

CS FOR SENATE BILL NO. 74(FIN)

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

BY THE SENATE FINANCE COMMITTEE

Offered: 4/19/23

Referred: Rules

Sponsor(s): SENATOR WILSON

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to an interstate physical therapy licensure compact; relating to the**
2 **licensure of physical therapists, physical therapist assistants, occupational therapists,**
3 **and occupational therapy assistants; and providing for an effective date."**

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

5 * **Section 1.** AS 08.84.010(b) is amended to read:

6 (b) The board shall control all matters pertaining to the licensing of physical
7 therapists, physical therapist assistants, occupational therapists, and occupational
8 therapy assistants and the practice of physical therapy and the practice of occupational
9 therapy. The board shall

10 (1) pass upon the qualifications of applicants;

11 (2) provide for the examination of applicants;

12 (3) issue temporary permits and licenses to persons qualified under this
13 chapter;

14 (4) suspend, revoke, or refuse to issue or renew a license under

1 AS 08.84.120;

2 (5) keep a current register listing the name, business address, date, and
 3 number of the license of each person who is licensed to practice under this chapter;

4 (6) adopt regulations under AS 44.62 (Administrative Procedure Act)
 5 necessary to carry out the purposes of this chapter, including regulations establishing
 6 qualifications for licensure and renewal of licensure under this chapter;

7 **(7) implement the Interstate Physical Therapy Licensure Compact**
 8 **under AS 08.84.188.**

9 * **Sec. 2.** AS 08.84.030 is amended to read:

10 **Sec. 08.84.030. Qualifications for licensing.** (a) To be eligible for licensure
 11 by the board as a physical therapist or physical therapist assistant, an applicant, unless
 12 a graduate of a foreign school of physical therapy located outside the United States,
 13 shall

14 (1) have graduated from a professional physical therapy education
 15 program that includes supervised field work and is accredited by a national
 16 accreditation agency approved by the board;

17 (2) pass, to the satisfaction of the board, an examination prepared by a
 18 national testing service approved by the board to determine the applicant's fitness for
 19 practice as a physical therapist or physical therapist assistant, or be entitled to
 20 licensure without examination as provided in AS 08.84.060; [AND]

21 (3) meet qualifications for licensure established in regulations adopted
 22 by the board under AS 08.84.010(b); **and**

23 **(4) have been fingerprinted and have provided the fees required**
 24 **by the Department of Public Safety under AS 12.62.160 for criminal justice**
 25 **information and a national criminal history record check; the fingerprints and**
 26 **fees shall be forwarded to the Department of Public Safety to obtain a report of**
 27 **criminal justice information under AS 12.62 and a national criminal history**
 28 **record check under AS 12.62.400.**

29 (b) To be eligible for licensure by the board as an occupational therapist or
 30 occupational therapy assistant, an applicant, unless a graduate of a foreign school of
 31 occupational therapy located outside the United States, shall

(1) have graduated from a professional occupational therapy education program that includes supervised field work and is accredited by a national accreditation agency approved by the board;

(2) pass, to the satisfaction of the board, an examination prepared by a national testing service approved by the board or an examination recognized by a national accreditation agency approved by the board to determine the applicant's fitness for practice as an occupational therapist or occupational therapy assistant, or be entitled to licensure without examination under AS 08.84.060; [AND]

(3) meet qualifications for licensure established in regulations adopted by the board under AS 08.84.010(b); **and**

(4) have been fingerprinted and have provided the fees required by the Department of Public Safety under AS 12.62.160 for criminal justice information and a national criminal history record check; the fingerprints and fees shall be forwarded to the Department of Public Safety to obtain a report of criminal justice information under AS 12.62 and a national criminal history record check under AS 12.62.400.

* Sec. 3. AS 08.84.032 is amended to read:

Sec. 08.84.032. Foreign-educated applicants. (a) To be eligible for licensure by the board as a physical therapist or physical therapist assistant, an applicant who is a graduate of a school of physical therapy that is located outside the United States shall

(1) have completed, to the satisfaction of the board, a resident course of study and professional instruction substantially equivalent to a professional physical therapy education program that is accredited by a board-approved national accreditation agency in the United States;

(2) have completed, to the satisfaction of the board, an internship under the continuous direction and immediate supervision of a physical therapist in an institution that ordinarily provides physical therapy and is approved by the board, for that period of time specified by the board, and furnish documentary evidence of compliance with this paragraph:

(3) pass an examination recognized by the board that measures the

1 competence of the applicant in the English language if the applicant's physical
 2 therapist or physical therapist assistant education program was not taught in English;

3 (4) have met applicable requirements under 8 U.S.C. 1101 - 1503
 4 (Immigration and Nationality Act), unless a United States citizen;

5 (5) pass the examination approved by the board under
 6 AS 08.84.030(a)(2);

7 (6) pay the fee required under AS 08.84.050; [AND]

8 (7) meet additional qualifications for licensure established in
 9 regulations adopted by the board under AS 08.84.010(b); **and**

10 **(8) have been fingerprinted and have provided the fees required**
 11 **by the Department of Public Safety under AS 12.62.160 for criminal justice**
 12 **information and a national criminal history record check; the fingerprints and**
 13 **fees shall be forwarded to the Department of Public Safety to obtain a report of**
 14 **criminal justice information under AS 12.62 and a national criminal history**
 15 **record check under AS 12.62.400.**

16 (b) To be eligible for licensure by the board as an occupational therapist or
 17 occupational therapy assistant, an applicant who is a graduate of a school of
 18 occupational therapy that is located outside the United States shall

19 (1) have completed, to the satisfaction of the board, a resident course
 20 of study and professional instruction substantially equivalent to a professional
 21 occupational therapy education program that is accredited by a board-approved
 22 national accreditation agency in the United States;

23 (2) have completed, to the satisfaction of the board, supervised field
 24 work equivalent to that required under AS 08.84.030(b);

25 (3) pass an examination recognized by the board that measures the
 26 competence of the applicant in the English language if the applicant's occupational
 27 therapist or occupational therapy assistant education program was not taught in
 28 English;

29 (4) have met applicable requirements under 8 U.S.C. 1101 - 1503
 30 (Immigration and Nationality Act), unless a United States citizen;

31 (5) pass an examination approved by the board under AS 08.84.030(b);

(6) pay the fee required under AS 08.84.050; [AND]

(7) meet additional qualifications for licensure established in regulations adopted by the board under AS 08.84.010(b); and

(8) have been fingerprinted and have provided the fees required by the Department of Public Safety under AS 12.62.160 for criminal justice information and a national criminal history record check; the fingerprints and fees shall be forwarded to the Department of Public Safety to obtain a report of criminal justice information under AS 12.62 and a national criminal history record check under AS 12.62.400.

* **Sec. 4.** AS 08.84 is amended by adding a new section to read:

Sec. 08.84.034. Exemption from criminal justice information and criminal history record check. A physical therapist, physical therapist assistant, occupational therapist, or occupational therapy assistant holding a valid license under this chapter on July 1, 2024, is exempt from the requirements of AS 08.84.030(a)(4) and (b)(4) and 08.84.032(a)(8) and (b)(8), but is otherwise subject to this chapter.

* **Sec. 5.** AS 08.84.050 is amended to read:

Sec. 08.84.050. Fees. The Department of Commerce, Community, and Economic Development shall set fees under AS 08.01.065 for the following:

- (1) application;
- (2) license by examination;
- (3) license by acceptance of credentials;
- (4) renewal;
- (5) temporary permit;
- (6) limited permit;
- (7) compact privilege.**

* Sec. 6. AS 08.84.150(a) is amended to read:

(a) It is unlawful for a person to practice physical therapy without being licensed under this chapter unless the person is

- (1) a student in an accredited physical therapy program;
- (2) a graduate of a foreign school of physical therapy fulfilling the internship requirement of AS 08.84.032, and then only unless under the continuous

1 direction and immediate supervision of a physical therapist; [OR]
 2 (3) issued a limited permit under AS 08.84.075; **or**
 3 **(4) granted a compact privilege under AS 08.84.188.**

4 * **Sec. 7.** AS 08.84 is amended by adding a new section to read:

5 **Article 3A. Interstate Physical Therapy Licensure Compact.**

6 **Sec. 08.84.188. Compact enacted.** The Interstate Physical Therapy Licensure
 7 Compact as contained in this section is enacted into law and entered into on behalf of
 8 the state with all other states and jurisdictions legally joining it in a form substantially
 9 as follows:

10 **SECTION 1. PURPOSE**

11 The purpose of this Compact is to facilitate interstate practice of physical therapy with
 12 the goal of improving public access to physical therapy services. The practice of physical
 13 therapy occurs in the state where the patient or client is located at the time of the patient/client
 14 encounter. The Compact preserves the regulatory authority of states to protect public health
 15 and safety through the current system of state licensure. This Compact is designed to achieve
 16 the following objectives:

- 17 (1) Increase public access to physical therapy services by providing for
 18 the mutual recognition of other member state licenses;
- 19 (2) Enhance the states' ability to protect the public's health and safety;
- 20 (3) Encourage the cooperation of member states in regulating multi-
 21 state physical therapy practice;
- 22 (4) Support spouses of relocating military members;
- 23 (5) Enhance the exchange of licensure, investigative, and disciplinary
 24 information between member states; and
- 25 (6) Allow a remote state to hold a provider of services with a compact
 26 privilege in that state accountable to that state's practice standards.

27 **SECTION 2. DEFINITIONS**

28 As used in this Compact, and except as otherwise provided, the following definitions
 29 shall apply:

- 30 (1) "Active duty military" means full-time duty status in the active
 31 uniformed service of the United States, including members of the National Guard and

1 Reserve on active duty orders pursuant to 10 U.S.C. Chapter 1209 and 1211.

2 (2) "Adverse action" means disciplinary action taken by a physical
3 therapy licensing board based upon misconduct, unacceptable performance, or a
4 combination of both.

5 (3) "Alternative program" means a non-disciplinary monitoring or
6 practice remediation process approved by a physical therapy licensing board. This
7 includes substance abuse issues.

8 (4) "Compact privilege" means the authorization granted by a remote
9 state to allow a licensee from another member state to practice as a physical therapist
10 or work as a physical therapist assistant in the remote state under its laws and rules.
11 The practice of physical therapy occurs in the member state where the patient or client
12 is located at the time of the patient/client encounter.

13 (5) "Continuing competence" means a requirement, as a condition of
14 license renewal, to provide evidence of participation in, and/or completion of,
15 educational and professional activities relevant to practice or area of work.

16 (6) "Data system" means a repository of information about licensees,
17 including examination, licensure, investigative, compact privilege, and adverse action.

18 (7) "Encumbered license" means a license that a physical therapy
19 licensing board has limited in any way.

20 (8) "Executive Board" means a group of directors elected or appointed
21 to act on behalf of, and within the powers granted to them by, the Commission.

22 (9) "Home state" means the member state that is the licensee's primary
23 state of residence.

24 (10) "Investigative information" means information, records, and
25 documents received or generated by a physical therapy licensing board pursuant to an
26 investigation.

27 (11) "Jurisprudence requirement" means the assessment of an
28 individual's knowledge of the laws and rules governing the practice of physical
29 therapy in a state.

30 (12) "Licensee" means an individual who currently holds an
31 authorization from the state to practice as a physical therapist or to work as a physical

therapist assistant.

(13) "Member state" means a state that has enacted the Compact.

(14) "Party state" means any member state in which a licensee holds a current license or compact privilege or is applying for a license or compact privilege.

(15) "Physical therapist" means an individual who is licensed by a state to practice physical therapy.

(16) "Physical therapist assistant" means an individual who is licensed or certified by a state and who assists the physical therapist in selected components of physical therapy.

(17) "Physical therapy," "physical therapy practice," and "the practice of physical therapy" mean the care and services provided by or under the direction and supervision of a licensed physical therapist.

(18) "Physical Therapy Compact Commission" or "Commission" means the national administrative body whose membership consists of all states that have enacted the Compact.

(19) "Physical therapy licensing board" or "licensing board" means the agency of a state that is responsible for the licensing and regulation of physical therapists and physical therapist assistants.

(20) "Remote state" means a member state other than the home state, where a licensee is exercising or seeking to exercise the compact privilege.

(21) "Rule" means a regulation, principle, or directive promulgated by the Commission that has the force of law.

(22) "State" means any state, commonwealth, district, or territory of the United States of America that regulates the practice of physical therapy.

SECTION 3. STATE PARTICIPATION IN THE COMPACT

(a) To participate in the Compact, a state must:

(1) Participate fully in the Commission's data system, including using the Commission's unique identifier as defined in rules;

(2) Have a mechanism in place for receiving and investigating complaints about licensees;

(3) Notify the Commission, in compliance with the terms of the

1 Compact and rules, of any adverse action or the availability of investigative
2 information regarding a licensee;

3 (4) Fully implement a criminal background check requirement, within
4 a time frame established by rule, by receiving the results of the Federal Bureau of
5 Investigation record search on criminal background checks and use the results in
6 making licensure decisions in accordance with Section 3(b);

7 (5) Comply with the rules of the Commission;

8 (6) Utilize a recognized national examination as a requirement for
9 licensure pursuant to the rules of the Commission; and

10 (7) Have continuing competence requirements as a condition for
11 license renewal.

12 (b) Upon adoption of this statute, the member state shall have the authority to
13 obtain biometric-based information from each physical therapy licensure applicant and
14 submit this information to the Federal Bureau of Investigation for a criminal
15 background check in accordance with 28 U.S.C. §534 and 34 U.S.C. §40316.

16 (c) A member state shall grant the compact privilege to a licensee holding a
17 valid unencumbered license in another member state in accordance with the terms of
18 the Compact and rules.

19 (d) Member states may charge a fee for granting a compact privilege.

20 SECTION 4. COMPACT PRIVILEGE

21 (a) To exercise the compact privilege under the terms and provisions of the
22 Compact, the licensee shall

23 (1) Hold a license in the home state;

24 (2) Have no encumbrance on any state license;

25 (3) Be eligible for a compact privilege in any member state in
26 accordance with Section 4(d), (g) and (h);

27 (4) Have not had any adverse action against any license or compact
28 privilege within the previous 2 years;

29 (5) Notify the Commission that the licensee is seeking the compact
30 privilege within a remote state;

31 (6) Pay any applicable fees, including any state fee, for the compact

privilege;

(7) Meet any jurisprudence requirements established by the remote state in which the licensee is seeking a compact privilege; and

(8) Report to the Commission adverse action taken by any non-member state within 30 days from the date the adverse action is taken.

(b) The compact privilege is valid until the expiration date of the home license. The licensee must comply with the requirements of Section 4(a) to maintain the compact privilege in the remote state.

(c) A licensee providing physical therapy in a remote state under the compact privilege shall function within the laws and regulations of the remote state.

(d) A licensee providing physical therapy in a remote state is subject to that state's regulatory authority. A remote state may, in accordance with due process and that state's laws, remove a licensee's compact privilege in the remote state for a specific period of time, impose fines, and/or take any other necessary actions to protect the health and safety of its citizens. The licensee is not eligible for a compact privilege in any state until the specific time for removal has passed and all fines are paid.

(e) If a home state license is encumbered, the licensee shall lose the compact privilege in any remote state until the following occur:

(1) The home state license is no longer encumbered; and

(2) Two years have elapsed from the date of the adverse action.

(f) Once an encumbered license in the home state is restored to good standing, the licensee must meet the requirements of Section 4(a) to obtain a compact privilege in any remote state.

(g) If a licensee's compact privilege in any remote state is removed, the individual shall lose the compact privilege in any remote state until the following occur:

(1) The specific period of time for which the compact privilege was removed has ended;

(2) All fines have been paid; and

(3) Two years have elapsed from the date of the adverse action.

(h) Once the requirements of Section 4(g) have been met, the licensee must meet the requirements in Section 4(a) to obtain a compact privilege in a remote state.

SECTION 5. ACTIVE DUTY MILITARY PERSONNEL OR THEIR SPOUSES

A licensee who is active duty military or is the spouse of an individual who is active duty military may designate one of the following as the home state:

- (1) Home of record;
- (2) Permanent Change of Station (PCS); or
- (3) State of current residence if it is different than the PCS state or home of record.

SECTION 6. ADVERSE ACTIONS

(a) A home state shall have exclusive power to impose adverse action against a license issued by the home state.

(b) A home state may take adverse action based on the investigative information of a remote state, so long as the home state follows its own procedures for imposing adverse action.

(c) Nothing in this Compact shall override a member state's decision that participation in an alternative program may be used in lieu of adverse action and that such participation shall remain non-public if required by the member state's laws. Member states must require licensees who enter any alternative programs in lieu of discipline to agree not to practice in any other member state during the term of the alternative program without prior authorization from such other member state.

(d) Any member state may investigate actual or alleged violations of the statutes and rules authorizing the practice of physical therapy in any other member state in which a physical therapist or physical therapist assistant holds a license or compact privilege.

(e) A remote state shall have the authority to:

(1) Take adverse actions as set forth in Section 4(d) against a licensee's compact privilege in the state;

(2) Issue subpoenas for both hearings and investigations that require the attendance and testimony of witnesses, and the production of evidence. Subpoenas issued by a physical therapy licensing board in a party state for the attendance and

testimony of witnesses, and/or the production of evidence from another party state, shall be enforced in the latter state by any court of competent jurisdiction, according to the practice and procedure of that court applicable to subpoenas issued in proceedings pending before it. The issuing authority shall pay any witness fees, travel expenses, mileage, and other fees required by the service statutes of the state where the witnesses and/or evidence are located; and

(3) If otherwise permitted by state law, recover from the licensee the costs of investigations and disposition of cases resulting from any adverse action taken against that licensee.

(f) Joint Investigations

(1) In addition to the authority granted to a member state by its respective physical therapy practice act or other applicable state law, a member state may participate with other member states in joint investigations of licensees.

(2) Member states shall share any investigative, litigation, or compliance materials in furtherance of any joint or individual investigation initiated under the Compact.

SECTION 7. ESTABLISHMENT OF THE PHYSICAL THERAPY COMPACT COMMISSION

(a) The Compact member states hereby create and establish a joint public agency known as the Physical Therapy Compact Commission.

(1) The Commission is an instrumentality of the Compact states.

(2) Venue is proper and judicial proceedings by or against the Commission shall be brought solely and exclusively in a court of competent jurisdiction where the principal office of the Commission is located. The Commission may waive venue and jurisdictional defenses to the extent it adopts or consents to participate in alternative dispute resolution proceedings.

(3) Nothing in this Compact shall be construed to be a waiver of sovereign immunity.

(b) Membership, Voting, and Meetings

(1) Each member state shall have and be limited to one delegate selected by that member state's licensing board.

(2) The delegate shall be a current member of the licensing board, who is a physical therapist, physical therapist assistant, public member, or the board administrator.

(3) Any delegate may be removed or suspended from office as provided by the law of the state from which the delegate is appointed.

(4) The member state board shall fill any vacancy occurring in the Commission.

(5) Each delegate shall be entitled to one vote with regard to the promulgation of rules and creation of bylaws and shall otherwise have an opportunity to participate in the business and affairs of the Commission.

(6) A delegate shall vote in person or by such other means as provided in the bylaws. The bylaws may provide for delegates' participation in meetings by telephone or other means of communication.

(7) The Commission shall meet at least once during each calendar year. Additional meetings shall be held as set forth in the bylaws.

(c) The Commission shall have the following powers and duties:

(1) Establish the fiscal year of the Commission;

(2) Establish bylaws;

(3) Maintain its financial records in accordance with the bylaws;

(4) Meet and take such actions as are consistent with the provisions of this Compact and the bylaws;

(5) Promulgate uniform rules to facilitate and coordinate implementation and administration of this Compact. The rules shall have the force and effect of law and shall be binding in all member states;

(6) Bring and prosecute legal proceedings or actions in the name of the Commission, provided that the standing of any state physical therapy licensing board to sue or be sued under applicable law shall not be affected;

(7) Purchase and maintain insurance and bonds;

(8) Borrow, accept, or contract for services of personnel, including, but not limited to, employees of a member state;

(9) Hire employees, elect or appoint officers, fix compensation, define

1 duties, grant such individuals appropriate authority to carry out the purposes of the
2 Compact, and to establish the Commission's personnel policies and programs relating
3 to conflicts of interest, qualifications of personnel, and other related personnel matters;

4 (10) Accept any and all appropriate donations and grants of money,
5 equipment, supplies, materials and services, and to receive, utilize and dispose of the
6 same; provided that at all times the Commission shall avoid any appearance of
7 impropriety and/or conflict of interest;

8 (11) Lease, purchase, accept appropriate gifts or donations of, or
9 otherwise to own, hold, improve or use, any property, real, personal or mixed;
10 provided that at all times the Commission shall avoid any appearance of impropriety;

11 (12) Sell convey, mortgage, pledge, lease, exchange, abandon, or
12 otherwise dispose of any property real, personal, or mixed;

13 (13) Establish a budget and make expenditures;

14 (14) Borrow money;

15 (15) Appoint committees, including standing committees composed of
16 members, state regulators, state legislators or their representatives, and consumer
17 representatives, and such other interested persons as may be designated in this
18 Compact and the bylaws;

19 (16) Provide and receive information from, and cooperate with, law
20 enforcement agencies;

21 (17) Establish and elect an Executive Board; and

22 (18) Perform such other functions as may be necessary or appropriate
23 to achieve the purposes of this Compact consistent with the state regulation of physical
24 therapy licensure and practice.

25 (d) The Executive Board shall have the power to act on behalf of the
26 Commission according to the terms of this Compact.

27 (1) The Executive Board shall be composed of nine members:

28 (A) Seven voting members who are elected by the Commission
29 from the current membership of the Commission;

30 (B) One ex-officio, nonvoting member from the recognized
31 national physical therapy professional association; and

(C) One ex-officio, nonvoting member from the recognized membership organization of the physical therapy licensing boards.

(2) The ex-officio members will be selected by their respective organizations.

(3) The Commission may remove any member of the Executive Board as provided in bylaws.

(4) The Executive Board shall meet at least annually.

(5) The Executive Board shall have the following duties and responsibilities:

(A) Recommend to the entire Commission changes to the rules or bylaws, changes to this Compact legislation, fees paid by Compact member states such as annual dues, and any commission Compact fee charged to licensees for the compact privilege;

(B) Ensure Compact administration services are appropriately provided, contractual or otherwise;

(C) Prepare and recommend the budget;

(D) Maintain financial records on behalf of the Commission;

(E) Monitor Compact compliance of member states and provide compliance reports to the Commission;

(F) Establish additional committees as necessary; and

(G) Other duties as provided in rules or bylaws.

(e) Meetings of the Commission

(1) All meetings shall be open to the public, and public notice of meetings shall be given in the same manner as required under the rulemaking provisions in Section 9.

(2) The Commission or the Executive Board or other committees of the Commission may convene in a closed, non-public meeting if the Commission or Executive Board or other committees of the Commission must discuss:

(A) Non-compliance of a member state with its obligations under the Compact;

(B) The employment, compensation, discipline or other

matters, practices or procedures related to specific employees or other matters related to the Commission's internal personnel practices and procedures;

(C) Current, threatened, or reasonably anticipated litigation;

(D) Negotiation of contracts for the purchase, lease, or sale of goods, services, or real estate;

(E) Accusing any person of a crime or formally censuring any person;

(F) Disclosure of trade secrets or commercial or financial information that is privileged or confidential;

(G) Disclosure of information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy;

(H) Disclosure of investigative records compiled for law enforcement purposes;

(I) Disclosure of information related to any investigative reports prepared by or on behalf of or for use of the Commission or other committee charged with responsibility of investigation or determination of compliance issues pursuant to the Compact; or

(J) Matters specifically exempted from disclosure by federal or member state statute.

(3) If a meeting, or portion of a meeting, is closed pursuant to this provision, the Commission's legal counsel or designee shall certify that the meeting may be closed and shall reference each relevant exempting provision.

(4) The Commission shall keep minutes that fully and clearly describe all matters discussed in a meeting and shall provide a full and accurate summary of actions taken, and the reasons therefore, including a description of the views expressed. All documents considered in connection with an action shall be identified in such minutes. All minutes and documents of a closed meeting shall remain under seal, subject to release by a majority vote of the Commission or order of a court of competent jurisdiction.

(f) Financing of the Commission

(1) The Commission shall pay, or provide for the payment of, the

reasonable expenses of its establishment, organization, and ongoing activities.

(2) The Commission may accept any and all appropriate revenue sources, donations, and grants of money, equipment, supplies, materials, and services.

(3) The Commission may levy on and collect an annual assessment from each member state or impose fees on other parties to cover the cost of the operations and activities of the Commission and its staff, which must be in a total amount sufficient to cover its annual budget as approved each year for which revenue is not provided by other sources. The aggregate annual assessment amount shall be allocated based upon a formula to be determined by the Commission, which shall promulgate a rule binding upon all member states.

(4) The Commission shall not incur obligations of any kind prior to securing the funds adequate to meet the same; nor shall the Commission pledge the credit of any of the member states, except by and with the authority of the member state.

(5) The Commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the Commission shall be subject to the audit and accounting procedures established under its bylaws. However, all receipts and disbursements of funds handled by the Commission shall be audited yearly by a certified or licensed public accountant, and the report of the audit shall be included in and become part of the annual report of the Commission.

(g) Qualified Immunity, Defense, and Indemnification

(1) The members, officers, executive director, employees and representatives of the Commission shall be immune from suit and liability, either personally or in their official capacity, for any claim for damage to or loss of property or personal injury or other civil liability caused by or arising out of any actual or alleged act, error or omission that occurred, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of Commission employment, duties or responsibilities; provided that nothing in this paragraph shall be construed to protect any such person from suit and/or liability for any damage, loss, injury, or liability caused by the intentional or willful or wanton misconduct of that person.

(2) The Commission shall defend any member, officer, executive director, employee or representative of the Commission in any civil action seeking to impose liability arising out of any actual or alleged act, error, or omission that occurred within the scope of Commission employment, duties, or responsibilities, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of Commission employment, duties, or responsibilities; provided that nothing herein shall be construed to prohibit that person from retaining his or her own counsel; and provided further, that the actual or alleged act, error, or omission did not result from that person's intentional or willful or wanton misconduct.

(3) The Commission shall indemnify and hold harmless any member, officer, executive director, employee, or representative of the Commission for the amount of any settlement or judgment obtained against that person arising out of any actual or alleged act, error or omission that occurred within the scope of Commission employment, duties, or responsibilities, or that such person had a reasonable basis for believing occurred within the scope of Commission employment, duties, or responsibilities, provided that the actual or alleged act, error, or omission did not result from the intentional or willful or wanton misconduct of that person.

SECTION 8. DATA SYSTEM

(a) The Commission shall provide for the development, maintenance, and utilization of a coordinated database and reporting system containing licensure, adverse action, and investigative information on all licensed individuals in member states.

(b) Notwithstanding any other provision of state law to the contrary, a member state shall submit a uniform data set to the data system on all individuals to whom this Compact is applicable as required by the rules of the Commission, including:

- (1) Identifying information;
- (2) Licensure data;
- (3) Adverse actions against a license or compact privilege;
- (4) Non-confidential information related to alternative program participation;
- (5) Any denial of application for licensure, and the reason(s) for such

1 denial; and

2 (6) Other information that may facilitate the administration of this
3 Compact, as determined by the rules of the Commission.

4 (c) Investigative information pertaining to a licensee in any member state will
5 only be available to other party states.

6 (d) The Commission shall promptly notify all member states of any adverse
7 action taken against a licensee or an individual applying for a license. Adverse action
8 information pertaining to a licensee in any member state will be available to any other
9 member state.

10 (e) Member states contributing information to the data system may designate
11 information that may not be shared with the public without the express permission of
12 the contributing state.

13 (f) Any information submitted to the data system that is subsequently required
14 to be expunged by the laws of the member state contributing the information shall be
15 removed from the data system.

16 SECTION 9. RULEMAKING

17 (a) The Commission shall exercise its rulemaking powers pursuant to the
18 criteria set forth in this Section and the rules adopted thereunder. Rules and
19 amendments shall become binding as of the date specified in each rule or amendment.

20 (b) If a majority of the legislatures of the member states rejects a rule, by
21 enactment of a statute or resolution in the same manner used to adopt the Compact
22 within 4 years of the date of adoption of the rule, then such rule shall have no further
23 force and effect in any member state.

24 (c) Rules or amendments to the rules shall be adopted at a regular or special
25 meeting of the Commission.

26 (d) Prior to promulgation and adoption of a final rule or rules by the
27 Commission, and at least thirty (30) days in advance of the meeting at which the rule
28 will be considered and voted upon, the Commission shall file a Notice of Proposed
29 Rulemaking:

30 (1) On the website of the Commission or other publicly accessible
31 platform; and

(2) On the website of each member state physical therapy licensing board or other publicly accessible platform or the publication in which each state would otherwise publish proposed rules.

(e) The Notice of Proposed Rulemaking shall include:

(1) The proposed time, date, and location of the meeting in which the rule will be considered and voted upon;

(2) The text of the proposed rule or amendment and the reason for the proposed rule;

(3) A request for comments on the proposed rule from any interested person; and

(4) The manner in which interested persons may submit notice to the Commission of their intention to attend the public hearing and any written comments.

(f) Prior to adoption of a proposed rule, the Commission shall allow persons to submit written data, facts, opinions, and arguments, which shall be made available to the public.

(g) The Commission shall grant an opportunity for a public hearing before it adopts a rule or amendment if a hearing is requested by:

(1) At least twenty-five (25) persons;

(2) A state or federal governmental subdivision or agency; or

(3) An association having at least twenty-five (25) members.

(h) If a hearing is held on the proposed rule or amendment, the Commission shall publish the place, time, and date of the scheduled public hearing. If the hearing is held via electronic means, the Commission shall publish the mechanism for access to the electronic hearing.

(1) All persons wishing to be heard at the hearing shall notify the executive director of the Commission or other designated member in writing of their desire to appear and testify at the hearing not less than five (5) business days before the scheduled date of the hearing.

(2) Hearings shall be conducted in a manner providing each person who wishes to comment a fair and reasonable opportunity to comment orally or in writing.

(3) All hearings will be recorded. A copy of the recording will be made available on request.

(4) Nothing in this section shall be construed as requiring a separate hearing on each rule. Rules may be grouped for the convenience of the Commission at hearings required by this section.

(i) Following the scheduled hearing date, or by the close of business on the scheduled hearing date if the hearing was not held, the Commission shall consider all written and oral comments received.

(j) If no written notice of intent to attend the public hearing by interested parties is received, the Commission may proceed with promulgation of the proposed rule without a public hearing.

(k) The Commission shall, by majority vote of all members, take final action on the proposed rule and shall determine the effective date of the rule, if any, based on the rulemaking record and the full text of the rule.

(l) Upon determination that an emergency exists, the Commission may consider and adopt an emergency rule without prior notice, opportunity for comment, or hearing, provided that the usual rulemaking procedures provided in the Compact and in this section shall be retroactively applied to the rule as soon as reasonably possible, in no event later than ninety (90) days after the effective date of the rule. For the purposes of this provision, an emergency rule is one that must be adopted immediately in order to:

- (1) Meet an imminent threat to public health, safety, or welfare;
- (2) Prevent a loss of Commission or member state funds;
- (3) Meet a deadline for the promulgation of an administrative rule that is established by federal law or rule; or
- (4) Protect public health and safety.

(m) The Commission or an authorized committee of the Commission may direct revisions to a previously adopted rule or amendment for purposes of correcting typographical errors, errors in format, errors in consistency, or grammatical errors. Public notice of any revisions shall be posted on the website of the Commission. The revision shall be subject to challenge by any person for a period of thirty (30) days

1 after posting. The revision may be challenged only on grounds that the revision results
 2 in a material change to a rule. A challenge shall be made in writing, and delivered to
 3 the chair of the Commission prior to the end of the notice period. If no challenge is
 4 made, the revision will take effect without further action. If the revision is challenged,
 5 the revision may not take effect without the approval of the Commission.

6 SECTION 10. OVERSIGHT, DISPUTE RESOLUTION, AND ENFORCEMENT

7 (a) Oversight

8 (1) The executive, legislative, and judicial branches of state
 9 government in each member state shall enforce this Compact and take all actions
 10 necessary and appropriate to effectuate the Compact's purposes and intent. The
 11 provisions of this Compact and the rules promulgated hereunder shall have standing as
 12 statutory law.

13 (2) All courts shall take judicial notice of the Compact and the rules in
 14 any judicial or administrative proceeding in a member state pertaining to the subject
 15 matter of this Compact which may affect the powers, responsibilities or actions of the
 16 Commission.

17 (3) The Commission shall be entitled to receive service of process in
 18 any such proceeding, and shall have standing to intervene in such a proceeding for all
 19 purposes. Failure to provide service of process to the Commission shall render a
 20 judgment or order void as to the Commission, this Compact, or promulgated rules.

21 (b) Default, Technical Assistance, and Termination

22 (1) If the Commission determines that a member state has defaulted in
 23 the performance of its obligations or responsibilities under this Compact or the
 24 promulgated rules, the Commission shall:

25 (A) Provide written notice to the defaulting state and other
 26 member states of the nature of the default, the proposed means of curing the
 27 default and/or any other action to be taken by the Commission; and

28 (B) Provide remedial training and specific technical assistance
 29 regarding the default.

30 (2) If a state in default fails to cure the default, the defaulting state may
 31 be terminated from the Compact upon an affirmative vote of a majority of the member

1 states, and all rights, privileges and benefits conferred by this Compact may be
2 terminated on the effective date of termination. A cure of the default does not relieve
3 the offending state of obligations or liabilities incurred during the period of default.

4 (3) Termination of membership in the Compact shall be imposed only
5 after all other means of securing compliance have been exhausted. Notice of intent to
6 suspend or terminate shall be given by the Commission to the governor, the majority
7 and minority leaders of the defaulting state's legislature, and each of the member
8 states.

9 (4) A state that has been terminated is responsible for all assessments,
10 obligations, and liabilities incurred through the effective date of termination, including
11 obligations that extend beyond the effective date of termination.

12 (5) The Commission shall not bear any costs related to a state that is
13 found to be in default or that has been terminated from the Compact, unless agreed
14 upon in writing between the Commission and the defaulting state.

15 (6) The defaulting state may appeal the action of the Commission by
16 petitioning the U.S. District Court for the District of Columbia or the federal district
17 where the Commission has its principal offices. The prevailing member shall be
18 awarded all costs of such litigation, including reasonable attorney's fees.

19 (c) Dispute Resolution

20 (1) Upon request by a member state, the Commission shall attempt to
21 resolve disputes related to the Compact that arise among member states and between
22 member and non-member states.

23 (2) The Commission shall promulgate a rule providing for both
24 mediation and binding dispute resolution for disputes as appropriate.

25 (d) Enforcement

26 (1) The Commission, in the reasonable exercise of its discretion, shall
27 enforce the provisions and rules of this Compact.

28 (2) By majority vote, the Commission may initiate legal action in the
29 United States District Court for the District of Columbia or the federal district where
30 the Commission has its principal offices against a member state in default to enforce
31 compliance with the provisions of the Compact and its promulgated rules and bylaws.

1 The relief sought may include both injunctive relief and damages. In the event judicial
2 enforcement is necessary, the prevailing member shall be awarded all costs of such
3 litigation, including reasonable attorney's fees.

4 (3) The remedies herein shall not be the exclusive remedies of the
5 Commission. The Commission may pursue any other remedies available under federal
6 or state law.

7 SECTION 11. DATE OF IMPLEMENTATION OF THE INTERSTATE COMMISSION
8 FOR PHYSICAL THERAPY PRACTICE AND ASSOCIATED RULES, WITHDRAWAL,
9 AND AMENDMENT

10 (a) The Compact shall come into effect on the date on which the Compact
11 statute is enacted into law in the tenth member state. The provisions, which become
12 effective at that time, shall be limited to the powers granted to the Commission
13 relating to assembly and the promulgation of rules. Thereafter, the Commission shall
14 meet and exercise rulemaking powers necessary to the implementation and
15 administration of the Compact.

16 (b) Any state that joins the Compact subsequent to the Commission's initial
17 adoption of the rules shall be subject to the rules as they exist on the date on which the
18 Compact becomes law in that state. Any rule that has been previously adopted by the
19 Commission shall have the full force and effect of law on the day the Compact
20 becomes law in that state.

21 (c) Any member state may withdraw from this Compact by enacting a statute
22 repealing the same.

23 (1) A member state's withdrawal shall not take effect until six (6)
24 months after enactment of the repealing statute.

25 (2) Withdrawal shall not affect the continuing requirement of the
26 withdrawing state's physical therapy licensing board to comply with the investigative
27 and adverse action reporting requirements of this act prior to the effective date of
28 withdrawal.

29 (d) Nothing contained in this Compact shall be construed to invalidate or
30 prevent any physical therapy licensure agreement or other cooperative arrangement
31 between a member state and a non-member state that does not conflict with the

1 provisions of this Compact.

2 (e) This Compact may be amended by the member states. No amendment to
3 this Compact shall become effective and binding upon any member state until it is
4 enacted into the laws of all member states.

5 SECTION 12. CONSTRUCTION AND SEVERABILITY

6 This Compact shall be liberally construed so as to effectuate the purposes thereof. The
7 provisions of this Compact shall be severable and if any phrase, clause, sentence or provision
8 of this Compact is declared to be contrary to the constitution of any party state or of the
9 United States or the applicability thereof to any government, agency, person or circumstance
10 is held invalid, the validity of the remainder of this Compact and the applicability thereof to
11 any government, agency, person or circumstance shall not be affected thereby. If this
12 Compact shall be held contrary to the constitution of any party state, the Compact shall
13 remain in full force and effect as to the remaining party states and in full force and effect as to
14 the party state affected as to all severable matters.

15 * **Sec. 8.** AS 12.62.400(a), as amended by sec. 156, ch. 8, SLA 2022, is amended to read:

16 (a) To obtain a national criminal history record check for determining a
17 person's qualifications for a license, permit, registration, employment, or position, a
18 person shall submit the person's fingerprints to the department with the fee established
19 by AS 12.62.160. The department may submit the fingerprints to the Federal Bureau
20 of Investigation to obtain a national criminal history record check of the person for the
21 purpose of evaluating a person's qualifications for

22 (1) a license or conditional contractor's permit to manufacture, sell,
23 offer for sale, possess for sale or barter, traffic in, or barter an alcoholic beverage
24 under AS 04.09;

25 (2) licensure as a mortgage lender, a mortgage broker, or a mortgage
26 loan originator under AS 06.60;

27 (3) admission to the Alaska Bar Association under AS 08.08;

28 (4) licensure as a collection agency operator under AS 08.24;

29 (5) a certificate of fitness to handle explosives under AS 08.52;

30 (6) licensure as a massage therapist under AS 08.61;

31 (7) licensure to practice nursing or certification as a nurse aide under

1 AS 08.68;

2 (8) certification as a real estate appraiser under AS 08.87;

3 (9) a position involving supervisory or disciplinary power over a minor

4 or dependent adult for which criminal justice information may be released under

5 AS 12.62.160(b)(9);

6 (10) a teacher certificate under AS 14.20;

7 (11) a registration or license to operate a marijuana establishment

8 under AS 17.38;

9 (12) admittance to a police training program under AS 18.65.230 or for

10 certification as a police officer under AS 18.65.240 if that person's prospective

11 employer does not have access to a criminal justice information system;

12 (13) licensure as a security guard under AS 18.65.400 - 18.65.490;

13 (14) a concealed handgun permit under AS 18.65.700 - 18.65.790;

14 (15) licensure as an insurance producer, managing general agent,

15 reinsurance intermediary broker, reinsurance intermediary manager, surplus lines

16 broker, or independent adjuster under AS 21.27;

17 (16) serving and executing process issued by a court by a person

18 designated under AS 22.20.130;

19 (17) a school bus driver license under AS 28.15.046;

20 (18) licensure as an operator or an instructor for a commercial driver

21 training school under AS 28.17;

22 (19) registration as a broker-dealer, agent, investment adviser

23 representative, or investment adviser under AS 45.56.300 - 45.56.350;

24 (20) licensure, license renewal, certification, certification renewal, or

25 payment from the Department of Health of an individual and an entity subject to the

26 requirements for a criminal history check under AS 47.05.310, including

27 (A) a public home care provider described in AS 47.05.017;

28 (B) a provider of home and community-based waiver services

29 financed under AS 47.07.030(c);

30 (C) a case manager to coordinate community mental health

31 services under AS 47.30.530;

(D) an entity listed in AS 47.32.010(b) and (c), including an owner, officer, director, member, partner, employee, volunteer, or contractor of an entity; or

(E) an individual or entity not described in (A) - (D) of this paragraph that is required by statute or regulation to be licensed or certified by the Department of Health or that is eligible to receive payments, in whole or in part, from the Department of Health to provide for the health, safety, and welfare of persons who are served by the programs administered by the Department of Health;

(21) employment as a village public safety officer under AS 18.65.672 or certification as a village public safety officer under AS 18.65.682;

(22) licensure, license renewal, certification, or certification renewal by the Department of Family and Community Services of an individual or entity, or payment from the Department of Family and Community Services to an individual or entity, subject to the requirements for a criminal history check under AS 47.05.310 for a foster home, child placement agency, and runaway shelter listed in AS 47.32.010(c), including an owner, officer, director, member, partner, employee, volunteer, or contractor of an entity;

(23) licensure as a physical therapist, physical therapist assistant, occupational therapist, or occupational therapy assistant under AS 08.84.

* **Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to read:

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

* **Sec. 10.** Section 9 of this Act takes effect immediately under AS 01.10.070(c).

* **Sec. 11.** Except as provided in sec. 10 of this Act, this Act takes effect July 1, 2024.