

HOUSE JOURNAL
ALASKA STATE LEGISLATURE
TWENTY-FOURTH LEGISLATURE
FIRST SPECIAL SESSION

Juneau, Alaska

Friday

May 13, 2005

Third Day

The House was called to order by Speaker Harris at 6:14 p.m.

Roll call showed 35 members present. Representatives Berkowitz, Croft, Gara, and Salmon were absent and their presence was noted later.

Representative Coghill moved and asked unanimous consent that Representative Holm be excused from a call of the House today. There being no objection, it was so ordered.

The invocation was offered by the Chaplain, Representative Coghill. Representative Meyer moved and asked unanimous consent that the invocation be spread on the journal. There being no objection, it was so ordered.

Let us pray.

Father, thank You for the day, for the beauty of it, for the privilege of being able to carry responsibilities that sometimes weigh very heavy and sometimes are very frustrating, sometimes very contentious. We depend upon each other for understanding, but we really depend upon You for grace - grace to understand, grace to be good servants, with the best of the knowledge of not only our own convictions, but those we serve, our best understanding of the law of the land and the policy that brought us to this very moment, that we, as finite beings, recognize as we bow before You that Your omnipotence stands looming over us, and from

You comes an extended hand of grace and help. And we just look to You for it, as we deliberate these next few hours and moments, and ask You to intervene in our hearts. I pray in Jesus' name. Amen.

The Pledge of Allegiance was led by Representative Gatto.

CERTIFICATION OF THE JOURNAL

Representative Coghill moved and asked unanimous consent that the journal for the 121st legislative day, House and Senate Joint Journal Supplement No. 8, and the journal for the 1st and 2nd legislative days of the First Special Session be approved as certified by the Chief Clerk. There being no objection, it was so ordered.

MESSAGES FROM THE GOVERNOR

SB 63

A message dated May 12, 2005, 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. 63

"An Act relating to road signs encouraging the use of safety belts."

Chapter No. 15, SLA 2005

Effective Date: August 10, 2005

SB 90

A message dated May 12, 2005, 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:

CS FOR SENATE BILL NO. 90(STA)

"An Act relating to Alaska Territorial Guard Day."

Chapter No. 17, SLA 2005

Effective Date: August 10, 2005

SB 93

A message dated May 12, 2005, 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:

HOUSE CS FOR CS FOR SENATE BILL NO. 93(FIN)

"An Act relating to commercial fishing permit and vessel license fees; and providing for an effective date."

Chapter No. 16, SLA 2005

Effective Date: May 13, 2005

**The presence of Representative Croft was noted.

MESSAGES FROM THE SENATE**HB 130**

A message dated May 12, 2005, was received stating the President has granted limited powers of free conference to the Senate members of the Conference Committee considering:

CS FOR HOUSE BILL NO. 130(FIN) am

"An Act relating to the grant of certain state land to the University of Alaska; relating to the duties of the Board of Regents; establishing the university research forest; and providing for an effective date."

and

SENATE CS FOR CS FOR HOUSE BILL NO. 130(FIN)

(same title)

The Speaker had previously granted the limited powers of free conference as requested (page 1978).

CSHB 130(FIN) am and SCS CSHB 130(FIN) are under consideration during the First Special Session (page 1962).

SB 125

A message dated May 10, 2005, was received stating the President has granted limited powers of free conference to the Senate members of the Conference Committee considering:

HOUSE CS FOR CS FOR SENATE BILL NO. 125(FIN) am H

"An Act relating to the licensing, regulation, enforcement, and appeal rights of ambulatory surgical centers, assisted living homes, child care facilities, child placement agencies, foster homes, free-standing birth centers, home health agencies, hospices or agencies providing hospice services or operating hospice programs, hospitals, intermediate care facilities for the mentally retarded, maternity homes, nursing facilities, residential child care facilities, residential psychiatric treatment centers, runaway shelters, and rural health clinics; relating to possession of a firearm at licensed entities and facilities; relating to criminal history requirements, and a registry, regarding certain licenses, certifications, approvals, and authorizations by the Department of Health and Social Services; relating to public assistance for health facilities and assisted living homes, to rates charged by an assisted living home, and to the liability of recipients of home or community-based services to pay for those services; making conforming amendments; and providing for an effective date."

(HCR 21 - title change resolution)

and

CS FOR SENATE BILL NO. 125(JUD)

"An Act relating to the licensing, regulation, enforcement, and appeal rights of ambulatory surgical centers, assisted living homes, child care facilities, child placement agencies, foster homes, free-standing birth centers, home health agencies, hospices or agencies providing hospice services or operating hospice programs, hospitals, intermediate care facilities for the mentally retarded, maternity homes, nursing facilities, residential child care facilities, residential psychiatric treatment centers, runaway shelters, and rural health clinics; relating to possession of a firearm at licensed entities and facilities; relating to criminal history requirements, and a registry, regarding certain licenses,

certifications, approvals, and authorizations by the Department of Health and Social Services; making conforming amendments; and providing for an effective date."

The Speaker had previously granted the limited powers of free conference as requested (page 1930).

A message dated May 10, 2005, was received stating the Senate has adopted the Conference Committee with limited powers of free conference report on HCS CSSB 125(FIN) am H and CSSB 125(JUD), thus adopting:

CONFERENCE CS FOR SENATE BILL NO. 125

"An Act relating to the licensing, regulation, enforcement, and appeal rights of ambulatory surgical centers, assisted living homes, child care facilities, child placement agencies, foster homes, free-standing birth centers, home health agencies, hospices or agencies providing hospice services or operating hospice programs, hospitals, intermediate care facilities for the mentally retarded, maternity homes, nursing facilities, residential child care facilities, residential psychiatric treatment centers, runaway shelters, and rural health clinics; relating to possession of a firearm at licensed entities and facilities; relating to criminal history requirements, and a registry, regarding certain licenses, certifications, approvals, and authorizations by the Department of Health and Social Services; relating to the personal needs allowance for assisted living home residents, and authorizing emergency regulations relating to the personal needs allowance; making conforming amendments; and providing for an effective date."

The House has adopted CCS SB 125 (page 1941).

COMMUNICATIONS

The following audit report was received from the Division of Legislative Audit, Legislative Budget & Audit Committee, as required by AS 24.20.311:

Dept. of Transportation & Public Facilities
Force Account Projects
March 3, 2005

**The presence of Representatives Salmon and Gara was noted.

REPORTS OF SPECIAL COMMITTEES

HB 130

The Conference Committee with limited powers of free conference considering CSHB 130(FIN) am and SCS CSHB 130(FIN) recommends the following be adopted:

CONFERENCE CS FOR HOUSE BILL NO. 130

"An Act relating to the grant of certain state land to the University of Alaska; relating to the duties of the Board of Regents; establishing the university research forest; and providing for an effective date."

The report was signed by Representatives Ramras (Chair), Weyhrauch, Salmon; and Senators Wagoner (Chair), Wilken.

The Conference Committee adopted a Legislative letter of intent (page 1015).

The following fiscal note(s) apply to CCS HB 130:

1. Zero, Dept. of Fish & Game
2. Fiscal, Dept. of Law
3. Fiscal, Dept. of Natural Resources
4. Fiscal, University of Alaska

The report is under Unfinished Business.

**The presence of Representative Berkowitz was noted.

SB 130

The Conference Committee considering:

HOUSE CS FOR CS FOR SENATE BILL NO. 130(JUD) am H

"An Act relating to workers' compensation and to assigned risk pools; relating to the Alaska Insurance Guaranty Association; establishing the Task Force on Workers' Compensation; amending Rule 45, Alaska Rules of Civil Procedure; and providing for an effective date."

(HCR 19 - title change resolution)

and

CS FOR SENATE BILL NO. 130(FIN) am

"An Act relating to a special deposit for workers' compensation and employers' liability insurers; relating to assigned risk pools; relating to workers' compensation insurers; stating the intent of the legislature, and setting out limitations, concerning the interpretation, construction, and implementation of workers' compensation laws; relating to the Alaska Workers' Compensation Board; assigning certain Alaska Workers' Compensation Board functions to the division of workers' compensation in the Department of Labor and Workforce Development and to that department, and authorizing the board to delegate administrative and enforcement duties to the division; providing for workers' compensation hearing officers in workers' compensation proceedings; establishing a Workers' Compensation Appeals Commission; relating to workers' compensation medical benefits and to charges for and payment of fees for the medical benefits; relating to agreements that discharge workers' compensation liability; relating to workers' compensation awards; relating to reemployment benefits and job dislocation benefits; relating to coordination of workers' compensation and certain disability benefits; relating to division of workers' compensation records; relating to release of treatment records; relating to an employer's failure to insure and keep insured or provide security; providing for appeals from compensation orders; relating to workers' compensation proceedings; providing for supreme court jurisdiction of appeals from the Workers' Compensation Appeals Commission; providing for a maximum amount for the cost-of-living adjustment for workers' compensation benefits; relating to attorney fees with respect to workers' compensation; providing for

the department to enter into contracts with nonprofit organizations to provide information services and legal representation to injured employees; providing for administrative penalties for employers uninsured or without adequate security for workers' compensation; relating to fraudulent acts or false or misleading statements in workers' compensation and penalties for the acts or statements; providing for members of a limited liability company to be included as an employee for purposes of workers' compensation; establishing a workers' compensation benefits guaranty fund; making conforming amendments; providing for a study and report by the medical services review committee; establishing the Task Force on Workers' Compensation; and providing for an effective date."

requests limited powers of free conference on the following specific point(s):

HOUSE CS FOR CS FOR SENATE BILL NO. 130(JUD) am H
Sec. 1, Sec. 3, Sec. 5, Sec. 6, Sec. 7, Sec. 8, Sec. 9, Sec. 10, Sec. 11, Sec. 16, Sec. 17, Sec. 20, Sec. 21, Sec. 22, Sec. 23, Sec. 24, Sec. 25, Sec. 26, Sec. 28, Sec. 29, Sec. 30, Sec. 31, Sec. 32, Sec. 34, Sec. 36, Sec. 37, Sec. 38, Sec. 39, Sec. 40, Sec. 41, Sec. 42, Sec. 43, Sec. 44, Sec. 45, Sec. 46, Sec. 49, Sec. 51, Sec. 54, Sec. 55, Sec. 56, Sec. 58, Sec. 59, Sec. 61, Sec. 63, Sec. 64, Sec. 65, Sec. 68, Sec. 69, Sec. 70, Sec. 71, Sec. 72

CS FOR SENATE BILL NO. 130(FIN) am
Sec. 1, Sec. 2, Sec. 3, Sec. 5, Sec. 6, Sec. 8, Sec. 9, Sec. 10, Sec. 14, Sec. 15, Sec. 17, Sec. 18, Sec. 21, Sec. 23, Sec. 24, Sec. 25, Sec. 26, Sec. 27, Sec. 29, Sec. 31, Sec. 32, Sec. 33, Sec. 37, Sec. 40, Sec. 41, Sec. 42, Sec. 44, Sec. 45, Sec. 46, Sec. 47, Sec. 49, Sec. 51, Sec. 52, Sec. 54, Sec. 55, Sec. 57, Sec. 58, Sec. 59, Sec. 60

The request was signed by Representatives Harris, Coghill, Guttenberg; and Senators Ben Stevens (Chair), Seekins, Guess.

The Speaker granted the limited powers of free conference as requested.

The Chief Clerk notified the Senate.

The Conference Committee considering HCS CSSB 130(JUD) am H and CSSB 130(FIN) am recommends the following be adopted:

CONFERENCE CS FOR SENATE BILL NO. 130

"An Act relating to workers' compensation and to assigned risk pools; relating to the Alaska Insurance Guaranty Association; establishing the Task Force on Workers' Compensation; amending Rule 45, Alaska Rules of Civil Procedure; and providing for an effective date."

The report was signed by Representatives Harris, Coghill; and Senators Ben Stevens (Chair), Seekins.

The following fiscal note(s) apply to CCS SB 130:

- 14. Fiscal, Alaska Court System
- 15. Fiscal, Dept. of Labor & Workforce Development
- 16. Indeterminate, Dept. of Administration

The report is under Unfinished Business.

CONSIDERATION OF THE DAILY CALENDAR

THIRD READING OF SENATE BILLS

SB 73

The following, which was on the May 12, 2005, calendar (page 1979), was read the third time:

CS FOR SENATE BILL NO. 73(FIN) am

"An Act relating to a lease-purchase agreement for the construction, equipping, and financing of a state virology laboratory in Fairbanks to be operated by the Department of Health and Social Services; relating to the issuance of certificates of participation for the laboratory; relating to the use of certain investment income for certain construction and equipment costs for the laboratory; and providing for an effective date."

Representative Gruenberg moved and asked unanimous consent that CSSB 73(FIN) am be returned to second reading for the specific purpose of considering Amendment No. 1 and Amendment No. 2. There being no objection, it was so ordered.

Amendment No. 1 was offered by Representatives Gruenberg, Meyer, Anderson, Gardner, Cissna, Gatto, Berkowitz, Gara, and Lynn:

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

Insert "**relating to reimbursement of municipal bonds for school construction;**"

Page 1, line 13:

Delete "sec. 2"

Insert "sec. 4"

Page 2, line 2:

Delete "sec. 2"

Insert "sec. 4"

Page 2, following line 2:

Insert new bill sections to read:

**** Sec. 2.** AS 14.11.100(a) is amended to read:

(a) During each fiscal year, the state shall allocate to a municipality that is a school district the following sums:

(1) payments made by the municipality during the fiscal year two years earlier for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred before July 1, 1977, to pay costs of school construction;

(2) 90 percent of

(A) payments made by the municipality during the fiscal year two years earlier for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred after June 30, 1977, and before July 1, 1978, to pay costs of school construction;

(B) cash payments made after June 30, 1976, and before July 1, 1978, by the municipality during the fiscal year two years earlier to pay costs of school construction;

(3) 90 percent of

(A) payments made by the municipality during the

fiscal year two years earlier for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred after June 30, 1978, and before January 1, 1982, to pay costs of school construction projects approved under AS 14.07.020(a)(11);

(B) cash payments made after June 30, 1978, and before July 1, 1982, by the municipality during the fiscal year two years earlier to pay costs of school construction projects approved under AS 14.07.020(a)(11);

(4) subject to (h) and (i) of this section, up to 90 percent of

(A) payments made by the municipality during the current fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred after December 31, 1981, and authorized by the qualified voters of the municipality before July 1, 1983, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are approved under AS 14.07.020(a)(11);

(B) cash payments made after June 30, 1982, and before July 1, 1983, by the municipality during the fiscal year two years earlier to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are approved under AS 14.07.020(a)(11); and

(C) payments made by the municipality during the current fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are submitted to the department for approval under AS 14.07.020(a)(11) before July 1, 1983, and approved by the qualified voters of the municipality before October 15, 1983, not to exceed a total project cost of (i) \$6,600,000 if the annual growth rate of average daily membership of the municipality is more than seven percent but less than 12 percent, or (ii) \$20,000,000 if the annual growth rate of average daily membership of the municipality is 12 percent or more; payments made by a municipality under this subparagraph on total project costs that exceed the amounts set out in (i) and (ii) of this subparagraph are subject to (5)(A) of this subsection;

(5) subject to (h) - (j) of this section, 80 percent of

(A) payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality

(i) after June 30, 1983, but before March 31, 1990, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are approved under AS 14.07.020(a)(11); or

(ii) before July 1, 1989, and reauthorized before November 1, 1989, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are approved under AS 14.07.020(a)(11); and

(B) cash payments made after June 30, 1983, by the municipality during the fiscal year two years earlier to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are approved by the department before July 1, 1990, under AS 14.07.020(a)(11);

(6) subject to (h) - (j) and (m) of this section, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after April 30, 1993, but before July 1, 1996, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$200,000 and are approved under AS 14.07.020(a)(11);

(7) subject to (h) - (j) and (m) of this section, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality after March 31, 1990, but before April 30, 1993, to pay costs of school construction, additions to schools, and major rehabilitation projects;

(8) subject to (h), (i), (j)(2) - (5), and (n) of this section and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds,

notes, or other indebtedness authorized by the qualified voters of the municipality on or after July 1, 1995, but before July 1, 1998, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$200,000 and are approved under AS 14.07.020(a)(11);

(9) subject to (h), (i), (j)(2) - (5), and (n) of this section and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after July 1, 1998, but before July 1, 2006, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$200,000 and are approved under AS 14.07.020(a)(11);

(10) subject to (h), (i), (j)(2) - (5), and (o) of this section, and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1998, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (n) of this section;

(11) subject to (h), (i), and (j)(2) - (5) of this section, and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1999, but before January 1, 2005, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed \$200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

(12) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on

outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1999, but before January 1, 2005, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed \$200,000, are reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

(13) subject to (h), (i), and (j)(2) - (5) of this section, and after projects funded by the tax exempt bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1999, but before July 1, 2006, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed \$200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

(14) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1999, but before July 1, 2006, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed \$200,000, are reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section.

* **Sec. 3.** AS 14.11.100(j) is amended to read:

(j) Except as provided in (l) of this section, the state may not allocate money to a municipality for a school construction project under (a)(5), (6), or (7) of this section unless the municipality complies with the requirements of (1) - (5) of this subsection, the project is approved by the commissioner before the local vote on the bond issue for the project or for bonds authorized after March 31, 1990, but on or before April 30, 1993, the bonds are approved by the commissioner before reimbursement by the state, and the local vote occurs before July 1, 1987, or after June 30,

1988. In approving a project under this subsection, and to the extent required under **(a)(8) - (14)** [(a)(8) - (12)] of this section, the commissioner shall require

(1) the municipality to include on the ballot for the bond issue, for bonds authorized on or before March 31, 1990, or after April 30, 1993, the estimated total cost of each project including estimated total interest, estimated annual operation and maintenance costs, the estimated amounts that will be paid by the state and by the municipality, and the approximate amount that would be due in annual taxes on \$100,000 in assessed value to retire the debt;

(2) that the bonds may not be refunded unless the annual debt service on the refunding issue is not greater than the annual debt service on the original issue;

(3) that the bonds must be repaid in approximately equal annual principal payments or approximately equal debt service payments over a period of at least 10 years;

(4) the municipality to demonstrate need for the project by establishing that the school district has

(A) projected long-term student enrollment that indicates the district has inadequate facilities to meet present or projected enrollment;

(B) facilities that require repair or replacement in order to meet health and safety laws or regulations or building codes;

(C) demonstrated that the project will result in a reduction in annual operating costs that economically justifies the cost of the project; or

(D) facilities that require modification or rehabilitation for the purpose of improving the instructional program;

(5) evidence acceptable to the department that the district

(A) has a preventive maintenance plan that

(i) includes a computerized maintenance management program, cardex system, or other formal systematic means of tracking the timing and costs associated with planned and completed maintenance activities, including scheduled preventive maintenance;

(ii) addresses energy management for buildings owned or operated by the district;

(iii) includes a regular custodial care program for buildings owned or operated by the district;

(iv) includes preventive maintenance training for facility managers and maintenance employees; and

(v) includes renewal and replacement schedules for electrical, mechanical, structural, and other components of facilities owned or operated by the district; and

(B) is adequately following the preventive maintenance plan."

Renumber the following bill sections accordingly.

Page 2, line 27:

Delete "Section 2"

Insert "Section 4"

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

Representative Rokeberg objected and rose to a point of order regarding the germaneness of the amendment.

The Speaker ruled that the amendment was in order.

Representative Rokeberg withdrew the objection. There being no further objection, Amendment No. 1 was adopted and the new title follows:

CS FOR SENATE BILL NO. 73(FIN) am H

"An Act relating to reimbursement of municipal bonds for school construction; relating to a lease-purchase agreement for the construction, equipping, and financing of a state virology laboratory in Fairbanks to be operated by the Department of Health and Social Services; relating to the issuance of certificates of participation for the laboratory; relating to the use of certain investment income for certain construction and equipment costs for the laboratory; and providing for an effective date."

Amendment No. 2 was offered by Representatives Berkowitz, Meyer, Gardner, Cissna, and Gruenberg:

Page 1, line 5, following "**laboratory**;" (title amendment):

Insert "**authorizing financing for certain public transportation projects; giving notice of and approving the entry into, and the issuance of revenue obligations that provide participation in, lease-financing agreements for those transportation projects;**"

Page 2, line 29:

Delete all material and insert:

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

TRANSPORTATION PROJECT ALLOCATION. The Department of Transportation and Public Facilities shall allocate the net proceeds derived from the sale of revenue obligations authorized in sec. 7 of this Act for construction or acquisition of the following state transportation projects among those projects as follows, subject to reallocation among the projects under AS 37.07.080(e):

PROJECT	ALLOCATION
(1) Anchorage: Glenn Highway congestion	\$ 37,500,000
(2) Anchorage: Lake Otis and Tudor intersection improvements	4,300,000
(3) Fairbanks: Gaffney Road upgrade	6,250,000
(4) Matanuska-Susitna Borough: Upgrade Old Glenn Highway Plumley Road to City of Palmer	6,000,000
(5) Matanuska-Susitna Borough: Palmer-Wasilla Highway expansion	6,000,000
(6) Richardson Highway passing lane additions mileposts 265 - 341	5,000,000
(7) Glacier Highway: road extension	5,000,000

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

DELEGATION OF AUTHORITY FOR LEASE-FINANCING AGREEMENTS. The Department of Transportation and Public Facilities is delegated the Department of Administration's authority under AS 36.30.085 to enter into lease-financing agreements in connection with the issuance of revenue obligations to finance the state transportation projects described in sec. 4 of this Act.

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

LEASE-FINANCING PAYMENTS. (a) The lease payments owed under lease-financing agreements executed under sec. 5 of this Act are subject to annual appropriation by the legislature.

(b) The legislature intends that federal money in the form of apportionments from the Federal Highway Administration for federal highway grants will provide revenue that may be appropriated for the lease payments; however, if that revenue source is insufficient, the payments may be appropriated from any other valid revenue source.

* **Sec. 7.** The uncodified law of the State of Alaska is amended by adding a new section to read:

NOTICE OF THE ENTRY INTO AND FINANCING OF REVENUE OBLIGATIONS. (a) Subject to annual appropriation, the Department of Transportation and Public Facilities is authorized to enter into lease-financing agreements for the issuance of revenue obligations for the state transportation projects described in sec. 4 of this Act.

(b) The state bond committee is authorized to provide for the issuance of revenue obligations in one or more series in the aggregate principal amount of \$71,175,000 for the costs of construction of the projects described in sec. 4 of this Act. The principal amount includes the estimated cost of \$70,050,000 for constructing, acquiring, and equipping the projects described in sec. 4 of this Act; and an amount for the cost of issuing the revenue obligations of \$1,125,000. The estimated annual amount of rental obligations under the lease-financing agreements is \$6,130,000. The estimated total lease payments for the full term of the lease-financing agreements is \$98,080,000.

(c) The average annual debt service on revenue obligations to be issued under this Act may not exceed 25 percent of the most recent annual obligation authority received by the State of Alaska from the Federal Highway Administration for the state's federal highway program. As further protection for the holders of the revenue obligations, the resolution of the state bond committee authorizing the issuance of the revenue obligations authorized under this Act shall include the same percentage limitation on the average annual debt service for all outstanding revenue obligations payable from the State of Alaska's federal highway program.

(d) The state bond committee may contract for credit

enhancement, underwriting, credit ratings, bond counsel, financial advisor, printing, and trustee services that the committee considers necessary in financing the projects described in sec. 4 of this Act.

(e) There is created the 2005 state transportation project fund. The proceeds of the revenue obligations issued under this Act shall be deposited into the 2005 state transportation project fund.

(f) In this section,

(1) "costs of construction" includes credit enhancement and underwriting expenses, rating agency fees, bond counsel fees, financial advisor fees, printing fees, trustee fees, and interest earnings used for lease payments;

(2) "revenue obligation" means a certificate of participation in the right to receive a payment under a lease-financing agreement made to finance the costs of construction or acquisition of a state transportation project.

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

NOTICE AND APPROVAL OF AGREEMENTS. Section 7 of this Act constitutes the notice and approval of lease-financing agreements to finance the transportation projects described in sec. 4 of this Act that is required by AS 36.30.085.

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

STATE TRANSPORTATION PROJECTS IN METROPOLITAN PLANNING AREAS. If an amount allocated in sec. 2 of this Act for a state transportation project in a metropolitan planning area is not sufficient to complete the project, it is the intent of the legislature that the metropolitan planning organization for the metropolitan planning area include the project in the organization's transportation improvement program and fund the project to completion.

* **Sec. 10.** Sections 4 - 9 of this Act take effect July 1, 2005.

* **Sec. 11.** Sections 1 - 3 of this Act take effect immediately under AS 01.10.070(c)."

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

Representative Rokeberg objected.

HOUSE JOURNAL

2002

May 13, 2005

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

CSSB 73(FIN) am H
Second Reading
Amendment No. 2

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

Yeas: Anderson, Berkowitz, Cissna, Coghill, Crawford, Croft, Dahlstrom, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Harris, Hawker, Joule, Kapsner, Kerttula, Kott, LeDoux, Lynn, McGuire, Meyer, Moses, Salmon, Samuels, Seaton, Weyhrauch, Wilson

Nays: Chenault, Elkins, Foster, Kelly, Kohring, Neuman, Olson, Ramras, Rokeberg, Stoltze, Thomas

Excused: Holm

And so, Amendment No. 2 was adopted, and the new title follows:

CS FOR SENATE BILL NO. 73(FIN) am H

"An Act relating to reimbursement of municipal bonds for school construction; relating to a lease-purchase agreement for the construction, equipping, and financing of a state virology laboratory in Fairbanks to be operated by the Department of Health and Social Services; relating to the issuance of certificates of participation for the laboratory; relating to the use of certain investment income for certain construction and equipment costs for the laboratory; authorizing financing for certain public transportation projects; giving notice of and approving the entry into, and the issuance of revenue obligations that provide participation in, lease-financing agreements for those transportation projects; and providing for an effective date."

The question being: "Shall CSSB 73(FIN) am H pass the House?" The roll was taken with the following result:

CSSB 73(FIN) am H
Third Reading
Final Passage

YEAS: 37 NAYS: 2 EXCUSED: 1 ABSENT: 0

Yeas: Anderson, Berkowitz, Chenault, Cissna, Coghill, Crawford, Croft, Dahlstrom, Elkins, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Harris, Hawker, Joule, Kapsner, Kelly, Kerttula, Kohring, Kott, LeDoux, Lynn, McGuire, Meyer, Moses, Neuman, Ramras, Rokeberg, Salmon, Samuels, Seaton, Stoltze, Thomas, Weyhrauch, Wilson

Nays: Foster, Olson

Excused: Holm

And so, CSSB 73(FIN) am H passed the House.

Representative Coghill moved and asked unanimous consent that the roll call on the passage of the bill be considered the roll call on the effective date clause. There being no objection, it was so ordered.

Representative Kelly later gave notice of reconsideration of the vote on CSSB 73(FIN) am H and it was taken up then.

CONCUR IN SENATE AMENDMENTS

HB 147

Representative Coghill moved and asked unanimous consent that the House consider the Senate message (page 1926) on the following:

CS FOR HOUSE BILL NO. 147(FIN) am

"An Act relating to notice of suspension or revocation of an insurer's certificate of authority and the effect of the suspension or revocation upon the authority of agents and managing general agents of the insurer; relating to certain deposits under AS 21; relating to the yielding of assets and securities held on deposit; relating to third-party administrators under AS 21; relating to insurance agents, managing general agents, reinsurance intermediary managers, and insurance producers; requiring the director of insurance to notify a licensee of a license renewal before the renewal date; defining the term 'appointment' as used in part of AS 21; relating to the eligibility to provide coverage by a nonadmitted insurer and alien insurer; relating to surplus lines insurance and brokers; relating to misrepresentations and false advertising concerning insurance; relating to health discount

plans; providing for limitations on owner controlled and contractor controlled insurance programs and limiting the coverage of those programs; prohibiting excessive, inadequate, or unfairly discriminatory rate charges for health insurance; defining the term 'plan administrator' as used in part of AS 21; defining the term 'transact' as used in AS 21; authorizing the director of insurance to designate a person to receive annual reports from companies; reducing the period for filing a quarterly financial statement; and providing for an effective date."

and

SENATE CS FOR CS FOR HOUSE BILL NO. 147(FIN)
(same title)

There being no objection, it was so ordered.

Representative Coghill moved that the House concur in the Senate amendment to CSHB 147(FIN) am, thus adopting SCS CSHB 147(FIN).

The question being: "Shall the House concur in the Senate amendment to CSHB 147(FIN) am?" The roll was taken with the following result:

SCS CSHB 147(FIN)

Concur

YEAS: 12 NAYS: 25 EXCUSED: 1 ABSENT: 2

Yeas: Anderson, Chenault, Coghill, Kelly, McGuire, Neuman, Olson, Ramras, Rokeberg, Samuels, Seaton, Wilson

Nays: Berkowitz, Cissna, Crawford, Croft, Dahlstrom, Elkins, Foster, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Harris, Hawker, Joule, Kapsner, Kerttula, Kohring, Kott, Lynn, Meyer, Moses, Salmon, Stoltze, Weyhrauch

Excused: Holm

Absent: LeDoux, Thomas

And so, the House failed to concur in the Senate amendment, thus failing to adopt SCS CSHB 147(FIN).

The Chief Clerk notified the Senate and respectfully requested it to recede.

In the event the Senate fails to recede from its amendment, the Speaker appointed the following members to a Conference Committee to meet with a like committee from the Senate to consider the above bills:

Representative Rokeberg, Chair
Representative Anderson
Representative Gardner

HB 94

Representative Coghill moved and asked unanimous consent that the House consider the Senate message (page 1925) on the following:

CS FOR HOUSE BILL NO. 94(FIN) am

"An Act relating to qualifications of voters, requirements and procedures regarding independent candidates for President and Vice-President of the United States, voter registration, voter residence, precinct boundary and polling place designation and modification, political parties, voters unaffiliated with a political party, early voting, absentee voting, ballot design, ballot counting, voting by mail, voting machines, vote tally systems, qualifications for elected office, initiative, referendum, recall, and definitions in the Alaska Election Code; and relating to incorporation elections."

and

SENATE CS FOR CS FOR HOUSE BILL NO. 94(STA)
(same title)

There being no objection, it was so ordered.

Representative Coghill moved that the House concur in the Senate amendment to CSHB 94(FIN) am, thus adopting SCS CSHB 94(STA) and recommended that the members vote no.

The question being: "Shall the House concur in the Senate amendment to CSHB 94(FIN) am?" The roll was taken with the following result:

SCS CSHB 94(STA)

Concur

YEAS: 10 NAYS: 28 EXCUSED: 1 ABSENT: 1

Yeas: Anderson, Chenault, Foster, Kelly, Kohring, Kott, Lynn, Rokeberg, Thomas, Wilson

Nays: Berkowitz, Cissna, Coghill, Crawford, Croft, Dahlstrom, Elkins, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Harris, Hawker, Joule, Kapsner, Kerttula, LeDoux, McGuire, Meyer, Moses, Neuman, Olson, Ramras, Salmon, Samuels, Seaton, Stoltze

Excused: Holm

Absent: Weyhrauch

And so, the House failed to concur in the Senate amendment, thus failing to adopt SCS CSHB 94(STA).

The Chief Clerk notified the Senate and respectfully requested it to recede.

In the event the Senate fails to recede from its amendment, the Speaker appointed the following members to a Conference Committee to meet with a like committee from the Senate to consider the above bills:

Representative Samuels, Chair

Representative Elkins

Representative Gruenberg

RECONSIDERATION

SB 73

Representative Kelly gave notice of reconsideration of the vote on CSSB 73(FIN) am H (page 2002).

Representative Kelly moved and asked unanimous consent that reconsideration of CSSB 73(FIN) am H 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 SENATE BILL NO. 73(FIN) am H

"An Act relating to reimbursement of municipal bonds for school construction; relating to a lease-purchase agreement for the construction, equipping, and financing of a state virology laboratory in Fairbanks to be operated by the Department of Health and Social Services; relating to the issuance of certificates of participation for the laboratory; relating to the use of certain investment income for certain construction and equipment costs for the laboratory; authorizing financing for certain public transportation projects; giving notice of and approving the entry into, and the issuance of revenue obligations that provide participation in, lease-financing agreements for those transportation projects; and providing for an effective date."

Representative Kelly moved and asked unanimous consent that CSSB 73(FIN) am H be returned to second reading for the specific purpose of considering Amendment No. 3. There being no objection, it was so ordered.

Amendment No. 3 was offered by Representatives Kelly and Gruenberg:

Under Amendment No. 1, Paragraphs (13) and (14):

Delete "July 1, 2006"

Insert "October 31, 2007"

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

There was objection.

Amendment to Amendment No. 3 was offered by Representative Kelly:

Delete "2007"

Insert "2006"

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Representative Kelly moved and asked unanimous consent that Amendment to Amendment No. 3 be adopted. There being no objection, it was so ordered.

There being no further objection, Amendment No. 3 as amended was adopted.

The question to be reconsidered: "Shall CSSB 73(FIN) am H pass the House?" The roll was taken with the following result:

CSSB 73(FIN) am H--RECONSIDERATION

Third Reading

Final Passage

YEAS: 37 NAYS: 0 EXCUSED: 1 ABSENT: 2

Yeas: Anderson, Berkowitz, Chenault, Cissna, Coghill, Crawford, Croft, Dahlstrom, Elkins, Foster, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Harris, Hawker, Joule, Kapsner, Kelly, Kerttula, Kohring, Kott, LeDoux, Lynn, McGuire, Meyer, Moses, Neuman, Olson, Ramras, Rokeberg, Salmon, Seaton, Stoltze, Thomas, Wilson

Excused: Holm

Absent: Samuels, Weyhrauch

And so, CSSB 73(FIN) am H passed the House on reconsideration.

Representative Coghill moved and asked unanimous consent that the roll call on the passage of the bill be considered the roll call on the effective date clause. There being no objection, it was so ordered.

CSSB 73(FIN) am H was referred to the Chief Clerk for engrossment.

The House reverted to:

REPORTS OF SPECIAL COMMITTEES

SB 141

The Free Conference Committee considering HCS CSSB 141(FIN) am H and CSSB 141(FIN) recommends the following be adopted:

FREE CONFERENCE CS FOR SENATE BILL NO. 141
(forthcoming)

The report was signed by Representatives Kelly (Chair), Hawker, Kerttula; and Senators Stedman (Chair), Wilken, Elton.

The following fiscal note(s) apply to CCS SB 141:

1. Fiscal, Dept. of Administration
3. Fiscal, Dept. of Revenue
4. Fiscal, Dept. of Revenue
5. Fiscal, Dept. of Revenue
6. Fiscal, Dept. of Revenue
7. Fiscal, Dept. of Revenue
9. Zero, House Finance Committee/Dept. of Administration
11. Fiscal, Dept. of Administration

The report was received at 6:30 p.m., May 13 and is under Unfinished Business.

SPECIAL ORDER OF BUSINESS

HCR 24

Representative Coghill moved and asked unanimous consent that the following be taken up as a Special Order of Business:

HOUSE CONCURRENT RESOLUTION NO. 24

Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, concerning Senate Bill No. 73, relating to a lease-purchase agreement for the construction, equipping, and financing of a state virology laboratory in Fairbanks to be operated by the Department of Health and Social Services; relating to the issuance of certificates of participation for the laboratory; relating to the use of certain investment income for certain construction and equipment costs for the laboratory.

There being no objection, it was so ordered.

The question being: "Shall HCR 24 pass the House?" The roll was taken with the following result:

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HCR 24

Special Order of Business

YEAS: 37 NAYS: 1 EXCUSED: 1 ABSENT: 1

Yeas: Anderson, Berkowitz, Chenault, Cissna, Coghill, Crawford, Dahlstrom, Elkins, Foster, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Harris, Hawker, Joule, Kapsner, Kelly, Kerttula, Kohring, Kott, LeDoux, Lynn, McGuire, Meyer, Moses, Neuman, Olson, Ramras, Salmon, Samuels, Seaton, Stoltze, Thomas, Weyhrauch, Wilson

Nays: Rokeberg

Excused: Holm

Absent: Croft

And so, HCR 24 passed the House and was referred to the Chief Clerk for engrossment.

ENGROSSMENT

HCR 24

HCR 24 was engrossed, signed by the Speaker and Chief Clerk and transmitted to the Senate for consideration.

SB 73

CSSB 73(FIN) am H was engrossed, signed by the Speaker and Chief Clerk and transmitted to the Senate for consideration.

ANNOUNCEMENTS

House committee schedules are published daily under separate cover.

ADJOURNMENT

Representative Coghill moved and asked unanimous consent that the House adjourn until 10:00 a.m., May 14, 2005. There being no objection, the House adjourned at 8:35 p.m.

Suzi Lowell
Chief Clerk