

2-23-82

HR 17

HB 6662

HOUSE LABOR & COMMERCE
STANDING COMMITTEE
February 23, 1982
1:10 p.m.

Members Present: Rep. Martin, Chairman
Rep. Bylsma, Vice Chairman
Rep. Rogers
Rep. Randolph
Rep. Gardiner

COMMITTEE CALENDAR

HR 17 Requesting AHFC, AIDA, and the Department of
Community and Regional Affairs to obtain and
analyze statistical data on unlawful
discrimination in state loan programs.

HB 662 An Act relating to occupational licensing
fees; and providing for an effective date.

WITNESS REGISTER

Harry D. Treager
Division of Occupational Licensing
Juneau, Alaska 99811
465-2534
Position Statement: Available to answer questions.

Peter Froehlich
Assistant Attorney General
Department of Law
Juneau, Alaska 99811
465-3600
Position Statement: Available to answer questions.

Wayne Jensen
Board of Architects, Engineers, and Land Surveyors
Box 310
Juneau, Alaska 99801
586-1070
Position Statement: Expressed concerns about HB 622.

PREVIOUS ACTION

HR 17 No previous formal action. See minutes of
House Labor & Commerce teleconference
meeting of 1/14/82.

Statutory Reference: none.

Action Taken: Rep. Martin moved to accept a Labor & Commerce committee substitute. Motion passed unanimously.

Rep. Martin moved to report CSHR 17 from committee. On the question: for--Martin, Rogers, Randolph; opposed--Bylsma. Motion passed.

HB 662

No previous action.

Statutory Reference: AS 08.01; AS 08.04; AS 08.13; AS 08.18; AS 08.20; AS 08.32; AS 08.36; AS 08.40; AS 08.42; AS 08.48; AS 08.54; AS 08.62; AS 08.64; AS 08.68; AS 08.70; AS 08.71; AS 08.72; AS 08.80; AS 08.84; AS 08.86; AS 08.98; AS 08.99.

Action Taken: No action taken.

ACTION NARRATIVE

Tape #24
Recording
Number 000

The meeting was called to order by Chairman Martin at 1:10 p.m. Members present were: Representatives Martin, Bylsma, and Rogers. Representatives Randolph and Gardiner arrived later in the meeting.

Number 011

Representative Martin gave the background of HR 17 (a meeting before session with NAACP, and a teleconference held by the House Labor & Commerce Committee on 1/14/82 regarding possible discrimination in the financial community).

Number 033

Rep. Martin moved to accept the Labor & Commerce committee substitute. Rep. Bylsma objected. After discussion, Rep. Bylsma removed his objection. Committee substitute for HR 17 was adopted.

Number 039

There was discussion of the intent of the resolution. Rep. Bylsma did not think it appropriate for departments to investigate themselves. Rep. Rogers suggested that legislative subpoena could be used if there are problems getting information. The committee discussed means of acquiring information.

Number 080

Rep. Martin said part of the reason for the

resolution was to assure minorities that action is being taken.

- Number 091 Rep. Martin moved to report CSHR 17 from committee. On the question: for--Rogers, Martin, Randolph; opposed--Bylsma. Motion passed.
- Number 122 Rep. Martin brought HB 662 before the committee.
- Number 125 Harry Treagor, Division of Occupational Licensing, and Peter Froehlich, Assistant Attorney General, came before the committee to answer questions. Froehlich went over HB 662.
- Number 146 Froehlich said the bill is similar to legislation introduced in 1979. He said the principle of the authorizing agency to set fees has been followed recently. He used corporate filings as an example. Froehlich said advantages are that setting fees by regulation makes fees more flexible and easier to adjust. He said uniformity was another advantage. Currently, there are 19 boards with 88 licensing categories. Each board sets fees, in most cases. Froehlich said this bill would accomplish uniformity, as the same entity would set fees for all boards who license people. He said this could more closely match the cost of licensing a program to each program. He noted that the bill also includes some housekeeping changes.
- Number 190 Rep. Rogers had questions. Rogers said the department ends up setting fees in case of disagreement between the department and the board. He noted that most boards and commissions are subject to sunset review, so the fees could change every four years as an inclusion in sunset bills. He said that many boards and commissions license only a few people. He felt that charging the costs to the departments involved might be expensive. Rep. Rogers asked for input from the affected departments. There was a discussion of costs, and of consolidating boards.
- Number 309 Rep. Gardiner said that a policy decision has been made that boards exist and agencies regulate. He said the legislature

appropriates funds for these boards. He asked who should pay the budget with this system. He felt it has always been easier to take money from general funds than to raise fees. Gardiner said a policy decision needs to be made as to who pays what share of the burden.

Number 348

Rep. Rogers said a problem could arise if an agency has an empire-builder on staff who wants to increase staff. He felt it would be easy for a division to raise fees and add employees without being questioned by the legislature. He agreed that some fees need adjusting, but felt it should be done by statute rather than regulation. Rep. Rogers felt some portion of the costs should be borne by the regulated industries, some by the public.

Number 412

Treagor agreed with Rep. Rogers regarding sunseting. He gave his reasons for supporting the bill.

Number 441

Rep. Gardiner requested a proposed fee schedule from the Division of Occupational Licensing. There was discussion of the need for this information.

Number 462

Rep. Rogers felt another concern to be addressed with making the industry bear costs, especially in a field such as medical, is that there is dislike and dissention within the field. It could happen that one profession would increase the fees of another (dentists increase fees of dental hygienists, for example). If legislative review of regulations was clearly established as constitutional, he would be less concerned.

Number 505

Wayne Jensen, Board of Architects, Engineers, and Land Surveyors, was concerned that regulations have in the past been established by boards, and it appears the Department of Commerce would establish regulations that will cover boards (under the provisions of the bill). He felt there appears to be little advantage to doing this. Jensen thought fees were often viewed more as a tax than as a cost. He said the Board directly receives no more than 15-20% of the fees generated. He would prefer that the board should establish fees and

procedures, and the Department of Commerce should assist the board. Jensen said that boards are not intended to serve departments.

Number 656

In response to a point Jensen brought up in explaining his position regarding HB 662, Rep. Randolph felt that professional associations should provide funds for travel to participate in national and regional conferences.

Number 720

No action was taken on HB 662. There being no further business to come before the committee, the meeting was adjourned at 1:55 p.m.

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2/23/82

HL & C

HB 662

HR 17

Absent: Ha. Limer, Randolph

000

1:10

Call to order by Martin

011

HR 17 & CS - gave history of legislation (mtg w/NAACP 1/2 & Jan teleconf)

~~011~~

~~HB~~

033

Martin moved to accept CS & asked Urban consent; objection by Bylsma; removed; CS adopted.

039

Bylsma doesn't think appropriate for depts to investigate themselves.

Discussion of intent of resolution. Rogers suggested legislative subpoena ed be used if there are problems getting info. Martin ~~said~~ gave his thoughts abt getting info; Bylsma felt info wd not be unbiased.

Discussion of means of getting info.

080

Martin said part of the reason was to assure minorities that action is being taken.

091

Martin moved to pass resol. out of comm. As Rep.

Randolph just arrived, he asked explanation of resolution.

Question for, Martin, Rogers, Randolph Opp: Bylsma

~~that~~ CS HR 17 passed from Committee.

HB 662

122

~~Dr~~ Martin int'd HB 662

125

Tarry Treason, Dr Occ'l Licensing, & Peter Hochlich, ACT ofc, said they're avail to answer qtns.

1:25 Martin left

136 Treagor - said ~~he was to~~ requested revising fee structure

146 Peter Fraelich, Asst AG -

- ~~is~~ similar to legislation int'd in 1977
 - principle of authorizing agency to set fees has been followed recently. Have example (corporate filings).
 - Advantages
 - 1) setting fees by regn makes fees more flexible, easier to adjust.
 - 2) Uniformity. Currently 19 bds w/ 88 licensing categories - each bd setting fees in most cases. This bill wd accomplish uniformity - same entity wd set fees for all bds who license people.
 - 3) More closely match cost of licensing ^{pgm} to each ~~firm~~.
- Bill also includes some housekeeping changes.

190 Rogers - got no

- dept ends up setting fees in case of disgmt bet dept & bd.
- most bds & common subject to sunset rev, so fees ca' change every 4 yrs in bills to sunset orgs.
- Many bds & common don't license that many people. Charging costs to depts might be expensive. Wants depts input.

Discussion of costs w/ Treagor.

Rogers - sometimes ^{creating} boards increases costs in sites that don't warrant a board.

Discussion of consolidating bds.

- 267 Rogers asked why dept rather than bd shd set fees.
- 270 Treagor - uniformity, awareness, & experience to base fees.
Agreed w/Rogers concerning small bds not ^{always} being necessary.
- 285 Discussion.
- 294 Randolph - went over problems he foresees
- 309 Gardiner - policy decision has been made that bds exist & agencies regulate. legis approp's funds for these bds.
Who shd pay the budget with this system. Felt it has always been easier to take ~~for~~ money from gen'l funds than to raise fees. Policy decision needs to be made on who ~~take~~ ^{pay} what share of the burden.
- 348 Rogers - Problem - if agency has an empire-builder on staff who wants to increase staff, wd be easy for division to raise fees & add people w/o it being gottd by Regulators. Agreed some fees need adjusting, but feels it shd be done by statute rather than regn.
Feels some portion of costs shd be borne by reg'd industries, some by public
- 396 Randolph ~~either, neither & of bds~~ Discussion.
- 409 Byrma re-directed committee to getting witnesses
- 412 Treagor - agd w/Rogers re sunsetting. Gave his reasons for supporting bill.
- 441 Gardiner requested prop'd fee schedule from Occ'l Licensing.
Discussion of need for this info.

462 Rogers - another concern w/ making industry bear cost, esp in medical field, for example, there is dislike or dissention w/in field. Cd happen that one profession wd increase fees of another (dentists increase dental hygienists, eg). If legis rwr of regns were clearly established as const'l, wd be less concerned.

505 Wayne Jensen, Bd Arch, Engin & Land Surveyors - concerned

1) regns ~~that~~ have in past been est'd by bds; appears that Commerce will establish reg that will cover bds.

Appears to be little advantage to doing this. Concerned ~~that revenues generated from registration~~ All 3 types of members ~~ok in conjunction~~ ^{participate} w/ ^{National} federal committee to provide uniformity.

Thinks fees are often viewed more as a tax than as a cost.

Bd directly recvs no more than 15-20% of fees generated. ^{& procedures} Wd prefer that bd shd establish fees, & Dept of Commerce shd assist bd. Bds not intended to serve dept.

656 Randolph - ~~rather than have state decide allowable expenses,~~ professional assoc. shd provide funds for travel to participate in national/regional confs (in response to a point Jensen brought up in explaining his pos'n).

Discussion.

700 Mtg adjourned 1:55. No action.

LABOR & COMMERCE COMMITTEE
DAILY COMMITTEE HEARING

Date: 2/23/82

Place: _____

<u>Members</u>	<u>Present</u>	<u>Absent</u>	<u>Time Arrived</u>	<u>Time Left</u>
Rep. B. Bylsma, V. Chair	✓		1:00	
Rep. D. Randolph	✓		1:18	
Rep. B. Rogers	✓			
Rep. T. Gardiner	✓		1:00	
Rep. T. Martin, Chair	✓		1:26	
			12:55	

Subject Matter:

House Bill No. 662 HR 17 _____

Senate Bill No. _____

Special Orders:

POSITION PAPER
HOUSE BILL 662

Department of Commerce and Economic Development. "An Act relating to occupational licensing fees and providing for an effective date."

AMENDING LICENSING FEES

This bill would give the Department of Commerce and Economic Development the authority to establish licensing fees by regulation. It centralizes the responsibility of setting fees which accurately reflect the cost of licensing and examination services for the various professions licensed through the Division of Occupational Licensing.

This bill also amends inconsistencies in existing language throughout Title 8.

FISCAL IMPACT ANALYSIS

The attached fiscal note reflects the need for a research aide (contractual basis) to assist the regulations specialist in assessing the various costs incurred by the State in the licensing and examination processes for 88 licensing categories. It is anticipated that once the fee regulating project is outlined, the necessary research should be completed by the research aide within eight months. The staggering of established renewal periods and recent changes in legislation may affect the commencement of this project. This could occur in FY '83, FY '84 or the beginning of FY '85.

Once the initial research has been completed, the research aide's contract will be terminated and the department's regulation specialist will consult the respective licensing boards and proceed with the regulation adoption process pursuant to the Administrative Procedures Act.

RECOMMENDATION

The department strongly supports the passage of this bill.

Recommended by:

Harry D. Treager
Harry D. Treager, Director
Division of Occupational
Licensing

Date:

February 23, 1982

Approved by:

E. W. Eboch
Edward W. Eboch
Deputy Commissioner
Department of Commerce and
Economic Development

Date:

2-23-82

POSITION PAPER
HOUSE BILL 662

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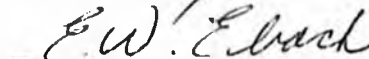


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