

ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE

April 24, 2024

4:32 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. 375

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

- MOVED CSHB 375(L&C) OUT OF COMMITTEE

SENATE BILL NO. 196

"An Act relating to drug and alcohol testing by employers."

- MOVED SB 196 OUT OF COMMITTEE

SENATE BILL NO. 228

"An Act extending the termination date of the Board of Massage Therapists; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 385

"An Act relating to occupational licensing fees."

- MOVED CSHB 385(L&C) OUT OF COMMITTEE

HOUSE BILL NO. 325

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

- MOVED CSHB 325 (L&C) OUT OF COMMITTEE

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.

- SCHEDULED BUT NOT HEARD

PREVIOUS COMMITTEE ACTION

BILL: HB 375

SHORT TITLE: ENERGY SOURCES OF MOTOR VEHICLES

SPONSOR(s): TRANSPORTATION

02/20/24	(H)	READ THE FIRST TIME - REFERRALS
02/20/24	(H)	L&C
04/17/24	(H)	L&C AT 3:15 PM BARNES 124
04/17/24	(H)	<Bill Hearing Rescheduled to 04/22/24>
04/22/24	(H)	L&C AT 3:15 PM BARNES 124
04/22/24	(H)	Heard & Held
04/22/24	(H)	MINUTE (L&C)
04/24/24	(H)	L&C AT 3:15 PM BARNES 124

BILL: SB 196

SHORT TITLE: EMPLOYER DRUG AND ALCOHOL TESTING

SPONSOR(s): LABOR & COMMERCE

01/18/24	(S)	READ THE FIRST TIME - REFERRALS
01/18/24	(S)	L&C
03/08/24	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
03/08/24	(S)	Heard & Held
03/08/24	(S)	MINUTE (L&C)
03/20/24	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
03/20/24	(S)	Moved SB 196 Out of Committee
03/20/24	(S)	MINUTE (L&C)
03/22/24	(S)	L&C RPT 4DP 1NR
03/22/24	(S)	DP: BJORKMAN, BISHOP, GRAY-JACKSON, MERRICK
03/22/24	(S)	NR: DUNBAR
04/10/24	(S)	TRANSMITTED TO (H)
04/10/24	(S)	VERSION: SB 196
04/11/24	(H)	READ THE FIRST TIME - REFERRALS
04/11/24	(H)	L&C
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)
04/24/24 (H) L&C AT 3:15 PM BARNES 124

BILL: SB 228

SHORT TITLE: EXTEND BOARD OF MASSAGE THERAPISTS

SPONSOR(s): LABOR & COMMERCE

02/12/24 (S) READ THE FIRST TIME - REFERRALS
02/12/24 (S) L&C, FIN
02/26/24 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)
02/26/24 (S) Moved SB 228 Out of Committee
02/26/24 (S) MINUTE(L&C)
02/28/24 (S) L&C RPT 5DP
02/28/24 (S) DP: BJORKMAN, MERRICK, GRAY-JACKSON,
BISHOP, DUNBAR
04/03/24 (S) FIN AT 9:00 AM SENATE FINANCE 532
04/03/24 (S) Heard & Held
04/03/24 (S) MINUTE(FIN)
04/04/24 (S) FIN RPT 4DP 1NR
04/04/24 (S) DP: OLSON, KIEHL, MERRICK, BISHOP
04/04/24 (S) NR: STEDMAN
04/04/24 (S) FIN AT 9:00 AM SENATE FINANCE 532
04/04/24 (S) Moved SB 228 Out of Committee
04/04/24 (S) MINUTE(FIN)
04/11/24 (S) TRANSMITTED TO (H)
04/11/24 (S) VERSION: SB 228
04/12/24 (H) READ THE FIRST TIME - REFERRALS
04/12/24 (H) L&C, FIN
04/19/24 (H) L&C AT 3:15 PM BARNES 124
04/19/24 (H) -- MEETING CANCELED --
04/24/24 (H) L&C AT 3:15 PM BARNES 124

BILL: HB 385

SHORT TITLE: OCCUPATIONAL LICENSING FEES

SPONSOR(s): EASTMAN

02/20/24 (H) READ THE FIRST TIME - REFERRALS
02/20/24 (H) L&C
02/26/24 (H) L&C AT 3:15 PM BARNES 124
02/26/24 (H) Heard & Held
02/26/24 (H) MINUTE(L&C)
02/28/24 (H) L&C AT 3:15 PM BARNES 124
02/28/24 (H) -- MEETING CANCELED --
03/01/24 (H) L&C AT 3:15 PM BARNES 124
03/01/24 (H) Scheduled but Not Heard
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 --
04/24/24 (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
04/17/24 (H) Heard & Held
04/17/24 (H) MINUTE(L&C)
04/24/24 (H) L&C AT 3:15 PM BARNES 124

WITNESS REGISTER

REPRESENTATIVE KEVIN MCCABE

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Commented on Amendment 1 to HB 375, on behalf of the House Transportation Standing Committee, sponsor by request, chaired by Representative McCabe.

SENATOR JESSE BJORKMAN

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: As prime sponsor, presented SB 228.

ANNETTA ATWELL, Chair

Board of Massage Therapists

Fairbanks, Alaska

POSITION STATEMENT: Gave invited testimony during the hearing on HB 228.

KRIS CURTIS, Legislative Auditor

Legislative Audit Division

Legislative Agencies and Offices

Juneau, Alaska

POSITION STATEMENT: Answered questions during the hearing on SB 228.

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 SB 228.

REPRESENTATIVE DAVID EASTMAN
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As prime sponsor, gave an explanation of Amendment 2 to HB 385.

JASMIN SMITH, Business Owner
Umoja Coworking Space
Fairbanks, Alaska

POSITION STATEMENT: Testified in support of HB 325.

ACTION NARRATIVE

[4:32:52 PM](#)

CHAIR JESSE SUMNER called the House Labor and Commerce Standing Committee meeting to order at 4:32 p.m. Representatives Prax, Carrick, Fields, and Sumner were present at the call to order. Representatives Ruffridge, Saddler, and Wright arrived as the meeting was in progress.

HB 375-ENERGY SOURCES OF MOTOR VEHICLES

[4:33:59 PM](#)

CHAIR SUMNER announced that the first order of business would be HOUSE BILL NO. 375, "An Act prohibiting certain restrictions based on the energy source of a motor vehicle."

[4:34:14 PM](#)

The committee took a brief at-ease at 4:34 p.m.

[4:34:47 PM](#)

CHAIR SUMNER moved to adopt Amendment 1 to HB 375, labeled 33-LS1381\A.1, C. Radford, 4/24/24, which read:

Page 1, line 11, following "hydrogen,":

Insert "nuclear power,"

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

[4:35:05 PM](#)

REPRESENTATIVE KEVIN MCCABE, Alaska State Legislature, on behalf of the House Transportation Standing Committee, sponsor by request, chaired by Representative McCabe, stated that he had no objection to Amendment 1, adding that it would make HB 375 stronger. He reminded the committee that the bill would emphasize consumer choice in vehicles and prohibit local governments and municipalities from limiting those choices.

[4:36:26 PM](#)

CHAIR SUMNER opened public testimony on HB 375. After ascertaining that no one wished to testify, he closed public testimony.

[4:36:49 PM](#)

REPRESENTATIVE RUFFRIDGE moved to report HB 375, as amended, out of committee with individual recommendations and the accompanying fiscal notes.

REPRESENTATIVE FIELDS objected and opined that restricting local control is generally a bad idea. Furthermore, he shared his belief that vehicle regulation would be legitimate public policy should a locality desire to do so, as the negative health impacts of diesel, gasoline, and fuel have been well documented in the environmental health literature.

[4:38:38 PM](#)

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

[4:39:08 PM](#)

A roll call vote was taken. Representatives Prax, Ruffridge, Saddler, Wright, and Sumner voted in favor of reporting HB 375, as amended, out of committee. Representatives Fields and Carrick voted against it. Therefore, CSHB 375(L&C) was reported out of the House Labor and Commerce Standing Committee by a vote of 5-2.

SB 196-EMPLOYER DRUG AND ALCOHOL TESTING

[4:39:44 PM](#)

CHAIR SUMNER announced that the final order of business would be SENATE BILL NO. 196, "An Act relating to drug and alcohol testing by employers."

[4:40:09 PM](#)

REPRESENTATIVE RUFFRIDGE moved to report SB 196 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, SB 196 was reported from the House Labor and Commerce Standing Committee.

SB 228-EXTEND BOARD OF MASSAGE THERAPISTS

[4:40:33 PM](#)

CHAIR SUMNER announced that the final order of business would be SENATE BILL NO. 228, "An Act extending the termination date of the Board of Massage Therapists; and providing for an effective date."

[4:40:47 PM](#)

SENATOR JESSE BJORKMAN, Alaska State Legislature, as prime sponsor, presented the sponsor statement for SB 228 [included in committee packet], which read as follows [original punctuation provided]:

Senate Bill 228 proposes to extend the sunset date of the Board of Massage Therapists by six years. In the fall of 2023, our Division of Legislative Audit completed a sunset audit of the Board.

In this audit, it was determined that overall, the Board has operated in the public's interest by conducting its meetings in an effective manner as well as actively amending regulations to address statutory changes, improving the licensing process, and enhancing public safety.

As you make an in-depth review the audit, you will see our auditor made note of four issues which should be addressed by the Board and the Department as it moves forward. First, the Department staff should help

develop standards to ensure license approvals are not based on outdated documentation; the Commissioner should work to improve recruitment and retention of investigators as well as DCBPL licensing staff and the Board should give consideration to increasing licensing fees.

Currently, the Board will sunset on June 30, 2024. To allow the Board to continue working in the public interest, SB 228 follows the recommended six-year extension to June 30, 2030.

I urge your support of this legislation.

[4:43:21 PM](#)

ANNETTA ATWELL, Chair, Board of Massage Therapists, provided additional context as to the Board of Massage Therapists' ("the board") pursuit of extension, per SB 228. She explained that three of the four areas of concern identified by Kris Curtis, legislative auditor, would be borne by the Division of Corporations, Business and Professional Licensing (DCBPL). The fourth item, which suggests raising the licensing fee to keep the board from incurring additional debt, is a concern that the board shares. She said the board would work with the state to establish fees that are justified for correct spending and assured the committee that the increase would occur at the end of the year. She added that the board would continue to meet quarterly and thanked the legislature for working with her as she transitioned into her new role as chair. She said the following items would help her efficiently lead the board: identifying key staff members to streamline questions and pursuing communication with other committees. She noted that statutes and regulations concerning the board's scope of practice would be addressed in the June quarterly meeting.

[4:47:35 PM](#)

REPRESENTATIVE FIELDS said he would be comfortable with voting to advance the executive order (EO) now, given the breadth of discussion and testimony on the board.

CHAIR SUMNER said he would prefer to give the committee the opportunity to amend the bill first.

[4:48:46 PM](#)

REPRESENTATIVE RUFFRIDGE asked whether Ms. Curtis had anything to add with regard to the audit.

KRIS CURTIS, Legislative Auditor, Legislative Audit Division, Legislative Agencies and Offices, noted that the following recommendations were repeatedly seen across occupational board audits this year: recommending that the commissioner work with policy makers to improve recruitment and retention; recommending an increase in fees; recommending that documents older than six months be resubmitted.

REPRESENTATIVE RUFFRIDGE asked what the lack of funds is attributable to.

MS. CURTIS directed attention to Exhibit 3 on page 9 of the board's sunset audit [included in the committee packet], noting that the board was awarded "quite a bit" of general funds to help mitigate the financial impact of the COVID-19 Pandemic, which caused many boards to delay a fee increase. In addition, a request by the Department of Commerce, Community & Economic Development (DCCED) to shift the funding source for all investigation costs to the general fund (GF) was denied by the legislature last year. As a result, the December 2023 renewal cycle did not include a fee increase, as management believed that investigative costs would have been borne by the GF and as such, did not have time to re-do their funding analysis.

[4:51:48 PM](#)

REPRESENTATIVE CARRICK questioned whether staff challenges and investigations are specific to this board or whether the legislature could expect to see them in other audits for board extensions going forward.

MS. CURTIS said it's a typical challenge that's become more frequent in recent years. She noted that generally, when a board has a general administrator, there is lower turnover.

REPRESENTATIVE CARRICK asked whether the general administrator works for DCBPL or the board.

MS. CURTIS clarified that [the Board of Massage Therapists] does not a general administrator; however, some boards have a dedicated executive administrator in statute, which is a higher paid position than typical occupational licensing staff.

[4:53:56 PM](#)

REPRESENTATIVE PRAX asked Ms. Robb for feedback on the audit.

SYLVAN ROBB, Director, Division of Corporations, Business, and Professional Licensing (DCBPL), Department of Commerce, Community & Economic Development (DCCED), acknowledged that the division faced severe staffing challenges during the pandemic with a 35 percent vacancy rate on the professional licensing team. She reported that staffing shortages have improved resulting in better training and oversight for new staff. She anticipated that the change in fees would be addressed in the board's next renewal.

REPRESENTATIVE PRAX asked whether a dedicated administrator would be warranted for the board.

MS. ROBB said the board does not require that level of support. She explained that staffing is in a good place, adding that the division has worked to reclassify some positions to create higher levels of oversight for boards without executive administrators.

REPRESENTATIVE PRAX asked whether the committee should schedule a time to hear from the board.

MS. ROBB said that would be a policy call.

[4:58:26 PM](#)

CHAIR SUMNER announced that SB 228 would be held over.

HB 385-OCCUPATIONAL LICENSING FEES

[4:58:45 PM](#)

CHAIR SUMNER announced that the next order of business would be HOUSE BILL NO. 385, "An Act relating to occupational licensing fees."

[4:59:10 PM](#)

CHAIR SUMNER moved to adopt Amendment 2 to HB 385, labeled 33-LS1163\A.1, Gunther, 3/27/24, which read:

Page 2, lines 11 - 12:

Delete "gross income the licensee earned as a result of holding the license"

Insert "economic hardship the licensee experienced"

Page 2, lines 12 - 18:

Delete "The department shall collect from a licensee who submits proof of the licensee's gross income under this subsection the lesser of

(1) the total fees established under (c) and (f) - (k) of this section required to be collected from the licensee for the current calendar year; or

(2) 20 percent of the gross income the licensee earned as a result of holding the license in the previous calendar year"

Insert "If a licensee submits proof of economic hardship, the department shall collect from the licensee only 50 percent of the total fees established under (c) and (f) - (k) of this section required to be collected from the licensee in the current calendar year"

REPRESENTATIVE CARRICK objected.

[4:59:31 PM](#)

REPRESENTATIVE DAVID EASTMAN, Alaska State Legislature, as prime sponsor, said the purpose of the underlying bill is to reduce licensing fees to a reasonable amount. He explained that Amendment 2 would incorporate items from HB 314 into the bill, thereby encouraging the department to annually assess whether the licensing fee is causing a decrease in the number of licensees in a particular occupation. In addition, the proposed amendment would encourage military members and their spouses to apply for licenses by expanding eligibility for a reduced licensing fee.

[5:01:51 PM](#)

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

[5:02:48 PM](#)

REPRESENTATIVE RUFFRIDGE moved to report HB 385 out of committee with individual recommendations and the accompanying fiscal

notes. There being no objection, HB 385 was reported out of the House Labor and Commerce Standing Committee.

HB 325-BUSINESS LICENSE FEES

[5:03:16 PM](#)

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

[5:03:23 PM](#)

CHAIR SUMNER opened public testimony on HB 325.

[5:03:41 PM](#)

JASMIN SMITH, Business Owner, Umoja Coworking Space, testified in support of HB 325. She stated her support for waiving [business license fees] for people on public assistance and urged the committee to consider ways to alleviate barriers to first time business owners.

REPRESENTATIVE WRIGHT expressed admiration for the work Ms. Smith does in her community.

[5:07:06 PM](#)

CHAIR SUMNER closed public testimony on HB 325.

[5:07:11 PM](#)

REPRESENTATIVE RUFFRIDGE moved to report HB 325 out of committee with individual recommendations and the accompanying fiscal notes.

[5:07:27 PM](#)

REPRESENTATIVE CARRICK objected for purposes of discussion. She acknowledged that the cost of business licenses increased during the pandemic and opined that the bill would present a valuable option for many individuals. She reiterated her strong support for HB 325 and removed her objection.

[5:08:21 PM](#)

CHAIR SUMNER announced that there being no further objection, HB 325 was adopted.

[5:08:32 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 5:08 p.m.