

ALASKA STATE LEGISLATURE
HOUSE SPECIAL COMMITTEE ON WAYS AND MEANS

April 3, 2024

6:04 p.m.

MEMBERS PRESENT

Representative Ben Carpenter, Chair
Representative Jamie Allard
Representative Tom McKay
Representative Kevin McCabe
Representative Cathy Tilton
Representative Andrew Gray
Representative Cliff Groh

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 109

"An Act reducing the corporate net income tax rate; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 277

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

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 109

SHORT TITLE: REDUCE CORP. NET INCOME TAX RATE

SPONSOR(S): REPRESENTATIVE(S) CARPENTER

03/13/23	(H)	READ THE FIRST TIME - REFERRALS
03/13/23	(H)	W&M, FIN
03/22/23	(H)	W&M AT 6:00 PM DAVIS 106
03/22/23	(H)	Scheduled but Not Heard
03/27/23	(H)	W&M AT 6:00 PM DAVIS 106
03/27/23	(H)	Heard & Held
03/27/23	(H)	MINUTE (W&M)
04/12/23	(H)	W&M AT 6:00 PM DAVIS 106

04/12/23	(H)	Heard & Held
04/12/23	(H)	MINUTE (W&M)
04/25/23	(H)	W&M AT 6:00 PM DAVIS 106
04/25/23	(H)	Heard & Held
04/25/23	(H)	MINUTE (W&M)
04/26/23	(H)	W&M AT 6:00 PM DAVIS 106
04/26/23	(H)	<Bill Hearing Canceled>
05/12/23	(H)	W&M AT 6:00 PM DAVIS 106
05/12/23	(H)	Scheduled but Not Heard
02/26/24	(H)	W&M AT 6:00 PM DAVIS 106
02/26/24	(H)	Scheduled but Not Heard
04/03/24	(H)	W&M AT 6:00 PM DAVIS 106

BILL: HB 277

SHORT TITLE: LICENSING RECIPROCITY; FEES

SPONSOR(S): WAYS & MEANS

01/18/24	(H)	READ THE FIRST TIME - REFERRALS
01/18/24	(H)	W&M, L&C, FIN
03/20/24	(H)	W&M AT 6:00 PM DAVIS 106
03/20/24	(H)	-- MEETING CANCELED --
03/27/24	(H)	W&M AT 6:00 PM DAVIS 106
03/27/24	(H)	<Bill Hearing Canceled>
04/03/24	(H)	W&M AT 6:00 PM DAVIS 106

WITNESS REGISTER

DONNA ARDUIN, Staff
 Representative Ben Carpenter
 Alaska State Legislature
 Juneau, Alaska

POSITION STATEMENT: On behalf of Representative Carpenter, prime sponsor, gave a sectional analysis on HB 277.

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

POSITION STATEMENT: Answered committee members' questions during hearing on HB 277.

ACTION NARRATIVE

[6:04:29 PM](#)

CHAIR BEN CARPENTER called the House Special Committee on Ways and Means meeting to order at 6:04 p.m. Representatives Groh,

Allard, Gray, Tilton, McCabe, McKay, and Carpenter were present at the call to order.

HB 109-REDUCE CORP. NET INCOME TAX RATE

[6:05:09 PM](#)

CHAIR CARPENTER announced that the first order of business would be HOUSE BILL NO. 109 "An Act reducing the corporate net income tax rate; and providing for an effective date." [Before the committee, adopted as a working document on 4/12/23, was the proposed committee substitute (CS) for HB 109, Version 33-LS0376\B, Nauman, 4/12/23.]

[6:05:52 PM](#)

REPRESENTATIVE MCCABE moved to adopt the original bill version for HB 109. There being no objection, once again before the committee was HB 109.

CHAIR CARPENTER announced that HB 109 was held over.

HB 277-LICENSING RECIPROCITY; FEES

[6:06:26 PM](#)

CHAIR CARPENTER announced that the final order of business would be HOUSE BILL NO. 277 "An Act relating to occupational licensing; and providing for an effective date."

[6:07:05 PM](#)

REPRESENTATIVE MCCABE moved to adopt the proposed committee substitute (CS), for HB 277, Version 33-LS0905\B, Gunther, 3/7/24, as a working document. There being no objection, Version B was before the committee.

[6:08:06 PM](#)

CHAIR CARPENTER, on behalf of the House Special Committee on Ways and Means, prime sponsor, stated that HB 277, Version B, would require housing licenses to cost no more in Alaska than in other states and would create universal licensing reciprocity with other states. He said the cost of a housing license is higher than other occupations in other states. He said HB 277 would eliminate licensing requirements for certain professions. He said it would be beneficial for out-of-state licensed workers

coming to Alaska. He said that the state is currently keeping workers from working through a burden of licensing, and that HB 277, Version B, is the first step towards remedying that.

[6:09:56 PM](#)

DONNA ARDUIN, Staff, Representative Ben Carpenter, Alaska State Legislature, on behalf of the House Special Committee on Ways and Means, prime sponsor, gave a sectional analysis on HB 277, Version B, [included in the committee packet]. She began her sectional analysis on Section 2, which would affect the centralized licensing statute currently governing licensing in Alaska. She said there are a few exceptions to universal reciprocity, those being federal licenses. She moved to Section 9 of the sectional analysis, which proposed to remove the licensing requirements for construction and carpenters' jobs. She continued to Section 13, which would remove collection agencies from statute. She touched on Sections 29 and 38, which would remove optometrists licensing and the taxidermy licensing. She continued Section 52, which said provided that a person holding a license under current reciprocity credentials would be allowed to retain that license under a given date by the bill. She said the rest of the bill is conforming language.

[6:14:29 PM](#)

The committee took an at-ease from 6:14 p.m. to 6:14 p.m.

[6:14:57 PM](#)

MS. ARDUIN began a PowerPoint presentation [hardcopy included in the committee packet]. The first two slides explain that reducing state level licensure may be among the lines of easiest fixes to bring more workers to Alaska. She said that it would take a multi-faceted approach to recruit and retain workers in the state of Alaska. She said that currently, there are a particular amount of lower income and entry level jobs that require licensing which deters workers. She said that HB 190 is a good pair to HB 277 because it would immediately remove the cost and time burden of licensing.

[6:19:02 PM](#)

REPRESENTATIVE GROH asked if there was a fiscal note associated with Version B.

CHAIR CARPENTER directed the question to Sylvan Robb.

[6:19:38 PM](#)

SYLVAN ROBB, Director, Division of Corporation Business Professional Licensing (DCBPL), Department of Commerce, Community, and Economic Development (DCCED), in response to Representative Groh, explained that there is a fiscal note posted for the original version of the bill, but there is not one for the CS that was adopted in committee today. She said the original fiscal note was not conclusive.

[6:20:42 PM](#)

REPRESENTATIVE TILTON asked how many licensures are in the state of Alaska currently and how many would be removed by this legislation. She further inquired whether the backlogs on licenses are up to date and if the high costs of investigation are included in HB 277, Version B.

[6:22:09 PM](#)

MS. ROBB responded that currently the division only licenses professions as allowed under current statute, and that it does not license certain professions that would be covered under HB 277, Version B.

[6:23:22 PM](#)

CHAIR CARPENTER asked Ms. Robb to explain the difference between a professional license and an occupational license.

MS. ROBB explained that though the terms are used interchangeably, they are not the same. She added that occupational licenses include trades.

CHAIR CARPENTER, in response to Representative Tilton's previous question about how many occupations would be affected by HB 277, asked Ms. Robb if she'd had a chance to make an assessment on that.

MS. ROBB said that a few occupations would be affected, but some are in a bit of a gray area with what would happen to their licensing.

[6:25:16 PM](#)

REPRESENTATIVE TILTON reiterated her question about the backlog of renewal of licensures and whether those backlogs have been brought up to date.

MS. ROBB replied that DCBPL is doing much better with the licensure backlog, and that the pandemic greatly impacted its ability to review and issue licenses. She said that wait times have greatly improved since then.

CHAIR CARPENTER asked if there is still a backlog of applicants.

MS. ROBB said that the question is hard to answer because licenses take some time to process. The division runs 45 different licensing programs that each have their own denominations and tiers of licensing and professions.

[6:28:51 PM](#)

CHAIR CARPENTER asked how many of the current licensees are able to work during their license's adjudication process.

MS. ROBB answered that the majority of professions that require licensure aren't able to work until they are licensed. She said some professions, such as nursing, allow for a temporary license to work while their permanent license is being processed and they are working to meet full requirements.

[6:30:42 PM](#)

CHAIR CARPENTER asked what the number of temporary licenses in Alaska currently is.

MS. ROBB replied that there are only temporary license options for professions where the time to process and obtain a license is longer than standard.

[6:31:50 PM](#)

REPRESENTATIVE TILTON asked if the professions with high costs of investigations were to be eliminated, how much money would be saved.

MS. ROBB answered that DCBPL can get Representative Tilton that figure in the future. She added that usually, a higher cost of licensing is directly related to the high cost of investigation.

[6:34:22 PM](#)

REPRESENTATIVE ALLARD asked if there was a waiting list on military spouses' licenses.

MS. ROBB said in the previous legislature, a bill was passed that created temporary military licenses for a multitude of professions. She said in January 2023, the Federal Government passed a law about military spouses, and that the language in federal statute is contained in the governor's bill. She said in the meantime there is a place on DCBPL's website to reach out to the division directly to get a license processed on an expedited basis.

[6:37:10 PM](#)

REPRESENTATIVE ALLARD asked if there is a waiting list for any military spouse waiting to be licensed.

MS. ROBB answered that there are currently no military spouses on the waiting list.

REPRESENTATIVE ALLARD asked if the license would take less than 30 days to get.

MS. ROBB confirmed that is correct and emphasized that there is no one currently waiting for a military spouse's license.

[6:38:41 PM](#)

REPRESENTATIVE MCCABE asked how many people would investigate complaints and issues with a license holder and who would enforce the license holder's compliance.

MS. ROBB said that the DCCED and the Department of Labor and Workforce Development (DLWD) partner together, but their investigation unit works on a complaint basis with regard to unlicensed practices.

[6:40:23 PM](#)

REPRESENTATIVE MCCABE asked how many people are currently working in the investigation unit [of DCCED or DLWD].

MS. ROBB said there are currently 21 certified investigators, and 5 additional paralegals employed by the investigation unit [of DCCED or DLWD].

[6:41:03 PM](#)

REPRESENTATIVE GRAY asked why the state wouldn't want to license collection agents if the current application and process to get licensed as a collection agent is fair and understandable.

MS. ARDUIN referenced the sectional analysis and said that collection agencies were chosen to be removed on the bill because 20 other states don't have a licensing requirement for it.

CHAIR CARPENTER pondered what value it is for the state to ask the same question that a business owner should ask.

REPRESENTATIVE GRAY said that the employer must also assert their moral character to become a collection agent, and asked if it would be the intent to move the responsibility from the state to municipalities and boroughs.

[6:46:10 PM](#)

CHAIR CARPENTER said the intention of the bill is not to shift the costs to municipalities, but if the state no longer provides the service of licensure, then municipalities should pay for the service if they want it.

[6:46:31 PM](#)

REPRESENTATIVE TILTON asked how many entities a person would have to go through to be able to go into business.

CHAIR CARPENTER deflected the question to Ms. Robb.

MS. ROBB said that she doesn't know how many different municipalities require a business license, but a business license is required in the state of Alaska per statute.

[6:47:58 PM](#)

REPRESENTATIVE TILTON remarked that there are an excessive number of hoops to jump through.

[6:48:55 PM](#)

REPRESENTATIVE ALLARD commented that she is concerned about the type of licensing that would be axed by the bill. She asked more frankly if debt collectors will have to be licensed.

[6:49:32 PM](#)

MS. ARDUIN responded that any licensing requirements being removed do not remove or affect any regulatory requirements, and that the bill only addresses occupational licenses.

[6:51:23 PM](#)

REPRESENTATIVE GRAY asked what agency would make sure that a hypothetical applicant to become a debt collector is not a criminal if the license is eliminated.

MS. ARDUIN gave the question to Ms. Robb.

MS. ROBB said that because the DCBPL is funded by the fees of licensees, it would deem those cases non-jurisdictional and be deferred to the Department of Law.

[6:53:42 PM](#)

REPRESENTATIVE TILTON thanked Ms. Arduin for her clarification on the question of occupational licensing.

[6:54:12 PM](#)

REPRESENTATIVE ALLARD said she appreciates the clarification, but she disagrees with removing the licensing requirement for collection agencies.

[6:55:32 PM](#)

REPRESENTATIVE MCCABE said he thinks there should be a process for vetting those who are already licensed.

REPRESENTATIVE ALLARD said her point is that someone could have the ability to ask who someone is and vet them, and she reiterated concern over the proposed removal of the licensure.

MS. ARDUIN said that the bill raises the issue of what the value of the license itself is.

[6:57:46 PM](#)

REPRESENTATIVE MCKAY asked about Section 25 of the sectional analysis and offered to meet off the record about that part of the bill.

MS. ARDUIN said that there would be a lot of language removed under Version B. The universal reciprocity statute would allow for universal reciprocity in certain professions already defined in statute. She said Version B would add a universal reciprocity section to Title 8.

MS. ARDUIN, in response to Representative McKay, explained that any place in statute where professions listed in the bill have some kind of reciprocity is being eliminated and replaced by a universal reciprocity section in HB 277 Version B.

[7:01:01 PM](#)

REPRESENTATIVE MCKAY said that it is especially difficult to register as an engineer in Alaska. He highlighted that while an Alaska engineer might have more steps to take, someone from out of state could begin work in Alaska immediately because of reciprocity. He also spoke on Section 51 of Version B, relating to hairstylists and barbers. He said that the costs of the licenses and related education/training could be saved if this licensure were to be eliminated by HB 277, Version B.

[7:03:59 PM](#)

REPRESENTATIVE GRAY said he supports removing unnecessary burden on workers but is concerned about the issue of collection agents not being licensed.

[HB 277 was held over.]

CHAIR CARPENTER set an amendment deadline of April 8.

[7:05:51 PM](#)

REPRESENTATIVE GRAY asked if the following committee meeting date was cancelled.

[7:06:12 PM](#)

The committee took an at-ease from 7:06 p.m. to 7:06 p.m.

[7:06:33 PM](#)

CHAIR CARPENTER confirmed that the following committee meeting was cancelled.

7:06:53 PM

ADJOURNMENT

There being no further business before the committee, the House Special Committee on Ways and Means meeting was adjourned at 7:06 p.m.