

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

April 5, 2023

1:33 p.m.

**MEMBERS PRESENT**

Senator Jesse Bjorkman, Chair  
Senator Click Bishop, Vice Chair  
Senator Elvi Gray-Jackson  
Senator Kelly Merrick  
Senator Forrest Dunbar

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

SENATE BILL NO. 83

"An Act relating to professional licensing; relating to temporary licenses for some professions; and providing for an effective date."

- HEARD & HELD

SENATE BILL NO. 85

"An Act relating to record checks for certain employees of the Department of Revenue; relating to permanent fund dividends; and providing for an effective date."

- HEARD & HELD

SENATE BILL NO. 45

"An Act relating to insurance; relating to direct health care agreements; and relating to unfair trade practices."

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: SB 83

SHORT TITLE: PROFESSIONAL LICENSING; TEMP PERMITS

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

02/24/23           (S)           READ THE FIRST TIME - REFERRALS

02/24/23 (S) L&C, FIN  
03/06/23 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)  
03/06/23 (S) Heard & Held  
03/06/23 (S) MINUTE(L&C)  
03/29/23 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)  
03/29/23 (S) Heard & Held  
03/29/23 (S) MINUTE(L&C)  
03/31/23 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)  
03/31/23 (S) <Bill Hearing Canceled>  
04/05/23 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: SB 85

SHORT TITLE: PERM FUND; EMPLOYMENT; ELIGIBILITY

SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

02/24/23 (S) READ THE FIRST TIME - REFERRALS  
02/24/23 (S) L&C, FIN  
04/05/23 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: SB 45

SHORT TITLE: DIRECT HEALTH AGREEMENT: NOT INSURANCE

SPONSOR(s): WILSON

01/25/23 (S) READ THE FIRST TIME - REFERRALS  
01/25/23 (S) HSS, L&C  
02/07/23 (S) HSS AT 3:30 PM BUTROVICH 205  
02/07/23 (S) Heard & Held  
02/07/23 (S) MINUTE(HSS)  
02/09/23 (S) HSS AT 3:30 PM BUTROVICH 205  
02/09/23 (S) Heard & Held  
02/09/23 (S) MINUTE(HSS)  
02/21/23 (S) HSS AT 3:30 PM BUTROVICH 205  
02/21/23 (S) Scheduled but Not Heard  
02/23/23 (S) HSS AT 3:30 PM BUTROVICH 205  
02/23/23 (S) Moved CSSB 45(HSS) Out of Committee  
02/23/23 (S) MINUTE(HSS)  
02/24/23 (S) HSS RPT CS 1DP 4NR SAME TITLE  
02/24/23 (S) DP: WILSON  
02/24/23 (S) NR: TOBIN, KAUFMAN, GIESSEL, DUNBAR  
03/27/23 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)  
03/27/23 (S) Heard & Held  
03/27/23 (S) MINUTE(L&C)  
04/05/23 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

**WITNESS REGISTER**

SYLVAN ROBB, Director

Division of Corporations, Business and Professional Licensing  
Department of Commerce, Community and Economic Development  
Juneau, Alaska

**POSITION STATEMENT:** Gave a recap of SB 83.

KONRAD JACKSON, Staff  
Senator Jesse Bjorkman  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Presented the summary of changes from version A to version S of SB 83.

FADIL LIMANI, Deputy Commissioner  
Department of Revenue (DOR)  
Anchorage, Alaska

**POSITION STATEMENT:** Introduced SB 85 on behalf of the administration.

COREY BIGELOW, Operations Manager  
Permanent Fund Dividend Division  
Juneau, Alaska

**POSITION STATEMENT:** Presented the sectional analysis for SB 85.

SCOTT STAIR, Investigations Manager  
Criminal Investigations Unit  
Department of Revenue (DOR)

**POSITION STATEMENT:** Answered questions about SB 85.

RICH BERKOWITZ, representing self

**POSITION STATEMENT:** Testified in support of SB 85.

RALPH MIRSKY, Chief Executive Officer  
SeaLink Inc.  
Ketchikan, Alaska

**POSITION STATEMENT:** Testified in support of SB 85.

SENATOR DAVID WILSON, District N  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Sponsor of SB 45.

JASMINE MARTIN, Staff  
Senator David Wilson  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Provided a recap of SB 45.

LORI WING-HEIER, Director  
Division of Insurance  
Department of Commerce, Community and Economic Development  
Anchorage, Alaska

**POSITION STATEMENT:** Answered questions about SB 45.

## **ACTION NARRATIVE**

[1:33:32 PM](#)

**CHAIR JESSE BJORKMAN** called the Senate Labor and Commerce Standing Committee meeting to order at 1:33 p.m. Present at the call to order were Senators Merrick, Gray-Jackson, Bishop, Dunbar, and Chair Bjorkman.

### **SB 83-PROFESSIONAL LICENSING; TEMP PERMITS**

[1:34:37 PM](#)

CHAIR BJORKMAN announced the consideration of SENATE BILL NO. 83 "An Act relating to professional licensing; relating to temporary licenses for some professions; and providing for an effective date."

He stated that this is the third hearing of this bill and Sylvan Robb will provide a recap.

[1:35:03 PM](#)

SYLVAN ROBB, Director, Division of Corporations, Business and Professional Licensing, Department of Commerce, Community and Economic Development, Juneau, Alaska, offered a recap of SB 83. She stated that this bill allows the department to issue a temporary license for 180 days to an individual who currently holds a license in good standing in another U.S. or Canadian jurisdiction.

CHAIR BJORKMAN advised that in previous bill hearings the division informed the committee that in its current form, the bill fails to comply with federal regulations because it lacks the proper language to address military courtesy licenses. The proposed committee substitute addresses this issue. He solicited a motion.

[1:36:37 PM](#)

SENATOR BISHOP moved to adopt the committee substitute (CS) for SB 83, work order 33-GS1614\S, as the working document.

CHAIR BJORKMAN objected for purposes of discussion. He asked Mr. Jackson to explain the changes in the CS.

1:37:06 PM

KONRAD JACKSON, Staff, Senator Jesse Bjorkman, Alaska State Legislature, Juneau, Alaska, presented the summary of changes from version A to version S of SB 83, paraphrasing from the following statement:

[Original punctuation provided.]

The draft proposed CS before members for consideration addresses a gap in the bill. That being military courtesy licenses.

The changes made in the CS will bring Alaska into conformation with Federal Code- 50 U.S.C. 4025a (Sec. 19, 10 Veterans Auto and Education Improvement Act of 2022).

The changes made by the CS begin in sec. 2 which can be found on page 3, line 9 and continuing to page 5.

Following this change, there are numerous conforming changes which replace the term "Temporary Military Courtesy" license with simply "Military Courtesy" license. Also, the term "military servicemember" is introduced to replace the term "active duty member".

On page 4, lines 13-18 and 24-28 amending paragraphs (4) and (5) requiring a licensee must remain in good standing with the original licensing authority and complies with continuing education requirements.

In section 4 on page 5, language is added specifying that these military courtesy licenses are valid for the duration that the service members is under official orders, under (a) of this section or 180 days, which ever is longer.

There are additional conforming changes found in sections 4 and 6 regarding the terms military courtesy license and military servicemember.

In new section 7, found on page 6, we align the definition of a "military service member" to that of the definition found in 50 U.S.C 3911.

The remaining section of the bill are then renumbered. The next change is found in the new section 29, on page 15, lines 9-15 where the regulations annulled by the bill are listed.

The following sections are renumbers and conforming changes are made to the sections listed in the two effective date clauses (30 & 31)

[1:39:57 PM](#)

CHAIR BJORKMAN removed his objection. Finding no further objection, version S of SB 83 was adopted as the working document and held in committee.

[1:40:56 PM](#)

At ease.

**SB 85-PERM FUND; EMPLOYMENT; ELIGIBILITY**

[1:42:41 PM](#)

CHAIR BJORKMAN reconvened the meeting and announced the consideration of SENATE BILL NO. 85 "An Act relating to record checks for certain employees of the Department of Revenue; relating to permanent fund dividends; and providing for an effective date."

He asked Mr. Limani and Mr. Bigelow to introduce the bill.

[1:43:12 PM](#)

FADIL LIMANI, Deputy Commissioner, Department of Revenue (DOR), Anchorage, Alaska, introduced SB 85 on behalf of the administration speaking to the following:

**SB 85 - Bill Overview**

An Act relating to record checks for certain employees of the Department of Revenue; relating to permanent fund dividends

- The proposed legislation provides statutory authority to collect fingerprints for the purpose of conducting background checks on DOR employees including contractors that may have access to personal identifiable information (PII).

- Allows merchant mariners attending qualified vocational programs to qualify for an allowable absence from the state for eligibility purposes.
- Adds a new subsection to AS 43.23.008 to define the term "education on a full-time basis" for the purposes of calculating allowable absences for students receiving secondary or postsecondary education, vocational, professional, or other specific education.
- Amends AS 43.23.140(d) to allow the division to use electronic notice of levy for individuals who are subjected to a court order or writ for the collection of a debt.

[1:45:24 PM](#)

COREY BIGELOW, Operations Manager, Permanent Fund Dividend Division, Juneau, Alaska, paraphrased the sectional analysis for SB 85:

[Original punctuation provided.]

### **Sectional Analysis**

#### **Senate Bill 85 - Perm Fund; Employment; Eligibility**

**Sections 1, 2, and 5:** Amends AS 12.62 and AS 43.23 to authorize the Department of Revenue to collect fingerprints for completion of a national criminal history record check for the purpose of determining suitability for employment. The amendment to AS 12.62 authorizes the Department of Public Safety to conduct national criminal history checks for division employees.

**Section 3:** Amends AS 43.23.008(a) to allow merchant mariners attending qualified vocational programs to qualify for an allowable absence from the state for eligibility purposes.

**Section 4:** Adds a new subsection to AS 43.23.008 to define the term "education on a full-time basis" for the purposes of calculating allowable absences for students receiving secondary or postsecondary education, vocational, professional, or other specific education. The proposed definition would allow the division to include intra-academic year holidays and

breaks, but not summer breaks, in the full-time education calculation, as opposed for separately calculating holidays and breaks under the current iteration of the statute.

**Section 6:** Amends AS 43.23.140(d) to allow the division to use electronic notice of levy for individuals who are subjected to a court order or writ for the collection of a debt. Currently, the division is required to provide notice of levy via mail, despite the consent of many applicants to receive electronic notices.

**Section 7:** Adds transitional regulation language.

**Section 8:** Adds immediate effective date language.

**Section 9:** Adds otherwise effective date language as of 1/1/2024.

[1:49:33 PM](#)

SENATOR BISHOP asked Mr. Bigelow to expound on the background check.

MR. BIGELOW deferred the question to Mr. Stair, Investigations Manager.

[1:50:17 PM](#)

SCOTT STAIR, Investigations Manager, Criminal Investigations Unit, Department of Revenue (DOR), answered questions about SB 85. He replied that the background check currently looks back ten years, but the department is trying to reduce it to five years.

[1:51:15 PM](#)

CHAIR BJORKMAN opened public testimony on SB 85.

[1:51:46 PM](#)

RICH BERKOWITZ, representing self, stated support for SB 85 which will help individuals attending certain merchant marine vocational programs to remain eligible for the permanent fund dividend (PFD) during absences from the state. He said he had worked on behalf of U.S. flag vessel operators, including those in Alaska, since 1995 to recruit, train, and place Alaskan youth, Natives, and others to work as deep-sea mariners. He shared a brief history of partnering with the state that resulted in the hire of more than 800 Alaskans in mariner jobs.

He said Alaskans initially weren't interested in attending the esteemed mariner school in Maryland because it would risk their PFD benefits, but in 1999 the legislature passed a law to ensure that Alaskan mariners would qualify for the PFD while attending this training, provided they met all the other qualifications. Their time training and time at sea were considered an allowable absence. However, in 2017 the PFD administration changed the definition of qualified vocational training which unintentionally eliminated the training program in Maryland as a qualified program. He said the PFD administration recognizes the unintended consequence and supports this bill to return to the pre-2017 allowable absence provisions for mariners. He urged the committee to support SB 85.

1:56:10 PM

CHAIR BJORKMAN stated he would hold public testimony open on SB 85.

1:56:28 PM

At ease.

CHAIR BJORKMAN reconvened the meeting and continued public testimony.

1:57:09 PM

RALPH MIRSKY, Chief Executive Officer, SeaLink Inc., Ketchikan, Alaska, agreed with Mr. Berkowitz that it was unfair for merchant mariners enrolled in a bona fide sea farers school not to receive a permanent fund dividend. He noted that his company was responsible for recruiting the bulk of the 800 Alaskans that Mr. Berkowitz mentioned.

1:59:41 PM

SENATOR BISHOP asked Mr. Bigelow whether he had a running total of the number of mariners denied a permanent fund dividend from 2017 until today.

MR. BIGELOW answered it was fewer than 20 each year.

SENATOR BISHOP calculated that the total was approximately 125 over five years.

2:00:57 PM

SENATOR GRAY-JACKSON asked whether SB 85 was retroactive.

MR. BIGELOW answered no; it is effective from 2024 forward.

SENATOR GRAY-JACKSON recommended making the bill retroactive.

[CHAIR BJORKMAN held SB 85 in committee with public testimony open.]

[2:01:59 PM](#)

At ease.

**SB 45-DIRECT HEALTH AGREEMENT: NOT INSURANCE**

[2:03:15 PM](#)

CHAIR BJORKMAN reconvened the meeting and announced the consideration of SENATE BILL NO. 45 "An Act relating to insurance; relating to direct health care agreements; and relating to unfair trade practices."

He asked Senator Wilson and Ms. Martin to provide a recap of the bill.

[2:03:45 PM](#)

SENATOR DAVID WILSON, District N, Alaska State Legislature, Juneau, Alaska, sponsor of SB 45, deferred to Ms. Martin to provide a recap.

[2:03:57 PM](#)

JASMINE MARTIN, Staff, Senator David Wilson, Alaska State Legislature, Juneau, Alaska, gave a recap of SB 45. She stated that this bill allows Alaskans and their healthcare providers to enter into direct healthcare agreements and specifies that these agreements are not insurance.

[2:04:36 PM](#)

CHAIR BJORKMAN solicited public testimony on SB 45 and found there was none.

[2:05:05 PM](#)

At ease.

[2:07:21 PM](#)

CHAIR BJORKMAN reconvened the meeting and asked Ms. Wing-Heier whether the Division of Insurance regulates similar agreements for subscription services in the state.

[2:07:56 PM](#)

LORI WING-HEIER, Director, Division of Insurance, Department of Commerce, Community and Economic Development, Anchorage, Alaska,

stated that the division currently does not have any direct healthcare agreements under its purview.

CHAIR BJORKMAN asked whether the Division of Insurance regulates prepaid agreements.

MS. WING-HEIER answered yes; the legislature gave the division oversight of those agreements about 2015. The division refers to them as "insurance lite" because they do not meet the definition of an insurance company. There are no actuaries, no audited financials, and the agreements lack the resources, capital or surplus that the division would look for with insurance companies. The division takes consumer complaints and has the consumers register to establish open communication.

CHAIR BJORKMAN asked what the similarities are between air ambulance agreements and the direct healthcare concept.

MS. WING-HEIER answered that the division doesn't get involved in day-to-day operations but she doubts there are many similarities. She explained that the division worked to ensure that the language complies with statutes. The service is similar to insurance because it is a prepaid product for which healthcare service would be performed in exchange for the premium.

[2:10:52 PM](#)

CHAIR BJORKMAN opened public testimony on SB 45; he found none and closed public testimony.

CHAIR BJORKMAN held SB 45 in committee.

[2:11:31 PM](#)

There being no further business to come before the committee, Chair Bjorkman adjourned the Senate Labor and Commerce Standing Committee meeting at 2:11 p.m.