

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

March 4, 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. 289

"An Act relating to business license fees; and providing for an effective date."

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

CS 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."

- HEARD & HELD

HOUSE BILL NO. 285

"An Act relating to insurance; relating to mammograms; and providing for an effective date."

- HEARD AND HELD

HOUSE BILL NO. 203

"An Act relating to wage payments."

- HEARD & HELD

HOUSE BILL NO. 290

"An Act relating to the issuance of certificates of fitness for plumbers and electricians; relating to fees for certificates of fitness for plumbers and electricians; and providing for an effective date."

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: HB 289

SHORT TITLE: BUSINESS LICENSE FEES

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

|          |     |                                 |
|----------|-----|---------------------------------|
| 01/24/24 | (H) | READ THE FIRST TIME - REFERRALS |
| 01/24/24 | (H) | L&C, FIN                        |
| 02/05/24 | (H) | L&C AT 3:15 PM BARNES 124       |
| 02/05/24 | (H) | Heard & Held                    |
| 02/05/24 | (H) | MINUTE(L&C)                     |
| 02/12/24 | (H) | L&C AT 3:15 PM BARNES 124       |
| 02/12/24 | (H) | Heard & Held                    |
| 02/12/24 | (H) | MINUTE(L&C)                     |
| 02/26/24 | (H) | L&C AT 3:15 PM BARNES 124       |
| 02/26/24 | (H) | Scheduled but Not Heard         |
| 02/28/24 | (H) | L&C AT 3:15 PM BARNES 124       |
| 02/28/24 | (H) | -- MEETING CANCELED --          |
| 03/04/24 | (H) | L&C AT 3:15 PM BARNES 124       |

BILL: SB 89

SHORT TITLE: AGE FOR TOBACCO/NICOTINE/E-CIG; TAX E-CIG

SPONSOR(S): STEVENS

**WITNESS REGISTER**

SENATOR GARY STEVENS  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** As prime sponsor, presented CSSB 89(L&C).

TIM LAMKIN, Staff  
Senator Gary Stevens  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Gave a PowerPoint presentation on CSSB 89(L&C) on behalf of Senator Stevens, prime sponsor.

APRIL SCOTT, Administrator  
West Valley High School  
Salcha, Alaska

**POSITION STATEMENT:** Gave invited testimony on CSSB 89(L&C).

LENA EDAIS, Student  
Diamond High School  
Anchorage, Alaska

**POSITION STATEMENT:** Gave invited testimony on CSSB 89(L&C).

LEON BRIDGES, General  
National Guard Bureau  
Anchorage, Alaska

**POSITION STATEMENT:** Gave invited testimony on CSSB 89(L&C).

NANCY MEADE, General Counsel  
Office of the Administrative Director  
Alaska Court System

**POSITION STATEMENT:** Answered questions during the hearing on CSSB 89(L&C).

COURTNEY OWENS, Staff  
Representative Zack Fields  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Presented the sectional analysis for HB 285 on behalf of Representative Fields, prime sponsor.

KRISTEN SMITH, Regional State Policy & Advocacy Manager,  
Northwest  
Susan G. Komen Breast Cancer Foundation  
Seattle, Washington

**POSITION STATEMENT:** Gave invited testimony during the hearing on HB 285.

LORI WING-HEIER, Director  
Division of Insurance  
Department of Revenue  
Juneau, Alaska

**POSITION STATEMENT:** Answered questions during the hearing on HB 285.

CLARK BICKFORD, Staff, Representative Jesse Sumner  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Presented HB 203 on behalf of Representative Sumner, prime sponsor.

DAN LEWIS, Vice President  
Compliance Programs and Government Affairs  
ADP

Caldwell, New Jersey

**POSITION STATEMENT:** Gave invited testimony during the hearing on HB 203.

#### **ACTION NARRATIVE**

[3:17:13 PM](#)

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

#### **HB 289-BUSINESS LICENSE FEES**

[3:17:54 PM](#)

CHAIR SUMNER announced that the first order of business would be HOUSE BILL NO. 289, "An Act relating to business license fees; and providing for an effective date."

[3:17:58 PM](#)

REPRESENTATIVE FIELDS moved to adopt Amendment 1 to HB 289, labeled 33-GH2319\A.1, Klein/Gunther, 2/8/24, which read as follows:

Page 1, line 1, following "**Act**":

Insert "**relating to regulating occupations;**"

Page 1, following line 2:

Insert new bill sections to read:

**"\* Section 1.** AS 08.01.065(c) is amended to read:

(c) Except as provided in (f) - (l) [(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. In this subsection, "regulatory costs" means costs of the department that are attributable to regulation of an occupation plus

(1) all expenses of the board that regulates the occupation if the board regulates only one occupation;

(2) the expenses of a board that are attributable to the occupation if the board regulates more than one occupation.

\* **Sec. 2.** AS 08.01.065 is amended by adding a new subsection to read:

(1) Notwithstanding (c) of this section, the department may adjust fee levels established under (a) of this section so that money appropriated under AS 43.70.080 offsets fees for occupations regulated under this chapter. When adjusting fee levels under this subsection, the department may consider the relationship between the regulatory cost of an occupation and income levels in that occupation."

Page 1, line 3:

Delete "**Section 1**"

Insert "**Sec. 3**"

Renumber the following bill sections accordingly.

CHAIR SUMNER announced that there being no objection, Amendment 1 was adopted.

[3:18:15 PM](#)

REPRESENTATIVE CARRICK moved to adopt Amendment 2 to HB 289, labeled 33-GH2319\A.2, Gunther, 2/15/24, which read:

Page 1, lines 3 - 9:

Delete all material and insert:

**\*\* Section 1.** AS 43.70.030(a) is amended to read:

(a) The fee for each business license is \$100 [\$50] a year, except that

(1) the fee is \$50 [\$25] if the business is a sole proprietorship and the sole proprietor is

(i) [(1)] 65 years of age or older when the sole proprietor applies for the license or will reach 65 years of age at any time during the year for which the license is issued; or

(ii) [(2)] a disabled veteran; and

(2) the fee is waived for the first year the initial business license is issued if the person holding the business license has not previously been issued a business license."

REPRESENTATIVE WRIGHT objected.

REPRESENTATIVE CARRICK explained that Amendment 2 would reduce a barrier to entry for small businesses by waving the business license fee for first time applicants.

[3:18:53 PM](#)

The committee took a brief at-ease at 3:18 p.m.

[3:19:13 PM](#)

A roll call vote was taken. Representatives Ruffridge and Carrick voted in favor of Amendment 2. Representatives Prax, Wright, Fields, Saddler, and Sumner voted against it. Therefore, Amendment 2 failed to be adopted by a vote of 2-5.

[3:20:38 PM](#)

REPRESENTATIVE RUFFRIDGE moved to report HB 289, as amended, out of committee with individual recommendations and the accompanying zero fiscal note. There being no objection, CSHB 289(L&C) was reported out of the House Labor and Commerce Standing Committee.

**SB 89-AGE FOR TOBACCO/NICOTINE/E-CIG; TAX E-CIG**

[3:21:10 PM](#)

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

[3:23:46 PM](#)

SENATOR GARY STEVENS, Alaska State Legislature, as prime sponsor, presented CSSB 89(L&C). He paraphrase the sponsor statement [included in the committee packet], which read as follows [original punctuation provided]:

Senate Bill 89 proposes two key policies: 1) to align state law with federal law in raising the minimum age to buy, sell or possess tobacco and electronic smoking products (ESP's) from age 19 to 21; and 2) to establish a sales tax for ESP's.

In December 2019, Congress passed and the President signed into law a provision raising the age of sale for all tobacco, nicotine and ESP products to age 21 nationally \*with no exceptions\*.

Preventing illegal vendor sales is a critical part of the overall effort to prevent and reduce youth smoking. Alaska has an active underage sales enforcement program which has been effective in reducing sales of smoking products to minors. Updating Alaska statutes from 19 to 21 to mirror the federal minimum age of sale of these products will allow our state enforcement program to be effective.

The latest "Tobacco Facts 2022 Update" issued by the Alaska Dept. of Health, Division of Public Health shows an increasing trend among young Alaskans in high school, indicating 26% of the statewide population as active users of ESPs in 2019 alone, and 46% of students having "tried" ESPs. Those statewide figures, along with national ones, are projected to have grown substantially since then.

Despite claims that e-cigarettes help adults quit smoking, or offer adults a "safe" alternative to smoking tobacco, ESPs are under-regulated and have not been found by the Food and Drug Administration (FDA) to be effective in helping smokers actually quit, let alone to be legitimately "safe." Nearly all e-cigarettes contain some amount of nicotine, and some contain as much or more nicotine as a pack of cigarettes. It is not yet known with any certainty what other compounds these vapor products are delivering into users' airways, let alone the long-term effect these products have on human health.

Meanwhile, taxes have been proven to reduce youth tobacco use, resulting in fewer kids becoming life-long smokers, and thus ultimately reducing healthcare costs. In addition to deterring kids from beginning to use these products, taxes help adults who actually want to quit, do so.

Thank you for your consideration of this important piece of legislation.

[3:27:03 PM](#)

TIM LAMKIN, Staff, Senator Gary Stevens, Alaska State Legislature, gave a PowerPoint presentation, entitled "Senate Bill 89 Restricting Youth Access To Tobacco and E-Cigarettes," on behalf of Senator Stevens, prime sponsor. He began on slide 2, which featured prominent e-cigarette marketing that predominantly targets youth. He noted that to date, e-cigarette marketing has gone unregulated. Slide 3 displayed examples of e-cigarette marketing on social media sites like Instagram and YouTube. Slide 4 showed photos of e-cigarette confiscations from Alaska schools. School administrators have reported that the problem is increasing and pervasive. He said smoking is happening in bathrooms, school buses, and even classrooms themselves due to the discrete nature of the devices. Slide 5 featured examples of various disposable vaping products and pricing. He concluded on slide 6, which showed a photo of the infamous "Waxman Hearings" in which CEOs of the major U.S. cigarette manufacturers appeared before Congress and swore under oath that their products were neither addictive nor harmful to human health.

[3:33:11 PM](#)

The committee took a brief at-ease at 3:33 a.m.

[3:34:27 PM](#)

CHAIR SUMNER opened invited testimony on CSSB 89(L&C).

[3:35:25 PM](#)

APRIL SCOTT, Administrator, West Valley High School, gave invited testimony on CSSB 89(L&C). She emphasized the pervasiveness of e-cigarettes and characterized the ease at which students can obtain these devices as embarrassing and scary. She expressed concern about the addictive nature of e-cigarettes and pointed out the nicotine devices are interchangeable with tetrahydrocannabinol (THC) liquid. She added that kids would be expelled if progressive discipline tactics were implemented because of the frequency of use. She implored the committee to help fix this issue even if it's not with SB 89.

[3:40:49 PM](#)

LENA EDAIS, Student, Diamond High School, gave invited testimony on CSSB 89(L&C). She shared a personal anecdote about her experience at Diamond High School and how it has been affected by peer e-cigarette use. She noted the addictive nature and accessibility of these devices. She said raising the age limit and adding a tax would lower the accessibility of these products resulting in fewer kids becoming addicted to e-cigarettes. She said she's seen e-cigarettes be a gateway to other substances and asked the committee members to do their part.

[3:46:24 PM](#)

LEON BRIDGES, General, National Guard Bureau, gave invited testimony on CSSB 89(L&C). He said he supports the bill to keep the U.S. military in Alaska from working in contrary to federal requirements and prohibiting members from procuring tobacco products on military bases under the age of 21. He highlighted the health and societal concerns that are directly linked to smoking and reiterated his support for the bill.

[3:48:00 PM](#)

NANCY MEADE, General Counsel, Office of the Administrative Director, Alaska Court System (ACS), informed the committee that she was available for questions pertaining to enforcement.

[3:48:41 PM](#)

REPRESENTATIVE SADDLER asked Ms. Meade how important it is for the Department of Law (DOL) to enforce tobacco age limits.

MS. MEADE reported that the number of cases pertaining to tobacco possession by minors ranges from 30-80 per year, which does not have a significant impact on the court's caseload.

REPRESENTATIVE SADDLER asked whether law enforcement would tackle [tobacco and e-cigarettes] similar to other illegal substances by going after suppliers.

MS. MEADE clarified that the court system is the "end of the road." She said the bill includes provisions that allow the issuance of citations to those who negligently sell nicotine or vape products to minors.

TIM LAMKIN added that the bill would apply existing law on tobacco and cigarettes to e-cigarettes as well.

[3:51:24 PM](#)

CHAIR SUMNER announced that CSSB 89(L&C) would be held over.

**HB 285-MAMMOGRAMS: INSURANCE COVERAGE**

[3:53:17 PM](#)

CHAIR SUMNER announced that the next order of business would be HOUSE BILL NO. 285 "An Act relating to insurance; relating to mammograms; and providing for an effective date."

[3:53:38 PM](#)

REPRESENTATIVE FIELDS, as prime sponsor, presented HB 285. He said the bill would eliminate financial barriers necessary for diagnostic breast imaging to detect and treat early-stage breast cancer. He defined "screening mammograms" as routinely performed to detect breast cancer in patients without symptoms and designed to be uniform throughout the country for consistent standards of treatment. He paraphrased the sponsor statement [included in the committee packet], which read as follows [original punctuation provided]:

Breast cancer is both the most frequently diagnosed and the second deadliest cancer among women in Alaska.

One in eight women will be diagnosed with breast cancer in their lifetime, but when detected early, breast cancer can be successfully treated. Screening mammograms are covered under the Affordable Care Act (ACA) as a preventative procedure, but diagnostic imaging to help diagnose cancer is subject to cost sharing (co-pay and deductible), costing patients hundreds to thousands of dollars.

A study published by the Radiology Society of North America found that these costs excluded some 21% of patients who need supplemental testing following an abnormal mammogram. Excluding patients from testing increases the likelihood that cancers are not treated early, risking harm to Alaskans, at higher costs for employer-sponsored plans. This cost sharing requirement exacerbates healthcare access disparities in lower- and middle-income patients, who may be insured, but are unable to afford additional testing.

Early detection of breast cancer is crucial for survivability. This legislation would provide greater access to care, ensure prompt diagnosis of breast cancer, and reduce the overall cost to the patient and the health care system.

[3:56:51 PM](#)

COURTNEY OWENS, Staff, Representative Zack Fields, Alaska State Legislature, on behalf of Representative Fields, prime sponsor, presented the sectional analysis for HB 285 [included in the committee packet], which read as follows [original punctuation provided]:

Section 1: Amends AS 21.42.375(e) to define "diagnostic breast examination" and "supplemental breast examination" and offers guidelines for the basis of additional testing.

Section 2: Adds a new subsection to AS 21.42.375 guaranteeing that mammography screening, diagnostic breast examinations, and supplemental breast examinations are covered by applicable insurance plans, with the exception of high deductible health plans that are eligible for a health savings account tax deduction.

Section 3: Amends the law of the State of Alaska by applying Sec. 1 and Sec. 2 to an insurance policy or contract on or after the effective date of the law.

Section 4: Amends the law of the State of Alaska to allow the Division of Insurance to adopt regulations necessary to implement this act under AS 44.62.

Section 5: Section 4 take effect immediately under AS 01.10.070(c).

Section 6: This Act takes effect January 1, 2025.

[3:58:15 PM](#)

REPRESENTATIVE SUMNER opened invited testimony on HB 285.

[3:58:28 PM](#)

KRISTEN SMITH, Regional State Policy & Advocacy Manager, Northwest, Susan G. Komen Breast Cancer Foundation, gave invited testimony in support of HB 285 and explained how the bill would interact with the state's current healthcare system. She said HB 285 would impact people with commercial health insurance regulated by the state. It would not require coverage but prohibits cost sharing for existing coverage. She explained that women and men skip diagnostic tests for breast cancer because they can't afford them - even with insurance. She reported that late diagnoses lead to higher costs and worse health outcomes. Breast cancer diagnosed at stage 1 has a 99 percent survivability rate, whereas stage 4 breast cancer can be treated, but is almost always eventually terminal. Getting patients diagnosed earlier would bridge the gap, she said. Today, who survives breast cancer too often depends on a person's income, location, and race. HB 285 posits that all patients should benefit from testing and early diagnosis. She acknowledged that the bill would raise premiums; however, she shared her belief that mammograms save more in long-term healthcare costs than they cost in the short term.

[4:02:47 PM](#)

REPRESENTATIVE PRAX asked why the insurance companies are not engaging in this voluntarily.

[4:03:20 PM](#)

LORI WING-HEIER, Director, Division of Insurance, Department of Revenue (DOR), said under current statutes, insurers must cover entry mammograms; however, further testing is not included without copays.

REPRESENTATIVE FIELDS estimated that roughly 1,500 individuals are unable to get diagnostic screenings due to the cost prohibitive nature of mammograms.

REPRESENTATIVE PRAX said he does not dispute the statistics; however, maintained his confusion as to why the state has to enforce this if it's a known cost saving measure in the long run.

REPRESENTATIVE FIELDS said he did not know the answer.

[4:05:38 PM](#)

REPRESENTATIVE SADDLER sought to confirm that currently, private insurers must cover mammography and the patient is responsible for the copay.

MS. WING-HEIER answered yes. In response to a series of questions from Representative Saddler, she confirmed that the state does not require insurance companies to provide coverage for supplemental exams. She defined "other factors" that may increase the risk of breast cancer as lifestyle aspects, such as smoking, and genetic traits.

REPRESENTATIVE SADDLER suggested scoping the bill more finely to define "other factors."

MS. SMITH said "other factors" is not defined. Generally, "supplemental" is composed of three factors: first degree relative with breast cancer; genetic tie to breast cancer; or a previous breast cancer survivor.

[4:09:13 PM](#)

REPRESENTATIVE PRAX restated his question, asking why insurance companies haven't done this voluntarily if it would save costs in the long term.

MS. SMITH said insurance companies don't dispute that this treatment would help with diagnosis and treatment; however, they have concerns about the "slippery slope" that may arise if they are asked to repeat this process for other diseases.

[4:10:23 PM](#)

REPRESENTATIVE SADDLER asked how many Alaskans are covered by private insurance versus public.

MS. WING-HEIER estimated that no more than 15 percent of Alaska's population are covered by private insurance.

REPRESENTATIVE SADDLER asked whether public insurance programs cover the supplemental and diagnostic breast examinations as defined in HB 285.

MS. WING-HEIER shared her understanding that the bill does not extend beyond the regulated plans under Title 21.

REPRESENTATIVE SADDLER sought to confirm that the bill excludes 85 percent of Alaskans.

REPRESENTATIVE FIELDS said he would welcome bringing in Emily Ricci to discuss the state plan.

[4:12:35 PM](#)

CHAIR SUMNER announced that HB 285 would be held over.

**HB 203-PAYMENT OF WAGES; PAYROLL CARD ACCOUNT**

[4:12:37 PM](#)

CHAIR SUMNER HOUSE announced that the next order of business would be HOUSE BILL NO. 203, "An Act relating to wage payments."

[4:13:04 PM](#)

CLARK BICKFORD, Staff, Representative Jesse Sumner, Alaska State Legislature, on behalf of Representative Sumner, prime sponsor, presented HB 203. He paraphrased the bill's sponsor statement [included in the committee packet], which read as follows [original punctuation provided]:

Prior to the modern era, all payroll in private sector employment was conducted by traditional means, that is paying employees either in actual currency or with a paper paycheck delivered or mailed to an individual employee on payday. With time and modern technology advancements, many private employers and government

entities have moved to electronic deposit, or electronic funds transfer, for paying their employees.

In Alaska, current law does not permit an employer to select an electronic payroll deposit system unless and until every employee specifically elects to be paid electronically. In other words, an employer who wishes to move the company to electronic wage payment may not be permitted to do so. Any given employer may have very good business reasons to switch the company's payroll system, including, business efficiency, cost-savings, environmental concerns about excess paper usage, or security of wage payment transactions.

Those employers in the private sector who elect to move to an electronic payment system should be entitled to do so. That decision rests with the employer, as with any of the many work-related conditions of employment (choice of uniform; work hours and scheduling; conduct on the job; job duties and goals; leave time; vacation allowances; etc. etc.). The choice for an employer to pay employees via electronic means is no different, and should be permitted, if the employer so chooses.

Note that nothing in the proposed legislation would require an employer to switch to electronic payment of wages. It would simply authorize that decision, if the employer elects to do so. Any employer who wishes to continue paying employees with traditional paper paycheck methods may still do so.

Should an employee either not have a bank account or prefer an alternative to electronic funds transfer, that employee could elect to be paid via payroll card instead. That payroll card would be issued under a Visa or Mastercard partner, and would operate just like an ATM card, now accepted in lieu of cash almost universally. The payroll card is FDIC-insured, and secure for the employee receiving payments in this way.

[4:15:21 PM](#)

MR. BICKFORD began a sectional analysis of HB 203 [included in the committee packet], which read as follows [original punctuation provided]:

Section 1. This section amends AS 23.10.040(a) to require employers to pay wages or other compensation with lawful money of the United States or with negotiable checks, drafts, or orders payable upon presentation without discount by a bank or depository inside the state.

Section 2. This section adds a new section to AS 23.10 to allow employers to pay wages by credit to a payroll card account if the employee has voluntarily authorized the credit or has not authorized deposit of the employee's wages under AS 23.10.043. The section also requires employers to notify employees of their wage payment options, the payroll card terms and conditions, and the fees associated with using a payroll card account. Additionally, the section requires payroll card accounts to provide employees with at least one cost-free withdrawal each week or pay period, and an unlimited cost-free mechanism to check the payroll card account balance. Finally, the section prohibits employers from offering payroll card accounts that charge fees for certain activities and requires that wages credited to payroll card accounts be insured on a pass-through basis to the employee.

[4:16:38 PM](#)

CHAIR SUMNER said the committee would hear invited testimony from Dan Lewis.

[4:16:49 PM](#)

DAN LEWIS, Vice President, Compliance Programs and Government Affairs, ADP, gave testimony in support of HB 203. He said the bill would benefit employers from a payroll management and expense perspective, while also providing significant benefits to employees. To be clear, he said, nothing in the bill would prevent employees from continuing to receive pay from direct deposit, and employers could offer paper paychecks. Further, the bill would protect the right to collective bargaining arrangements and would not impact regulation for payment of wages to state employees. He explained that advances in technology have improved how employees can be paid more timely, consistently, and securely. He elaborated on the benefits of electronic payment.

[4:20:38 PM](#)

REPRESENTATIVE SADDLER asked what ADP is and what the company does.

MR. LEWIS said Automatic Data Processing (ADP) is a human capital management company that specializes in payroll.

[4:21:27 PM](#)

REPRESENTATIVE FIELDS asked about the basic logistics of payroll cards and whether the deposits are insured by the Federal Deposit Insurance Company (FDIC).

MR. LEWIS said that the cards operate similar to any other debit or Visa card and are independent from the employee's bank account. The cards are directly funded with the full amount of pay, which can then be transferred to a bank account or used to pay off a credit card. He noted that the payroll cards can be used anywhere that accepts debit or credit cards and there are no transaction fees. He assured Representative Fields that the cards are FDIC insured.

REPRESENTATIVE FIELDS questioned the percentage of employees that use payroll cards versus direct deposit in other states.

MR. LEWIS said he did not have those statistics.

[4:23:20 PM](#)

REPRESENTATIVE SADDLER asked whether the payroll card would allow employees to view how much of their pay has been withheld for various purposes and other deductions.

MR. LEWIS said yes, employees can access an electronic portal that provides access to the same information that's available on a paper paycheck.

[4:24:37 PM](#)

CHAIR SUMNER announced that HB 203 would be held over.

**HB 290-CERT. OF FITNESS: PLUMBERS/ELECTRICIANS**

[4:24:49 PM](#)

CHAIR SUMNER announced that the final order of business would be HOUSE BILL NO. 290, "An Act relating to the issuance of certificates of fitness for plumbers and electricians; relating to fees for certificates of fitness for plumbers and electricians; and providing for an effective date."

[4:25:02 PM](#)

CHAIR SUMNER opened public testimony on HB 290. After ascertaining that there was no one who wished to testify, he closed public testimony.

CHAIR SUMNER announced that HB 290 would be held over.

[4:25:50 PM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 4:25 p.m.