

HOUSE JOURNAL

ALASKA STATE LEGISLATURE

TWENTY-SECOND LEGISLATURE -- SECOND SESSION

Juneau, Alaska

Thursday

May 2, 2002

One Hundred Ninth Day

Pursuant to adjournment the House was called to order by Speaker Porter at 10:42 a.m.

Roll call showed 39 members present. Representative Ogan had been previously excused from a call of the House today.

The invocation was offered by the Reverend Ron Covey of Douglas Community United Methodist Church. Representative Hudson moved and asked unanimous consent that the invocation be spread on the journal. There being no objection, it was so ordered.

Mr. Speaker, Honorable Representatives, members of the staff, distinguished guests and visitors, with deep respect for the diversity of faith traditions in our great state, let us take this moment for prayer and reflection.

Eternal God, in the beginning Your Spirit moved upon the waters of creation and the land was born. The waters sank down to their place; and in that time immemorial You set the tides in motion: the slow, pulsing heartbeat of the mighty sea.

Grant us the gift of discernment, that we may see clearly the tides that move in our human affairs; the opportunities which come to lift and move forward the ship of state. Keep us from getting stuck in the mud flats of delay and indecision. Help us instead to sail with boldness and faith into the future, even though the coastlines are not fully seen, for we place our trust in You and in our fellow travelers. Amen.

The Pledge of Allegiance was led by Representative Dyson.

CERTIFICATION OF THE JOURNAL

Representative James moved and asked unanimous consent that the journal for the 108th legislative day be approved as certified by the Assistant Chief Clerk. There being no objection, it was so ordered.

MESSAGES FROM THE GOVERNOR**SB 269**

A message dated May 1, 2002, was read stating the Governor has signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

SENATE BILL NO. 269

"An Act naming bridge number 1121, across the Knik River, the Sergeant James Bondsteel Bridge of Honor; and providing for an effective date."

Chapter No. 13, SLA 2002

Effective Date: May 27, 2002

A letter dated April 30, 2002, was read stating that, in accordance with AS 39.05.080, the Governor submits the following name for legislative confirmation of appointment to the board noted. The Speaker referred the following to the Health, Education & Social Services Committee:

Board of Education and Early Development

Roger Chan - Anchorage

Appointed: 04/29/2002 Term Expires: 01/31/2005

A resume for the appointment is on file in the Chief Clerk's office.

MESSAGES FROM THE SENATE**HCR 27**

A message dated May 1, 2002, was read stating the Senate has passed:

HOUSE CONCURRENT RESOLUTION NO. 27 am

Relating to urging the Local Boundary Commission to adopt standards and procedures to enable the commission to return a petition for a local boundary change to the petitioner when the commission determines the petition is substantively deficient, in need of substantial amendment or supplementation, or the procedure used in preparing the petition was deficient.

HCR 27 am was referred to the Chief Clerk for enrollment.

HJR 45

A message dated May 1, 2002, was read stating the Senate has passed:

HOUSE JOINT RESOLUTION NO. 45

Relating to the labeling of salmon food products.

HJR 45 was referred to the Chief Clerk for enrollment.

HJR 48

A message dated May 1, 2002, was read stating the Senate has passed:

HOUSE JOINT RESOLUTION NO. 48

Relating to federal land withdrawals.

HJR 48 was referred to the Chief Clerk for enrollment.

HB 349

A message dated May 1, 2002, was read stating the Senate has passed:

HOUSE BILL NO. 349

"An Act relating to agency programs and financial plans."

HB 349 was referred to the Chief Clerk for enrollment.

HB 418

A message dated May 1, 2002, was read stating the Senate has passed:

CS FOR HOUSE BILL NO. 418(L&C)

"An Act amending the Alaska Corporations Code as it relates to delivery of annual reports, notice of shareholders' meetings, proxy

statements, and other information and items to shareholders, to voting, and to proxies, including electronic proxy voting and proxy signing; and providing for an effective date."

CSHB 418(L&C) was referred to the Chief Clerk for enrollment.

HJR 46

A message dated May 1, 2002, was read stating the Senate has passed CSHJR 46(RES) with the following amendment and it is transmitted for consideration:

SENATE CS FOR CS FOR HOUSE JOINT RESOLUTION NO.
46(RLS)

Relating to the moratorium on fish farming in British Columbia.

CSHJR 46(RES) is under Unfinished Business.

HB 106

A message dated May 1, 2002, was read stating the Senate has passed CSHB 106(L&C) am with the following amendment and it is transmitted for consideration:

SENATE CS FOR CS FOR HOUSE BILL NO. 106(FIN)

"An Act relating to the authorizations for certain state financial institutions of certain powers and limitations; relating to confidential records of depositors and customers of certain financial institutions; relating to the examination of certain institutions subject to AS 06; relating to the Alaska Banking Code, Mutual Savings Bank Act, Alaska Small Loans Act, and Alaska Credit Union Act; amending Rule 45, Alaska Rules of Civil Procedure, Rules 17 and 37, Alaska Rules of Criminal Procedure, and Rule 24, Alaska Bar Rules; and providing for an effective date."

CSHB 106(L&C) am is under Unfinished Business.

HB 157

A message dated May 1, 2002, was read stating the Senate has passed CSHB 157(JUD) am with the following amendment and it is transmitted for consideration:

SENATE CS FOR CS FOR HOUSE BILL NO. 157(JUD)

"An Act relating to trust companies and providers of fiduciary services; amending Rules 6 and 12, Alaska Rules of Civil Procedure, Rule 40, Alaska Rules of Criminal Procedure, Rules 204, 403, 502, 602, and 611, Alaska Rules of Appellate Procedure, and Rules 7.2 and 7.3, Alaska Rules of Professional Conduct; and providing for an effective date."

CSHB 157(JUD) am is under Unfinished Business.

HB 298

A message dated May 1, 2002, was read stating the Senate has passed:

CS FOR HOUSE BILL NO. 298(L&C)

"An Act relating to authorizing the Alaska Railroad Corporation to lease land for a period of up to 55 years."

with the following amendment and it is transmitted for consideration:

SENATE CS FOR CS FOR HOUSE BILL NO. 298(FIN)

"An Act relating to authorizing the Alaska Railroad Corporation to lease land for a period of up to 55 years; and providing for an effective date."

(technical title change)

CSHB 298(L&C) is under Unfinished Business.

HB 470

A message dated May 1, 2002, was read stating the Senate has passed CSHB 470(L&C)(title am) with the following amendment and it is transmitted for consideration:

SENATE CS FOR CS FOR HOUSE BILL NO. 470(RLS)

"An Act relating to public offering statements required under the Uniform Common Interest Ownership Act; and providing for an effective date."

CSHB 470(L&C)(title am) is under Unfinished Business.

REPORTS OF STANDING COMMITTEES

The Resources Committee has reviewed the qualifications of:

Brett Huber
Board of Fisheries

and recommends the following:

Confirm (5): Kerttula, Stevens, McGuire, Green, Masek

Do Not Confirm (2): Chenault, Scalzi

Gerry Merrigan
Art Nelson
Board of Fisheries

and recommends the following:

Confirm (6): Kerttula, Chenault, Stevens, McGuire, Green, Scalzi

No recommendation (1): Masek

The reports were signed by Representatives Scalzi and Masek, Co-chairs.

HB 20

The Rules Committee has considered:

HOUSE BILL NO. 20

"An Act relating to state aid to municipalities and certain other recipients, and for the village public safety officer program; relating to municipal dividends; relating to the public safety foundation program; and providing for an effective date."

and recommends it be replaced with:

CS FOR HOUSE BILL NO. 20(RLS)

"An Act relating to organization grants to cities, to state aid for unincorporated communities, and to municipal dividends."

The report was signed by Representative Kott, Chair, with the following individual recommendations:

Do pass (3): Joule, McGuire, Porter

Do not pass (1): Kohring

No recommendation (3): Morgan, Kott, Berkowitz

The following fiscal note(s) apply to CSHB 20(RLS):

3. Fiscal, Dept. of Corrections
4. Fiscal, Dept. of Community & Economic Development
5. Fiscal, Dept. of Community & Economic Development
6. Fiscal, Dept. of Community & Economic Development

HB 20 is on today's calendar.

HB 225

The Finance Committee has considered:

HOUSE BILL NO. 225

"An Act relating to municipal taxation of alcoholic beverages and increasing the alcoholic beverage tax rates."

and recommends it be replaced with:

CS FOR HOUSE BILL NO. 225(FIN)

"An Act relating to state taxation of alcoholic beverages; and increasing the alcoholic beverage state tax rates."

The report was signed by Representatives Mulder and Williams, Co-chairs, with the following individual recommendations:

Do pass (4): Bunde, Croft, Hudson, Lancaster

Do not pass (3): Harris, Foster, Williams

No recommendation (1): Mulder

Amend (1): Whitaker

The following fiscal note(s) apply to CSHB 225(FIN):

2. Fiscal, Dept. of Revenue

HB 225 is on today's calendar.

HB 303

The Rules Committee has considered:

HOUSE BILL NO. 303

"An Act relating to the levy and collection of a sales tax; and providing for an effective date."

and recommends it be replaced with:

2d CS FOR HOUSE BILL NO. 303(RLS)

"An Act relating to taxation of individual income; and providing for an effective date."

The report was signed by Representative Kott, Chair, with the following individual recommendations:

Do pass (2): Joule, Porter

Do not pass (1): Kohring

No recommendation (4): Morgan, McGuire, Kott, Berkowitz

The following fiscal note(s) apply to 2d CSHB 303(RLS):

2. Fiscal, Dept. of Revenue

HB 303 is on today's calendar.

HB 304

The Rules Committee has considered:

HOUSE BILL NO. 304

"An Act relating to disposition of income of the permanent fund; and providing for an effective date."

and recommends it be replaced with:

CS FOR HOUSE BILL NO. 304(2d RLS)

"An Act relating to the education fund and the infrastructure and economic development fund, to the market value of the permanent fund, to distribution of the income of the permanent fund, and to the determination of net income of the mental health trust fund."

The report was signed by Representative Kott, Chair, with the following individual recommendations:

Do pass (1): Porter

Do not pass (1): Kohring

No recommendation (5): Joule, Morgan, McGuire, Kott, Berkowitz

A Rules Committee letter of intent, signed by Representatives Kott (Chair) and Berkowitz, follows:

It is the intent of the Legislature to limit total expenditures for all purposes from the earnings reserve account of the Alaska Permanent Fund. The amount appropriated each fiscal year will not exceed the amount available for distribution during that fiscal year as calculated under AS 37.13.140, which limits income available for distribution to five percent of the average year-end market value of the fund for the last five fiscal years, including the fiscal year just ended.

It is the intent of the Legislature to fully fund the dividend distribution under AS 37.13.145(b) each fiscal year, and to have the administrative costs of the Alaska Permanent Fund Corporation paid from the funds under AS 37.13.145(e) and 37.13.145(f). The Legislature intends that

any other expenditure of funds should not reduce the amount appropriated under AS 37.13.145(b).

The following fiscal note(s) apply to CSHB 304(2d RLS):

2. Zero, Dept. of Revenue

HB 304 is on today's calendar.

HB 464

The Rules Committee has considered:

HOUSE BILL NO. 464

"An Act relating to statewide school district correspondence study programs."

and recommends it be replaced with:

CS FOR HOUSE BILL NO. 464(RLS)

"An Act relating to statewide school district correspondence study and to centralized correspondence study."

The report was signed by Representative Kott, Chair, with the following individual recommendations:

Do pass (3): McGuire, Kott, Kohring

No recommendation (3): Jule, Morgan, Berkowitz

The following fiscal note(s) apply to CSHB 464(RLS):

2. Fiscal, Dept. of Education & Early Development

HB 464 was referred to the Rules Committee for placement on the calendar.

SCR 30

The Resources Committee has considered:

CS FOR SENATE CONCURRENT RESOLUTION NO.
30(RES)
Relating to Alaska Salmon Day.

The report was signed by Representatives Masek and Scalzi, Co-chairs, with the following individual recommendations:

Do pass (8): Kerttula, Chenault, Stevens, Fate, McGuire, Green, Masek, Scalzi

The following fiscal note(s) apply:

1. Zero, Senate State Affairs Committee

CSSCR 30(RES) was referred to the Rules Committee for placement on the calendar.

SB 115

The Finance Committee has considered:

SENATE BILL NO. 115

"An Act extending the termination date of the Board of Storage Tank Assistance."

The report was signed by Representatives Mulder and Williams, Co-chairs, with the following individual recommendations:

Do pass (7): Harris, Croft, Moses, Lancaster, Foster, Mulder, Williams

The following fiscal note(s) apply:

2. Fiscal, Dept. of Environmental Conservation

SB 115 was referred to the Rules Committee for placement on the calendar.

SB 153

The Finance Committee has considered:

CS FOR SENATE BILL NO. 153(FIN)

"An Act replacing the storage tank assistance fund with the underground storage tank revolving loan fund and relating to that revolving loan fund; repealing the tank cleanup program and the tank upgrading and closure program; and providing for an effective date."

The report was signed by Representatives Mulder and Williams, Co-chairs, with the following individual recommendations:

Do pass (10): Bunde, Whitaker, Harris, Croft, Davies, Moses, Lancaster, Foster, Mulder, Williams

The following fiscal note(s) apply:

2. Zero, Dept. of Environmental Conservation

CSSB 153(FIN) was referred to the Rules Committee for placement on the calendar.

SB 183

The Judiciary Committee has considered:

SENATE BILL NO. 183

"An Act relating to public interest litigants and to attorney fees; and amending Rule 82, Alaska Rules of Civil Procedure."

The report was signed by Representative Rokeberg, Chair, with the following individual recommendations:

Do pass (2): James, Rokeberg

No recommendation (3): Meyer, Coghill, Kookesh

The following fiscal note(s) apply:

2. Zero, Dept. of Law

SB 183 was referred to the Rules Committee for placement on the calendar.

SB 243

The Finance Committee has considered:

CS FOR SENATE BILL NO. 243(FIN)

"An Act extending the termination date of the Board of Chiropractic Examiners; and relating to chiropractors."

The report was signed by Representatives Mulder and Williams, Co-chairs, with the following individual recommendations:

Do pass (11): Bunde, Whitaker, Harris, Croft, Davies, Moses, Lancaster, Hudson, Foster, Mulder, Williams

The following fiscal note(s) apply:

1. Fiscal, Dept. of Community & Economic Development

CSSB 243(FIN) was referred to the Rules Committee for placement on the calendar.

REPORTS OF SPECIAL COMMITTEES

The House Special Committee on Fisheries has reviewed the qualifications of:

Brett Huber
Board of Fisheries

and recommends the following:

Confirm (3): Kerttula, Coghil, Stevens

Do Not Confirm (1): Scalzi

No recommendation (2): Dyson, Wilson

Gerry Merrigan
Board of Fisheries

and recommends the following:

Confirm (5): Dyson, Scalzi, Kerttula, Stevens, Wilson

No recommendation (1): Coghill

Art Nelson
Board of Fisheries

and recommends the following:

Confirm (4): Scalzi, Kerttula, Stevens, Wilson

No recommendation (2): Dyson, Coghill

The reports were signed by Representatives Stevens and Wilson, Co-chairs.

HB 403

The Conference Committee considering:

CS FOR HOUSE BILL NO. 403(FIN) am(brf sup maj fld)(efd fld)

"An Act making appropriations for the operating and loan program expenses of state government, for certain programs, and to capitalize funds."

and

SENATE CS FOR CS FOR HOUSE BILL NO. 403(FIN) am S(brf sup maj fld S)

"An Act making appropriations for the operating and loan program expenses of state government, for certain programs, and to capitalize funds; and providing for an effective date."

(technical title change)

requests limited powers of free conference on the following specific points:

Allocations with Items Subject to Conference

Department of Administration
Commissioner's Office
Office of the Commissioner
Agency-wide Unallocated Reduction

Centralized Administrative Services

Tax Appeals

Administrative Services

Finance

Personnel

Labor Relations

Purchasing

Property Management

Leases

Lease Administration

State Owned Facilities

Facilities

Public Communications Services

Public Broadcasting - Radio

Alaska Longevity Programs Management

Pioneers Homes

Alaska Longevity Programs Management

Senior Services

Protection, Community Services, and Administration

Home Health Services

Legal and Advocacy Services

Office of Public Advocacy

Public Defender Agency

Alaska Public Offices Commission

Alaska Public Offices Commission

Motor Vehicles

Motor Vehicles

Department of Community and Economic Development

Commissioner's Office

Commissioner's Office

Agency-wide Unallocated Reduction

Executive Administration and Development

Administrative Services

Community Assistance & Economic Development

Community and Business Development

International Trade and Market Development

State Revenue Sharing

National Program Receipts

State Revenue Sharing

- Safe Communities Program
 - Safe Communities Program
- Qualified Trade Association Contract
 - Qualified Trade Association Contract
- Investments
 - Investments
- Rural Energy Programs
 - Energy Operations
 - Power Cost Equalization
- Banking, Securities and Corporations
 - Banking, Securities and Corporations
- Insurance Operations
 - Insurance Operations
- Occupational Licensing
 - Occupational Licensing
- DCED State Facilities Rent
 - DCED State Facilities Rent

Department of Corrections

- Administration & Operations
 - Office of the Commissioner
 - Correctional Academy
 - Administrative Services
 - Data and Word Processing
 - Inmate Health Care
 - Inmate Programs
 - Correctional Industries Administration
 - Institution Director's Office
 - Anchorage Jail
 - Anvil Mountain Correctional Center
 - Combined Hiland Mountain Correctional Center
 - Cook Inlet Correctional Center
 - Fairbanks Correctional Center
 - Ketchikan Correctional Center
 - Lemon Creek Correctional Center
 - Matanuska-Susitna Correctional Center
 - Palmer Correctional Center
 - Spring Creek Correctional Center
 - Wildwood Correctional Center
 - Yukon-Kuskokwim Correctional Center

- Point MacKenzie Rehabilitation Program
- Community Jails
- Community Corrections Director's Office
- Northern Region Probation
- Southcentral Region Probation
- Southeast Region Probation
- Transportation and Classification
- Electronic Monitoring
- DOC State Facilities Rent
- White Bison Project
- Agency-wide Unallocated Reduction
- Parole Board
 - Parole Board
- Community Residential Centers
 - Existing Community Residential Centers
- Out of State Contracts
 - Out-of-State Contractual
- Alternative Institutional Housing
 - Alternative Institutional Housing
- VPSO Parole Supervision Program
 - VPSO Parole Supervision Program

- Department of Education and Early Development
 - Executive Administration
 - Commissioner's Office
 - Agency-wide Unallocated Reduction
 - K-12 Support
 - Foundation Program
 - Community Schools
 - Teaching and Learning Support
 - Quality Schools
 - Early Development
 - Child Care Assistance & Licensing
 - Head Start Grants
 - Education Support Services
 - Administrative Services
 - Information Services
 - District Support Services

- Alyeska Central School
 - Alyeska Central School
- Commissions and Boards
 - Alaska State Council on the Arts
- Kotzebue Technical Center Operations Grant
 - Kotzebue Technical Center Operations Grant
- Alaska Vocational Technical Center Operations
 - Alaska Vocational Technical Center Operations
- Mt. Edgumbe Boarding School
 - Mt. Edgumbe Boarding School
- Alaska Library and Museums
 - Library Operations
 - Museum Operations
- Alaska Postsecondary Education Commission
 - WWAMI Medical Education
 - Western Interstate Commission for Higher Education-Student Exchange Program

- Department of Environmental Conservation
 - Administration
 - Administrative Services
 - Environmental Health
 - Environmental Health Director
 - Food Safety & Sanitation
 - Drinking Water
 - Solid Waste Management
 - Statewide Public Services
 - Air and Water Quality
 - Air and Water Director
 - Air Quality
 - Water Quality
 - Non-Point Source Pollution Control
 - Non-Point Source Pollution Control
 - Spill Prevention and Response
 - Contaminated Sites Program
 - Industry Preparedness and Pipeline Operations
 - Prevention and Emergency Response
 - Facility Construction and Operations
 - Facility Construction and Operations

Department of Fish and Game

Commissioner's Office

Agency-wide Unallocated Reduction

Wildlife Conservation

Wildlife Conservation Restoration Program

Administration and Support

State Subsistence

Subsistence

Subsistence

Research & Monitoring

Subsistence Special Projects

Subsistence EVOS Restoration Projects

Office of the Governor

Elections

Elections

Agencywide Reductions

Agency-wide Unallocated Reduction

Department of Health and Social Services

Commissioner's Office

Commissioner's Office

Agency-wide Unallocated Reduction

Public Assistance

Alaska Temporary Assistance Program

Adult Public Assistance

General Relief Assistance

Tribal Assistance Programs

Medical Assistance

Medicaid Services

Catastrophic and Chronic Illness Assistance

Catastrophic and Chronic Illness Assistance (AS 47.08)

Public Assistance Administration

Public Assistance Administration

Quality Control

Public Assistance Field Services

Public Assistance Data Processing

- Work Services
- Child Care Benefits
- Medical Assistance Administration
 - Medical Assistance Administration
 - Medicaid State Programs
 - Health Purchasing Group
 - Certification and Licensing
 - Hearings and Appeals
- Fraud Investigation
 - Fraud Investigation
- Children's Health Eligibility
 - Children's Health Eligibility
- Purchased Services
 - Foster Care Base Rate
 - Foster Care Augmented Rate
 - Foster Care Special Need
 - Foster Care Alaska Youth Initiative
 - Subsidized Adoptions & Guardianship
 - Family Preservation
 - Residential Child Care
 - Court Orders and Reunification Efforts
- Family and Youth Services
 - Front Line Social Workers
 - Family and Youth Services Management
 - Family and Youth Services Training
- Children's Trust Programs
 - Children's Trust Programs
- Balloon Project
 - Balloon Project
- Juvenile Justice
 - McLaughlin Youth Center
 - Fairbanks Youth Facility
 - Nome Youth Facility
 - Johnson Youth Center
 - Bethel Youth Facility
 - Mat-Su Youth Facility
 - Ketchikan Regional Youth Facility
 - Delinquency Prevention
 - Probation Services
 - Unallocated Reduction/Addition

- Human Services Community Matching Grant
 - Human Services Community Matching Grant
- State Health Services
 - Nursing
 - Maternal, Child, and Family Health
 - Public Health Administrative Services
 - Epidemiology
 - Bureau of Vital Statistics
 - Community Health/Emergency Medical Services
 - Community Health Grants
 - Emergency Medical Services Grants
 - State Medical Examiner
 - Infant Learning Program Grants
 - Public Health Laboratories
 - Tobacco Prevention and Control
- Alcohol and Drug Abuse Services
 - Alcohol and Drug Abuse Administration
 - Alcohol Safety Action Program (ASAP)
 - Alcohol and Drug Abuse Treatment Grants
 - Community Action Prevention & Intervention Grants
 - Rural Services and Suicide Prevention
- Community Mental Health Grants
 - General Community Mental Health Grants
 - Psychiatric Emergency Services
 - Services to the Chronically Mentally Ill
 - Designated Evaluation and Treatment
 - Services for Seriously Emotionally Disturbed Youth
- Community Developmental Disabilities Grants
 - Community Developmental Disabilities Grants
- Institutions and Administration
 - Mental Health/Developmental Disabilities Administration
 - Alaska Psychiatric Institute
- Mental Health Trust Boards
 - Alaska Mental Health Board
 - Governor's Council on Disabilities and Special Education
 - Advisory Board on Alcoholism and Drug Abuse
- Administrative Services
 - Personnel and Payroll
 - Administrative Support Services

Health Planning & Facilities Management
Audit
Facilities Maintenance
Facilities Maintenance

Department of Labor and Workforce Development
Administrative Services
DOL State Facilities Rent
Human Resources Investment Council
Alaska Human Resources Investment Council
Employment Security
Employment Services
Job Training Programs
Alaska Labor Relations Agency
Alaska Labor Relations Agency
Workers' Compensation
Fishermens Fund
Labor Standards and Safety
Wage and Hour Administration

Department of Law
Office of the Attorney General
Agency-wide Unallocated Reduction

Department of Military and Veterans Affairs
Commissioner's Office
Agency-wide Unallocated Reduction
Local Emergency Planning Committee Grants
Local Emergency Planning Committee
Alaska National Guard
Air Guard Facilities Maintenance
Alaska Military Youth Academy
Alaska National Guard Benefits
Educational Benefits

Department of Natural Resources
Commissioner's Office
Agency-wide Unallocated Reduction

- Management and Administration
 - Administrative Services
- Forestry Management and Development
 - Forest Management and Development
- Oil and Gas Development
 - Oil & Gas Development
- Minerals, Land, and Water Development
 - Claims, Permits & Leases
- Parks and Recreation Management
 - Parks Management
- Agricultural Development
 - Agricultural Development
- RS2477 Navigability Assertions & Litigation Support
 - RS 2477 Navigability Assertions and Litigation Support
- Natural Resource Conservation and Development Board
 - Conservation and Development Board
 - Grants to Soil and Water Conservation Districts

- Department of Public Safety
 - Office of the Commissioner
 - Commissioner's Office
 - Fire Prevention
 - Fire Prevention Operations
 - Alaska State Troopers
 - Search and Rescue
 - Alaska State Trooper Detachments
 - Alaska State Trooper Detachments
 - Village Public Safety Officer Program
 - Support
 - Administration
 - Council on Domestic Violence and Sexual Assault
 - Council on Domestic Violence and Sexual Assault
 - Statewide Support
 - Administrative Services
 - Alaska Criminal Records and Identification

- Department of Revenue
 - Child Support Enforcement
 - Child Support Enforcement

- Alcohol Beverage Control Board
 - Alcohol Beverage Control Board
- PFC Custody and Management Fees
 - PFC Custody and Management Fees
- Alaska Housing Finance Corporation
 - Alaska Housing Finance Corporation Operations
- Alaska Mental Health Trust Authority
 - Alaska Mental Health Trust Authority
- Revenue Operations
 - Treasury Management
 - Alaska State Pension Investment Board
 - Tax Division
- Administration and Support
 - Agency-wide Unallocated Reduction
- Permanent Fund Dividend
 - Permanent Fund Dividend

Department of Transportation/Public Facilities

- Commissioner's Office
 - Commissioner's Office
 - Agency-wide Unallocated Reduction
- Administration and Support
 - Contracting, Procurement and Appeals
 - Equal Employment and Civil Rights
 - Internal Review
 - Statewide Administrative Services
 - Statewide Information Systems
 - Regional Administrative Services
 - Central Region Support Services
 - Northern Region Support Services
 - Southeast Region Support Services
 - Statewide Aviation
- Planning
 - Statewide Planning
 - Central Region Planning
 - Northern Region Planning
 - Southeast Region Planning
- Design and Engineering Services
 - Statewide Design and Engineering Services
 - Central Design and Engineering Services

- Northern Design and Engineering Services
- Southeast Design and Engineering Services
- Construction and Capital Improvement Program Support
 - Central Region Construction and CIP Support
 - Northern Region Construction and CIP Support
 - Southeast Region Construction
- Statewide Facility Maintenance and Operations
 - Central Region Facilities
 - Northern Region Facilities
 - Southeast Region Facilities
 - Central Region Leasing and Property Management
 - Northern Region Leasing and Property Management
- Traffic Signal Management
 - Traffic Signal Management
- Measurement Standards & Commercial Vehicle Enforcement
 - Measurement Standards & Commercial Vehicle Enforcement
- Highways and Aviation
 - Central Region Highways and Aviation
 - Northern Region Highways and Aviation
 - Southeast Region Highways and Aviation
- Northern Region Road Openings
 - Northern Region Road Openings
- North Kenai Maintenance Station
 - North Kenai Maintenance Station
- Marine Highway System
 - Marine Vessel Operations

- University of Alaska
 - University of Alaska
 - Budget Reductions/Additions - Systemwide
 - University of Alaska
 - Fairbanks Organized Research

- Alaska Court System
 - Alaska Court System
 - Appellate Courts
 - Trial Courts
 - Agency-wide Unallocated Reduction

Legislature

Budget and Audit Committee

Committee Expenses

Unallocated Reduction

Agency-wide Unallocated Reduction

Legislative Council

Session Expenses

Legislative Operating Budget

Legislative Operating Budget

Language Subject to Conference [HB 403]**Item 1****House**

* **Sec. 10.** LEGISLATIVE FINDINGS. The money appropriated by this Act may be expended only in accordance with the purpose of the appropriation under which the expenditure is authorized. Money appropriated by this Act may not be expended for or transferred to a purpose other than the purpose for which the appropriation is made unless the transfer is authorized by the legislature by law. See, Alaska Legislative Council v. Knowles, 21 P.3d 367 (Alaska 2001). All appropriations made by this Act are subject to AS 37.07.080(e). A payment or authorization of a payment not authorized by this Act may be a violation of AS 37.10.030 and may result in action under AS 37.10.030 to make good to the state the amount of an illegal, improper, or incorrect payment that does not represent a legal obligation under the appropriation involved.

Senate

* **Sec. 10.** LEGISLATIVE INTENT AND FINDINGS. (a) It is the intent of the legislature that the amounts appropriated by this Act are the full amounts that will be appropriated for those purposes for the fiscal year ending June 30, 2003.

(b) The money appropriated by this Act may be expended only in accordance with the purpose of the appropriation under which the expenditure is authorized. Money appropriated by this Act may not be expended for or transferred to a purpose other than the purpose for which

the appropriation is made unless the transfer is authorized by the legislature by law. See, *Alaska Legislative Council v. Knowles*, 21 P.3d 367 (Alaska 2001). All appropriations made by this Act are subject to AS 37.07.080(e). A payment or authorization of a payment not authorized by this Act may be a violation of AS 37.10.030 and may result in action under AS 37.10.030 to make good to the state the amount of an illegal, improper, or incorrect payment that does not represent a legal obligation under the appropriation involved.

Item 2

House

* **Sec. 11.** REAPPROPRIATION OF UNEXPENDED AND UNOBLIGATED BALANCE. The unexpended and unobligated balance on December 31, 2002, of an appropriation made in sec. 4 of this Act is reappropriated to the department to which the appropriation was made for operating expenses of that department during January 1, 2003, through June 30, 2003.

Senate

* **Sec. 11.** REAPPROPRIATION OF UNEXPENDED BALANCE. (a) The unexpended balance on a cash basis on December 31, 2002, of an appropriation made in sec. 4 of this Act is reappropriated to the department to which the appropriation was made for operating expenses of that department during January 1, 2003, through June 30, 2003.
(b) It is the intent of the legislature that each agency of the state report to the legislature the percentage of the fiscal year 2003 authorized operating expenditures that were expended during the first six months of fiscal year 2003 compared to the percentage of fiscal year 2002 authorized operating expenditures that were expended during the first six months of fiscal year 2002. The reports shall be submitted to the legislature by January 31, 2003, and should contain line item information for each allocation of an appropriation made in this Act. Each department of state government will be held accountable for its actions, including compliance with the appropriations made in sec. 4 of this Act.

Item 3**House**

* **Sec. 12.** EARLY EXPENDITURE AUTHORITY. Notwithstanding sec. 7 of this Act, an appropriation made in sec. 7 of this Act may be expended for the stated purpose of that appropriation before January 1, 2003, contingent upon compliance with the program review provisions of AS 37.07.080(h).

Senate

* **Sec. 12.** EARLY EXPENDITURE AUTHORITY. Notwithstanding sec. 7 of this Act, an amount not to exceed two percent of an appropriation made in sec. 7 of this Act may be expended for the stated purpose of that appropriation before January 1, 2003, contingent upon compliance with the program review provisions of AS 37.07.080(h).

Item 4**House**

* **Sec. 15.** ALASKA HOUSING FINANCE CORPORATION. (a) The sum of \$103,000,000 is appropriated from the Alaska housing finance revolving fund (AS 18.56.082) to the Alaska debt retirement fund (AS 37.15.011).

(b) All unrestricted mortgage loan interest payments, mortgage loan commitment fees, and other unrestricted receipts received by or accrued to the Alaska Housing Finance Corporation during fiscal year 2003 and all income earned on assets of the corporation during that period are appropriated to the Alaska Housing Finance Corporation to hold as corporate receipts for the purposes described in AS 18.55 and AS 18.56. The corporation shall allocate its corporate receipts among the Alaska housing finance revolving fund (AS 18.56.082), housing assistance loan fund (AS 18.56.420), and senior housing revolving fund (AS 18.56.710) in accordance with procedures adopted by the board of directors.

(c) The sum of \$798,000,000 is appropriated from the corporate receipts appropriated to the Alaska Housing Finance Corporation and allocated among the Alaska housing finance revolving fund (AS 18.56.082), housing assistance loan fund (AS 18.56.420), and senior housing

revolving fund (AS 18.56.710) under (b) of this section to the Alaska Housing Finance Corporation for the fiscal year ending June 30, 2003, for housing loan programs not subsidized by the corporation.

(d) The sum of \$30,000,000 is appropriated from the portion of the corporate receipts appropriated to the Alaska Housing Finance Corporation and allocated among the Alaska housing finance revolving fund (AS 18.56.082), housing assistance loan fund (AS 18.56.420), and senior housing revolving fund (AS 18.56.710) under (b) of this section that is derived from arbitrage earnings to the Alaska Housing Finance Corporation for the fiscal year ending June 30, 2003, for housing loan programs and projects subsidized by the corporation.

(e) The sum of \$30,000,000 is appropriated from federal receipts to the Alaska Housing Finance Corporation for housing assistance payments under the Section 8 program for the fiscal year ending June 30, 2003.

Senate

* **Sec. 15.** ALASKA HOUSING FINANCE CORPORATION. (a) The board of directors of the Alaska Housing Finance Corporation anticipates that the net income from the second preceding fiscal year will be available in each of the fiscal years 2004 through 2008. During fiscal year 2003, the board of directors anticipates that \$103,000,000 will be available for payment of debt service, appropriation for capital projects, and transfer to the Alaska debt retirement fund (AS 37.15.011). Of that amount, approximately \$84,299,967 will be retained by the corporation for the following purposes:

- (1) \$1,000,000 for debt service on University of Alaska, Anchorage, dormitory construction, authorized under ch. 26, SLA 1996;
- (2) \$37,986,612 for debt service on the bonds authorized under sec. 2(c), ch. 129, SLA 1998;
- (3) \$12,013,355 for debt service on the bonds authorized under sec. 10, ch. 130, SLA 2000;
- (4) \$33,300,000 for capital projects.

(b) After deductions for the items set out in (a) of this section are made, any remaining balance of the \$103,000,000 anticipated by the board of directors of the Alaska Housing Finance Corporation to be available in fiscal year 2003 is appropriated to the Alaska debt retirement fund (AS 37.15.011).

(c) All unrestricted mortgage loan interest payments, mortgage loan commitment fees, and other unrestricted receipts received by or accrued to the Alaska Housing Finance Corporation during fiscal year 2003 and all income earned on assets of the corporation during that period are

appropriated to the Alaska Housing Finance Corporation to hold as corporate receipts for the purposes described in AS 18.55 and AS 18.56. The corporation shall allocate its corporate receipts among the Alaska housing finance revolving fund (AS 18.56.082), housing assistance loan fund (AS 18.56.420), and senior housing revolving fund (AS 18.56.710) in accordance with procedures adopted by the board of directors.

(d) The sum of \$798,000,000 is appropriated from the corporate receipts appropriated to the Alaska Housing Finance Corporation and allocated among the Alaska housing finance revolving fund (AS 18.56.082), housing assistance loan fund (AS 18.56.420), and senior housing revolving fund (AS 18.56.710) under (c) of this section to the Alaska Housing Finance Corporation for the fiscal year ending June 30, 2003, for housing loan programs not subsidized by the corporation.

(e) The sum of \$30,000,000 is appropriated from the portion of the corporate receipts appropriated to the Alaska Housing Finance Corporation and allocated among the Alaska housing finance revolving fund (AS 18.56.082), housing assistance loan fund (AS 18.56.420), and senior housing revolving fund (AS 18.56.710) under (c) of this section that is derived from arbitrage earnings to the Alaska Housing Finance Corporation for the fiscal year ending June 30, 2003, for housing loan programs and projects subsidized by the corporation.

(f) The sum of \$30,000,000 is appropriated from federal receipts to the Alaska Housing Finance Corporation for housing assistance payments under the Section 8 program for the fiscal year ending June 30, 2003.

Item 5

House

Senate

Sec. 23. DEPARTMENT OF HEALTH AND SOCIAL SERVICES. The amount appropriated to the Department of Health and Social Services for community health/emergency medical services under the appropriation for state health services in secs. 4 and 7 of this Act includes the unexpended and unobligated receipts from business license endorsement fees collected under AS 43.70.075 by the Department of Community and Economic Development during the fiscal years ending June 30, 2002, and June 30, 2003.

Item 6**House**

* **Sec. 24.** LEARNING OPPORTUNITY GRANTS. The sum of \$12,372,000 is appropriated from the general fund to the Department of Education and Early Development for the fiscal year ending June 30, 2003, for payment as learning opportunity grants to school districts based on the school district's average daily membership to pay for instructional programs intended to improve student performance. Learning opportunity grants will provide the opportunity to move schools toward standards-based education, including vocational education programs. The increased funding is available to pay for costs associated with improving student performance by developing standards-based programs, including implementation of standards, aligning student assessment to standards, adopting instructional models based on basic skills, performance tasks, and projects, and adopting a standards-based reporting system. Accomplishing this goal may include acquisition of text books and other educational material.

Senate

Sec. 25. LEARNING OPPORTUNITY GRANTS. (a) The sum of \$16,510,000 is appropriated from the general fund to the Department of Education and Early Development for the fiscal year ending June 30, 2003, for payment as learning opportunity grants to school districts based on the school district's average daily membership to pay for instructional programs intended to improve student performance. Learning opportunity grants will provide the opportunity to move schools toward standards-based education, including vocational education programs. The increased funding is available to pay for costs associated with improving student performance by developing standards-based programs, including implementation of standards, aligning student assessment to standards, adopting instructional models based on basic skills, performance tasks, and projects, and adopting a standards-based reporting system. Accomplishing this goal may include acquisition of text books and other educational material.

(b) The unexpended and unobligated general fund balance of that portion of the appropriation made by sec. 1, ch. 60, SLA 2001, page 11, line 30, that is allocated on line 31 (Foundation Program - \$665,017,700) is reappropriated to the Department of Education and Early Development for the fiscal year ending June 30, 2003, for payment as learning opportunity

grants to school districts based on the school district's average daily membership to pay for instructional programs intended to improve student performance. Learning opportunity grants will provide the opportunity to move schools toward standards-based education, including vocational education programs. The increased funding is available to pay for costs associated with improving student performance by developing standards-based programs, including implementation of standards, aligning student assessment to standards, adopting instructional models based on basic skills, performance tasks, and projects, and adopting a standards-based reporting system. Accomplishing this goal may include acquisition of text books and other educational material.

Item 7**House**

* **Sec. 25.** MARINE HIGHWAY SYSTEM FUND. The sum of \$40,968,400 is appropriated from the general fund to the Alaska marine highway system fund (AS 19.65.060).

Senate

* **Sec. 26.** MARINE HIGHWAY SYSTEM FUND. The sum of \$39,120,600 is appropriated from the general fund to the Alaska marine highway system fund (AS 19.65.060).

Item 8**House****Senate**

* **Sec. 28.** MT. MCKINLEY MEAT & SAUSAGE COMPANY PACKING PLANT. The sum of \$300,000 is appropriated from the agricultural revolving loan fund (AS 03.10.040) to the Department of Natural Resources, division of agriculture, for the fiscal year ending June 30, 2003, for part-time operation and preparation for transfer to the private sector of the Mt. McKinley Meat & Sausage Company packing plant. The Department of Natural Resources will provide a report to the legislature by February 1, 2003, on actions taken toward implementation of a plan to transfer the meat packing plant to the private sector.

Item 9**House**

* **Sec. 30.** POWER COST EQUALIZATION. (a) In accordance with sec. 14(a)(2), ch. 60, SLA 2000, seven percent of the market value of the power cost equalization endowment fund (AS 42.45.070) as of February 1, 2002, is appropriated to the power cost equalization and rural electric capitalization fund (AS 42.45.100).

(b) The sum of \$2,034,000 is appropriated from the general fund to the power cost equalization and rural electric capitalization fund (AS 42.45.100).

Senate**Item 10****House**

* **Sec. 35.** STATE DEBT AND OTHER OBLIGATIONS. (a) The amount required to pay interest on any revenue anticipation notes issued by the commissioner of revenue under AS 43.08 during the fiscal year ending June 30, 2003, is appropriated from the general fund to the Department of Revenue for payment of the interest on those notes.

(b) The amount required to be paid by the state for principal and interest on all issued and outstanding state-guaranteed bonds is appropriated from the general fund to the Alaska Housing Finance Corporation for the fiscal year ending June 30, 2003, for payment of principal and interest on those bonds.

(c) The sum of \$27,521,700 is appropriated from the general fund to the Alaska debt retirement fund (AS 37.15.011).

(d) The sum of \$14,092,700 is appropriated from the Alaska debt retirement fund (AS 37.15.011) to the Department of Revenue, treasury division, for the fiscal year ending June 30, 2003, for trustee fees and lease payments relating to certificates of participation issued for real property.

(e) The sum of \$17,744,000 is appropriated from the International Airports Revenue Fund (AS 37.15.430) to the Department of Administration, division of finance, for the fiscal year ending June 30, 2003, for payment of debt service and trustee fees on outstanding international airports revenue bonds.

(f) The sum of \$56,378,400 is appropriated to the Department of Education and Early Development for the fiscal year ending June 30, 2003, for state aid for costs of school construction under AS 14.11.100 from the following sources:

Alaska debt retirement fund (AS 37.15.011)	\$27,372,100
School fund (AS 43.50.140)	29,006,300

(g) The sum of \$5,262,800 is appropriated from the general fund to the Department of Administration for the fiscal year ending June 30, 2003, for payment of obligations to the Municipality of Anchorage for the Anchorage Jail.

(h) The sum of \$3,549,400 is appropriated from the general fund to the Department of Administration for the fiscal year ending June 30, 2003, for payment of obligations to the Alaska Housing Finance Corporation for the Robert B. Atwood Building in Anchorage.

(i) The sum of \$1,680,000 is appropriated from interest earnings of the Alaska clean water fund (AS 46.03.032) to the Alaska clean water fund revenue bond redemption fund (AS 37.15.565) for payment of principal and interest, redemption premium, and trustee fees, if any, on bonds issued by the state bond committee under AS 37.15.560 during the fiscal year ending June 30, 2003.

(j) The sum of \$1,060,500 is appropriated from interest earnings of the Alaska drinking water fund (AS 46.03.036) to the Alaska drinking water fund revenue bond redemption fund (AS 37.15.565) for payment of principal and interest, redemption premium, and trustee fees, if any, on bonds issued by the state bond committee under AS 37.15.560 during the fiscal year ending June 30, 2003.

(k) The following amounts are appropriated from the Alaska debt retirement fund (AS 37.15.011) to the Alaska Housing Finance Corporation for the purposes described

PURPOSE	AMOUNT
(1) Debt service on University of Alaska, Anchorage dormitory construction authorized under ch. 26, SLA 1996	\$1,000,000
(2) Debt service on the bonds authorized under sec. 2(c), ch. 129, SLA 1998	37,986,612
(3) Debt service on the bonds authorized under sec. 10, ch. 130, SLA 2000	12,013,355

Senate

* **Sec. 36.** STATE DEBT AND OTHER OBLIGATIONS. (a) The amount required to pay interest on any revenue anticipation notes issued

by the commissioner of revenue under AS 43.08 during the fiscal year ending June 30, 2003, is appropriated from the general fund to the Department of Revenue for payment of the interest on those notes.

(b) The amount required to be paid by the state for principal and interest on all issued and outstanding state-guaranteed bonds is appropriated from the general fund to the Alaska Housing Finance Corporation for the fiscal year ending June 30, 2003, for payment of principal and interest on those bonds.

(c) The sum of \$14,663,600 is appropriated from the general fund to the Alaska debt retirement fund (AS 37.15.011).

(d) The sum of \$14,092,700 is appropriated from the Alaska debt retirement fund (AS 37.15.011) to the Department of Revenue, treasury division, for the fiscal year ending June 30, 2003, for trustee fees and lease payments relating to certificates of participation issued for real property.

(e) The sum of \$17,744,000 is appropriated from the International Airports Revenue Fund (AS 37.15.430) to the Department of Administration, division of finance, for the fiscal year ending June 30, 2003, for payment of debt service and trustee fees on outstanding international airports revenue bonds.

(f) The sum of \$56,378,400 is appropriated to the Department of Education and Early Development for the fiscal year ending June 30, 2003, for state aid for costs of school construction under AS 14.11.100 from the following sources:

Alaska debt retirement fund (AS 37.15.011)	\$27,372,100
School fund (AS 43.50.140)	29,006,300

(g) The sum of \$5,262,800 is appropriated from the general fund to the Department of Administration for the fiscal year ending June 30, 2003, for payment of obligations to the Municipality of Anchorage for the Anchorage Jail.

(h) The sum of \$3,549,400 is appropriated from the general fund to the Department of Administration for the fiscal year ending June 30, 2003, for payment of obligations to the Alaska Housing Finance Corporation for the Robert B. Atwood Building in Anchorage.

(i) The sum of \$1,680,000 is appropriated from interest earnings of the Alaska clean water fund (AS 46.03.032) to the Alaska clean water fund revenue bond redemption fund (AS 37.15.565) for payment of principal and interest, redemption premium, and trustee fees, if any, on bonds issued by the state bond committee under AS 37.15.560 during the fiscal year ending June 30, 2003.

(j) The sum of \$1,060,500 is appropriated from interest earnings of the Alaska drinking water fund (AS 46.03.036) to the Alaska drinking

water fund revenue bond redemption fund (AS 37.15.565) for payment of principal and interest, redemption premium, and trustee fees, if any, on bonds issued by the state bond committee under AS 37.15.560 during the fiscal year ending June 30, 2003.

(k) The sum of \$2,061,400 is appropriated from the tobacco use education and cessation fund (AS 37.05.580) to the Alaska debt retirement fund (AS 37.15.011).

(l) The sum of \$100,000 is appropriated from the investment loss trust fund (AS 37.14.300) to the Alaska debt retirement fund (AS 37.15.011).

(m) The sum of \$783,100 from the fiscal year 2003 dividend that is declared by the Alaska Commission on Postsecondary Education is appropriated from the education loan fund (AS 14.42.210) to the Alaska debt retirement fund (AS 37.15.011).

(n) The balance, including unobligated and unencumbered earnings, of the international trade and business endowment (AS 37.17.440) on July 1, 2002, is appropriated to the Alaska debt retirement fund (AS 37.15.011).

Item 11

House

Senate

* **Sec. 38.** STORAGE TANK ASSISTANCE FUND. The sum of \$784,004 is appropriated from the oil and hazardous substance release prevention account (AS 46.08.010(a)(1)) to the storage tank assistance fund (AS 46.03.410).

Item 12

House

Senate

NONLAPSE OF APPROPRIATIONS and EFFECTIVE DATES

Adjust as required.

The request was signed by Representatives Mulder (Chair), Williams, Davies; and Senators Donley (Chair), Kelly, Hoffman.

Pursuant to Uniform Rule 42(a), the Speaker granted the limited powers of free conference on the specific points requested.

The Chief Clerk was instructed to so notify the Senate.

HB 404

The Conference Committee considering:

CS FOR HOUSE BILL NO. 404(FIN)

"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program; and providing for an effective date."

and

SENATE CS FOR CS FOR HOUSE BILL NO. 404(FIN)
(same title)

requests limited powers of free conference on the following specific points:

Allocations with Items Subject to Conference

(See listing under HB 403, pages 3282 - 3294)

Mental Health Capital

Project Detail by Agency - FY03 Capital Budget - Governor Structure Numbers AND Language Sections

Department of Administration

<u>Project</u>	<u>GovMHAmD</u>	<u>House MH</u>	<u>Sen MH</u>
<u>Non-Program Appropriations</u>			
AP Adult Day Facility	250,000	250,000	
Modifications (ED 99)			
1037 GF/MH	250,000	250,000	

HOUSE JOURNAL

3306

May 2, 2002

AP Senior Services Data Integration Project - Phase 2 (ED 99)	238,000		238,000
1092 MHTAAR	238,000		238,000
Total Program Expenditure	488,000	250,000	238,000
*Total Agency Expenditures	488,000	250,000	238,000

Department of Health and Social Services

Non-Program Appropriations

AP Alaska Psychiatric Institute Stop-Gap Repairs (ED 10-25)	379,500		379,500
1037 GF/MH	379,500		379,500
AP Crisis Respite Facility Replacement - Phase 1 (ED 10-25)	350,000		350,000
1037 GF/MH	350,000		350,000
AP Essential Program Equipment Grants to Service Providers for Trust Beneficiaries (ED 99)	300,000		300,000
1037 GF/MH	50,000		50,000
1092 MHTAAR	250,000		250,000
AP Rural Facility Renovation and Deferred Maintenance (ED 99)	800,000		800,000
1037 GF/MH	400,000		400,000
1092 MHTAAR	400,000		400,000
AP Deferred Maintenance of Rural Facilities for Substance Abuse or Substance Abuse/Mental Health Programs (ED 99)	800,000		800,000
1037 GF/MH	400,000		400,000
1092 MHTAAR	400,000		400,000

HOUSE JOURNAL

May 2, 2002

3307

AP Consumer Designed and Managed Projects (ED 99)	175,000	175,000
1092 MHTAAR	175,000	175,000
AP Housing Modifications for Trust Beneficiaries and People with Disabilities (ED 99)	250,000	250,000
1092 MHTAAR	150,000	150,000
1139 AHFC Div	100,000	100,000
AP Mental Health Provider Resource Sharing and Coordination (ED 99)	150,000	150,000
1092 MHTAAR	150,000	150,000
Total Program Expenditure	3,204,500	3,204,500
*Total Agency Expenditures	3,204,500	3,204,500

Department of Natural Resources

Non-Program Appropriations

AP Mental Health Trust Land Development (ED 99)	800,000	800,000
1092 MHTAAR	800,000	800,000
Total Program Expenditure	800,000	800,000
*Total Agency Expenditures	800,000	800,000

Department of Revenue

Non-Program Appropriations

AP AHFC Homeless Assistance Program (ED 99)	1,000,000	1,000,000
1092 MHTAAR	500,000	500,000
1139 AHFC Div	500,000	500,000
AP AHFC Beneficiary and Special Needs Housing (ED 99)	800,000	800,000
1139 AHFC Div	800,000	800,000

HOUSE JOURNAL

3308

May 2, 2002

Total Program Expenditure	1,800,000	1,800,000
*Total Agency Expenditures	1,800,000	1,800,000

Department of Transportation/Public Facilities

Statewide Federal Programs

AL Coordinated Transportation and Vehicles (ED 99)	400,000	400,000
1037 GF/MH	250,000	250,000
1092 MHTAAR	150,000	150,000
Total Program Expenditure	400,000	400,000
*Total Agency Expenditures	400,000	400,000

The request was signed by Representatives Mulder (Chair), Williams, Davies; and Senators Donley (Chair), Kelly, Hoffman.

Pursuant to Uniform Rule 42(a), the Speaker granted the limited powers of free conference on the specific points requested.

The Chief Clerk was instructed to so notify the Senate.

INTRODUCTION OF CITATIONS

The following citations were introduced and referred to the Rules Committee for placement on the calendar:

Honoring - Connie Bensler
By Representative Bunde

Honoring - Thomas L. Moses, Jr., P.E., Whittier Access Project
By Representative Dyson

Honoring - The Angoon Eagles, Angoon Boys and Girls "Mixed Six"
Volleyball Team
By Representative Kookesh

Honoring - The Hoonah Braves, Hoonah Girls Volleyball Team
By Representative Kookesh

Honoring - The Craig Panthers, Craig Boys Basketball Team
By Representative Kookesh

Honoring - Hydaburg Boys Basketball Team, The Warriors
By Representative Kookesh

Honoring - Klawock Boys Wrestling Team
By Representative Kookesh

Honoring - Valdez High School Academic Decathlon
By Representative Harris; Senator Lincoln

Honoring - Department of Transportation and Public Facilities
By Representative Dyson

Honoring - Brian J. Borkowski, Federal Employee of the Year
By Senator Taylor

Honoring - Joe Malatesta, Sr.
By Senator Ward; Representative Chenault

In Memoriam - James M. Messick
By Representatives Kohring, Ogan, Masek; Senator Green

CONSIDERATION OF THE DAILY CALENDAR

HOUSE BILLS IN SECOND READING

HB 303

The Speaker stated that, without objection, the House would move down the calendar to:

CS FOR HOUSE BILL NO. 303(FIN)

"An Act relating to the levy and collection of a sales tax and a use tax and to levy and collection of municipal sales and use taxes; and providing for an effective date."

CShB 303(FIN), which was held in second reading and returned to the Rules Committee (page 2719), was again before the House.

Representative James moved and asked unanimous consent that the House rescind its previous action in adopting CSHB 303(FIN) (page 2703). There being no objection, it was so ordered.

Representative James moved and asked unanimous consent that the following committee substitute be adopted in lieu of the original bill:

2d CS FOR HOUSE BILL NO. 303(RLS)

"An Act relating to taxation of individual income; and providing for an effective date."

There being no objection, it was so ordered.

Amendment No. 4 was offered by Representative Kohring:

Page 1, line 1, following "**income**;" (title amendment):

Insert "**imposing an individual income tax, and repealing that tax**;"

Page 8, following line 6:

Insert a new bill section to read:

"* **Sec. 5.** AS 43.20.030(a) is amended to read:

(a) **If a [EVERY INDIVIDUAL, PARTNERSHIP, AND] corporation, or a partnership that has a corporation as a partner, is** required to make a return under the provisions of the Internal Revenue Code, **it** shall file with the department, **within 30 days after the federal return is required to be filed,** a return setting out

(1) the amount of tax due under this chapter, less [ALLOWABLE] credits [AND PAYMENTS] claimed against the tax; and

(2) other information that the department requires for the purpose of carrying out the provisions of this chapter."

Renumber the following bill sections accordingly.

Page 8, following line 28:

Insert a new bill section to read:

"* **Sec. 7.** AS 43.20.030(d) is amended to read:

(d) A taxpayer, upon request by the department, shall **furnish to the department** [FILE WITH THE TAXPAYER'S STATE RETURN] a true copy of the tax return **that the taxpayer has** filed with the United States Internal Revenue Service. Every taxpayer shall **notify** [FILE AN AMENDED RETURN WITH] the department **in writing of any alteration in, or modification of, the taxpayer's federal income tax return and of a recomputation of tax or determination of deficiency, whether with or without assessment. A full statement of the facts must accompany this notice. The notice shall be filed** [, AND REMIT ANY ADDITIONAL TAX AND INTEREST DUE,] within 60 days after **the** [A] final determination of the **modification, recomputation, or deficiency, and the taxpayer shall pay the additional tax or penalty under this chapter** [TAXPAYER'S FEDERAL TAX LIABILITY]. For purposes of this **section** [SUBSECTION], a final determination means the date that an amended federal return is filed **or a notice of deficiency or an** [, THE DATE A FEDERAL] assessment is **mailed to** [MADE, OR THE DATE THE RESTRICTIONS ON ASSESSMENT ARE WAIVED BY] the taxpayer **by the Internal Revenue Service, except that in no event may there be a final determination for purposes of this section until the taxpayer has exhausted rights of appeal under federal law.**"

Renumber the following bill sections accordingly.

Page 9, following line 4:

Insert a new bill section to read:

"* **Sec. 10.** AS 43.20.031(c) is amended to read:

(c) In computing the tax under this chapter, **the taxpayer** [A CORPORATION] is not entitled to deduct any taxes based on or measured by net income."

Renumber the following bill sections accordingly.

Page 10, following line 5:

Insert a new bill section to read:

** **Sec. 12.** AS 43.20.040 is repealed and reenacted to read:

Sec. 43.20.040. Income from sources in the state. (a)

In this chapter, income from sources in the state includes

(1) income from real or tangible personal property located in the state;

(2) income of whatever nature from a business, trade or profession having a business situs in the state and compensation for services rendered in the state;

(3) income from stocks, bonds, notes, bank deposits, and other intangible personal property having a taxable or business situs in the state;

(4) rentals and royalties for the use of or for the privilege of using, in the state, patents, copyrights, secret processes and formulas, good will, marks, trade brands, franchises, and other property having a taxable or business situs in the state.

(b) In this section, income is from a source having a taxable or business situs in the state if it is derived from

(1) owning or operating business facilities or property in the state;

(2) conducting business, farming, or fishing operations in the state;

(3) a partnership which transacts business in the state;

(4) a corporation which transacts business in the state which has elected to file federal returns under subchapter S of the Internal Revenue Code;

(5) engaging in any other activity from which income is received, realized or derived in the state.

(c) The receipt of income derived solely from interest earned on property in the state does not alone establish a taxable or business situs in the state."

Renumber the following bill sections accordingly.

Page 12, following line 2:

Insert a new bill section to read:

** **Sec. 17.** AS 43.20.200(b) is amended to read:

(b) The same period of limitation upon the assessment and collection of taxes imposed under this chapter and the same

exceptions to it shall apply as provided in 26 U.S.C. 6501 - 6503 (Internal Revenue Code). In the case of additional tax due by reason of a modification, recomputation, or determination of deficiency in a taxpayer's federal income tax return, the period of limitation on assessment commences from the date that the **notice** [AMENDED RETURN] required in AS 43.20.030(d) is filed, and if no **notice** [AMENDED RETURN] is filed the tax may be assessed at any time."

Renumber the following bill sections accordingly.

Page 12, following line 10:

Insert a new bill section to read:

"* **Sec. 20.** AS 43.05.300; AS 43.20.009, 43.20.029, 43.20.030(h), 43.20.046, 43.20.171, 43.20.174, 43.20.340(12), 43.20.340(13), and 43.20.340(14) are repealed."

Page 12, line 23:

Delete "Section 16"

Insert "Section 22"

Page 12, following line 23:

Insert a new bill section to read:

"* **Sec. 24.** Sections 5, 7, 10, 12, 17, and 20 take effect January 1, 2008."

Renumber the following bill section accordingly.

Page 12, line 24:

Delete "sec. 17"

Insert "secs. 23 and 24"

Representative Kohring moved and asked unanimous consent that Amendment No. 4 be adopted.

Representative Whitaker objected.

The question being: "Shall Amendment No. 4 be adopted?" The roll was taken with the following result:

2d CSHB 303(RLS)
 Second Reading
 Amendment No. 4

YEAS: 11 NAYS: 26 EXCUSED: 1 ABSENT: 2

Yeas: Chenault, Coghill, Foster, Green, James, Kohring, Kott, Masek, Meyer, Mulder, Rokeberg

Nays: Berkowitz, Bunde, Cissna, Crawford, Croft, Davies, Dyson, Fate, Guess, Halcro, Harris, Hayes, Hudson, Joule, Kapsner, Kerttula, Lancaster, Morgan, Moses, Murkowski, Porter, Scalzi, Stevens, Whitaker, Williams, Wilson

Excused: Ogan

Absent: Kookesh, McGuire

And so, Amendment No. 4 was not adopted.

Amendment No. 5 was offered by Representative Kohring:

Page 12, lines 23 - 24:

Delete all material and insert:

"* **Sec. 17.** The uncodified law of the State of Alaska is amended by adding a new section to read:

CONTINGENT EFFECT OF SECTIONS 1 - 16 OF THIS ACT.

(a) Sections 1 - 16 of this Act do not take effect unless, at the next general election, a majority of the votes cast favors adoption of a state income tax under (b) of this section.

(b) At the next general election, the lieutenant governor shall place before the qualified voters of the state a proposition in the following form:

Q U E S T I O N

Shall the provisions of ch. ____, SLA 2002, relating to the levy and collection of a statewide income tax become effective?

YES [] NO []

In preparing the ballot, the lieutenant governor shall first enter the chapter number assigned to this Act.

* **Sec. 18.** Section 17 of this Act takes effect immediately under AS 01.10.070(c).

* **Sec. 19.** If, under sec. 17 of this Act, secs. 1 - 16 of this Act take effect, sec. 16 of this Act takes effect on the date of certification of the results of the next general election by the lieutenant governor.

* **Sec. 20.** If, under sec. 17 of this Act, secs. 1 - 16 of this Act take effect, except as provided in secs. 18 and 19 of this Act, this Act takes effect January 1, 2003."

Representative Kohring moved and asked unanimous consent that Amendment No. 5 be adopted.

Representative Whitaker objected.

Representative Croft placed a call of the House.

The Speaker stated that the call was satisfied.

The question being: "Shall Amendment No. 5 be adopted?" The roll was taken with the following result:

2d CSHB 303(RLS)
Second Reading
Amendment No. 5

YEAS: 10 NAYS: 29 EXCUSED: 1 ABSENT: 0

Yeas: Chenault, Coghill, Dyson, Foster, Green, James, Kohring, Masek, Meyer, Rokeberg

Nays: Berkowitz, Bunde, Cissna, Crawford, Croft, Davies, Fate, Guess, Halcro, Harris, Hayes, Hudson, Joule, Kapsner, Kerttula, Kookesh, Kott, Lancaster, McGuire, Morgan, Moses, Mulder, Murkowski, Porter, Scalzi, Stevens, Whitaker, Williams, Wilson

Excused: Ogan

And so, Amendment No. 5 was not adopted.

Amendment No. 6 was offered by Representative Rokeberg:

Page 1, line 1, following "**income**" (title amendment):

Insert ", **and making this Act effective only if a version of HB 304, relating to distribution of income of the permanent fund, and**

a version of HB 225, relating to taxation of alcoholic beverages, are passed by the Twenty-Second Alaska State Legislature and become law"

Page 12, following line 22:

Insert a new bill section to read:

**** Sec. 17.** The uncodified law of the State of Alaska is amended by adding a new section to read:

CONDITIONAL EFFECT. This Act takes effect only if a version of HB 304, relating to distribution of income of the permanent fund, and a version of HB 225, relating to taxation of alcoholic beverages, are passed by the Twenty-Second Alaska State Legislature and become law."

Renumber the following bill sections accordingly.

Page 12, line 24:

Delete "sec. 17"

Insert "sec. 18"

Representative Rokeberg moved and asked unanimous consent that Amendment No. 6 be adopted.

Representative Whitaker objected.

Representative Berkowitz rose to a point of order regarding confining remarks to the bill before the body.

The Speaker stated that the point was well taken and cautioned the other member to confine remarks to the bill.

The question being: "Shall Amendment No. 6 be adopted?" The roll was taken with the following result:

2d CSHB 303(RLS)

Second Reading

Amendment No. 6

YEAS: 14 NAYS: 25 EXCUSED: 1 ABSENT: 0

Yeas: Bunde, Chenault, Foster, Green, Harris, James, Kohring, Kott, Masek, Meyer, Morgan, Mulder, Rokeberg, Williams

Nays: Berkowitz, Cissna, Coghill, Crawford, Croft, Davies, Dyson, Fate, Guess, Halcro, Hayes, Hudson, Joule, Kapsner, Kerttula, Kookesh, Lancaster, McGuire, Moses, Murkowski, Porter, Scalzi, Stevens, Whitaker, Wilson

Excused: Ogan

And so, Amendment No. 6 was not adopted.

Representative Hayes placed a call of the House and lifted the call.

Representative James moved and asked unanimous consent that 2d CSHB 303(RLS) be considered engrossed, advanced to third reading, and placed on final passage. There being no objection, it was so ordered.

2d CSHB 303(RLS) was read the third time.

Representative Rokeberg moved and asked unanimous consent that 2d CSHB 303(RLS) be returned to second reading for the specific purpose of considering Amendment No. 7. There being no objection, it was so ordered.

Amendment No. 7 was offered by Representative Rokeberg:

Page 1, line 1, following "**income;**" (title amendment):

Insert "**relating to permanent fund dividends**"

Page 8, following line 6:

Insert a new bill section to read:

"* **Sec. 5.** AS 43.20.030(c) is amended to read:

(c) Notwithstanding (a) of this section, the total amount of tax imposed by this chapter is due and payable to the department at the same time and in the same manner as the tax payable to the United States Internal Revenue Service; **except that an individual's income taxes are due and payable on October 15 of the year in which the individual income tax return was required to be filed.**"

Renumber the following bill sections accordingly.

Page 12, following line 9:

Insert new bill sections to read:

** **Sec. 15.** AS 43.23.011 is amended to read:

Sec. 43.23.011. Application period. An application for a permanent fund dividend shall be filed during the period that begins January 2 and ends **April 15** [MARCH 31] of that dividend year.

* **Sec. 16.** AS 43.23 is amended by adding a new section to read:

Sec. 43.23.018. Individual income taxes. (a) The commissioner shall include individual income tax return forms prepared under AS 43.20.030 in the permanent fund dividend application packet.

(b) The department shall withhold from an individual's permanent fund dividend the individual income taxes owed by that individual under AS 43.20 for the previous calendar year and not already withheld by an employer under AS 43.20.171 or a pass-through entity under AS 43.20.174."

Renumber the following bill sections accordingly.

Page 12, line 23:

Delete "Section 16"

Insert "Section 19"

Page 12, line 24:

Delete "sec. 17"

Insert "sec. 20"

Representative Rokeberg moved and asked unanimous consent that Amendment No. 7 be adopted.

Objection was heard.

Representative James placed a call of the House on the bill.

The Speaker stated that the call was satisfied.

Representative Rokeberg moved and asked unanimous consent to withdraw Amendment No. 7. There being no objection, it was so ordered.

The question being: "Shall 2d CSHB 303(RLS) pass the House?" The roll was taken with the following result:

2d CSHB 303(RLS)

Third Reading

Final Passage

YEAS: 24 NAYS: 15 EXCUSED: 1 ABSENT: 0

Yeas: Berkowitz, Bunde, Cissna, Crawford, Croft, Davies, Fate, Green, Guess, Halcro, Hayes, Hudson, Joule, Kapsner, Kerttula, Kookesh, Lancaster, Moses, Murkowski, Porter, Scalzi, Stevens, Whitaker, Wilson

Nays: Chenault, Coghill, Dyson, Foster, Harris, James, Kohring, Kott, Masek, McGuire, Meyer, Morgan, Mulder, Rokeberg, Williams

Excused: Ogan

And so, 2d CSHB 303(RLS) passed the House.

Representative James moved the effective date clause.

The question being: "Shall the effective date clause be adopted?" The roll was taken with the following result:

2d CSHB 303(RLS)

Third Reading

Effective Date

YEAS: 34 NAYS: 5 EXCUSED: 1 ABSENT: 0

Yeas: Berkowitz, Bunde, Chenault, Cissna, Coghill, Crawford, Croft, Davies, Fate, Green, Guess, Halcro, Harris, Hayes, Hudson, James, Joule, Kapsner, Kerttula, Kookesh, Kott, Lancaster, McGuire, Morgan, Moses, Mulder, Murkowski, Porter, Rokeberg, Scalzi, Stevens, Whitaker, Williams, Wilson

Nays: Dyson, Foster, Kohring, Masek, Meyer

Excused: Ogan

And so, the effective date clause was adopted.

2d CSHB 303(RLS) was referred to the Chief Clerk for engrossment.

The Speaker stated that the House would stand at ease until 1:30 p.m.; and so, the House stood at ease at 12:55 p.m.

AFTER AT EASE

The Speaker called the House back to order at 1:41 p.m.

SECOND READING OF HOUSE BILLS

HB 304

The Speaker stated that, without objection, the House would move down the calendar to HB 304.

The following was read the second time:

HOUSE BILL NO. 304

"An Act relating to disposition of income of the permanent fund; and providing for an effective date."

with the:	Journal Page
STA RPT 3DP 1DNP 2NR 1AM	2600
FN1: ZERO(REV)	2600
FIN RPT CS(FIN) NT 5DP 1DNP 2NR 3AM	2679
FN2: (REV)	2719
RLS RPT CS(RLS) NT 2DP 2DNP 1NR	2998
FN2: ZERO(REV) CORRECTED DESIGNATION	2999
RLS RPT CS(2D RLS) NT 1DP 1DNP 5NR	3277
LETTER OF INTENT WITH RLS REPORT	3277
FN2: ZERO(REV)	3278

Representative James moved and asked unanimous consent that the following committee substitute be adopted in lieu of the original bill:

CS FOR HOUSE BILL NO. 304(2d RLS)

"An Act relating to the education fund and the infrastructure and economic development fund, to the market value of the permanent fund, to distribution of the income of the permanent fund, and to the determination of net income of the mental health trust fund."

There being no objection, it was so ordered.

Amendment No. 1 was offered by Representatives Masek and Kohring:

Page 1, line 4, following "**fund**" (title amendment):

Insert "**; and providing for an effective date**"

Page 4, line 12:

Delete "At the beginning of fiscal year 2003"

Insert "On December 1, 2002"

Page 4, following line 15:

Insert new bill sections to read:

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

CONDITIONAL EFFECT. Sections 1 - 12 of this Act take effect only if a version of SJR 23, proposing amendments to the Constitution of the State of Alaska relating to an appropriation limit and a spending limit, is passed by the legislature and approved by the voters during the 2002 general election.

* **Sec. 14.** If secs. 1 - 12 of this Act take effect under sec. 13, they take effect December 1, 2002."

Representative Masek moved and asked unanimous consent that Amendment No. 1 be adopted.

Representative Hudson objected.

Representative Guess placed a call of the House.

The call was satisfied.

Representative Kohring moved and asked unanimous consent that the question be divided.

The Speaker ruled that the question was divisible.

Representative Croft objected.

The question being: "Shall the question be divided?" The roll was taken with the following result:

CSHB 304(2d RLS)
Divide the Question
Amendment No. 1

YEAS: 13 NAYS: 26 EXCUSED: 1 ABSENT: 0

Yeas: Berkowitz, Chenault, Coghill, Dyson, Foster, Harris, James, Kohring, Kott, Masek, McGuire, Meyer, Rokeberg

Nays: Bunde, Cissna, Crawford, Croft, Davies, Fate, Green, Guess, Halcro, Hayes, Hudson, Joule, Kapsner, Kerttula, Kookesh, Lancaster, Morgan, Moses, Mulder, Murkowski, Porter, Scalzi, Stevens, Whitaker, Williams, Wilson

Excused: Ogan

And so, Amendment No. 1 was not divided.

The question being: "Shall Amendment No. 1 be adopted?" The roll was taken with the following result:

CSHB 304(2d RLS)
Second Reading
Amendment No. 1

YEAS: 7 NAYS: 32 EXCUSED: 1 ABSENT: 0

Yeas: Chenault, Coghill, Dyson, Foster, Kohring, Masek, Meyer

Nays: Berkowitz, Bunde, Cissna, Crawford, Croft, Davies, Fate, Green, Guess, Halcro, Harris, Hayes, Hudson, James, Joule, Kapsner, Kerttula, Kookesh, Kott, Lancaster, McGuire, Morgan, Moses, Mulder, Murkowski, Porter, Rokeberg, Scalzi, Stevens, Whitaker, Williams, Wilson

Excused: Ogan

And so, Amendment No. 1 was not adopted.

Amendment No. 2 was offered by Representative Guess:

Page 1, line 14:

Delete "under AS 37.13.145(f)"

Page 2, line 21, following "(b)":

Delete "**(e), and (f)**"

Insert "**and (e)**"

Page 2, line 31, following "(AS 37.05.590)":

Delete "30"

Insert "50"

Page 3, lines 2 - 5:

Delete all material and reletter the following subsection.

Page 3, line 7, following "(b)":

Delete ", (e), and (f)"

Insert "and (e)"

Representative Guess moved and asked unanimous consent that Amendment No. 2 be adopted.

Representative Whitaker objected.

The question being: "Shall Amendment No. 2 be adopted?" The roll was taken with the following result:

CSHB 304(2d RLS)

Second Reading

Amendment No. 2

YEAS: 22 NAYS: 17 EXCUSED: 1 ABSENT: 0

Yeas: Berkowitz, Chenault, Cissna, Crawford, Croft, Davies, Foster, Green, Guess, Halcro, Harris, Hayes, Joule, Kapsner, Kerttula, Kookesh, Kott, McGuire, Meyer, Murkowski, Stevens, Wilson

Nays: Bunde, Coghill, Dyson, Fate, Hudson, James, Kohring, Lancaster, Masek, Morgan, Moses, Mulder, Porter, Rokeberg, Scalzi, Whitaker, Williams

Excused: Ogan

And so, Amendment No. 2 was adopted.

Representative James moved and asked unanimous consent that CSHB 304(2d RLS) am be considered engrossed, advanced to third reading, and placed on final passage. There being no objection, it was so ordered.

CSHB 304(2d RLS) am was read the third time.

The question being: "Shall CSHB 304(2d RLS) am pass the House?"
The roll was taken with the following result:

CSHB 304(2d RLS) am
Third Reading
Final Passage

YEAS: 28 NAYS: 11 EXCUSED: 1 ABSENT: 0

Yeas: Berkowitz, Bunde, Cissna, Davies, Fate, Foster, Green, Guess, Halcro, Harris, Hayes, Hudson, Joule, Kapsner, Kerttula, Kookesh, Kott, Lancaster, McGuire, Morgan, Moses, Mulder, Murkowski, Porter, Scalzi, Stevens, Whitaker, Wilson

Nays: Chenault, Coghill, Crawford, Croft, Dyson, James, Kohring, Masek, Meyer, Rokeberg, Williams

Excused: Ogan

And so, CSHB 304(2d RLS) am passed the House.

Representative James moved and asked unanimous consent that the House adopt the House Rules Committee letter of intent (page 3277). There being no objection, it was so ordered.

Representative Rokeberg later gave notice of reconsideration of the vote on CSHB 304(2d RLS) am, and the reconsideration was taken up then.

HB 20

The following was read the second time:

HOUSE BILL NO. 20

"An Act relating to state aid to municipalities and certain other recipients, and for the village public safety officer program;

relating to municipal dividends; relating to the public safety foundation program; and providing for an effective date."

with the:	Journal Page
CRA RPT CS(CRA) 3DP 1DNP 2NR	679
FN1: ZERO(CED)	679
FN2: ZERO(REV)	679
STA RPT CS(CRA) 4DP 3NR	1228
FN1: ZERO(CED)	1228
FN2: ZERO(REV)	1228
FIN RPT CS(FIN) NT 9DP 2AM	2664
FN3: (COR)	2690
FN4: (CED); FN5: (CED); FN6: (CED)	2690
RLS RPT CS(RLS) 3DP 1DNP 3NR	3274
FN3: (COR)	3275
FN4: (CED); FN5: (CED); FN6: (CED)	3275

Representative James moved and asked unanimous consent that the following committee substitute be adopted in lieu of the original bill:

CS FOR HOUSE BILL NO. 20(RLS)
 "An Act relating to organization grants to cities, to state aid for unincorporated communities, and to municipal dividends."

There being no objection, it was so ordered.

Amendment No. 1 was offered by Representative Kohring:

Page 4, following line 9:

Insert a new bill section to read:

"* **Sec. 8.** The uncodified law of the State of Alaska is amended by adding a new section to read:

CONTINGENT EFFECT OF SECTIONS 1 - 7 OF THIS ACT.

(a) Sections 1 - 7 of this Act do not take effect unless, at the next general election, a majority of the votes cast favors adoption of a municipal dividend fund using money in the earnings reserve account under (b) of this section.

(b) At the next general election, the lieutenant governor shall place before the qualified voters of the state a proposition in the following form:

Q U E S T I O N

Shall the provisions of ch. ____, SLA 2002, relating to a municipal dividend fund using money in the earnings reserve account of the Alaska permanent fund become effective?

YES [] NO []

In preparing the ballot, the lieutenant governor shall first enter the chapter number assigned to this Act."

Representative Kohring moved and asked unanimous consent that Amendment No. 1 be adopted.

Representative Moses objected.

The question being: "Shall Amendment No. 1 be adopted?" The roll was taken with the following result:

CSHB 20(RLS)
Second Reading
Amendment No. 1

YEAS: 5 NAYS: 34 EXCUSED: 1 ABSENT: 0

Yeas: Coghill, Dyson, Kohring, Masek, Meyer

Nays: Berkowitz, Bunde, Chenault, Cissna, Crawford, Croft, Davies, Fate, Foster, Green, Guess, Halcro, Harris, Hayes, Hudson, James, Joule, Kapsner, Kerttula, Kookesh, Kott, Lancaster, McGuire, Morgan, Moses, Mulder, Murkowski, Porter, Rokeberg, Scalzi, Stevens, Whitaker, Williams, Wilson

Excused: Ogan

And so, Amendment No. 1 was not adopted.

Representative James moved and asked unanimous consent that CSHB 20(RLS) be considered engrossed, advanced to third reading, and placed on final passage. There being no objection, it was so ordered.

CSHB 20(RLS) was read the third time.

The question being: "Shall CSHB 20(RLS) pass the House?" The roll was taken with the following result:

CSHB 20(RLS)
 Third Reading
 Final Passage

YEAS: 30 NAYS: 9 EXCUSED: 1 ABSENT: 0

Yeas: Berkowitz, Bunde, Cissna, Davies, Fate, Foster, Green, Halcro, Harris, Hayes, Hudson, James, Joule, Kapsner, Kerttula, Kookesh, Kott, Lancaster, McGuire, Morgan, Moses, Mulder, Murkowski, Porter, Rokeberg, Scalzi, Stevens, Whitaker, Williams, Wilson

Nays: Chenault, Coghill, Crawford, Croft, Dyson, Guess, Kohring, Masek, Meyer

Excused: Ogan

And so, CSHB 20(RLS) passed the House and was referred to the Chief Clerk for engrossment.

HB 225

The following was read the second time:

HOUSE BILL NO. 225

"An Act relating to municipal taxation of alcoholic beverages and increasing the alcoholic beverage tax rates."

with the:

Journal Page

L&C RPT CS(L&C) NT 3DP 1DNP 2AM	1063
FN1: (REV)	1064
FIN RPT CS(FIN) 4DP 3DNP 1NR 1AM	3275
FN2: (REV)	3276

Representative James moved and asked unanimous consent that the following committee substitute be adopted in lieu of the original bill:

CS FOR HOUSE BILL NO. 225(FIN)

"An Act relating to state taxation of alcoholic beverages; and increasing the alcoholic beverage state tax rates."

There being no objection, it was so ordered.

Amendment No. 1 was not offered.

Amendment No. 2 was offered by Representative Meyer:

Page 2, lines 7 - 19:

Delete all material.

Representative Meyer moved and asked unanimous consent that Amendment No. 2 be adopted.

Representative Rokeberg objected.

The question being: "Shall Amendment No. 2 be adopted?" The roll was taken with the following result:

CSHB 225(FIN)

Second Reading

Amendment No. 2

YEAS: 11 NAYS: 28 EXCUSED: 1 ABSENT: 0

Yeas: Cissna, Coghil, Green, Hayes, Kerttula, Kohring, Kott, Masek, Meyer, Murkowski, Williams

Nays: Berkowitz, Bunde, Chenault, Crawford, Croft, Davies, Dyson, Fate, Foster, Guess, Halcro, Harris, Hudson, James, Joule, Kapsner, Kookesh, Lancaster, McGuire, Morgan, Moses, Mulder, Porter, Rokeberg, Scalzi, Stevens, Whitaker, Wilson

Excused: Ogan

And so, Amendment No. 2 was not adopted.

Amendment No. 3 was offered by Representative Murkowski:

Page 2, line 20, through page 3, line 15:

Delete all material.

Representative Murkowski moved and asked unanimous consent that Amendment No. 3 be adopted.

Representative Harris objected.

Representative Berkowitz placed a call of the House.

The call was satisfied. The Speaker stated that the call would be in effect for the remainder of the calendar.

The question being: "Shall Amendment No. 3 be adopted?" The roll was taken with the following result:

CSHB 225(FIN)
Second Reading
Amendment No. 3

YEAS: 25 NAYS: 14 EXCUSED: 1 ABSENT: 0

Yeas: Berkowitz, Bunde, Chenault, Cissna, Coghill, Crawford, Croft, Davies, Fate, Green, Guess, Halcro, Hudson, Joule, Kapsner, Kerttula, Kookesh, Lancaster, Morgan, Moses, Murkowski, Porter, Scalzi, Whitaker, Wilson

Nays: Dyson, Foster, Harris, Hayes, James, Kohring, Kott, Masek, McGuire, Meyer, Mulder, Rokeberg, Stevens, Williams

Excused: Ogan

And so, Amendment No. 3 was adopted.

Amendment No. 4 was not offered.

Amendment No. 5 was offered by Representative Davies:

Page 2, line 13:

Delete "brewer's Notice of Brewer"
Insert "Brewer's Notice of Intent"

Representative Davies moved and asked unanimous consent that Amendment No. 5 be adopted.

Objection was heard and withdrawn. There being no further objection, Amendment No. 5 was adopted.

Representative James moved and asked unanimous consent that CSHB 225(FIN) am be considered engrossed, advanced to third reading, and placed on final passage. There being no objection, it was so ordered.

CSHB 225(FIN) am was read the third time.

The question being: "Shall CSHB 225(FIN) am pass the House?" The roll was taken with the following result:

CSHB 225(FIN) am
Third Reading
Final Passage

YEAS: 31 NAYS: 8 EXCUSED: 1 ABSENT: 0

Yeas: Berkowitz, Bunde, Chenault, Cissna, Coghill, Crawford, Croft, Davies, Dyson, Fate, Green, Guess, Halcro, Hayes, Hudson, Joule, Kapsner, Kerttula, Kookesh, Lancaster, McGuire, Morgan, Moses, Mulder, Murkowski, Porter, Rokeberg, Scalzi, Stevens, Whitaker, Wilson

Nays: Foster, Harris, James, Kohring, Kott, Masek, Meyer, Williams

Excused: Ogan

And so, CSHB 225(FIN) am passed the House.

Representative Kott later gave notice of reconsideration of the vote on CSHB 225(FIN) am, and the reconsideration was taken up then.

THIRD READING OF SENATE BILLS

SB 331

The following, which was advanced to third reading from the May 1, 2002, calendar (page 3263), was read the third time:

SENATE BILL NO. 331

"An Act relating to the jurisdiction of district courts."

The question being: "Shall SB 331 pass the House?" The roll was taken with the following result:

SB 331
Third Reading
Final Passage

YEAS: 39 NAYS: 0 EXCUSED: 1 ABSENT: 0

Yeas: Berkowitz, Bunde, Chenault, Cissna, Coghill, Crawford, Croft, Davies, Dyson, Fate, Foster, Green, Guess, Halcro, Harris, Hayes, Hudson, James, Joule, Kapsner, Kerttula, Kohring, Kookesh, Kott, Lancaster, Masek, McGuire, Meyer, Morgan, Moses, Mulder, Murkowski, Porter, Rokeberg, Scalzi, Stevens, Whitaker, Williams, Wilson

Excused: Ogan

And so, SB 331 passed the House, was signed by the Speaker and Acting Chief Clerk and returned to the Senate.

LEGISLATIVE CITATIONS

Representative James moved and asked unanimous consent that the House approve the citations on the calendar. There being no objection, the following citations were approved and sent to enrolling:

Honoring - Ron M. Crawford

By Representatives Bunde, Porter, Berkowitz, Chenault, Cissna, Crawford, Croft, Davies, Dyson, Guess, Halcro, Harris, Hayes, Hudson, James, Joule, Kapsner, Kerttula, Kott, Lancaster, Masek, McGuire, Meyer, Mulder, Murkowski, Ogan, Rokeberg, Stevens, Williams, Wilson

Honoring - WebWeavers, LLC

By Representatives Hayes, Porter, Berkowitz, Bunde, Chenault, Cissna, Crawford, Croft, Davies, Dyson, Fate, Guess, Halcro, Harris, Hudson, James, Joule, Kapsner, Kerttula, Kookesh, Kott, Lancaster, Masek, McGuire, Meyer, Mulder, Murkowski, Ogan, Rokeberg, Stevens, Whitaker, Williams, Wilson

Honoring - Mount Edgecumbe Lady Braves, 2001-2002 Basketball Team

By Representatives Wilson, Porter, Berkowitz, Bunde, Chenault, Cissna, Coghill, Crawford, Croft, Davies, Dyson, Green, Guess, Halcro, Harris, Hayes, Hudson, James, Joule, Kapsner, Kerttula, Kohring, Kookesh, Kott, Lancaster, Masek, McGuire, Meyer, Morgan, Mulder, Murkowski, Ogan, Rokeberg, Stevens, Williams; Senator Taylor

Honoring - Colonel Richard M. Blunt Upon His Retirement

By Senator Stevens; Representatives Porter, Berkowitz, Bunde, Chenault, Cissna, Coghill, Crawford, Croft, Davies, Dyson, Foster, Green, Guess, Halcro, Harris, Hayes, Hudson, James, Joule, Kapsner, Kerttula, Kohring, Kookesh, Kott, Lancaster, Masek, McGuire, Meyer, Mulder, Murkowski, Ogan, Rokeberg, Scalzi, Stevens, Williams, Wilson

Honoring - William G. Stroecker

By Senator Wilken; Representatives Porter, Berkowitz, Bunde, Chenault, Cissna, Coghill, Crawford, Croft, Davies, Dyson, Fate, Halcro, Harris, Hayes, Hudson, James, Joule, Kapsner, Kerttula, Kott, Lancaster, Masek, McGuire, Meyer, Mulder, Murkowski, Ogan, Rokeberg, Stevens, Whitaker, Williams, Wilson

RECONSIDERATION

HB 304

Representative Rokeberg gave notice of reconsideration of the vote on CSHB 304(2d RLS) am (page 3323).

Representative Bunde moved and asked unanimous consent that the reconsideration of CSHB 304(2d RLS) am be taken up on the same day. There being no objection, it was so ordered.

The following was again before the House in third reading:

CS FOR HOUSE BILL NO. 304(2d RLS) am

"An Act relating to the education fund and the infrastructure and economic development fund, to the market value of the permanent fund, to distribution of the income of the permanent fund, and to the determination of net income of the mental health trust fund."

The question to be reconsidered: "Shall CSHB 304(2d RLS) am pass the House?" The roll was taken with the following result:

CSHB 304(2d RLS) am--RECONSIDERATION

Third Reading

Final Passage

YEAS: 30 NAYS: 9 EXCUSED: 1 ABSENT: 0

Yeas: Berkowitz, Bunde, Cissna, Davies, Fate, Foster, Green, Guess, Halcro, Harris, Hayes, Hudson, Joule, Kapsner, Kerttula, Kookesh, Kott, Lancaster, McGuire, Morgan, Moses, Mulder, Murkowski, Porter, Rokeberg, Scalzi, Stevens, Whitaker, Williams, Wilson

Nays: Chenault, Coghill, Crawford, Croft, Dyson, James, Kohring, Masek, Meyer

Excused: Ogan

And so, CSHB 304(2d RLS) am passed the House on reconsideration.

Representative James moved and asked unanimous consent that the House adopt the House Rules Committee letter of intent (page 3277). There being no objection, it was so ordered.

CSHB 304(2d RLS) am was referred to the Chief Clerk for engrossment.

UNFINISHED BUSINESS

Representative James moved and asked unanimous consent that Representative Kohring's previous excused absence on May 4, 2002 (page 3224) be withdrawn. There being no objection, it was so ordered.

HB 190

Representative Whitaker moved and asked unanimous consent to withdraw the following:

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 190

"An Act levying and collecting a tax on certain North Slope natural gas in place if certain requirements relating to its sale and delivery are not met, and imposing a limit on the Department of Natural Resources that relates to the issuance or extension of oil and gas leases containing natural gas that is capable of production in paying quantities; and providing for an effective date."

There being no objection, it was so ordered.

RECONSIDERATION

HB 225

Representative Kott gave notice of reconsideration of the vote on CSHB 225(FIN) am (page 3329).

Representative Kott moved and asked unanimous consent that the reconsideration of CSHB 225(FIN) am be taken up on the same day. There being no objection, it was so ordered.

The following was again before the House in third reading:

CS FOR HOUSE BILL NO. 225(FIN) am
"An Act relating to state taxation of alcoholic beverages; and increasing the alcoholic beverage state tax rates."

The question to be reconsidered: "Shall CSHB 225(FIN) am pass the House?" The roll was taken with the following result:

CSHB 225(FIN) am--RECONSIDERATION

Third Reading

Final Passage

YEAS: 32 NAYS: 6 EXCUSED: 1 ABSENT: 1

Yeas: Berkowitz, Bunde, Chenault, Cissna, Coghill, Crawford, Croft, Davies, Fate, Green, Guess, Halcro, Hayes, Hudson, Joule, Kapsner, Kerttula, Kookesh, Kott, Lancaster, McGuire, Morgan, Moses, Mulder, Murkowski, Porter, Rokeberg, Scalzi, Stevens, Whitaker, Williams, Wilson

Nays: Foster, Harris, James, Kohring, Masek, Meyer

Excused: Ogan

Absent: Dyson

And so, CSHB 225(FIN) am passed the House on reconsideration and was referred to the Chief Clerk for engrossment.

UNFINISHED BUSINESS**HB 225**

Representative Crawford added his name as cosponsor to:

CS FOR HOUSE BILL NO. 225(FIN) am
"An Act relating to state taxation of alcoholic beverages; and increasing the alcoholic beverage state tax rates."

HB 303

Representative Davies added his name as cosponsor to:

2d CS FOR HOUSE BILL NO. 303(RLS)
"An Act relating to taxation of individual income; and providing for an effective date."

HB 304

Representative Davies added his name as cosponsor to:

CS FOR HOUSE BILL NO. 304(2d RLS) am
"An Act relating to the education fund and the infrastructure and economic development fund, to the market value of the permanent fund, to distribution of the income of the permanent fund, and to the determination of net income of the mental health trust fund."

HB 464

Representatives Masek and Morgan added their names as cosponsors to:

HOUSE BILL NO. 464
"An Act relating to statewide school district correspondence study programs."

ENGROSSMENT**HB 20**

CASHB 20(RLS) was engrossed, signed by the Speaker and Acting Chief Clerk and transmitted to the Senate for consideration.

HB 225

CSHB 225(FIN) am was engrossed, signed by the Speaker and Acting Chief Clerk and transmitted to the Senate for consideration.

HB 303

2d CSHB 303(RLS) was engrossed, signed by the Speaker and Acting Chief Clerk and transmitted to the Senate for consideration.

HB 304

CSHB 304(2d RLS) am was engrossed, signed by the Speaker and Acting Chief Clerk and transmitted with a House letter of intent to the Senate for consideration.

SB 337

Reconsideration of the following was not taken up on this legislative day. It was engrossed, signed by the Speaker and Acting Chief Clerk and transmitted to the Senate for consideration:

HOUSE CS FOR SENATE BILL NO. 337(CRA)

"An Act relating to eligibility for an exemption from municipal property taxes for certain seniors and disabled veterans."

ENROLLMENT**HB 96**

The following was enrolled, signed by the Speaker and Acting Chief Clerk, President and Secretary of the Senate, and the engrossed and enrolled copies were transmitted to the Office of the Governor at 9:10 a.m., May 2, 2002:

SENATE CS FOR CS FOR HOUSE BILL NO. 96(FIN)

"An Act relating to acquisition and development of the Jesse Lee Home; and providing for an effective date."

HB 263

The following was enrolled, signed by the Speaker and Acting Chief Clerk, President and Secretary of the Senate, and the engrossed and enrolled copies were transmitted to the Office of the Governor at 9:10 a.m., May 2, 2002:

CS FOR HOUSE BILL NO. 263(RES)

"An Act relating to water quality standards applicable to flow-through hot springs."

HB 297

The following was enrolled, signed by the Speaker and Acting Chief Clerk, President and Secretary of the Senate, and the engrossed and enrolled copies were transmitted to the Office of the Governor at 9:10 a.m., May 2, 2002:

SENATE CS FOR CS FOR HOUSE BILL NO. 297(JUD)

"An Act relating to restitution and to aggravating factors at sentencing."

ANNOUNCEMENTS

House committee schedules are published daily under separate cover.

The following meetings today have been changed as indicated:

Health, Education & Social Services Committee CANCELED	3:00 p.m., 5/2
Finance Committee CHANGED TO:	4:00 p.m., 5/2
House Special Committee on Oil & Gas CHANGED TO:	4:10 p.m., 5/2

ADJOURNMENT

Representative James moved and asked unanimous consent that the House adjourn until 10:00 a.m., May 3, 2002. There being no objection, the House adjourned at 3:43 p.m.

Solyra Sepulveda
Assistant Chief Clerk