

ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE

April 17, 2024

3:18 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

CONFIRMATION HEARING(S) :

Department of Labor and Workforce Development

Cathy Muñoz - Juneau

- CONFIRMATION(S) ADVANCED

HOUSE BILL NO. 187

"An Act relating to utilization review entities; exempting certain health care providers from making preauthorization requests for certain services; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 313

"An Act relating to the calculation of the regulatory cost charge for public utilities and pipeline carriers; and providing for an effective date."

- MOVED CSHB 313 (L&C) OUT OF COMMITTEE

HOUSE BILL NO. 394

"An Act relating to the Regulatory Commission of Alaska and regulation of the service of natural gas storage and liquefied

natural gas import facilities; relating to records of the Regulatory Commission of Alaska; relating to rates established by the Regulatory Commission of Alaska; and providing for an effective date."

- MOVED CSHB 394(L&C) OUT OF COMMITTEE

HOUSE BILL NO. 325

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

- HEARD & HELD

HOUSE BILL NO. 375

"An Act prohibiting certain restrictions based on the energy source of a motor vehicle."

- BILL HEARING RESCHEDULED TO 4/22/24

HOUSE JOINT RESOLUTION NO. 27

Supporting trade policies for the United States that hold China, Russia, and other countries accountable, reward leadership in clean production standards, reward superior environmental performance, support economic development, and support the rebuilding of supply chains in the United States.

- BILL HEARING RESCHEDULED TO 4/22/24

PREVIOUS COMMITTEE ACTION

BILL: HB 187

SHORT TITLE: PRIOR AUTH EXEMPT FOR HEALTH PROVIDERS

SPONSOR(S): REPRESENTATIVE(S) SUMNER

05/03/23	(H)	READ THE FIRST TIME - REFERRALS
05/03/23	(H)	HSS, L&C
02/15/24	(H)	HSS AT 3:00 PM DAVIS 106
02/15/24	(H)	Heard & Held
02/15/24	(H)	MINUTE(HSS)
03/14/24	(H)	HSS AT 3:00 PM DAVIS 106
03/14/24	(H)	Heard & Held
03/14/24	(H)	MINUTE(HSS)
03/21/24	(H)	HSS AT 3:00 PM DAVIS 106
03/21/24	(H)	<Bill Hearing Canceled>
03/26/24	(H)	HSS AT 3:00 PM DAVIS 106
03/26/24	(H)	Heard & Held
03/26/24	(H)	MINUTE(HSS)

04/04/24 (H) HSS AT 3:00 PM DAVIS 106
04/04/24 (H) Moved HB 187 Out of Committee
04/04/24 (H) MINUTE(HSS)
04/08/24 (H) L&C AT 3:15 PM BARNES 124
04/08/24 (H) <Pending Referral>
04/10/24 (H) DISCHARGE FROM HSS PASSED 22/18
04/11/24 (H) HSS RPT 3DP 2NR
04/11/24 (H) DP: SUMNER, MCCORMICK, RUFFRIDGE
04/11/24 (H) NR: FIELDS, MINA
04/17/24 (H) L&C AT 3:15 PM BARNES 124

BILL: HB 313

SHORT TITLE: PUBLIC UTILITY REGULATORY COST CHARGE

SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

02/09/24 (H) READ THE FIRST TIME - REFERRALS
02/09/24 (H) L&C, FIN
03/25/24 (H) L&C AT 3:15 PM BARNES 124
03/25/24 (H) Heard & Held
03/25/24 (H) MINUTE(L&C)
03/29/24 (H) L&C AT 3:15 PM BARNES 124
03/29/24 (H) -- MEETING CANCELED --
04/05/24 (H) L&C AT 3:15 PM BARNES 124
04/05/24 (H) -- MEETING CANCELED --
04/08/24 (H) L&C AT 3:15 PM BARNES 124
04/08/24 (H) Heard & Held
04/08/24 (H) MINUTE(L&C)
04/17/24 (H) L&C AT 3:15 PM BARNES 124

BILL: HB 394

SHORT TITLE: RCA REGULATE NATURAL GAS STORAGE FACILITY

SPONSOR(s): RESOURCES

03/20/24 (H) READ THE FIRST TIME - REFERRALS
03/20/24 (H) RES, L&C
04/01/24 (H) RES AT 1:00 PM BARNES 124
04/01/24 (H) <Bill Hearing Rescheduled to 04/03/24>
04/03/24 (H) RES AT 1:00 PM BARNES 124
04/03/24 (H) Heard & Held
04/03/24 (H) MINUTE(RES)
04/05/24 (H) RES AT 1:00 PM BARNES 124
04/05/24 (H) Moved HB 394 Out of Committee
04/05/24 (H) MINUTE(RES)
04/08/24 (H) RES RPT 4DP 3AM
04/08/24 (H) DP: SADDLER, MCCABE, WRIGHT, MCKAY
04/08/24 (H) AM: ARMSTRONG, MEARS, DIBERT
04/08/24 (H) L&C AT 3:15 PM BARNES 124

04/08/24 (H) Scheduled but Not Heard
04/15/24 (H) L&C AT 3:15 PM BARNES 124
04/15/24 (H) Heard & Held
04/15/24 (H) MINUTE (L&C)
04/17/24 (H) L&C AT 3:15 PM BARNES 124

BILL: HB 325

SHORT TITLE: BUSINESS LICENSE FEES

SPONSOR(s): MINA

02/14/24 (H) READ THE FIRST TIME - REFERRALS
02/14/24 (H) L&C, FIN
04/03/24 (H) L&C AT 3:15 PM BARNES 124
04/03/24 (H) <Bill Hearing Rescheduled to 04/05/24>
04/05/24 (H) L&C AT 3:15 PM BARNES 124
04/05/24 (H) -- MEETING CANCELED --
04/17/24 (H) L&C AT 3:15 PM BARNES 124

WITNESS REGISTER

CATHY MUÑOZ, Commissioner Designee, Appointee
Department of Labor and Workforce Development
Juneau, Alaska

POSITION STATEMENT: Testified as appointee as commissioner of the Department of Labor & Workforce Development.

DON ETHERIDGE, Lobbyist
American Federation of Labor - Congress of Industrial Organizations
Juneau, Alaska

POSITION STATEMENT: Testified in support of the appointment of Cathy Muñoz as commissioner of the Department of Labor & Workforce Development.

REBECCA CARRILLO, representing self
Juneau, Alaska

POSITION STATEMENT: Testified in support of the appointment of Cathy Muñoz as commissioner of the Department of Labor & Workforce Development.

JIMMY EP, representing self
Juneau, Alaska

POSITION STATEMENT: Testified in support of the appointment of Cathy Muñoz as commissioner of the Department of Labor & Workforce Development.

TAYA BARO, representing self

Juneau, Alaska

POSITION STATEMENT: Testified in support of the appointment of Cathy Muñoz as commissioner of the Department of Labor & Workforce Development.

TOM BOUTIN, representing self

Juneau, Alaska

POSITION STATEMENT: Testified in support of the appointment of Cathy Muñoz as commissioner of the Department of Labor & Workforce Development.

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

POSITION STATEMENT: Presented HB 187 on behalf of Representative Sumner, prime sponsor.

JEFF DAVIS, Former President
Premera Blue Cross Blue Shield of Alaska
Wenatchee, Washington

POSITION STATEMENT: Gave invited testimony on HB 187.

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

POSITION STATEMENT: Gave invited testimony on HB 187.

JOHN KELLY, Chief Executive Officer
Alaska Air Group
Anchorage, Alaska

POSITION STATEMENT: Gave invited testimony on HB 187.

JARED KOSIN, President/CEO
Alaska Hospital & Healthcare Association
Anchorage, Alaska

POSITION STATEMENT: Gave invited testimony on HB 187.

ROBERT DOYLE, Chair
Regulatory Commission of Alaska
Anchorage, Alaska

POSITION STATEMENT: Answered questions during the hearing on HB 313; responded to a question from Representative Saddler on Amendment 3 to HB 394.

BECKI ALVEY, Advisory Section Manager
Regulatory Commission of Alaska

Anchorage, Alaska

POSITION STATEMENT: Answered a question from Representative Saddler during the hearing on HB 313.

REPRESENTAIVE TOM MCKAY
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: On behalf of the bill sponsor, the House Resources Standing Committee, on which he serves as chair, answered questions related to HB 394.

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

POSITION STATEMENT: On behalf of the bill sponsor, the House Resources Standing Committee, on which Representative McKay serves as chair, answered questions related to HB 394.

JOHN SIMS, President
Enstar National Gas
Anchorage, Alaska

POSITION STATEMENT: Answered a question from Representative Saddler related to Amendment 3 to HB 394.

REPRESENTATIVE GENEVIEVE MINA
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As prime sponsor, introduced HB 325 to the committee.

REMINGTON PINELL, Staff
Representative Genevieve Mina
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: On behalf of Representative Genevieve Mina, prime sponsor, read the summary of changes for the proposed CS for HB 325, Version S.

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

POSITION STATEMENT: Answered questions during the hearing on HB 325, Version S.

ACTION NARRATIVE

[3:18:26 PM](#)

CHAIR JESSE SUMNER called the House Labor and Commerce Standing Committee meeting to order at 3:18 p.m. Representatives Saddler, Prax, Wright, Carrick, Ruffridge, and Sumner were present at the call to order. Representative Fields arrived as the meeting was in progress.

CONFIRMATION HEARING(S):

Department of Labor and Workforce Development Commissioner

[3:18:54 PM](#)

CHAIR SUMNER announced that the first order of business would be a confirmation hearing on the governor's appointee for commissioner of the Department of Labor & Workforce Development.

[3:19:13 PM](#)

CATHY MUÑOZ, Commissioner Designee, Appointee, Department of Labor and Workforce Development (DLWD), began by giving her history as a commissioner with DLWD and shared her personal history in Alaska. She shared her academic qualifications and her history as both a businesswoman and politician in Juneau and spoke about how she challenged the department to train and learn new things, citing an ad campaign that was performed under her supervision in 2023. She added her experience working with the Department of Education and Early Development (DEED) to put more teachers in communities.

[3:26:45 PM](#)

REPRESENTATIVE FIELDS thanked Commissioner Designee Muñoz for her work.

[3:27:09 PM](#)

REPRESENTATIVE CARRICK asked about the challenges and opportunities Commissioner Designee Muñoz faced.

COMMISSIONER MUÑOZ said that DLWD is working on doing a cost study to look at ways to make more people eligible for state-sponsored child care.

[3:29:05 PM](#)

REPRESENTATIVE PRAX asked how Commissioner Designee Muñoz has been involved in citizenship assistance.

COMMISSIONER MUÑOZ answered that the department has recently been involved in advocating for foreign rural workers' visas and explained the role that she played in forwarding that advocacy.

[3:30:41 PM](#)

REPRESENTATIVE WRIGHT gave thanks to Commissioner Designee Muñoz for her time at the hearing.

[3:31:19 PM](#)

CHAIR SUMNER opened public testimony on the confirmation hearing of the governor's appointee for commissioner of the Department of Labor & Workforce Development.

[3:31:34 PM](#)

DON ETHERIDGE, Lobbyist, American Federation of Labor - Congress of Industrial Organizations (AFL-CIO), testified in support of the appointment of Cathy Muñoz as Commissioner of the Department of Labor & Workforce Development. He began by giving a personal history of his relationship with Commissioner Designee Muñoz and attested to her character and ability to perform in the role for which she is reapplying.

[3:32:45 PM](#)

REBECCA CARRILLO, representing self, testified in support of the appointment of Cathy Muñoz as Commissioner of the Department of Labor & Workforce Development. She began by advocating for Commissioner Muñoz' good moral character and work as commissioner designee of the department. She explained how Commissioner Muñoz' philosophy of inclusion and tolerance are echoed in the mission and vision of work being done by DLWD under her supervision.

[3:35:52 PM](#)

REPRESENTATIVE WRIGHT said he would take Ms. Carillo's words into consideration.

[3:36:11 PM](#)

REPRESENTATIVE RUFFRIDGE thanked Ms. Carrillo for her service to the State of Alaska.

[3:36:35 PM](#)

JIMMY EP, representing self, testified in support of the appointment of Cathy Muñoz as commissioner of the Department of Labor & Workforce Development. He said that Commissioner Designee Muñoz has been a "pillar" for the Filipino community in Alaska and spoke to her efforts in the recognition and uplifting of all around her in her community. He said that her attributes of "warmth, kindness, and genuine passion for fostering unity and friendship" will continue to make her a great commissioner of DLWD.

[3:39:56 PM](#)

TAYA BARO, representing self, testified in support of the appointment of Cathy Muñoz as commissioner of the Department of Labor & Workforce Development. She began her remarks by saying that Commissioner Designee Muñoz is "all about hiring Alaskans." She attested to Commissioner Designee Muñoz' work as a public servant and a leader who uplifted and enhanced opportunities for all individuals in Alaska and emphasized that Commissioner Designee Muñoz is the "right person for the job."

[3:44:02 PM](#)

TOM BOUTIN, representing self, testified in support of the appointment of Cathy Muñoz as commissioner of the Department of Labor & Workforce Development. He said the department is seldom in the news, but has "essential responsibility." He gave a list of qualities and attributes that are [desirable] in a would-be commissioner of any executive department and emphasized that Commissioner Designee Muñoz has those traits.

[3:45:33 PM](#)

CHAIR SUMNER, after ascertaining there was no one else who wished to testify, closed public testimony.

[3:45:56 PM](#)

The committee took an at-ease from 3:45 p.m. to 3:46 p.m.

[3:46:04 PM](#)

CHAIR SUMNER stated that the House Labor and Commerce Standing Committee has reviewed the qualifications of the governor's appointee and recommends that the following name be forwarded to a joint session for consideration: Cathy Muñoz, Commissioner of the Department of Labor & Workforce Development. He said that signing the report regarding appointments to boards and commissions in no way reflects an individual member's approval or disapproval of the appointee, and the nomination is merely forwarded to the full legislature for confirmation or rejection.

[3:46:38 PM](#)

The committee took an at-ease from 3:46 to 3:50 p.m.

HB 187-PRIOR AUTH EXEMPT FOR HEALTH PROVIDERS

[3:50:35 PM](#)

CHAIR SUMNER announced that the next order of business would be HOUSE BILL NO. 187, "An Act relating to utilization review entities; exempting certain health care providers from making preauthorization requests for certain services; and providing for an effective date."

[3:51:01 PM](#)

SARENA HACKENMILLER, Staff, Representative Jesse Sumner, Alaska State Legislature, on behalf of Representative Sumner, prime sponsor, gave the sponsor statement for HB 187 [included in the committee packet], which read as follows [original punctuation provided]:

HB 187 aims to reduce the wait time for certain health care services by exempting health care providers from making preauthorization requests for said services.

Currently, Alaskans who need certain health care services must wait days and even weeks at a time to get pre-authorized to receive health care services because of the processing time between the health care provider and insurance companies. This bill would help Alaskans receive health care services immediately, especially health care services that could save their lives.

This bill would create a utilization review entity that may evaluate whether a health care provider continues to qualify for an exemption if

during the most recent 12-month period, the utilization review entity has approved or would approve at least 80% of the prior authorization requests submitted by the health care provider for that health care service.

The Health Care provider is not required to request an exemption to qualify for an exemption. A utilization review may not deny or reduce payment for a health care service that is exempted.

Other states with prior authorization exemptions have seen increased frequency of patients who receive the health care services they need expediently.

This bill will help Alaskans receive fast, efficient, and quality healthcare when they need it without waiting for a preauthorization process that could cause their health to decline even more.

[3:53:18 PM](#)

JEFF DAVIS, Former President, Premera Blue Cross Blue Shield of Alaska, began invited testimony by giving his history of working in Alaska's health insurance industry and sharing what problems he thinks might be solved by HB 187. He said that currently patients are bearing the cost of unnecessary prior authorization in the form of delays in care. He said the original goals of prior authorization were well meaning but because of unchecked expansion have grown ineffective. He said the issue is the fact that there are a huge number of prior authorization requests that are denied initially by the payer. He shared his belief that HB 187 would restore the balance between patients, physicians, and health insurance providers.

[4:00:38 PM](#)

PAM VENTGEN, Executive Director, Alaska State Medical Association, began her invited testimony on HB 187 by explaining that when a prior authorization request is denied it must be appealed, which can delay adequate and timely care to a patient. She said that in the case of a denial, either a nurse or a physician assistant may request the prior authorization appeal, both of whom must educate the prior authorization request reviewer on new technologies that affect the appeal which further takes time away from care to the patient.

[4:03:31 PM](#)

JOHN KELLY, Chief Executive Officer, Alaska Air Group, began invited testimony on HB 187 by giving an example of someone who was diagnosed with a disease and was affected by the complexities of insurance and delays in their prior authorization request. He said that prior authorization has gone awry and emphasized that the time used in the review and appeals process is harmful to patients in the form of delayed and lost time.

[4:11:19 PM](#)

JARED KOSIN, President/CEO, Alaska Hospital & Healthcare Association (AHHA), began invited testimony by noting that AHHA is in strong support of HB 187. He said that currently, prior authorization is causing major delays with patient care that is at times detrimental to their quality of life, and HB 187 would help to alleviate some of the downfalls of the current prior authorization process.

[4:13:56 PM](#)

CHAIR SUMNER announced that HB 187 was held over.

HB 313-PUBLIC UTILITY REGULATORY COST CHARGE

[4:14:16 PM](#)

CHAIR SUMNER announced that the next order of business would be HOUSE BILL NO. 313, "An Act relating to the calculation of the regulatory cost charge for public utilities and pipeline carriers; and providing for an effective date." [The committee adopted Amendment 1 to HB 313 at the hearing on 4/8/24.]

[4:14:35 PM](#)

CHAIR SUMNER moved to adopt Amendment 3 to HB 313, as amended, labeled 33-GH2516\A.4, Walsh, 4/12/24, which read as follows:

Page 1, line 2, following "**carriers;**":

Insert "**exempting utilities that furnish residential waste collection services in competitive markets from regulation;**"

Page 2, following line 4:

Insert a new bill section to read:

"* **Sec. 2.** AS 42.05.711 is amended by adding a new subsection to read:

(w) A utility that furnishes collection and disposal service of garbage, refuse, trash, or other waste material to residential customers in an area where two or more utilities are competing to furnish identical service is exempt from the provisions of this chapter."

Renumber the following bill sections accordingly.

REPRESENTATIVE CARRICK objected.

[4:14:38 PM](#)

The committee took an at-ease from 4:14 p.m. to 4:16 p.m.

[4:15:50 PM](#)

CHAIR SUMNER explained that Amendment 3 would exempt certain local utilities from tax in the name of stimulating competition. He gave an example of his hometown that utilized such tax exemptions to stimulate economic growth.

[4:16:56 PM](#)

REPRESENTATIVE FIELDS commented that he is supportive of Amendment 3.

[4:17:14 PM](#)

REPRESENTATIVE CARRICK asked how Amendment 3 would affect areas without competing trash collection companies.

[4:17:42 PM](#)

CHAIR SUMNER directed the question to Robert Doyle.

[4:18:18 PM](#)

ROBERT DOYLE, Chair, Regulatory Commission of Alaska, gave a list of communities that the proposed amendment would affect and said that it is possible for both of the utilities to provide the service regardless of the proposed exemption and added his belief that "competition is the ultimate form of regulation."

[4:19:54 PM](#)

REPRESENTATIVE PRAX asked why the proposed amendment would be limited to residential markets and not commercial markets.

CHAIR SUMNER replied that commercial markets aren't regulated in the same way that residential markets are regulated.

REPRESENTATIVE PRAX asked if the Regulatory Commission of Alaska (RCA) would have to deregulate if another company were to come into play.

CHAIR SUMNER explained that he does not recommend complete deregulation, but it might be important in certain areas.

REPRESENTATIVE PRAX asked about the initial regulation of a company and how it affects its success.

CHAIR SUMNER answered that under the current Alaska statutes, residential trash collection companies under a certain size are exempt from certain regulations imposed on [larger] commercial trash collection companies.

[4:21:57 PM](#)

REPRESENTATIVE SADDLER asked if the RCA currently identifies individual utility service areas.

[4:22:23 PM](#)

MR. DOYLE said that the RCA does require a regulatory definition for how utility service areas are defined.

[4:22:51 PM](#)

BECKI ALVEY, Advisory Section Manager, Regulatory Commission of Alaska, in further response, explained that the RCA does not define specific areas in statute, rather each utility works under a certificate that allows it to operate in a specific service area.

[4:23:47 PM](#)

REPRESENTATIVE SADDLER asked whether a utility could change its service area to avoid regulation.

MR. DOYLE responded that if there were two companies in the Matanuska-Susitna ("Mat-Su") Valley, the RCA would investigate. In response to a follow-up question, he explained that the term

"identical service" is a term limited to residential waste collection services.

[4:27:01 PM](#)

CHAIR SUMNER clarified that the legislative intent of HB 313 is not to monopolize a small service area or to squander a smaller utility provider.

REPRESENTATIVE CARRICK removed her objection. There being no further objection, Amendment 3 was adopted.

[4:27:59 PM](#)

The committee took an at-ease from 4:27 p.m. to 4:28 p.m.

[4:28:17 PM](#)

REPRESENTATIVE WRIGHT moved to report HB 313, as amended, out of committee with individual recommendations and attached fiscal notes.

[4:28:42 PM](#)

REPRESENTATIVE RUFFRIDGE objected.

REPRESENTATIVE RUFFRIDGE opined that the ability to increase the regulatory cost charge is not appropriate.

[4:29:07 PM](#)

A roll call vote was taken. Representatives Prax, Saddler, Wright, Carrick, Fields, and Sumner voted in favor of reporting HB 313, as amended, out of committee with individual recommendations and attached fiscal notes. Representative Ruffridge voted against it. Therefore, CSHB 313(L&C) was reported out of the House Labor and Commerce Standing Committee by a vote of 6-1.

[4:29:42 PM](#)

The committee took a brief at-ease at 4:29 p.m.

[4:29:48 PM](#)

CHAIR SUMNER clarified that CSHB 313(L&C) had been reported out of committee.

[4:29:58 PM](#)

The committee took an at-ease from 4:29 p.m. to 4:32 p.m.

HB 394-RCA REGULATE NATURAL GAS STORAGE FACILITY

[4:31:04 PM](#)

CHAIR SUMNER announced that the next order of business would be HOUSE BILL NO. 394, "An Act relating to the Regulatory Commission of Alaska and regulation of the service of natural gas storage and liquefied natural gas import facilities; relating to records of the Regulatory Commission of Alaska; relating to rates established by the Regulatory Commission of Alaska; and providing for an effective date."

[4:31:22 PM](#)

The committee took an at-ease from 4:31 p.m. to 4:32 p.m.

[4:32:31 PM](#)

REPRESENTATIVE CARRICK moved to adopt Amendment 1 to HB 394, labeled 33-LS1441\U.1, Nauman, 4/4/24, which read as follows:

Page 1, lines 2 - 3:

Delete "**relating to records of the Regulatory Commission of Alaska;**"

Page 2, line 27, through page 3, line 4:

Delete all material.

Renumber the following bill sections accordingly.

Page 4, lines 17 - 27:

Delete all material.

Renumber the following bill sections accordingly.

[4:32:49 PM](#)

REPRESENTATIVE WRIGHT objected.

[4:32:53 PM](#)

REPRESENTATIVE CARRICK explained that Amendment 1 would remove the confidentiality requirement of HB 394 and cited her questions to the RCA during the previous bill hearing as reason for the proposed amendment.

[4:34:08 PM](#)

REPRESENTATIVE WRIGHT asked for the opinion of the bill sponsor.

[4:34:24 PM](#)

REPRESENTAIVE TOM MCKAY, Alaska State Legislature, on behalf of the bill sponsor, the House Resources Standing Committee, on which he serves as chair, deferred the answer regarding HB 394 to Trevor Jepson.

[4:34:43 PM](#)

TREVOR JEPSON, Staff, Representative Tom McKay, Alaska State Legislature, on behalf of the bill sponsor, the House Resources Standing Committee, on which Representative McKay serves as chair, explained that there is currently a petition process that a company has to apply for to receive confidentiality of financial records. He said that the bill sponsor strongly opposes Amendment 1 and warned that the proposed legislation would be "moot, null, and void" if Amendment 1 were to pass.

[4:35:28 PM](#)

A roll call vote was taken. Representatives Carrick and Fields voted in favor of Amendment 1 to HB 394. Representatives Saddler, Wright, Prax, Ruffridge, and Sumner voted against it. Therefore, Amendment 1 failed to be adopted by a vote of 2-5.

[4:35:57 PM](#)

CHAIR SUMNER moved to adopt Amendment 2 to HB 394, labeled 33-LS1441\U.2, Nauman, 4/4/24, which read as follows:

Page 1, line 2:

Delete **"and liquefied natural gas import facilities"**

Page 1, line 7:

Delete "AS 42.05.711(q), (s), and (w) "

Insert "AS 42.05.711(q) and (s) "

Page 3, lines 16 - 18:
Delete all material.

Renumber the following bill sections accordingly.

REPRESENTATIVE SADDLER objected for the purpose of discussion.

[4:36:11 PM](#)

TREVOR JEPSON said that Amendment 2 would allow for certain dual jurisdiction liquified natural gas (LNG) import facilities. In response to a question from Representative Saddler, he indicated that [Representative McKay's staff] had not found any further information regarding dual regulatory authority.

[4:37:48 PM](#)

REPRESENTATIVE FIELDS observed that Amendment 2 was "better written" and "more concise."

CHAIR SUMNER stated that he would withdraw Amendment 2, then announced that without objection, it was so ordered.

[4:38:11 PM](#)

The committee took a brief at-ease at 4:38 p.m.

[4:38:40 PM](#)

CHAIR SUMNER moved to adopt Amendment 3 to HB 394, labeled 33-LS1441\U.3, Nauman, 4/4/24, which read as follows:

Page 1, lines 2 - 4:

Delete **"and liquefied natural gas import facilities; relating to records of the Regulatory Commission of Alaska; relating to rates established by the Regulatory Commission of Alaska; and providing for an effective date"**

Page 1, line 7:

Delete ", (s), and (w)"
Insert "and (s)"

Page 2, line 3, through page 3, line 4:

Delete all material.

Renumber the following bill sections accordingly.

Page 3, lines 16 - 18:
Delete all material.

Renumber the following bill sections accordingly.

Page 4, lines 9 - 27:
Delete all material.

Renumber the following bill sections accordingly.

Page 4, line 29:
Delete all material.

REPRESENTATIVE WRIGHT objected for the purpose of discussion.

[4:39:01 PM](#)

REPRESENTATIVE MCKAY stated support for Amendment 3.

MR. JEPSON said that Amendment 3 would clarify language that should've already be considered.

[4:39:35 PM](#)

REPRESENTATIVE WRIGHT removed his objection.

REPRESENTATIVE SADDLER objected for the purpose of discussion.

[4:40:08 PM](#)

REPRESENTATIVE SADDLER inquired as to how any given federal authority might play a role in the cost of LNG and asked for an example of a facility where federal authority is included in the facilities cost calculations.

MR. JEPSON responded that he did not currently have an answer to those questions.

[4:41:16 PM](#)

ROBERT DOYLE, Chair, Regulatory Commission of Alaska, said he would need to research to answer Representative Saddler's question.

REPRESENTATIVE SADDLER clarified that he would like to know the downstream effects of Amendment 3 but added that he was "fairly satisfied."

[4:42:21 PM](#)

JOHN SIMS, President, Enstar National Gas, told Representative Saddler that he couldn't answer his question at the time and made clear that ENSTAR Natural Gas Company is in support of Amendment 3.

[4:43:37 PM](#)

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

[4:43:51 PM](#)

REPRESENTATIVE FIELDS moved to adopt Amendment 4 to HB 394, as amended, labeled 33-LS1441\U.4, Nauman, 4/4/24, which read as follows:

Page 1, lines 3 - 4:

Delete **"relating to rates established by the Regulatory Commission of Alaska;"**

Page 2, lines 3 - 26:

Delete all material.

Re-number the following bill sections accordingly.

Page 4, lines 9 - 16:

Delete all material.

Re-number the following bill sections accordingly.

REPRESENTATIVE WRIGHT objected.

[4:44:08 PM](#)

REPRESENTATIVE FIELDS explained that Amendment 4 would help to keep the costs of stored gas low for a utility by changing the fair market value language in HB 394.

REPRESENTATIVE MCKAY pointed out that HB 394 would cover all gas and emphasized that the price of gas is too unpredictable to

justify the "fair market value" language in HB 394. He stated opposition to Amendment 4.

REPRESENTATIVE FIELDS explained the proposed amendment using a hypothetical example.

REPRESENTATIVE MCKAY deferred the question to Mr. Doyle and commented that it is not his intention to oversell stored gas under HB 394.

[4:47:44 PM](#)

CHAIR SUMNER summarized Amendment 4 and invited Mr. Doyle to speak to it.

[4:48:28 PM](#)

MR. DOYLE said that he agrees with the bill sponsor that gas prices are established through long term contracts which are not influenced by exogenous events.

[4:49:32 PM](#)

REPRESENTATIVE SADDLER asked Mr. Doyle what the RCA includes in its definition of costs associated with the term "oil and gas fields."

MR. DOYLE answered by using an example of how a long-term gas storage contract might be conducted and further gave context to his answer by explaining the process that a contract goes through to come to fruition.

REPRESENTATIVE SADDLER asked if the value of the oil and gas itself in the field is not worth more than the acquisition cost.

CHAIR SUMNER explained that the combined cost of the cushion gas and the working gas would be comparable to the other rates and shared his belief that the price would fluctuate by "market magicians."

[4:52:48 PM](#)

MR. JEPSON said that the fair market value language relates only to assets of oil and gas companies, not the gas itself.

[4:53:52 PM](#)

A roll call vote was taken. Representatives Fields and Carrick voted in favor of Amendment 4 to HB 394. Representatives Saddler, Prax, Wright, Ruffridge, and Sumner voted against it. Therefore, Amendment 4 failed to be adopted by a vote of 2-5.

[4:54:15 PM](#)

REPRESENTATIVE FIELDS moved Amendment 5 to HB 394, as amended, labeled 33-LS1441\U.8, Nauman, 4/17/24, which read as follows:

Page 1, lines 3 - 4:

Delete "**relating to rates established by the Regulatory Commission of Alaska;**"

Page 2, lines 3 - 26:

Delete all material.

Renumber the following bill sections accordingly.

Page 4, lines 9 - 16:

Delete all material.

Renumber the following bill sections accordingly.

REPRESENTATIVE SADDLER objected.

[4:54:27 PM](#)

REPRESENTATIVE FIELDS explained that Amendment 5 would give the RCA the authority to review data and records related to confidentiality of gas prices and sales.

[4:55:09 PM](#)

The committee took an at-ease from 4:55 p.m. to 5:00 p.m.

[5:00:16 PM](#)

REPRESENTATIVE MCKAY stated that Amendment 5 is not necessary.

REPRESENTATIVE FIELDS asked Mr. Doyle if the proposed legislation would need Amendment 5.

[5:01:02 PM](#)

MR. DOYLE responded that the way HB 394 is currently written is sufficient to give the RCA the authority to review financial records as necessary.

[5:01:58 PM](#)

REPRESENTATIVE FIELDS [moved to] withdraw Amendment 5. [There being no objection, Amendment 5 was withdrawn.]

[5:02:10 PM](#)

REPRESENTATIVE RUFFRIDGE moved to report HB 394, as amended, out of committee with individual recommendations and the accompanying fiscal notes.

REPRESENTATIVE CARRICK objected.

[5:02:30 PM](#)

A roll call vote was begun and subsequently voided.

[5:02:57 PM](#)

The committee took an at-ease from 5:02 p.m. to 5:03 p.m.

[5:03:05 PM](#)

A roll call vote was taken. Representatives Wright, Saddler, Prax, Ruffridge, and Sumner voted in favor of reporting HB 394, as amended, out of committee with individual recommendations and the accompanying fiscal notes. Representatives Carrick and Fields voted against it. Therefore, CSHB 394(L&C) was reported out of the House Labor and Commerce Standing Committee by a vote of 5-2.

[5:03:52 PM](#)

CHAIR SUMNER announced that HB 375 would not be heard until Monday.

HB 325-BUSINESS LICENSE FEES

CHAIR SUMNER announced that the final order of business would be HOUSE BILL NO. 325, "An Act relating to business license fees; and providing for an effective date."

[5:04:14 PM](#)

REPRESENTATIVE RUFFRIDGE moved to adopt the proposed committee substitute (CS) for HB 325, Version 33-LS1090\S, Nauman, 4/2/24, as the working document. There being no objection, Version S was before the committee.

[5:04:42 PM](#)

REPRESENTATIVE GENEVIEVE MINA, Alaska State Legislature, as prime sponsor, introduced HB 325 to the committee.

[5:05:06 PM](#)

REMYNTON PINELL, Staff, Representative Genevieve Mina, Alaska State Legislature, on behalf of Representative Mina, prime sponsor, began by reading the sectional analysis for Version S [included in committee packet], which read as follows [original punctuation provided]:

Section 1: Removes "investigation fees" as a fee type that is set in regulation by the department for professional licenses.

Section 2: Removes the definition of "regulatory costs" from AS 08.01.065(c).

Section 3: The definition of "regulatory costs" is relocated to this section with an added clarification that "regulatory costs" does not include disciplinary investigations or actions involving unlicensed practice or legal and actual costs associated with complaints, hearings, mediation, and settlement.

Sections 4-10 make conforming changes:

Section 4: Removes reference to fees for investigations.

Section 5: Removes reference to investigation fees for massage therapists.

Sections 6 & 7: Removes reference to investigation fees for marine pilots.

Section 8: Replaces investigation fees with evaluation fees for nursing home administrators. This is for clarity, as "investigation" means "evaluation" in this context.

Section 9: Replaces investigation fees with evaluation fees for pharmacists and pharmacies. This is for clarity, same as Section 8.

Section 10. Replaces investigation fees with evaluation for veterinarians. This is for clarity, same as Section 8.

Section 11: HB 325 Version B specified that all first-time business license fees would be set at \$0. HB 325 Version S removes this and instead adds a new subsection specifying a new exemption for paying the full business fee: if a business is a sole proprietorship, and that sole proprietor receives public assistance, then the fee is \$0.

Section 12. Sets the effective date to July 1, 2024

[5:07:01 PM](#)

REPRESENTATIVE MINA explained that Version S aims to strengthen Alaska's economy by empowering economically disadvantaged Alaskans to receive public benefits to pursue entrepreneurial endeavors. She said that currently, business license fees in Alaska are prohibitive for some Alaskans and emphasized that HB 325, Version S, is specific to Alaskans who already receive some sort of public benefit.

[5:10:06 PM](#)

REPRESENTATIVE SADDLER asked how the proposed business license price would increase levels of entrepreneurship in Alaska.

REPRESENTATIVE MINA said that Version S would waive the business license fee of \$50 altogether for qualified individuals. In response to a follow-up question, she said she believed that added bureaucracy could be an impediment to those wishing to start a business.

[5:12:31 PM](#)

REPRESENTATIVE CARRICK asked what the cost of a business license was during the COVID-19 pandemic.

REPRESENTATIVE MINA explained that business license fees were waived altogether during the pandemic.

[5:13:23 PM](#)

SYLVAN ROBB, Director, Division of Corporations, Business, and Professional Licensing, Department of Commerce, Community & Economic Development, (DCCED), confirmed that Representative Mina's answer was correct and explained that business license fees in Alaska were waived entirely from April 3, 2020, through January 31, 2023.

[5:13:58 PM](#)

REPRESENTATIVE CARRICK asked whether the number of licenses increased during the pandemic.

MS. ROBB said she would follow up with an answer later.

[5:14:28 PM](#)

REPRESENTATIVE PRAX inquired about the fiscal note associated with HB 325.

MS. ROBB responded that while the division handles itself through business license fees, the majority of its funding comes from the general fund.

[5:15:31 PM](#)

CHAIR SUMNER announced that HB 325, Version S, was held over.

[5:15:53 PM](#)

The committee took an at-ease from 5:15 p.m. to 5:17 p.m.

[5:17:39 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 5:17 p.m.