

H B

4 8 0

1992 LEGISLATIVE SESSION

Revision Date: _____ Department Affected: Commerce & Economic Development
 Title: An Act relating to the bonding of hearing aid dealers. BRU: Occupational Licensing
 Component: Administration
 Sponsor: Rep. Carney
 Requestor: House HES COMPONENT SERIAL NO.

0	3	5	6
---	---	---	---

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
---------	-----	-----	-----	-----	-----	-----

REVENUE	0.0	0.0	0.0	0.0	0.0	0.0
---------	-----	-----	-----	-----	-----	-----

FUNDING: (Thousands of Dollars)

GENERAL FUND	0.0	0.0	0.0	0.0	0.0	0.0
FEDERAL FUNDS	0.0	0.0	0.0	0.0	0.0	0.0
OTHER	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME	0.0	0.0	0.0	0.0	0.0	0.0
TEMPORARY	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary)

The bill exempts employees of a hearing aid dealer from the bonding requirement; however, it increases the bond from \$5,000 to \$10,000 for hearing aid dealers with employees. New funds are not required to implement this bill.

Prepared By: Jennifer Strickler Phone: 465-2144
 Division: Occupational Licensing Date: 03/23/92
 Approved by Commissioner: Glenn A. Olds
 Agency: Commerce & Economic Development Date: 3-24-92

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

Co-Chair
Health, Education and
Social Services Committee

Resources Committee

Legislative Budget and Audit

Special Committee
on Oil and Gas

Alaska State Legislature



Representative Patrick J. Carney

During Session:
State Capitol
P.O. Box V
Juneau, Alaska 99811
(907) 465-2186

During Interim:
P.O. Box 87-1746
Wasilla, Alaska 99687
(907) 373-2518

SPONSOR STATEMENT FOR CSHB 480 (L&C)

AN ACT RELATING TO THE SECURITY THAT MUST BE PROVIDED BY OR FOR HEARING AID DEALERS

Under current statute, an employee of a hearing aid dealer is required to file a \$5,000 surety bond as a condition of licensure. This requirement can be cumbersome and costly for dealers with more than one or two employees.

CSHB 480 (L&C) would amend AS 08.55.030 to allow the dealer the option of filing a company bond in the amount of \$10,000 to cover all the dealer's employees. Employees of the hearing aid dealer would not be required to file an individual bond.

The bill adds the provision that the applicant may file a certificate of deposit instead of a bond and that the bond or certificate of deposit must be kept in effect for three years after the holder ceases to be a hearing aid dealer or employee.

The bill adds a section providing that the dealer would be held liable in the event of negligence by an employee.

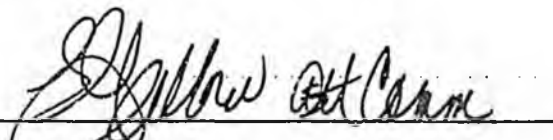
The Department of Commerce and Economic Development supports this legislation and has been actively involved with the drafting of the current committee substitute.

CS HB 480: "An Act relating to the security that must be provided
by or for hearing aid dealers"

CSHB 480 would remove the requirement for individual employees of a hearing aid dealer to be bonded. It would also increase the amount of bonding for the dealer to increase from \$5,000 to \$10,000 if the dealer has employees.

It also allows for a certificate of deposit in favor of the State to be held in lieu of a surety bond.

The department is supportive of this bill.



Glenn A. Olds, Commissioner

Date: 4.27.92

GAO/AB

HB 480: An Act relating to the bonding of hearing aid dealers.

HB 480 would remove the requirement for individual employees of a hearing aid dealer to be bonded. It would also increase the amount of bonding for the dealer to increase from \$5,000 to \$10,000 if the dealer has employees.

The department supports these changes.

We would recommend allowing "or a certificate of deposit payable to the State of Alaska in trust for the licensee" to be inserted everywhere a bond is mentioned. Some insurance companies do not like writing small bonds. Additionally, some licensees prefer to earn interest on their money. The certificate of deposit does not have a premium fee for its purchase.



Glenn A. Olds, Commissioner

Date: _____

4. 7. 92