

SENATE JOURNAL
ALASKA STATE LEGISLATURE
TWENTY-EIGHTH LEGISLATURE

FIRST SESSION

Juneau, Alaska **Thursday** **February 28, 2013**

Forty-fifth Day

Pursuant to adjournment the Senate was called to order by President Huggins at 11:00 a.m.

The roll showed nineteen members present. Senator Kelly was absent.

The prayer was offered by the Chaplain, Captain Donald Warriner of The Salvation Army. Senator Hoffman moved and asked unanimous consent that the prayer be spread. Without objection, it was so ordered.

I am humbled as I pray for the people of Alaska and their Senators. They are great people serving the great state of Alaska with their time and talents. Their goal is to make the state of Alaska the best place to live, work and play. Help them to find what is best for the people and the state in which we live. May they have the confidence to know how to proceed in all the matters placed before them.

I pray that you will bless each person here in the Senate and their families. Thank you for this day; may it bring honor to you.

I pray this in Jesus' name. Amen.

Senator Dyson led the Senate in the Pledge of Allegiance.

Certification

Senator Coghill moved and asked unanimous consent that the journal for the forty-fourth legislative day be approved as certified by the Secretary. Without objection, it was so ordered.

The presence of Senator Kelly was noted.

Messages from the House

Message dated February 27 was read stating the House passed and transmitted for consideration:

**First Reading and Reference of
House Resolutions****HJR 4**

CS FOR HOUSE JOINT RESOLUTION NO. 4(JUD) am BY THE HOUSE JUDICIARY COMMITTEE,

Urging the President of the United States to rescind 23 executive orders, executive actions, and executive recommendations, related to regulation of firearms; and urging the United States Congress to refrain from passing legislation that restricts the right of individuals to keep and bear arms

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

First Reading and Reference of House Bills**HB 69**

CS FOR HOUSE BILL NO. 69(JUD) BY THE HOUSE JUDICIARY COMMITTEE, entitled:

"An Act exempting certain firearms, firearm accessories, and ammunition in this state from federal regulation; declaring certain federal statutes,

regulations, rules, and orders unconstitutional under the Constitution of the United States and unenforceable in this state; providing criminal penalties for federal officials who enforce or attempt to enforce a federal statute, regulation, rule, or order regulating certain firearms and firearm accessories in this state; and providing for an effective date."

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

Standing Committee Reports

SB 21

The Resources Committee considered SENATE BILL NO. 21 "An Act relating to appropriations from taxes paid under the Alaska Net Income Tax Act; relating to the oil and gas production tax rate; relating to gas used in the state; relating to monthly installment payments of the oil and gas production tax; relating to oil and gas production tax credits for certain losses and expenditures; relating to oil and gas production tax credit certificates; relating to nontransferable tax credits based on production; relating to the oil and gas tax credit fund; relating to annual statements by producers and explorers; relating to the determination of annual oil and gas production tax values including adjustments based on a percentage of gross value at the point of production from certain leases or properties; making conforming amendments; and providing for an effective date" and recommended it be replaced with

CS FOR SENATE BILL NO. 21(RES) "An Act relating to appropriations from taxes paid under the Alaska Net Income Tax Act; providing a tax credit against the corporation income tax for qualified oil and gas service industry expenditures; relating to the oil and gas production tax rate; relating to gas used in the state; relating to monthly installment payments of the oil and gas production tax; relating to oil and gas production tax credits for certain losses and expenditures; relating to oil and gas production tax credit certificates; relating to nontransferable tax

credits based on production; relating to the oil and gas tax credit fund; relating to annual statements by producers and explorers; relating to the determination of annual oil and gas production tax value including adjustments based on a percentage of gross value at the point of production from certain leases or properties; establishing the Oil and Gas Competitive Review Board; making conforming amendments; and providing for an effective date."

and further recommended the adoption of the following Resources Committee Letter of Intent:

Letter of Intent

It is the intent of the Legislature that Alaska's decline in oil production be arrested and reversed; and that the State become competitive within its peer group in the global market of oil and gas resources.

The legislature intends, through passage of SB 21, to: (1) put in place a system for the taxation of oil and gas that is fair, stable, predictable, durable, balanced, and free from complexity across a wide range of oil prices; (2) promote a long-term, competitive, and vibrant oil and gas industry in the state; (3) acknowledge that the oil and gas industry plays an historic and crucial role in the state, providing revenue for and underpinning the resource-based economy of the state; (4) attract the necessary capital investment from the industry to increase oil and gas production, increase the throughput of the Trans Alaska Pipeline System, incentivize the exploration and development of new oil, provide a bridge to production for the challenged and stranded oil and gas resources in the state, return the state to a leadership position in national domestic oil production, and ensure the prosperity of future generations of Alaskans; (5) reflect the policy determination that the legislature chooses opportunity over decline.

Signing do pass: Senator Giessel, Chair; Senators McGuire, Dyson.
Signing do not pass: Senator French. Signing no recommendation:
Senators Micciche, Bishop. Signing amend: Senator Fairclough.

The following fiscal information was published today:

Fiscal Note No. 3, Department of Revenue
Fiscal Note No. 4, indeterminate, Department of Revenue
Fiscal Note No. 5, indeterminate, Department of Natural
Resources

The bill was referred to the Finance Committee.

SJR 3

The Resources Committee considered SPONSOR SUBSTITUTE FOR SENATE JOINT RESOLUTION NO. 3 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; relating to oil and gas exploration, development, production, and royalties; and relating to renewable and alternative energy technologies, and recommended it be replaced with

CS FOR SPONSOR SUBSTITUTE FOR SENATE
JOINT RESOLUTION NO. 3(RES)

Signing do pass: Senator Giessel, Chair; Senators French, Micciche, Bishop, McGuire, Fairclough, Dyson.

The following fiscal information was published today:

Fiscal Note No. 1, zero, Senate Resources Committee

The resolution was referred to the Rules Committee.

Introduction and Reference of Senate Bills

SB 69

SENATE BILL NO. 69 BY SENATOR OLSON, entitled:

"An Act establishing the Alaska Chinook salmon research and restoration endowment fund and relating to grants from the fund."

was read the first time and referred to the Resources and Finance Committees.

Consideration of the Calendar**Third Reading of Senate Bills****SB 7**

SENATE BILL NO. 7 am "An Act relating to the computation of the tax on the taxable income of a corporation derived from sources within the state" was read the third time.

Senator Coghill moved and asked unanimous consent that SENATE BILL NO. 7 am be held in third reading to the March 1 calendar. Without objection, it was so ordered.

Citations

Honoring - The Alaska Native Science & Engineering Program
Senator(s) Hoffman, Huggins, Bishop, Coghill, Dunleavy, Dyson, Egan, Ellis, Fairclough, French, Gardner, Giessel, Kelly, McGuire, Meyer, Micciche, Olson, Stedman, Stevens, Wielechowski
Representative(s) Guttenberg

Honoring - 2013 Top Ten Kuskokwim 300 Finishers
Senator(s) Hoffman, Huggins, Bishop, Coghill, Dunleavy, Dyson, Egan, Ellis, Fairclough, French, Gardner, Giessel, Kelly, McGuire, Meyer, Micciche, Olson, Stedman, Stevens, Wielechowski
Representative(s) Herron

Honoring - Margaret "Micky" Howard on the Occasion of Her Retirement
Representative(s) Thompson, Isaacson
Senator(s) Kelly, Coghill, Huggins, Bishop, Dunleavy, Dyson, Egan, Ellis, Fairclough, Gardner, Giessel, Hoffman, McGuire, Meyer, Micciche, Olson, Stedman, Stevens, Wielechowski

Honoring - Henry P. Guinotte
Representative(s) Hughes
Senator(s) Dunleavy, Huggins, Bishop, Coghill, Dyson, Egan, Ellis, Fairclough, Gardner, Giessel, Hoffman, Kelly, McGuire, Meyer, Micciche, Olson, Stedman, Stevens, Wielechowski

Honoring - West Homer Elementary 2012 Blue Ribbon School of Excellence

Representative(s) Seaton

Senator(s) Micciche, Huggins, Bishop, Coghill, Dunleavy, Dyson, Egan, Ellis, Fairclough, Gardner, Giessel, Hoffman, Kelly, McGuire, Meyer, Olson, Stedman, Stevens, Wielechowski

In Memoriam - Albert P. "Sikiagruk" Adams

Senator(s) Hoffman, Olson, Egan, Stedman, Stevens, Huggins, Bishop, Coghill, Dunleavy, Dyson, Ellis, Fairclough, French, Gardner, Giessel, Kelly, McGuire, Meyer, Micciche, Wielechowski

Representative(s) Nageak, Edgmon, Austerman, Feige, Foster, Guttenberg, Herron, Kerttula, Munoz, Seaton, Kreiss-Tomkins, Wilson, P

In Memoriam - Charles E. "Bud" Tulin

Representative(s) Gruenberg

Senator(s) Wielechowski, Huggins, Bishop, Coghill, Dunleavy, Dyson, Egan, Ellis, Fairclough, Gardner, Giessel, Hoffman, Kelly, McGuire, Meyer, Micciche, Olson, Stedman, Stevens

In Memoriam - Richard Frank

Representative(s) Higgins, Guttenberg

Senator(s) Bishop, Hoffman, Huggins, Coghill, Dunleavy, Dyson, Egan, Ellis, Fairclough, Gardner, Giessel, Kelly, McGuire, Meyer, Micciche, Olson, Stedman, Stevens, Wielechowski

Senator Coghill moved and asked unanimous consent that the citations be adopted. Without objection, the citations were adopted and referred to the Secretary for transmittal.

Announcements

Announcements are at the end of the journal.

Adjournment

Senator Coghill moved and asked unanimous consent that the Senate stand in adjournment until 10:00 a.m. March 1, 2013. Without objection, the Senate adjourned at 11:23 a.m.

Liz Clark
Secretary of the Senate

Announcements

Americans with Disabilities Act Notice - Persons with disabilities who require special accommodation or alternative communication formats to access committee meetings may contact the appropriate committee office or the Legislative Information Office in their community. Reasonable advance notice is needed to accommodate the request. For further information, call the ADA Coordinator at 465-3854 Voice/465-4980 TDD.

STANDING COMMITTEES

+ indicates teleconference
 = indicates bill previously heard/scheduled

COMMUNITY & REGIONAL AFFAIRS

Feb 28	Thursday	Butrovich 205	3:30 PM
+	Bills Previously Heard/Scheduled		
+ =	HB 40	MUNICIPAL TAX EXEMPTION: FARM STRUCTURES	
Mar 05	Tuesday	Butrovich 205	3:30 PM
	No Meeting Scheduled		
Mar 07	Thursday	Butrovich 205	3:30 PM
	No Meeting Scheduled		

EDUCATION

Mar 01	Friday	Beltz 105 (tsbldg)	8:00 AM
+	"Discussion on School Voucher Systems"		
	Identifying the Stakeholders & Key Policy Areas		
	1. Mr. Alan Borsuk, Senior Fellow in Law & Public Policy, Marquette University Law School		
	2. Mr. Robert Enlow, President & CEO Freidman Foundation for Education Choice		
	3. Dr. Diane Ravitch, Research Professor of Education, New York University		
	Bills Previously Heard/Scheduled		
	-- Testimony <Invitation Only> --		

EDUCATION (continued)

Mar 04 Monday Beltz 105 (tsbldg) 8:00 AM
 + Presentation: The Alaska Learning Network
 By the Alaska Council of School Administrators
 Bills Previously Heard/Scheduled

Mar 06 Wednesday Beltz 105 (tsbldg) 8:00 AM
 No Meeting Scheduled

Mar 08 Friday Beltz 105 (tsbldg) 8:00 AM
 No Meeting Scheduled

FINANCE

Feb 28 Thursday Senate Finance 532 9:00 AM
 + SB 23 AIDEA: LNG PROJECT; DIVIDENDS; FINANCING
 + SB 21 OIL AND GAS PRODUCTION TAX
 Bills Previously Heard/Scheduled

Mar 01 Friday Senate Finance 532 9:00 AM
 + Bills Previously Heard/Scheduled

Mar 04 Monday Senate Finance 532 9:00 AM
 += SB 21 OIL AND GAS PRODUCTION TAX
 -- Testimony <Invitation Only> --
 PFC Energy
 Roger Marks
 Bills Previously Heard/Scheduled

Mar 04 Monday Senate Finance 532 1:30 PM
 += SB 21 OIL AND GAS PRODUCTION TAX
 -- Testimony <Invitation Only> --
 PFC Energy
 Roger Marks
 Bills Previously Heard/Scheduled

Mar 05 Tuesday Senate Finance 532 9:00 AM
 += SB 21 OIL AND GAS PRODUCTION TAX
 -- Testimony <Invitation Only> --
 Bills Previously Heard/Scheduled

FINANCE (continued)

Mar 05 Tuesday Senate Finance 532 1:30 PM
 += SB 21 OIL AND GAS PRODUCTION TAX
 -- Testimony <Invitation Only> --
 Bills Previously Heard/Scheduled

Mar 06 Wednesday Senate Finance 532 9:00 AM
 + SB 16 BD OF ARCHITECTS, ENGINEERS, SURVEYORS
 += SB 21 OIL AND GAS PRODUCTION TAX
 -- Testimony <Invitation Only> --
 Department of Natural Resources
 Department of Revenue
 EconOne
 PFC Energy
 Roger Marks
 Bills Previously Heard/Scheduled

Mar 06 Wednesday Senate Finance 532 1:30 PM
 + SB 16 BD OF ARCHITECTS, ENGINEERS, SURVEYORS
 += SB 21 OIL AND GAS PRODUCTION TAX
 -- Testimony <Invitation Only> --
 Department of Natural Resources
 Department of Revenue
 EconOne
 PFC Energy
 Roger Marks
 Bills Previously Heard/Scheduled

Mar 06 Wednesday Senate Finance 532 3:00 PM
 += SB 21 OIL AND GAS PRODUCTION TAX
 -- Public Testimony --

Mar 07 Thursday Senate Finance 532 9:00 AM
 No Meeting Scheduled

Mar 08 Friday Senate Finance 532 9:00 AM
 No Meeting Scheduled

HEALTH & SOCIAL SERVICES

Mar 01	Friday No Meeting Scheduled	Butrovich 205	1:30 PM
Mar 04	Monday No Meeting Scheduled	Butrovich 205	1:30 PM
Mar 06	Wednesday No Meeting Scheduled	Butrovich 205	1:30 PM
Mar 08	Friday No Meeting Scheduled	Butrovich 205	1:30 PM

JUDICIARY

Mar 01	Friday	Beltz 105 (tsbldg)	1:30 PM
+ SB 43	PROPERTY CRIMES -- Public Testimony <Time Limit May Be Set> --		
+ SB 22	CRIMES; VICTIMS; CHILD ABUSE AND NEGLECT -- Public Testimony <Time Limit May Be Set> --		
+	Bills Previously Heard/Scheduled		
Mar 04	Monday	Beltz 105 (tsbldg)	1:30 PM
+ SB 56	RECLASSIFYING CERTAIN DRUG OFFENSES		
+ SB 49	MEDICAID PAYMENT FOR ABORTIONS; TERMS -- Public Testimony < Time Limit May Be Set> --		
+ SB 22	CRIMES; VICTIMS; CHILD ABUSE AND NEGLECT -- Public Testimony < Time Limit May Be Set> --		
+	Bills Previously Heard/Scheduled		
Mar 05	Tuesday	Fahrenkamp 203	1:30 PM
+ SB 56	RECLASSIFYING CERTAIN DRUG OFFENSES -- Public Testimony <Time Limit May Be Set> --		
+ SB 49	MEDICAID PAYMENT FOR ABORTIONS; TERMS -- Public Testimony <Time Limit May Be Set> --		
+	Bills Previously Heard/Scheduled		
Mar 06	Wednesday No Meeting Scheduled	Beltz 105 (tsbldg)	1:30 PM
Mar 08	Friday No Meeting Scheduled	Beltz 105 (tsbldg)	1:30 PM

LABOR & COMMERCE

Feb 28 Thursday Beltz 105 (tsbldg) 1:30 PM
 -- Meeting Postponed to 3/19/13 --
 + HB 26 EXTEND BOARD OF PUBLIC ACCOUNTANCY
 + SB 4 MILITARY TRAINING CREDIT
 + Bills Previously Heard/Scheduled

Mar 05 Tuesday Beltz 105 (tsbldg) 1:30 PM
 No Meeting Scheduled

Mar 07 Thursday Beltz 105 (tsbldg) 1:30 PM
 No Meeting Scheduled

Mar 12 Tuesday Beltz 105 (tsbldg) 1:30 PM
 No Meeting Scheduled

Mar 14 Thursday Beltz 105 (tsbldg) 1:30 PM
 No Meeting Scheduled

RESOURCES

Mar 01 Friday Butrovich 205 3:30 PM
 -- MEETING CANCELED --
 += SB 21 OIL AND GAS PRODUCTION TAX
 Committee Discussion
 -- Testimony <Invitation Only> --
 + Bills Previously Heard/Scheduled

Mar 02 Saturday Butrovich 205 10:00 AM
 -- MEETING CANCELED --
 += SB 21 OIL AND GAS PRODUCTION TAX
 Committee Discussion
 -- Testimony <Invitation Only> --

Mar 04 Monday Butrovich 205 3:30 PM
 + SJR 10 ARCTIC: POLICY, USCG, ARCTIC COUNCIL
 + SB 54 EXTEND HAIR CRAB & SCALLOP LIMITED ENTRY
 + HB 36 EXEMPT DISCHARGES FROM USE OF MUNITIONS

Mar 06 Wednesday Butrovich 205 3:30 PM
 No Meeting Scheduled

RESOURCES (continued)

Mar 08 Friday Butrovich 205 3:30 PM
No Meeting Scheduled

STATE AFFAIRS

Feb 28 Thursday Butrovich 205 9:00 AM
+ SB 44 ELECTION PROCEDURES; REAA ADVISORY BOARDS
+ SB 45 FEE/TAX EXEMPTION FOR CERTAIN VEHICLES

Mar 05 Tuesday Butrovich 205 9:00 AM
+ SB 63 CONTRACTS FOR PREPARATION OF BALLOTS
Bills Previously Heard/Scheduled

Mar 07 Thursday Butrovich 205 9:00 AM
No Meeting Scheduled

TRANSPORTATION

Feb 28 Thursday Barnes 124 1:00 PM
+ Joint w/ House Transportation
Presentation: North Lynn Canal Ferry Conceptual
Design, DOT/PF

Feb 28 Thursday Butrovich 205 2:15 PM
+= HB 15 COMMERCIAL MOTOR VEHICLE REQUIREMENTS

Mar 05 Tuesday Barnes 124 1:30 PM
+ Joint w/ House Transportation
Design Concept Report for the Day Boat Ferry
-- Public Testimony --

Mar 07 Thursday Butrovich 205 1:30 PM
No Meeting Scheduled

FINANCE SUBCOMMITTEES**ADMINISTRATION**

Mar 12 Tuesday Sen Conf Rm 103 Tsb 5:00 PM
Department Overview

Mar 15 Friday Sen Conf Rm 103 Tsb 5:00 PM
Department Overview

COURT SYSTEM

Mar 06 Wednesday Senate Finance 532 8:30 AM
FY14 Budget Overview

EDUCATION & EARLY DEVELOPMENT

Feb 28 Thursday Senate Finance 532 3:30 PM
-- Please Note Time Change --
+ Alaska Performance Scholarship Program
Postsecondary Education
Mike Hanley, Commissioner, DEED
Diane Barrans, Director, Alaska Commission on
Postsecondary Education

Mar 11 Monday Senate Finance 532 3:00 PM
+ Digitizing Education in Alaska Initiative
Mike Hanley, Commissioner, DEED
Carol Rose, Association of Alaska School Boards

ENVIRONMENTAL CONSERVATION

Mar 05 Tuesday Senate Finance 532 5:00 PM
+ Division of Administrative Services
Tom Cherian, Director
Division of Environmental Health
Elaine Busse Floyd

FISH & GAME

Mar 04 **Monday** **Senate Finance 532** **3:00 PM**
 Department Budget Overview
 -- Testimony <Invitation Only> --

Mar 06 **Wednesday** **Senate Finance 532** **3:00 PM**
 -- MEETING CANCELED --
 Department Budget Overview
 -- Testimony <Invitation Only> --

Mar 11 **Monday** **Senate Finance 532** **3:00 PM**
 -- MEETING CANCELED --
 Department Budget Overview
 -- Testimony <Invitation Only> --

Mar 15 **Friday** **Senate Finance 532** **11:00 AM**
 Department Overview
 -- Testimony <Invitation Only> --

HEALTH & SOCIAL SERVICES

Feb 28 **Thursday** **Fahrenkamp 203** **8:00 AM**
 -- Location Change --
 + Other Issues within the Budget, Question and Answer Session
 -- Testimony <Invitation Only> --

Mar 14 **Thursday** **Fahrenkamp 203** **8:00 AM**
 -- Location Change --
 + Budget Close-out
 -- Testimony <Invitation Only> --

LAW

Mar 06 **Wednesday** **Senate Finance 532** **8:00 AM**
 FY14 Budget Overview

PUBLIC SAFETY

Mar 12	Tuesday	Senate Finance 532	3:30 PM
+	Budget Close-out		
	-- Testimony <Invitation Only> --		

REVENUE

Mar 05	Tuesday	Sen Conf Rm 103 Tsb	8:00 AM
	Department Overview		

Mar 12	Tuesday	Sen Conf Rm 103 Tsb	8:00 AM
	Department Overview		

UNIVERSITY OF ALASKA

Mar 13	Wednesday	Sen Conf Rm 103 Tsb	12:00 PM
	Overview		

Mar 14	Thursday	Sen Conf Rm 103 Tsb	12:00 PM
	Overview		

Mar 15	Friday	Sen Conf Rm 103 Tsb	12:00 PM
	Overview		

SPECIAL COMMITTEES**SENATE SPECIAL COMM ON IN-STATE ENERGY**

Feb 28	Thursday	Butrovich 205	7:30 AM
+	Long Term Perspective on Energy Issues by Former Gov. Bill Sheffield and Joe Griffith		

Mar 05	Tuesday	Butrovich 205	7:30 AM
	No Meeting Scheduled		

Mar 07	Thursday	Butrovich 205	7:30 AM
	No Meeting Scheduled		

SENATE SPECIAL COMM ON TAPS THROUGHPUT

Feb 28	Thursday	Butrovich 205	3:30 PM
	No Meeting Scheduled		
Mar 05	Tuesday	Butrovich 205	3:30 PM
+ = SB 59	OIL & GAS EXPLORATION/DEVELOPMENT AREAS		
	-- Public Testimony --		
Mar 07	Thursday	Butrovich 205	3:30 PM
	No Meeting Scheduled		

JOINT COMMITTEES

ADMINISTRATIVE REGULATION REVIEW

Feb 28	Thursday	Barnes 124	8:30 AM
	Presentation: Impact of Federal Actions on Alaska Administrative Regulations, by Sam Batkins American Action Forum		
	-- Testimony <Invitation Only> --		

OTHER MEETINGS

JOINT SESSION

Mar 04	Monday	House Chamber	11:00 AM
	Annual Address by the Honorable Mark Begich, U.S. Senator		