) the holder designates a parking place less than 225 feet from an entry to the brewery premises for pickup of brewed beverages;

(4) the transaction is not prohibited under AS 04.16.030;

(5) the holder provides written information regarding the license and curbside pickup on a form prescribed by the director; and

(6) the holder consents to an inspection of the area designated for curbside pickup, excluding private vehicles, at all reasonable times 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 officer.

*** Sec. 6.** AS 04.09.330(h) is amended to read:

(h) The holder of a winery retail license commits the offense of failure to comply with the terms of a winery retail license if the person stores, sells, or serves wine in violation of (a) of this section or violates (d), (e), [OR] (f), or (j) of this section.

*** Sec. 7.** AS 04.09.330 is amended by adding a new subsection to read:

(j) The holder of a winery retail license may offer curbside pickup of wine, mead, or cider if

(1) the wine, mead, or cider is sealed or packaged in a closed bottle or can by the manufacturer or sealed, tamper-proofed, and labeled in a bottle or can by the holder;

(2) an agent or employee who is not an independent contractor and has completed an alcohol server education course under AS 04.21.025 delivers the wine, mead, or cider from the licensed premises to the purchaser at the location designated under (3) of this subsection and requires the purchaser to provide identification and acceptable proof of age under AS 04.21.050(b);

(3) the holder designates a parking place less than 225 feet from an entry to the winery premises for pickup of the wine, mead, or cider;

(4) the transaction is not prohibited under AS 04.16.030;

(5) the holder provides written information regarding the license and curbside pickup on a form prescribed by the director; and

(6) the holder consents to an inspection of the area designated for curbside pickup, excluding private vehicles, at all reasonable times 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 officer.

* **Sec. 8.** AS 04.09.340(h) is amended to read:

(h) The holder of a distillery retail license commits the offense of failure to comply with the terms of a distillery retail license if the person stores, sells, or serves distilled spirits in violation of (a) of this section or violates (d), (e), [OR] (f), or (j) of this section.

* **Sec. 9.** AS 04.09.340 is amended by adding a new subsection to read:

(j) The holder of a distillery retail license may offer curbside pickup of distilled spirits if

(1) the distilled spirits are sealed or packaged in a closed bottle or can by the manufacturer or sealed, tamper-proofed, and labeled in a bottle or can by the holder;

(2) an agent or employee who is not an independent contractor and has completed an alcohol server education course under AS 04.21.025 delivers the distilled spirits from the licensed premises to the purchaser at the location designated under (3) of this subsection and requires the purchaser to provide identification and acceptable proof of age under AS 04.21.050(b);

(3) the holder designates a parking place less than 225 feet from an entry to the distillery retail licensed premises for pickup of distilled spirits;

(4) the transaction is not prohibited under AS 04.16.030;

(5) the holder provides written information regarding the license and curbside pickup on a form prescribed by the director; and

(6) the holder consents to an inspection of the area designated for curbside pickup, excluding private vehicles, at all reasonable times 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 officer."

Renumber the following bill sections accordingly.

Page 5, line 31:
Delete "Section 9"
Insert "Section 15"

Page 6, line 1:
Delete "sec. 10"
Insert "sec. 16"

CHAIR SUMNER objected.

REPRESENTATIVE CARRICK explained that Amendment 3 would expand the scope of the bill to include curbside delivery for products from breweries, distilleries, and wineries in the state of Alaska to provide parity between package stores and these operations.

[4:24:00 PM](#)

A roll call vote was taken. Representatives Prax and Carrick voted in favor of Amendment 3. Representatives Ruffridge, Saddler, Wright, and Sumner voted against it. Therefore, Amendment 3 failed by a vote of 2-4.

[4:24:57 PM](#)

CHAIR SUMNER moved to adopt Amendment 4 to Version B, labeled 33-LS0753\B.1, C. Radford, 2/7/24, which read:

Page 2, line 14:
Delete "**three**"
Insert "**six**"

Page 2, lines 15 - 25:
Delete all material and insert:
"(A) **underwent** [WAS GIVEN] a qualifying medical examination

(i) upon the first employment as [BECOMING] a firefighter that did not show evidence of the disease;

(ii) at least once every two years [(B) WAS GIVEN AN ANNUAL MEDICAL EXAM] during [EACH OF] the first six [SEVEN] years of employment as a firefighter that did not show evidence of the disease; and"

Page 2, line 30, following "cancer":

Insert ";

(4) the requirements of (3)(A) of this subsection apply only if the firefighter's employer makes the applicable qualifying medical examination available to the firefighter"

REPRESENTATIVE CARRICK objected for purposes of discussion.

CHAIR SUMNER explained that Amendment 4 would remove the distance requirement and replace it with the words "contiguous to."

[4:25:18 PM](#)

REPRESENTATIVE SADDLER asked whether "contiguous" is defined in the bill.

CHAIR SUMNER defined "contiguous" as directly conjoining without intervening breaks.

[4:26:33 PM](#)

REPRESENTATIVE CARRICK asked whether the intent is to ensure that curbside pickup is, in fact, curbside to the establishment, as opposed to around the block.

CHAIR SUMNER answered yes.

REPRESENTATIVE CARRICK asked whether there is a similar requirement for curbside pickup at grocery stores.

CHAIR SUMNER said not to his knowledge.

[4:27:30 PM](#)

REPRESENTATIVE PRAX imagined that curbside pickup in front of a "big box" store could create a traffic jam.

CHAIR SUMNER supposed that there would be designated spots that are curbside.

REPRESENTATIVE PRAX maintained his belief that curbside pickup could backup traffic at larger stores.

[4:29:52 PM](#)

REPRESENTATIVE SADDLER suggested clarifying the intent by making it the closest designated parking space to an entrance, exclusive of the handicap parking space.

[4:30:30 PM](#)

The committee took an at-ease from 4:30 p.m. to 4:35 p.m.

[4:35:03 PM](#)

CHAIR SUMNER withdrew Amendment 4.

[4:35:13 PM](#)

REPRESENTATIVE SADDLER moved Conceptual Amendment 5 to Version B to delete "less than 225 feet from an" on page 2, line 21, and insert "that is the designated parking space closest to an". In addition, insert the words "that is not a designated handicap parking space" after the word "premises" on page 2, line 22. There being no objection, Conceptual Amendment 5 was adopted.

[4:36:34 PM](#)

The committee took a brief at-ease at 4:36 p.m.

[4:36:53 PM](#)

REPRESENTATIVE RUFFRIDGE moved to report CSHB 192, Version 33-LS0753\B, C. Radford, 2/1/24, as amended, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSHB 192(L&C) was reported from the House Labor and Commerce Standing Committee.

[4:37:12 PM](#)

The committee took an at-ease from 4:37 p.m. to 4:39 p.m.

SB 45-DIRECT HEALTH AGREEMENT: NOT INSURANCE

[4:39:30 PM](#)

CHAIR SUMNER announced that the next order of business would be HOUSE CS FOR CS FOR SENATE BILL NO. 45(L&C), "An Act relating to insurance; relating to direct health care agreements; relating to the duties of the director of the division of insurance in the Department of Commerce, Community, and Economic Development; and providing for an effective date."

[4:40:05 PM](#)

REPRESENTATIVE RUFFRIDGE moved to adopt the proposed House committee substitute (HCS) for CSSB 45, Version 33-LS0211\P, Wallace, 2/20/24, as the working document.

REPRESENTATIVE CARRICK objected.

[4:40:30 PM](#)

JASMINE MARTIN, Staff, Senator David Wilson, Alaska State Legislature, provided an explanation of changes in the proposed HCS for CSSB 45(L&C), ("Version P") [included in the committee packet], which read as follows [original punctuation provided]:

Changes from first V.Y to V. P:

1)Section 2 and 3: Page 5, lines 24 through page 6, line 31: These agreements are contracts. This CS moves regulation of these contracts to the unfair trades practices acts and made conforming language changes to this effect.

2)Throughout: added requirement for providers to disclose that these agreements are not insurance and are not regulated as such.

3)Removed requirement that providers maintain a certain ratio of patients who are uninsured or Medicaid receipts in their practice.

4)Expanded the providers eligible to enter these agreements from primary care providers to any licensed provider.

[4:42:46 PM](#)

REPRESENTATIVE CARRICK asked Ms. Martin to elaborate on change 4, which would open eligibility to any licensed provider. She asked whether it would come with any limitations or restrictions. More specifically, she asked whether this expanded eligibility would allow an individual to create a direct healthcare agreement with an orthopedic surgeon in anticipation of several procedures.

MS. MARTIN answered yes; however, the direct healthcare agreement would be complicated.

REPRESENTATIVE CARRICK asked whether the bill sponsor envisioned the expanded eligibility encompassing any particular provider beyond primary care providers.

MS. MARTIN said the direct healthcare agreement would be appropriate for continuing predictable healthcare, such as physical therapists, midwives, and nutritionists.

REPRESENTATIVE CARRICK maintained her objection. She expressed concern about expanding the direct healthcare agreement to all providers.

[4:45:42 PM](#)

A roll call vote was taken. Representatives Prax, Ruffridge, Saddler, Wright, and Sumner voted in favor of adopting Version P as the working document. Representative Carrick voted against it. Therefore, Version P was adopted by a vote of 5-1.

[4:46:22 PM](#)

The committee took an at-ease from 4:46 p.m. to 4:50 p.m.

[4:50:34 PM](#)

CHAIR SUMNER announced that Version P would be held over.

HB 314-OCCUPATIONAL LICENSING FEES

[4:50:59 PM](#)

CHAIR SUMNER announced that the next order of business would be HOUSE BILL NO. 314, "An Act relating to occupational licensing fees; and providing for an effective date."

[4:51:50 PM](#)

SYLVAN ROBB, Director, Division of Corporations, Business, and Professional Licensing, Department of Commerce, Community & Economic Development (DCCED), began the PowerPoint on slide 1. She began on slide 2, "What Does HB 314 Do?" which read as follows [original punctuation provided]:

- Removes investigation, legal, and hearing costs from the "regulatory costs" covered by professional license fees as required under AS 08.01.065.

- Shifts funding for investigations and hearings from professional licensing fees (1156) to corporations' fees (1005) so the division remains self-sufficient.

[4:53:37 PM](#)

MS. ROBB continued to slide 3, "AS 08.01.065(a) & (c) Currently," which read as follows [original punctuation provided]:

(a) Except for business licenses, the department shall adopt regulations that establish the amount and manner of payment of application fees, examination fees, license fees, registration fees, permit fees, investigation fees, and all other fees as appropriate for the occupations covered by this chapter.

(c) Except as provided in (f) -(k) of this section, the department shall establish fee levels under (a) of this section so that the total amount of fees collected for an occupation approximately equals the actual regulatory costs for the occupation. The department shall annually review each fee level to determine whether the regulatory costs of each occupation are approximately equal to fee collections related to that occupation. If the review indicates that an occupation's fee collections and regulatory costs are not approximately equal, the department shall calculate fee adjustments and adopt regulations under (a) of this section to implement the adjustments. In January of each year, the department shall report on all fee levels and revisions for the previous year under this subsection to the office of management and budget. If a board regulates an occupation covered by this chapter, the department shall consider the board's recommendations concerning

the occupation's fee levels and regulatory costs before revising fee schedules to comply with this subsection...

[4:54:24 PM](#)

MS. ROBB moved to slide 4, "Primary Reasons for HB 314," which read as follows [original punctuation provided]:

- Currently volatile license fee rates would stabilize, as investigations, legal, and hearing costs are the most variable element of the fee setting equation.
- Licensing fees would be reduced for many programs, helping in the effort to attract professionals to Alaska.
- This would be fairer to Alaska's professional licensees who comply with the laws regulating their profession as law-abiding professionals would no longer bear the cost of investigations of licensees who have potentially violated licensing laws and/or on individuals practicing without a license.
- Remove a potential disincentive to report members of their profession.

[4:56:54 PM](#)

MS. ROBB turned to slide 5, "Example of Substantial Fee Increases in Past Years," which read as follows [original punctuation provided]:

- Certified Direct-Entry Midwife Certificate Fees :
 - In FY2017 initial and renewal application fee increased from \$1,750 to \$3,800.
 - That was after an increase from \$1,450 to \$1,750 in 2016.
 - Fees have since been reduced to \$2,800.
- Midwife Apprentices in 2015:
 - Initial and Biennial Renewal Certification Fees increased from \$125 to \$825.
 - Initial and Biennial Renewal Certification Fees increased from \$825 to \$1,275.
 - Fees have since been reduced to \$550.

[4:58:12 PM](#)

MS. ROBB provided investigative statistics from FY 23 on slides 6-9. The top complaints received by the division involved continuing education violations and unlicensed activity. The Board of nursing topped the list of programs receiving complaints with 369 complaints followed by the State Medical Board and the Board of Pharmacy. These are the programs that would see the largest impact on their licensing fees, assuming their rate of investigations continued into the future. Registered Nurses (RN) also received the largest number of complaints by profession, followed by physicians and massage therapists. She rationalized the rankings by pointing out that RNs represent a huge portion of Alaska's licensees.

[5:00:27 PM](#)

REPRESENTATIVE CARRICK asked whether there would be a decrease in investigative procedure or strictly a transfer of the licensing fee structure.

MS. ROBB reiterated that the bill would shift the fund source from license fees to corporation fees, not impact the performance of investigations.

[5:01:21 PM](#)

REPRESENTATIVE SADDLER surmised that reporting was being depressed by the current fee structure. He asked whether a pent-up demand might increase the amount of investigative work required by the department if the bill were to pass.

MS. ROBB acknowledged that the current fee structure may be a disincentive; however, she said the hope is that licensed professionals would take seriously their duty to report an unfit colleague.

REPRESENTATIVE SADDLER anticipated that there would be an increase in investigations once the fee structure shifts from licensees.

MS. ROBB acknowledged that possibility.

[5:03:05 PM](#)

REPRESENTATIVE PRAX said he could understand that license holders would be in favor of the bill, and asked whether the

bill would materially impact the cost of obtaining corporate status.

MS. ROBB said the bill would not impact corporate fees.

REPRESENTATIVE PRAX opined that this cost should come from the general fund (GF) as opposed to taxing corporations for professional licenses.

MS. ROBB explained that the bill would allow the divisions to continue to be self-sufficient by covering these costs that would otherwise flow to the GF with corporate funds.

[5:05:30 PM](#)

REPRESENTATIVE SADDLER referred to page 4 and asked Ms. Robb to define the scope of the term "evaluation."

MS. ROBB explained that the the word "investigation" is changed to "evaluation" to avoid any potential confusion with the investigation fees that are being changed.

[5:06:47 PM](#)

CHAIR SUMNER announced that HB 314 would be held over.

SB 45-DIRECT HEALTH AGREEMENT: NOT INSURANCE

[5:06:50 PM](#)

CHAIR SUMNER announced that the final order of business would be a return to HCS FOR CS FOR SENATE BILL NO. 45(L&C), "An Act relating to insurance; relating to direct health care agreements; relating to the duties of the director of the division of insurance in the Department of Commerce, Community, and Economic Development; and providing for an effective date." [Before the committee was Version P.]

[5:07:06 PM](#)

REPRESENTATIVE RUFFRIDGE moved to adopt Conceptual Amendment 1 to Version P to delete the phrase "is entirely owned by" and insert "employs" on page 5, lines 6-7.

REPRESENTATIVE SADDLER objected for purposes of discussion.

REPRESENTATIVE RUFFRIDGE opined that defining a health care business as one that employs licensed health care providers, as opposed to entirely owned by health care providers, would be favorable because it's less proscriptive in the ability to engage in a direct health care contract.

REPRESENTATIVE SADDLER removed his objection. There being no further objection, Conceptual Amendment 1 was adopted.

[5:09:21 PM](#)

REPRESENTATIVE RUFFRIDGE moved to report HCS CSSB 45, Version 33-LS0211\P, Wallace, 2/20/24, as amended, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HCS CSSB 45(2d L&C) was reported from the House Labor and Commerce Standing Committee.

[5:10:00 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 5:10 p.m.