

HOUSE JOURNAL
ALASKA STATE LEGISLATURE
TWENTY-FIFTH LEGISLATURE

Juneau, Alaska

Friday

March 16, 2007

Sixtieth Day

Pursuant to adjournment the House was called to order by Speaker Harris at 10:15 a.m.

Roll call showed 28 members present. Representatives Buch, Fairclough, Gatto, Johansen, Kohring, LeDoux, Salmon, and Samuels had been excused from a call of the House today. Representatives Joule and Kelly were absent and their presence was noted later.

Representative Foster, Acting Majority Leader, moved and asked unanimous consent that Representative Cissna be excused from a call of the House today. There being no objection, it was so ordered.

Representative Foster moved and asked unanimous consent that Representative Crawford be excused from a call of the House from 10:00 a.m., today to morning plane time, March 19. There being no objection, it was so ordered.

The invocation was offered by the Chaplain, David Dierdorff of Juneau Unitarian Universalist Fellowship. Representative Dahlstrom moved and asked unanimous consent that the invocation be spread on the journal. There being no objection, it was so ordered.

Please join me in reverence.

Spirit of life, God of all generations, draw us near and inspire us to see anew the life before us. Make us like the child who sees clearly and touches so deeply. From the source of our being we yearn for new vision, new eyes to see the world,

new ears to hear the cries of sorrow and of joy. Uplift us to the glories beheld in ourselves and in those around us. And yes, open our hearts to the pain we guard within ourselves and to the pain known by the hungry in body and in spirit.

In this moment of life, sustain us for a moment in the silence of our own thoughts and prayers.

Peace be to this gathering. So be it. Amen.

The Pledge of Allegiance was led by Representative Doogan.

CERTIFICATION OF THE JOURNAL

Representative Foster moved and asked unanimous consent that the journal for the 58th and 59th legislative days be approved as certified by the Chief Clerk. There being no objection, it was so ordered.

* * * * *

Representative Doll introduced Keyaira King, Guest Page, from Juneau.

RECONSIDERATION

HB 121

The Speaker stated that, without objection, reconsideration (page 463) of the following would be held to March 19, 2007:

CSHB 121(L&C) am(efd fld)

"An Act relating to release of information in individual workers' compensation records."

MESSAGES FROM THE SENATE

A message dated March 14, 2007, was read stating the Senate passed the following and they are transmitted for consideration:

**FIRST READING AND REFERENCE
OF SENATE RESOLUTIONS****SJR 1**

SENATE JOINT RESOLUTION NO. 1 by Senators Davis, Wielechowski, Ellis, McGuire, Elton, Thomas, French, Olson, and Wilken:

Relating to reauthorization of federal funding for children's health insurance; and encouraging the Governor to support additional funding for and access to children's health insurance.

was read the first time and referred to the Health, Education & Social Services and Finance Committees.

**The presence of Representative Joule was noted.

**FIRST READING AND REFERENCE
OF SENATE BILLS****SB 82**

CS FOR SENATE BILL NO. 82(FIN) by the Senate Finance Committee, entitled:

"An Act making supplemental appropriations and other appropriations; amending the lapse dates of certain appropriations; and providing for an effective date."

was read the first time and referred to the Finance Committee.

COMMUNICATIONS

The following was received:

Alaska Court System
2006 Time-To-Disposition Reports
Volumes 1, 2, 3A, 3B, 4, 5, 6
(as required by AS 22.20.310)

REPORTS OF STANDING COMMITTEES

The Judiciary Committee reviewed the qualifications of the following and recommends the appointment be forwarded to a joint session for consideration:

Mr. Talis Colberg

as Attorney General.

The report was signed by Representative Ramras, Chair; and Representatives Gruenberg, Lynn, Coghill, Dahlstrom, Samuels, Holmes.

HJR 11

The State Affairs Committee considered:

HOUSE JOINT RESOLUTION NO. 11

Relating to the increased authority granted to the President of the United States to federalize the National Guard of the individual states without the consent of the governors; and urging the United States Congress to take action to restore the sovereignty of the individual states to regulate and command the National Guard of the states.

and recommends it be replaced with:

CS FOR HOUSE JOINT RESOLUTION NO. 11(STA)
(same title)

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

Do pass (7): Johnson, Johansen, Roses, Gruenberg, Coghill, Doll, Lynn

The following fiscal note(s) apply to CSHJR 11(STA):

1. Zero, House Special Committee on Military & Veterans' Affairs/Legislative Agency

HJR 11 was referred to the Rules Committee for placement on the calendar.

HB 2

The Health, Education & Social Services Committee considered:

HOUSE BILL NO. 2

"An Act relating to the vocational education account and appropriations from that account; and providing for an effective date."

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

Do pass (4): Neuman, Fairclough, Seaton, Roses

No recommendation (1): Gardner

Amend (2): Cissna, Wilson

The following fiscal note(s) apply:

1. Zero, Dept. of Administration

HB 2 was referred to the Finance Committee.

HB 101

The Community & Regional Affairs Committee considered:

HOUSE BILL NO. 101

"An Act relating to uniform traffic laws."

and recommends it be replaced with:

CS FOR HOUSE BILL NO. 101(CRA)

"An Act relating to uniform traffic laws and to operating a vehicle while under the influence of an alcoholic beverage, inhalant, or controlled substance."

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

Do pass (4): Neuman, Olson, LeDoux, Fairclough

Amend (1): Cissna

The following fiscal note(s) apply to CSHB 101(CRA):

1. Zero, Dept. of Administration

HB 101 was referred to the Rules Committee for placement on the calendar.

HB 125

The Finance Committee considered:

HOUSE BILL NO. 125

"An Act relating to budget planning and a long-range fiscal plan for the State of Alaska."

and recommends it be replaced with:

CS FOR HOUSE BILL NO. 125(FIN)

"An Act relating to budget planning and a fiscal plan for the State of Alaska."

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

Do pass (5): Joule, Thomas, Hawker, Stoltze, Meyer

No recommendation (2): Kelly, Chenault

Amend (1): Gara

The following fiscal note(s) apply to CSHB 125(FIN):

1. Indeterminate, Dept. of Revenue
2. Fiscal, Office of the Governor

HB 125 was referred to the Rules Committee for placement on the calendar.

HB 159

The Health, Education & Social Services Committee considered:

HOUSE BILL NO. 159

"An Act relating to the issuance of a certificate of birth resulting in a stillbirth."

and recommends it be replaced with:

CS FOR HOUSE BILL NO. 159(HES)
(same title)

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

Do pass (3): Fairclough, Roses, Wilson

No recommendation (3): Neuman, Gardner, Seaton

The following fiscal note(s) apply to CSHB 159(HES):

1. Fiscal, Dept. of Health & Social Services

HB 159 was referred to the Judiciary Committee.

HB 169

The Community & Regional Affairs Committee considered:

HOUSE BILL NO. 169

"An Act relating to municipal impoundment and forfeiture."

and recommends it be replaced with:

CS FOR HOUSE BILL NO. 169(CRA)
(same title)

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

Do pass (3): Cissna, LeDoux, Fairclough

No recommendation (2): Neuman, Olson

The following fiscal note(s) apply to CSHB 169(CRA):

1. Zero, Dept. of Commerce, Community, & Economic Development

HB 169 was referred to the Judiciary Committee.

SB 49

The Transportation Committee considered:

CS FOR SENATE BILL NO. 49(STA)

"An Act relating to commemorative license plates celebrating Alaska's 50th anniversary as a state; and providing for an effective date."

and recommends it be replaced with:

HOUSE CS FOR CS FOR SENATE BILL NO. 49(TRA)

"An Act relating to motor vehicle license plates; and providing for an effective date."

(HCR 4 - title change resolution)

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

Do pass (6): Kohring, Johnson, Neuman, Doogan, Fairclough, Johansen

The following fiscal note(s) apply to HCS CSSB 49(TRA):

2. Fiscal, Dept. of Administration

CSSB 49(STA) was referred to the State Affairs Committee.

INTRODUCTION OF CITATIONS

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

Honoring - Tony Gasbarro
By Representative Kawasaki

Honoring - Women's History Month, Generations of Women Moving
History Forward
By Senator Davis

In Memoriam - Specialist Shane W. Woods
By Representatives Stoltze, Gatto, Harris, Kohring, Neuman,
Dahlstrom; Senators Huggins, Green

In Memoriam - Vincent Edward Tubbs
By Representatives Stoltze, Gatto, Harris, Kohring, Neuman,
Dahlstrom; Senators Green, Huggins

In Memoriam - Janice Elizabeth Donnelly
By Senator Kookesh

INTRODUCTION, FIRST READING, AND REFERENCE OF HOUSE RESOLUTIONS

HCR 4

HOUSE CONCURRENT RESOLUTION NO. 4 by the House
Transportation Committee:

Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of
the Alaska State Legislature, concerning Senate Bill No. 49,
relating to commemorative license plates celebrating Alaska's
50th anniversary as a state.

was read the first time and referred to the Rules Committee.

**INTRODUCTION, FIRST READING, AND REFERENCE
OF HOUSE BILLS**

HB 204

HOUSE BILL NO. 204 by the House Rules Committee by request of the Governor, entitled:

"An Act relating to the public employees' and teachers' defined benefit retirement plans; relating to the public employees' and teachers' defined contribution retirement plans; relating to the judicial retirement system; relating to the health reimbursement arrangement plan for certain teachers and public employees; relating to the supplemental employee benefit program; relating to the public employees' deferred compensation program; relating to group insurance for public employees and retirees; making conforming amendments; and providing for an effective date."

was read the first time and referred to the House Special Committee on Ways & Means and the Finance Committee.

The following fiscal note(s) apply:

1. Zero, Dept. of Administration

The Governor's transmittal letter dated March 15, 2007, follows:

"Dear Speaker Harris:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the public employees' and teachers' defined benefit retirement plans; relating to the public employees' and teachers' defined contribution retirement plans; relating to the judicial retirement system; relating to the health reimbursement arrangement plan for certain teachers and public employees; relating to the supplemental employee benefit program; relating to the public employees' deferred compensation program; relating to group insurance for public employees and retirees; and making conforming amendments.

In 2005, FCCS SB 141(2d FCC) (SB 141) was enacted, making changes to the state's teachers' and public employees' defined benefit retirement plans and creating new defined contribution plans, with certain fixed and guaranteed benefits and a new health reimbursement arrangement plan, for new teachers and employees hired under the systems (ch. 9, FSSLA 2005). Following the enactment of SB 141, a number of needed corrections and clarifications of statutes were identified but legislation to address these issues failed to pass last year. The Commissioner of Administration also took steps to adopt regulations to clarify how benefits would be provided under the new plans. Those regulations interpreted the statutes for the new plans in a manner that would secure favorable determinations from the Internal Revenue Service (IRS) that the plans are qualified under the Internal Revenue Code (IRC). Favorable determinations for the defined contribution and occupational disability and death components were received on February 14, 2007.

This legislation is intended to provide the necessary clarifications and corrections that remain unresolved.

The regulations adopted by the Commissioner of Administration primarily dealt with issues crucial to securing favorable determinations from the IRS. A number of statutory amendments remain necessary to correct and clarify the statutory provisions of the plans, and to assure that benefits are provided in the manner intended by the Legislature. New provisions in this bill are designed to maintain the IRC-qualified status of both the defined benefit and defined contribution plans.

While a section-by-section analysis that contains a detailed explanation of the bill will be provided to the Legislature by the Department of Administration, Division of Retirement and Benefits, below is a summary list of the purpose of some of the amendments proposed by the bill:

- (1) provide statutory authority for funding of the new Teachers' Retirement System (TRS) plan's occupational disability and death benefits;
- (2) clarify statutory authority for funding of the new Public Employees' Retirement System (PERS) plan's optional monthly

pension benefits upon the retirement of disabled peace officers and fire fighters and clarify that employer contributions for defined benefits in the new PERS and TRS plans (occupational disability; occupational death; disabled peace officer/fire fighter optional pension benefit) will be deposited to separate trust accounts;

(3) add annual cost-of-living increases to disability benefits, survivor pensions, and optional pension benefits upon the retirement of disabled peace officers and fire fighters provided by the new PERS and Teachers' Retirement System (TRS) plans;

(4) add employer cost sharing of medical premiums for persons younger than Medicare age whose disability or survivor benefits are terminated due to eligibility for normal retirement;

(5) clarify that a member or survivor is not entitled to elect distributions from the member's individual account while receiving disability benefits or a survivor's pension;

(6) provide that elected officials of the state are eligible to participate in the new PERS defined contribution retirement plan;

(7) clarify that continuing employer contributions are made on behalf of the surviving spouse and member's dependent children rather than "beneficiaries";

(8) add guidelines for employer participation and termination from the PERS defined contribution retirement plan, including employee designations for participation and rights upon termination;

(9) remove residual provisions that allow former defined benefit plan members to reinstate refunded service, effective in 2010;

(10) provide authority for the Commissioner of Administration to adopt regulations for the supplemental employee benefits system, health reimbursement arrangement plan, deferred compensation plan, and group health insurance plans;

(11) provide a clear definition of "peace officer" and "fire fighter" under the defined contribution retirement plan;

- (12) allow TRS or PERS defined benefit plan members to participate in the TRS or PERS defined contribution retirement plan if hired by an employer that only participates in the defined contribution plan;
- (13) allow TRS and PERS defined benefit plan former (refunded) members to become members of the TRS or PERS defined contribution retirement plan if rehired on or after July 1, 2010;
- (14) revise the method for funding the retirement benefit for survivors of members who are disabled or die from occupational causes, to conform to the IRC;
- (15) clarify that the new retirement plans established by SB 141 are hybrid plans that fall under IRC sec. 414(k);
- (16) limit the option of non-vested PERS and TRS employees to transfer to the defined contribution plans to one 12-month window, to conform to the IRC;
- (17) update rollover provisions of the PERS and TRS plans and the judicial retirement system, to conform to the IRC.

The bill includes a delayed effective date of July 1, 2010, for specific sections. These include provisions that remove the opportunity for defined benefit plan members to reinstate refunded service and that allow such members to become members of the defined contribution retirement plans if they are rehired. The remainder of the bill has an immediate effective date.

I urge your support of this important legislation.

Sincerely,
/s/
Sarah Palin
Governor"

HB 205

HOUSE BILL NO. 205 by the House Labor and Commerce Committee by request, entitled:

"An Act relating to real estate broker and real estate salesperson licensing; and providing for an effective date."

was read the first time and referred to the Labor & Commerce and Finance Committees.

HB 206

HOUSE BILL NO. 206 by the House Rules Committee by request of the Governor, entitled:

"An Act relating to the accounting and payment of contributions under the defined benefit plan of the Public Employees' Retirement System of Alaska, to calculations of contributions under that defined benefit plan, and to participation in, and termination of and amendments to participation in, that defined benefit plan; making conforming amendments; and providing for an effective date."

was read the first time and referred to the House Special Committee on Ways & Means and the Finance Committee.

The following fiscal note(s) apply:

1. Indeterminate, Dept. of Administration

The Governor's transmittal letter dated March 15, 2007, follows:

"Dear Speaker Harris:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the accounting and payment of contributions collected under the defined benefit plan of the Public Employees' Retirement System of Alaska (PERS), to calculations of contributions under that defined benefit plan, and to termination of and amendments to participation in that defined benefit plan.

The bill would change the defined benefit plan of the PERS established under AS 39.35.095 - 39.35.680 into an employer cost-sharing program similar to the teachers' retirement system (TRS)

defined benefit plan established under AS 14.25.009 - 14.25.220, in which all employers make contributions at one uniform rate.

The Alaska Retirement Management Board supports the changes made by this bill. The bill also sets the stage to address the unfunded liability of the defined benefit plan of the PERS. As Governor, I am committed to working toward resolving the large unfunded liability that currently faces both PERS and TRS. This effort will require help and support from the legislature, political subdivisions, public employers and public employees. This bill is part of that effort.

Under the existing defined benefit plan of the PERS, participating employers make contributions at rates that vary depending on such factors as the number and experience of employees that the employer chooses to cover and whether the employer recognizes employees' past service. Under the proposed new cost-sharing plan, employers would pay a uniform contribution rate. The bill would provide for a transitional 90-day period for participating employers to amend their participation agreements to add or terminate coverage of a department, group, or other classification of employees from the defined benefit plan. After this period, the covered employee, departments, groups, or other classifications within the defined benefit plan would remain fixed.

The bill would repeal and reenact AS 39.35.100 to provide for one integrated system of accounting for all employers. The bill would repeal AS 39.35.250, 39.35.270, and 39.35.280, governing contributions by employers, and would add a new employer contribution section, AS 39.35.255, modeled after the employer contribution statute in the TRS.

The bill also would set the stage to address the problem of unfunded liability for the defined benefit plan of the PERS by amending AS 39.35.260 to add a new provision that would require the state to pay a contribution rate calculated to include 65 percent of the plan's unfunded liability as of June 30, 2006, and would require the political subdivision and public organization employers to pay the remaining 35 percent of that unfunded liability. The bill also would amend AS 39.35.610 to provide that if an employer's contributions are not submitted within the time limit prescribed by statute, the plan

administrator could collect funds in the possession of any agency and due to be disbursed to that employer if the funds due for disbursement are not restricted by statute or appropriation to a specific purpose.

The transition sections of the bill would take effect immediately. The remainder of the bill would go into effect on July 1, 2007.

I urge your support of this bill.

Sincerely,
/s/
Sarah Palin
Governor"

**The presence of Representative Kelly was noted.

CONSIDERATION OF THE DAILY CALENDAR

THIRD READING OF HOUSE BILLS

HB 7

The following, which was advanced to third reading from the March 14, 2007, calendar (page 458), was read the third time:

CS FOR HOUSE BILL NO. 7(FIN) am
"An Act relating to false caller identification."

The question being: "Shall CSHB 7(FIN) am pass the House?" The roll was taken with the following result:

CSHB 7(FIN) am
Third Reading
Final Passage

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

Yeas: Chenault, Coghill, Dahlstrom, Doll, Doogan, Edgmon, Foster, Gara, Gardner, Gruenberg, Guttenberg, Harris, Hawker, Holmes, Johnson, Joule, Kawasaki, Kelly, Kerttula, Lynn, Meyer, Nelson, Neuman, Olson, Roses, Seaton, Stoltze, Thomas, Wilson

Excused: Buch, Cissna, Crawford, Fairclough, Gatto, Johansen, Kohring, LeDoux, Salmon, Samuels

Absent: Ramras

And so, CSHB 7(FIN) am passed the House and was referred to the Chief Clerk for engrossment.

UNFINISHED BUSINESS

Representative Foster moved and asked unanimous consent that the following members be excused from a call of the House. There being no objection, the members were excused as noted:

Representative Dahlstrom - from 6:00 p.m., today to morning plane time, March 19

Representative Gruenberg - from 5:00 p.m., today to evening plane time, March 19

SB 49

The Speaker added a Finance Committee referral for the following:

CS FOR SENATE BILL NO. 49(STA)

"An Act relating to commemorative license plates celebrating Alaska's 50th anniversary as a state; and providing for an effective date."

CSSB 49(STA) is in the State Affairs Committee.

HB 159

The Speaker added a Finance Committee referral for the following:

HOUSE BILL NO. 159

"An Act relating to the issuance of a certificate of birth resulting in a stillbirth."

HB 159 is in the Judiciary Committee.

HJR 11

Representatives Lynn, Doll, and Johnson added their names as cosponsors to:

HOUSE JOINT RESOLUTION NO. 11

Relating to the increased authority granted to the President of the United States to federalize the National Guard of the individual states without the consent of the governors; and urging the United States Congress to take action to restore the sovereignty of the individual states to regulate and command the National Guard of the states.

HJR 12

Representative Crawford added his name as cosponsor to:

HOUSE JOINT RESOLUTION NO. 12

Urging the United States Congress to pass legislation to open the coastal plain of the Arctic National Wildlife Refuge to oil and gas exploration, development, and production.

HJR 13

Representative Crawford added his name as cosponsor to:

HOUSE JOINT RESOLUTION NO. 13

Urging the attorney general, the producers of natural gas in the Cook Inlet region, and the Regulatory Commission of Alaska to work to secure long-term and affordable supplies of natural gas for the people and businesses of the state.

HB 152

Representative Edgmon added his name as cosponsor to:

HOUSE BILL NO. 152

"An Act establishing a renewable energy fund and describing its uses and purposes."

HB 190

Representative Crawford added his name as cosponsor to:

HOUSE BILL NO. 190

"An Act relating to break times for employees who nurse a child."

HB 192

Representative Crawford added his name as cosponsor to:

HOUSE BILL NO. 192

"An Act relating to notification to teachers of layoff or nonretention."

HB 193

Representative Lynn added his name as cosponsor to:

HOUSE BILL NO. 193

"An Act relating to the composition of the Alaska Police Standards Council; and providing for an effective date."

HB 198

Representatives Doogan and Fairclough added their names as cosponsors to:

HOUSE BILL NO. 198

"An Act establishing the Alaska senior assistance payment program; repealing the senior care and longevity bonus payment programs; and providing for an effective date."

SJR 1

Representative Gara added his name as cross sponsor to:

SENATE JOINT RESOLUTION NO. 1

Relating to reauthorization of federal funding for children's health insurance; and encouraging the Governor to support additional funding for and access to children's health insurance.

ENGROSSMENT**HB 7**

CSHB 7(FIN) am was engrossed, signed by the Speaker and Chief Clerk and transmitted to the Senate for consideration.

HB 26

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

CS FOR HOUSE BILL NO. 26(FSH)

"An Act relating to aquatic farm permitting involving geoducks and to geoduck seed transfers between certified hatcheries and aquatic farms."

HB 35

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

HOUSE BILL NO. 35

"An Act extending the termination date for the Board of Certified Direct-Entry Midwives; and providing for an effective date."

ANNOUNCEMENTS

House committee schedules are published daily under separate cover.

The following meeting today was changed:

Judiciary Committee

CANCELED

ADJOURNMENT

Representative Foster moved and asked unanimous consent that the House adjourn until 10:45 a.m., March 19, 2007. There being no objection, the House adjourned at 10:47 a.m.

Suzi Lowell
Chief Clerk