

SENATE BILL NO. 157

IN THE LEGISLATURE OF THE STATE OF ALASKA
THIRTY-THIRD LEGISLATURE - SECOND SESSION

BY SENATOR MYERS

Introduced: 1/16/24
Referred: Prefiled

A BILL

FOR AN ACT ENTITLED

1 **"An Act establishing the Sunrise Review Board; relating to review of proposed**
2 **legislation relating to authorization to engage in the practice of a profession or**
3 **occupation; and providing for an effective date."**

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
6 to read:

7 LEGISLATIVE FINDINGS. The legislature finds that it is in the interest of the state
8 to promote economic development and job growth by lowering barriers to entry created by
9 professional and occupational licensure whenever possible, to prevent barriers to entry for
10 professional and occupational licensure, to encourage as many competent practitioners as
11 possible to practice in the state, and to allow as much competition and third-party regulation
12 as possible to govern professions and occupations.

13 * **Sec. 2.** AS 08.02 is amended by adding new sections to read:

14 **Article 3A. Sunrise Review Board.**

1 **Sec. 08.02.200. Board established.** (a) The Sunrise Review Board is
2 established in the department. The board shall meet at the call of the chair. The board
3 may meet in person, telephonically, or by electronic means.

4 (b) The board consists of seven members, as follows:

5 (1) the director of the division in the Department of Commerce,
6 Community, and Economic Development responsible for corporations and business
7 and professional licensing, or the director's designee, who shall serve as chair;

8 (2) the director of the division in the Department of Health responsible
9 for public health, or the director's designee;

10 (3) an employee in the division of the Department of Law responsible
11 for civil cases who has a background in fraud or consumer protection, appointed by
12 the attorney general;

13 (4) the director of the division in the Department Labor and Workforce
14 Development responsible for standards and safety, or the director's designee;

15 (5) an employee who conducts research in the Department of Labor
16 and Workforce Development, appointed by the commissioner of labor and workforce
17 development;

18 (6) a public member with experience in business or accounting,
19 appointed by the governor;

20 (7) a public member with experience in health and safety, appointed by
21 the governor.

22 (c) Members of the board serve without compensation but are entitled to per
23 diem and travel expenses authorized for boards and commissions under AS 39.20.180.

24 (d) Members appointed under (a)(3) - (7) of this section serve staggered terms
25 of three years or until a successor is appointed.

26 **Sec. 08.02.210. Regulations.** The board may adopt regulations necessary to
27 implement AS 08.02.200 - 08.02.290.

28 **Sec. 08.02.220. Board review of change to licensure.** (a) The board shall
29 review legislation proposing a change to licensure that is introduced in the legislature,
30 unless the proposed change has been the subject of a review within the preceding four
31 years.

1 (b) The board shall review other proposed changes to licensure on request.

2 (c) The board may request additional information it finds necessary to
3 complete a review of a proposed change to licensure from a department, board,
4 commission, association, or person requesting a review.

5 **Sec. 08.02.230. Request for review.** (a) A review of a change to licensure may
6 be requested by

7 (1) the governor, a legislator, or the head of a principal executive
8 department of the state; or

9 (2) a person practicing a profession or occupation, group representing
10 a profession or occupation, or person receiving goods or services from another person
11 in the practice of the other person's profession or occupation, upon payment of a fee
12 set by the board in regulation.

13 (b) A request for review of a proposed change to licensure for a profession or
14 occupation must be submitted in a form prescribed by the board and must

15 (1) identify the requestor and the requestor's relationship to the
16 profession or occupation;

17 (2) describe the proposed change to licensure; the description may
18 include draft legislation;

19 (3) explain the problem the proposed change seeks to address and the
20 reason the change is necessary;

21 (4) describe previous efforts made to address the problem without a
22 change to licensure, including voluntary efforts made by members of the profession or
23 occupation and the reason those efforts were insufficient;

24 (5) explain how the proposed change is the least-restrictive method of
25 regulation to protect the public;

26 (6) describe alternatives to the proposed change that have been
27 considered, the manner in which the alternatives would restrict the practice of the
28 profession or occupation, and the reason the alternatives are not preferred;

29 (7) describe potential benefits to the public that would result from the
30 proposed change;

31 (8) describe potential harm to the public that could result from the

1 proposed change;

2 (9) estimate the costs to the state associated with the proposed change;

3 (10) describe the group that would be affected, including the names of
4 professional or occupational associations that would be affected, and the estimated
5 number of practitioners and businesses that would be affected;

6 (11) document specific harm caused to the public by a lack of
7 regulation, where the proposed change would regulate the practice of a profession or
8 occupation; documentation may include reference to a civil or criminal action against
9 an individual relating to the practice of the profession or occupation in the state;

10 (12) list the state and federal laws enacted in the preceding five years
11 related to the profession or occupation and the reasons the laws were insufficient to
12 carry out the requested change;

13 (13) describe the cost, availability, and appropriateness of training and
14 examination requirements, if the proposed change imposes a new training or
15 examination requirement;

16 (14) review the availability of third-party private certification or
17 regulation;

18 (15) describe anticipated disqualifying conditions and how they serve
19 public safety, commercial, or consumer protection interests, where the proposed
20 change would require a new license;

21 (16) propose a funding mechanism to pay the administrative costs
22 associated with the proposed change.

23 **Sec. 08.02.240. Scope of review; recommendations.** (a) The board's review
24 of a change to licensure must evaluate

25 (1) the possibility of harm arising from the unregulated practice of the
26 profession or occupation;

27 (2) whether the public needs and reasonably expects to benefit from an
28 assurance of initial and ongoing professional or occupational competence, and whether
29 the public can be adequately protected through other means in a more cost-effective
30 manner; and

31 (3) the anticipated costs to the state, the public, and persons being

1 regulated, and whether the costs are reasonable and can be met.

2 (b) If the board finds a possibility of harm arising from the unregulated
3 practice of the profession or occupation, the board shall recommend the least-
4 restrictive means reasonably necessary to protect the public interests. When possible,
5 the board shall recommend regulating a business or employer instead of an employee,
6 profession, or occupation. The board shall recommend the least-restrictive type of
7 regulation within the following categories:

8 (1) strengthening protections under the deceptive trade practices act if
9 the proposed change is predominantly intended to protect consumers against fraud;

10 (2) requiring periodic inspections if the proposed change is
11 predominantly intended to protect against unsanitary facilities or general health,
12 safety, or welfare concerns;

13 (3) requiring bonding or insurance if the proposed change is
14 predominantly intended to protect against potential damages to third parties;

15 (4) requiring registration with the state if the proposed change is
16 predominantly intended to protect against potential damages by persons who, while
17 physically located in the state, practice a profession or occupation in an organized
18 borough of the state or a census area in an unorganized borough of the state for less
19 than 30 days in a calendar year;

20 (5) offering voluntary state certification, unless suitable private
21 voluntary certification exists, if the proposed change is predominantly intended to
22 protect against asymmetric information between the seller and buyer;

23 (6) developing formal licensure if the proposed change is
24 predominantly intended to protect the immediate health and safety of consumers or the
25 general public and no other adequate system of regulation exists.

26 (c) In this section, "possibility of harm" means a clear potential that the
27 unregulated practice of a profession or occupation could endanger the health, safety,
28 or welfare of the public.

29 **Sec. 08.02.250. Reports.** (a) For each review of a proposed change to
30 licensure, the board shall prepare a review report.

31 (b) A review report must include

1 (1) the recommended level of regulation, as provided in (c) of this
2 section;

3 (2) a comparison of how other states regulate the profession or
4 occupation;

5 (3) reference to applicable federal statutes and regulations and
6 proposed federal legislation;

7 (4) the cost of regulation to consumers, including an increase or
8 decrease in services available;

9 (5) the cost of regulation to current and future practitioners, including
10 job creation, retention, and wages;

11 (6) the costs to employers;

12 (7) an analysis of each item listed in AS 08.02.230(b)(1) - (16).

13 (c) For a review requested under AS 08.02.230(b), the board shall submit the
14 report to the senate secretary and the chief clerk of the house of representatives, and
15 notify the legislature that the report is available, on or before the first day of

16 (1) the next regular legislative session following the date the request
17 was received by the board for requests received by the board before April 1 of a
18 calendar year;

19 (2) a regular legislative session after the next regular session following
20 the date the request was received by the board for requests received by the board on or
21 after April 1 of a calendar year.

22 (d) The board shall deliver a copy of a report prepared in response to a request
23 under AS 08.02.230(b) to the person that requested the review.

24 **Sec. 08.02.290. Definitions.** In AS 08.02.200 - 08.02.290,

25 (1) "board" means the Sunrise Review Board established in
26 AS 08.02.200;

27 (2) "change to licensure" means the creation or recognition in statute
28 of a new type of license to engage in a profession or occupation, a change in the scope
29 of practice of a license issued, or the elimination of a license;

30 (3) "license" means a certificate, registration, permit, or other
31 authorization to engage in a profession or occupation issued under this title by the

1 department or a board, commission, or association.

2 * **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to
3 read:

4 SUNRISE REVIEW BOARD; STAGGERED TERMS. Notwithstanding
5 AS 08.02.200, added by sec. 2 of this Act, the initial terms of the members of the Sunrise
6 Review Board appointed under AS 08.02.200, added by sec. 2 of this Act, are as follows:

7 (1) the member appointed under AS 08.02.200(3) shall serve a one-year term;

8 (2) the members appointed under AS 08.02.200(4) and (5) shall each serve a
9 two-year term;

10 (3) the members appointed under AS 08.02.200(6) and (7) shall each serve a
11 three-year term.

12 * **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to
13 read:

14 TRANSITION: REGULATIONS. The Department of Commerce, Community, and
15 Economic Development may adopt regulations necessary to implement the changes made by
16 this Act. The regulations take effect under AS 44.62 (Administrative Procedure Act), but not
17 before the effective date of the law implemented by the regulation.

18 * **Sec. 5.** Section 4 of this Act takes effect immediately under AS 01.10.070(c).

19 * **Sec. 6.** Except as provided in sec. 5 of this Act, this Act takes effect January 1, 2025.