

**ALASKA STATE LEGISLATURE**  
**HOUSE SPECIAL COMMITTEE ON WAYS AND MEANS**

April 15, 2024

6:03 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."

- MOVED CSHB 109 (W&M) OUT OF COMMITTEE

HOUSE BILL NO. 277

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

- MOVED CSHB 277 (W&M) OUT OF COMMITTEE

**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
04/03/24	(H)	Heard & Held
04/03/24	(H)	MINUTE (W&M)
04/10/24	(H)	W&M AT 6:00 PM DAVIS 106
04/10/24	(H)	-- MEETING CANCELED --
04/15/24	(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
04/03/24	(H)	Heard & Held
04/03/24	(H)	MINUTE (W&M)
04/10/24	(H)	W&M AT 6:00 PM DAVIS 106
04/10/24	(H)	-- MEETING CANCELED --
04/15/24	(H)	W&M AT 6:00 PM DAVIS 106

**WITNESS REGISTER**

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

**POSITION STATEMENT:** Spoke to Amendment 2 to HB 277, Version B, on behalf of the bill sponsor, the House Special Committee on Ways and Means.

**ACTION NARRATIVE**

[6:03:22 PM](#)

**CHAIR BEN CARPENTER** called the House Special Committee on Ways and Means meeting to order at 6:03 p.m. Representatives McKay, McCabe, Groh, Allard, Gray, and Carpenter were present at the call to order. Representative Tilton arrived as the meeting was in progress.

**HB 109-REDUCE CORP. NET INCOME TAX RATE**

[6:04:11 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."

[6:04:20 PM](#)

CHAIR CARPENTER moved to adopt Amendment 1 to HB 109, labeled 33-LS0376\A.1, Nauman, 3/30/24, which read as follows:

Page 2, line 25:  
Delete "2024"  
Insert "2025"

Page 2, line 26:  
Delete "2024"  
Insert "2025"

REPRESENTATIVE MCCABE objected for the purpose of discussion.

CHAIR CARPENTER spoke to Amendment 1. He said it changes the date of applicability and the effective date. He explained it is a technical change; the bill was brought forward in 2023, and Amendment 1 would update it.

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

[6:05:24 PM](#)

REPRESENTATIVE GROH expressed appreciation for the work that the committee is doing to address the state's deficit. He reviewed that HB 109, as amended, would reduce the state's revenues by \$128 million. He opined that without any proposals to increase revenue, the proposed legislation is "irresponsible, misguided, and shortsighted." He named public services, including

education, transportation, and public safety as those essential services needed by Alaskans. He said HB 109, as amended, would go in a direction opposite to the recommendations of the Fiscal Policy Working Group, as well as "the direction recommended by ... essentially every other expert that has looked at this problem of what we need," which includes revenues, a spending cap, further protection of the permanent fund, and constitutionalization of the permanent fund dividend (PFD). He spoke about the recommendation of the aforementioned Fiscal Policy Working Group and about raising the base student allocation (BSA). He brought up other legislation that he indicated would have better addressed the state's financial situation. He concluded that HB 109, as amended, is "exactly the wrong way to go," and he stated he would vote against moving the bill out of committee.

[6:12:17 PM](#)

REPRESENTATIVE MCCABE posited that [that which was listed by Representative Groh] is "a whole lot to put on a two-page bill that deals with corporate tax rate." He spoke about deciding what to charge corporations based on which decision would benefit the state most. He talked about the resiliency of having more corporations charged \$50 a piece, maintaining that that is better than just having one corporation at \$100. He said Alaska is the third-highest in the nation [in taxes charged corporations], which he indicated means it is "the third-worst place to ... open up a business." He countered the argument that leaving the number of businesses as is rather than [incentivizing more to do business in the state by taxing them at a lower rate] is nonsensical. Not doing so will increase the outmigration that has been an issue for a decade, he warned. He concluded by emphasizing his support of HB 109, as amended.

[6:14:49 PM](#)

REPRESENTATIVE GRAY stated he would not support the proposed legislation. He included in his comments his appreciation that Chair Carpenter is "a patient, fair, and kind chair" who allows for disagreement. He opined that the state cannot afford to lose \$300 million in revenue and reiterated that he would be "a no vote."

[6:15:13 PM](#)

REPRESENTATIVE MCKAY expressed his take on HB 109, as amended, is that if it would promote additional gas production in Cook

Inlet, he would support it. He said the state needs all the socio-economic, positive benefits that would result from that.

[6:15:54 PM](#)

CHAIR CARPENTER said he appreciates the opposition and recognized that some prevailing thoughts in the legislature support an increase in taxes and/or taking money from the PFD. He said he respectfully disagrees. He said stimulating economic activity and creating jobs through that activity is what matters to Alaskans - "more outside this building than it matters inside this building." He said he does not concur with the statement that every expert agrees that income taxes must remain high in order for governments to be funded or that corporate income tax reductions are not good for economic growth. Conversely, he said the evidence is clear that reducing taxes on businesses results in economic growth. He said the topic of economic stimulation is something the legislature needs to consider, which is why he thinks it is important to move HB 109, as amended, out of committee so that the rest of the legislative body can consider it among other plans that are being proposed. He said while he did his best to adhere to "a fair model of reform" in response to the Fiscal Policy Working Group recommendations, he is not limited to those recommendations. He stated, "I feel that a tax restructuring - a spending restructuring - that includes tax cuts in one area and new sources of revenue in a different area is fully in keeping with recommendations that want to see economic activity." He advised that HB 109, as amended, could be part of an overall solution.

[6:18:31 PM](#)

REPRESENTATIVE MCCABE moved to report HB 109, as amended, out of committee with individual recommendations and the accompanying fiscal notes.

[6:18:47 PM](#)

REPRESENTATIVE GROH objected.

[6:18:49 PM](#)

A roll call vote was taken. Representatives McKay, McCabe, Tilton, Allard, and Carpenter voted in favor of the motion to report HB 109, as amended, out of committee with individual recommendations and the accompanying fiscal notes. Representatives Groh and Gray voted against it. Therefore, CSHB

109(W&M) was reported out of the House Special Committee on Ways and Means by a vote of 5-2.

[6:19:29 PM](#)

The committee took a brief at-ease.

[6:19:53 PM](#)

CHAIR CARPENTER noted that with passage of CSHB 109(W&M), the committee would give Legislative Legal Services the authority to make any necessary technical and conforming changes.

[6:20:02 PM](#)

The committee took an at-ease from 6:20 p.m. to 6:22 p.m.

**HB 277-LICENSING RECIPROCITY; FEES**

[6:22:55 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." [Before the committee, adopted as a working document on 4/3/24, was the proposed committee substitute (CS) for HB 277, Version 33-LS0905\B, Gunther, 3/7/24 ("Version B").]

[6:23:16 PM](#)

CHAIR CARPENTER opened public testimony on HB 277, Version B. After ascertaining there was no one who wished to testify, he closed public testimony.

[6:23:50 PM](#)

CHAIR CARPENTER announced the committee would entertain amendments.

[6:23:57 PM](#)

REPRESENTATIVE GRAY moved to adopt Amendment 1 to HB 277, Version B, labeled 33-LS0905\B.2, Gunther, 4/6/24, which read as follows:

Page 1, lines 3 - 4:

Delete "**relating to collection agencies;**"

Page 9, line 30, through page 14, line 10:  
Delete all material.

Renumber the following bill sections accordingly.

Page 25, line 24, through page 26, line 1:  
Delete all material.

Renumber the following bill sections accordingly.

Page 27, lines 13 - 15:

Delete "AS 08.24.045, 08.24.090(b)(7),  
08.24.090(c), 08.24.100, 08.24.110, 08.24.120,  
08.24.130, 08.24.135, 08.24.140(a), 08.24.150,  
08.24.160, 08.24.170, 08.24.190, 08.24.200, 08.24.230,  
08.24.240, 08.24.290, 08.24.310, 08.24.370;"

Page 27, line 24:  
Delete "AS 12.62.400(a)(4);"

CHAIR CARPENTER objected for the purpose of discussion.

REPRESENTATIVE GRAY spoke to Amendment 1. He explained that it would delete all language related to collection agencies. He noted that the fee is "a mild" \$175 and the "paperwork burden" is not too extensive. Not having a collection agency license can lead to unwanted outcomes. He explained that for most debt collectors, the motivation to follow the law is the threat of losing their license. Without that [threat], he warned, they could misrepresent the nature of debt and/or falsely claim to be an attorney, among other things. He pointed to New York and California, both of which he said learned the hard way that requiring the license of debt collectors is a necessary. Representative Gray added that the way that the Department of Commerce, Community & Economic Development (DCCED) funds investigations of violations is through the license fees it collects. Without those fees, the department would not have the budget to be able to "investigate the bad actors." He talked about the vulnerability of some people to fall for phone call [scams] perpetrated upon them and the concern of their being no recourse for those people when they are taken advantage of.

[6:26:54 PM](#)

CHAIR CARPENTER removed his objection to Amendment 1.

[6:26:56 PM](#)

REPRESENTATIVE MCCABE objected.

[6:27:03 PM](#)

A roll call vote was taken. Representatives Groh and Gray voted in favor of Amendment 1. Representatives Allard, McCabe, McKay, Tilton, and Carpenter voted against it. Therefore, Amendment 1 failed to be adopted by a vote of 2-5.

[6:27:46 PM](#)

CHAIR CARPENTER moved to adopt Amendment 2 to HB 277, Version B, labeled 33-LS0905\B.1, Gunther, 3/20/24, which read:

Page 6, following line 7:

Insert new bill sections to read:

**\*\* Sec. 4.** AS 08.02.130(a) is amended to read:

(a) A health care provider [LICENSED] in this state may provide health care services within the health care provider's authorized scope of practice to a patient in this state through telehealth without first conducting an in-person visit.

**\* Sec. 5.** AS 08.02.130(c) is amended to read:

(c) If a physician licensed in another state or a health care provider determines in the course of a telehealth encounter with a patient under this section that some or all of the encounter will extend beyond the physician's or health care provider's authorized scope of practice, the physician or health care provider shall advise the patient that the physician or health care provider is not authorized to provide some or all of the services to the patient, recommend that the patient contact an appropriate provider for the services the physician or health care provider is not authorized to provide, and limit the encounter to only those services the physician or health care provider is authorized to provide. The physician or health care provider may not charge for any portion of an encounter that extends beyond the physician's or health care provider's authorized scope of practice.

**\* Sec. 6.** AS 08.02.130(g) is amended to read:

(g) Except as authorized under (e) and (f) of this section, a health care provider [LICENSED UNDER THIS TITLE] may not prescribe, dispense, or administer

through telehealth under this section a controlled substance listed in AS 11.71.140 - 11.71.190.

\* **Sec. 7.** AS 08.02.130(h) is amended to read:

(h) A physician licensed in another state or a health care provider may not be required to document a barrier to an in-person visit to provide health care services through telehealth. The department or a board may not limit the physical setting from which a physician licensed in another state or a health care provider may provide health care services through telehealth.

\* **Sec. 8.** AS 08.02.130(i) is amended to read:

(i) Nothing in this section requires the use of telehealth when a physician licensed in another state or a health care provider determines that providing health care services through telehealth is not appropriate or when a patient chooses not to receive health care services through telehealth."

Renumber the following bill sections accordingly.

Page 6, line 10:

Delete "(A)"

Insert "[A]"

Page 6, lines 18 - 19:

Delete "[A DISPENSING OPTICIAN LICENSED UNDER AS 08.71;]"

Insert "a dispensing optician as defined in AS 08.72.274 (c) [LICENSED UNDER AS 08.71];"

Page 6, lines 22 - 23:

Delete "or

(B) a physician licensed in another state;"

Insert "[OR

(B) A PHYSICIAN LICENSED IN ANOTHER STATE;]"

Page 19, lines 29 - 30:

Delete "[A DISPENSING OPTICIAN LICENSED UNDER AS 08.71;]"

Insert "a dispensing optician as defined in AS 08.72.274 (c) [LICENSED UNDER AS 08.71];"

Page 22, lines 15 - 16:

Delete "[A DISPENSING OPTICIAN LICENSED UNDER AS 08.71;]"

Insert "a dispensing optician as defined in AS 08.72.274(c) [LICENSED UNDER AS 08.71];"

[6:27:59 PM](#)

DONNA ARDUIN, Staff, spoke to Amendment 2 to HB 277, Version B, on behalf of the bill sponsor, the House Special Committee on Ways and Means. She noted that the amendment was recommended by Legislative Legal Services. She further noted there are three places in statute where "health care provider" is defined. She spoke of ensuring that physicians licensed in other states are included under the requirements of telehealth. She indicated that the other part of Amendment 2 includes the definition of health care provider "for purposes of medical malpractice" and health care provider "for the purposes of medical review organizations dispensing optics."

REPRESENTATIVE MCCABE removed his objection. There being no further objection, Amendment 2 was adopted.

[6:29:24 PM](#)

REPRESENTATIVE MCCABE moved to report CSHB 277, Version 33-LS0905\B, Gunther, 3/7/24, as amended, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSSB 277(W&M) was reported out of the House Special Committee on Ways and Means.

[6:30:08 PM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the House Special Committee on Ways and Means meeting was adjourned at 6:30 p.m.