

HB

222

# HOUSE COMMITTEE REPORT

Date referred: 3/27/87

FURTHER REFERRALS: Finance

DATE: 4/7/87

The Labor & Commerce Committee has considered HB 222

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

**RECOMMENDS:**

- replace with \_\_\_\_\_  the same title
- attached amendment(s)  a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the \_\_\_\_\_ Committee

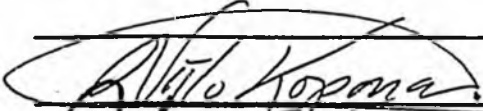
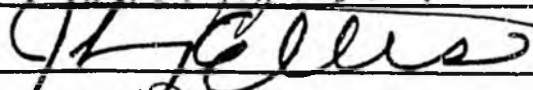
**ADOPTS:**  \_\_\_\_\_ letter of intent

**ATTACHES NEW FISCAL NOTE(S):**

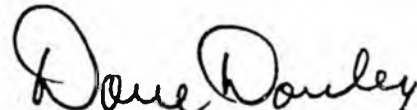
- fiscal impact  same as previous fiscal note published \_\_\_\_\_
- zero fiscal note  same as previous zero fiscal note published \_\_\_\_\_
- zero with analysis

**SIGNING DO PASS:**

**SIGNING OTHER RECOMMENDATIONS:**

  
  
 Cliff Davidson  
 [Signature]  
 WALT FURMAN  
 [Signature]  
 [Signature]

\_\_\_\_\_  
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 Chairman's signature

STATE OF ALASKA  
THE LEGISLATURE

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POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3800

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

HL+C

4-7-87

1:30 p.m.

HB 222: An Act relating to occupational licensing and providing for an effective date.

The House Labor and Commerce committee submitted this legislation at the request of the Department of Commerce and Economic Development. The department is interested in streamlining procedures for the boards regulated by the Division of Occupational Licensing under the Centralized Licensing Code AS 08.01.

Because each of these boards has been created by separate legislative action, there exists no standardization in board membership, terms of office, duties, renewal dates, and enforcement powers. The purpose of this bill is to provide that standardization.

There are three very significant changes that this bill institutes. The first is the standardization of license renewal. Under the provisions of this bill, all licenses would be renewed on a biennial basis. Last year, the Legislature authorized the division to set fees for licenses at rates that would make occupational licensing self-supporting. However, with eight boards renewing their licenses on a quadrennial basis, the division can only be self-supporting over the average of four years. Biennial renewal will allow the division to be self-supporting on an annual basis.

The second major change alters the disciplinary powers of the boards. Again as each board was created by separate legislative action, there is a variance in the powers that the individual boards have. This bill would standardize and increase the sanctions boards can utilize in disciplining incompetent or dishonest professionals. New provisions added which are not currently utilized by boards are:

- (a)(5) require a licensee to submit to peer review
- (8) impose a civil fine not to exceed \$5,000.00
- (e) A board may accept the voluntary surrender of a license

These provisions will increase the enforcement capability of the boards and provide less expensive and time-consuming means of disciplining licensees when license revocation or suspension is not warranted.

The third change gives the department the authority to issue citations for unlicensed activity. Currently, the department can issue Cease and Desist Orders administered in accordance with the Administrative Procedure Act. This is a time-consuming and expensive process and it is not uncommon for the process to drag on for a year. In FY 86, a total of 19 Cease and Desist Orders were issued. The citations will require a prompt mandatory court appearance and penalty fees for each continued day of unlicensed activity.

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05487b

HB 222 - "OMNIBUS" LICENSING ACT:

HB 222 was introduced by the House Labor and Commerce Committee on the request of the Division of Occupational Licensing in DCED.

HB 222 puts all boards and commissions on a bi-annual licensing renewal system. It increases penalties for non-licensed practice and substantially increases the disciplinary powers of all boards to more effectively police their own practitioners. The measure also cleans up numerous technical problems in existing statutes.

The Finance CS made one change on page one, requiring that a board members has to have three or more unexcused absences before it is grounds for dismissal.

HB 222 is a critical part of the Governor's overall budget balancing plan in that the bi-annual renewal system will assure that the Division has a constant flow of program receipts to fund their operations.

The measure also increases the effectiveness of Boards as consumer protection advocates and as regulators of licensed professions in Alaska.

The measure passed the House L&C and Finance Committee unanimously. It has a zero fiscal note.

It needs to pass this year!

HB 222: "An act relating to occupational licensing, and providing for an effective date."

HB 222 provides for miscellaneous amendments to the centralized licensing act (AS 08.01) and to various regulatory board statutes to bring them into compliance with the amendments to AS 08.01. The intent of the proposals is to standardize board membership, terms of office, duties, renewal dates and enforcement powers and are primarily housekeeping amendments. Three of the proposals, however, are substantive.

Section 6. Disciplinary Powers of Boards not only standardizes but increases the sanctions boards can utilize in disciplining incompetent or dishonest professionals. The new provisions, which are not currently utilized by any boards, are:

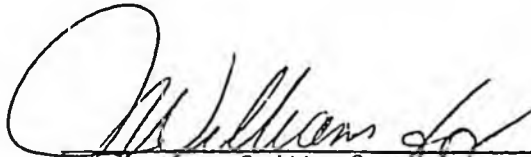
- (a)(5) require a licensee to submit to peer review
- (8) impose a civil fine not to exceed \$5,000.00
- (e) A board may accept the voluntary surrender of a license.

These provisions will increase the enforcement capability of the boards and provide less expensive and time-consuming means of disciplining licensees when license revocation or suspension is not warranted.

Section 7. License Renewal permits the department to renew all occupations on a biennial basis in order to even out the revenue collected from year to year. Currently, eight boards renew their licenses every four years. Although the average revenue collected over a four-year period is sufficient to cover the costs of operating the division from year to year, the revenue varies from year to year to the extent that expenditures are not covered by licensing fees. Biennial renewals will also insure that fees collected can be adjusted on a more timely basis when there are severe fluctuations in the economy.

Section 10. Citation for Unlicensed Practice gives the department the authority to issue citations for unlicensed activity. Currently, the department can issue cease and desist orders which allow for hearings under the Administrative Procedures Act. This is a time consuming and expensive process. Citations, on the other hand, require a mandatory court appearance and penalty fees for each continued day of unlicensed activity.

In summary, the department supports any efforts at increasing the effectiveness and efficiency of the enforcement capability of the regulatory boards.

  
\_\_\_\_\_  
J. Anthony Smith, Commissioner  
Department of Commerce and Economic  
Development

4/3/87  
\_\_\_\_\_  
Date