

ALASKA STATE LEGISLATURE
SENATE LABOR AND COMMERCE STANDING COMMITTEE

February 16, 2024

1:33 p.m.

MEMBERS PRESENT

Senator Jesse Bjorkman, Chair
Senator Click Bishop, Vice Chair
Senator Kelly Merrick, via teleconference
Senator Forrest Dunbar

MEMBERS ABSENT

Senator Elvi Gray-Jackson

COMMITTEE CALENDAR

SENATE BILL NO. 134

"An Act relating to insurance data security; amending Rule 26, Alaska Rules of Civil Procedure, and Rules 402 and 501, Alaska Rules of Evidence; and providing for an effective date."

- MOVED CSSB 134 (L&C) OUT OF COMMITTEE

SENATE BILL NO. 166

"An Act establishing the Alaska mental health and psychedelic medicine task force; and providing for an effective date."

- MOVED CSSB 166 (L&C) OUT OF COMMITTEE

SENATE BILL NO. 191

"An Act relating to the power of the Alaska Housing Finance Corporation to make or purchase mortgage loans."

- BILL HEARING CANCELED

PREVIOUS COMMITTEE ACTION

BILL: SB 134

SHORT TITLE: INS. DATA SECURITY; INFO. SECURITY PRGRMS

SPONSOR(s): SENATOR(s) KAUFMAN

04/21/23	(S)	READ THE FIRST TIME - REFERRALS
04/21/23	(S)	L&C, JUD, FIN
02/05/24	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)

02/05/24 (S) Heard & Held
02/05/24 (S) MINUTE(L&C)
02/16/24 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: SB 166

SHORT TITLE: MENTAL HEALTH/PSYCHEDELIC MED. TASK FORCE
SPONSOR(S): SENATOR(S) DUNBAR

01/16/24 (S) PREFILE RELEASED 1/8/24
01/16/24 (S) READ THE FIRST TIME - REFERRALS
01/16/24 (S) L&C, JUD
02/05/24 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)
02/05/24 (S) Heard & Held
02/05/24 (S) MINUTE(L&C)
02/16/24 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

WITNESS REGISTER

SENATOR JAMES KAUFMAN, District F
Alaska State Legislature
Juneau, Alaska
POSITION STATEMENT: Sponsor of SB 134.

LORI WING-HEIER, Director
Division of Insurance
Department of Commerce, Community and Economic Development
(DCCED)
Juneau, Alaska
POSITION STATEMENT: Answered questions on SB 134.

KONRAD JACKSON, Staff
Senator Jesse Bjorkman
Alaska State Legislature
Juneau, Alaska
POSITION STATEMENT: Explained the summary of changes for SB 134.

SETH TIGARIAN, Staff
Senator Forrest Dunbar
Alaska State Legislature
Juneau, Alaska
POSITION STATEMENT: Provided a correction during the hearing on SB 166.

MICAELA FOWLER, Deputy Commissioner
Department of Commerce, Community and Economic Development
(DCCED)
Juneau, Alaska

POSITION STATEMENT: Provided an overview of the fiscal note for SB 166.

ACTION NARRATIVE

[1:33:14 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 (via teleconference), Dunbar, Bishop and Chair Bjorkman.

SB 134-INS. DATA SECURITY; INFO. SECURITY PRGRMS

[1:34:35 PM](#)

CHAIR BJORKMAN announced the consideration of SENATE BILL NO. 134, "An Act relating to insurance data security; amending Rule 26, Alaska Rules of Civil Procedure, and Rules 402 and 501, Alaska Rules of Evidence; and providing for an effective date."

[1:35:07 PM](#)

SENATOR JAMES KAUFMAN, District F, Alaska State Legislature, Juneau, Alaska, sponsor of SB 134. He gave a brief overview of SB 134, explaining that this legislation would update and upgrade data security within the insurance industry by adding additional requirements. He surmised that many Alaskans understand and share data security concerns.

[1:36:50 PM](#)

LORI WING-HEIER, Director, Division of Insurance, Department of Commerce, Community and Economic Development (DCCED), Juneau, Alaska, answered questions on SB 134.

[1:36:59 PM](#)

SENATOR DUNBAR asked how difficult it would be to enforce SB 134.

[1:37:12 PM](#)

MS. WING-HEIER shared her understanding that most agencies and insurance companies already have the corporate governance in place to address the changes made by SB 134. She explained that currently, there is no channel for companies to report cyber-events to her - and to ensure that consumers are notified.

[1:37:33 PM](#)

SENATOR DUNBAR asked if the sponsor is considering an amendment to add this.

[1:37:48 PM](#)

SENATOR KAUFMAN replied that this is included in SB 134.

[1:37:56 PM](#)

SENATOR DUNBAR referred to the fiscal note and asked if these changes could be made with current division staff.

[1:38:20 PM](#)

MS. WING-HEIER replied yes.

[1:38:24 PM](#)

SENATOR DUNBAR asked if there would be any potential unforeseen consequences as a result of these changes.

[1:38:40 PM](#)

MS. WING-HEIER replied no. She explained that SB 134 includes a timeframe for compliance and indicated that it would be a smooth transition. She shared her belief that the legislation is well-written and noted that it was vetted at the National Association of Insurance Commissioners (NAIC).

[1:39:10 PM](#)

At ease

[1:39:40 PM](#)

CHAIR BJORKMAN reconvened the meeting.

[1:39:49 PM](#)

CHAIR BJORKMAN opened public testimony on SB 134; finding none, he closed public testimony.

[1:40:08 PM](#)

CHAIR BJORKMAN solicited a motion.

[1:40:13 PM](#)

SENATOR BISHOP moved to adopt the committee substitute (CS) for SB 134, work order 33-LS0253\S, as the working document.

[1:40:26 PM](#)

CHAIR BJORKMAN objected for purposes of discussion.

[1:40:35 PM](#)

KONRAD JACKSON, Staff, Senator Jesse Bjorkman, Alaska State Legislature, Juneau, Alaska, explained the summary of changes for SB 134. He explained that the committee substitute changes the effective dates by moving each ahead by one year.

[1:41:13 PM](#)

CHAIR BJORKMAN removed his objection. He found no further objection and CS for SB 134 was adopted as the working document.

[1:41:19 PM](#)

CHAIR BJORKMAN invited discussion.

[1:41:45 PM](#)

SENATOR BISHOP asked if there is a timeline for the new regulations.

[1:41:53 PM](#)

MS. WING-HEIER replied that the regulations would likely take 6 months.

[1:42:19 PM](#)

CHAIR BJORKMAN solicited the will of the committee.

[1:42:22 PM](#)

SENATOR BISHOP moved to report committee substitute (CS) for SB 134, work order 33-LS0253\S, from committee with individual recommendations and attached fiscal note(s).

[1:42:48 PM](#)

CHAIR BJORKMAN found no further objection and CSSB 134(L&C) was reported from the Senate Labor and Commerce Standing Committee.

SB 166-MENTAL HEALTH/PSYCHEDELIC MED. TASK FORCE

[1:43:12 PM](#)

CHAIR BJORKMAN announced the consideration of SENATE BILL NO. 166, "An Act establishing the Alaska mental health and psychedelic medicine task force; and providing for an effective date."

[1:43:33 PM](#)

At ease

[1:45:17 PM](#)

CHAIR BJORKMAN reconvened the meeting.

[1:45:37 PM](#)

SENATOR DUNBAR, speaking as sponsor of SB 166, noted that there is a proposed committee substitute (CS) and explained that the CS - which changes the nature of the task force - was drafted with input from the department as well as the sponsor of similar legislation in the House. He said that the overriding purpose of

the task force remains to prepare Alaska for the likely federal legalization of certain psychedelic substances in a medical context. One major change is to move the staffing from the Department of Commerce, Community, and Economic Development (DCCED) to the legislature - thus creating a legislative task force. He noted that these changes, along with others later in the document, resulted in a zero fiscal note.

[1:46:53 PM](#)

CHAIR BJORKMAN solicited a motion.

[1:47:00 PM](#)

SENATOR BISHOP moved to adopt the committee substitute (CS) for SB 166, work order 33-LS1062\Y, as the working document.

[SENATOR BJORKMAN objected for purposes of discussion.]

[1:47:16 PM](#)

SENATOR DUNBAR explained the summary of changes for CSSB 166, work order 33-LS1062\Y. He paraphrased from the following summary of changes:

[Original punctuation provided.]

SUMMARY OF CHANGES

CSSB 166: MENTAL HEALTH/PSYCHEDELIC MED. TASK FORCE
Version S to Version Y

Section 1 (a):

- The task force has been moved from the Department of Commerce, Community, and Economic Development to the Legislature.
- Language is added to clarify that the purpose of the task force is to ensure the state is prepared if the federal government authorizes prescription of psychedelic medicines, not to advocate for or against the medicalization of psychedelics.

Section 1 (a) (4): Language is updated to clarify that the purpose of the task force is to consider legal and regulatory changes that may be necessary upon federal medical approval of psychedelics.

Section 1 (b) (5): The language "one of whom must be a recognized ethnoherbalist," is deleted, to give the Alaska Native Health Board more latitude to choose their representatives to the task force.

Section 1 (b) (8): A new subsection adds a member representing psychiatric nurse practitioners, selected by the Alaska Advanced Practice Registered Nurse Alliance. This change recognizes that nurses may be involved in the administration of psychedelic medicines.

Section 1 (b) (9): A new subsection adds a member representing licensed therapists and counselors, selected by the Alaska Addiction Professionals Association. This change recognizes that therapists or counselors would be involved in the administration of psychedelic medicines. Subsequent sections have been renumbered.

Section 1 (e): Language providing for travel reimbursement and per diem is removed.

Section 1 (f) (2): Language is deleted which instructed the task force to make members available for legislative hearings, as the task force will terminate before the next legislative session.

Section 1 (g): The termination date of the task force is corrected to the convening of the Thirty-Fourth Alaska Legislature, rather than the Thirty-Fifth Alaska Legislature. This change aligns with the existing task force report due date of December 31, 2024

[1:49:51 PM](#)

CHAIR BJORKMAN found no further objection and CSSB 166 was adopted as the working document.

[1:50:09 PM](#)

SETH TIGARIAN, Staff, Senator Forrest Dunbar, Alaska State Legislature, Juneau, Alaska, provided a correction during the hearing on SB 166. He clarified that work order 33-LS1062\Y was before the committee.

[1:50:40 PM](#)

At ease

[1:51:28 PM](#)

CHAIR BJORKMAN reconvened the meeting.

[1:52:02 PM](#)

MICHAELA FOWLER, Deputy Commissioner, Department of Commerce, Community and Economic Development (DCCED), Juneau, Alaska, provided an overview of the fiscal note for SB 166. She explained that the CS places the task force within the legislative branch and thus removes all costs to the department. She noted that the department would maintain a seat on the task force; however, this would not result in any additional costs.

[1:52:36 PM](#)

SENATOR BISHOP noted that the CS includes DCCED (the commissioner or their designee) in the list of task force members and asked if the department plans to participate in this process.

[1:53:00 PM](#)

MS. FOWLER replied yes. She said that the designee may be the director of the Division of Corporations, Business, and Professional Licensing (CBPL).

[1:53:44 PM](#)

CHAIR BJORKMAN solicited the will of the committee.

[1:53:49 PM](#)

SENATOR BISHOP moved to report CSSB 166, work order 33-LS1062\Y, from committee with individual recommendations and attached fiscal note(s).

[1:54:17 PM](#)

CHAIR BJORKMAN found no objection and CSSB 166(L&C) was reported from the House Labor and Commerce Standing Committee.

[1:54:42 PM](#)

There being no further business to come before the committee, Chair Bjorkman adjourned the Senate Labor and Commerce Standing Committee meeting at 1:54 p.m.