

HOUSE JOURNAL
ALASKA STATE LEGISLATURE
TWENTY-NINTH LEGISLATURE - FIRST SESSION

Juneau, Alaska

Friday

January 30, 2015

Eleventh Day

Pursuant to adjournment the House was called to order by Speaker Chenault at 10:33 a.m.

Roll call showed 33 members present. Representatives Drummond, Herron, Pruitt, and Vazquez had been excused from a call of the House today. Representative Nageak was absent and his presence was noted later.

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

The invocation was offered by the Chaplain, the Reverend Tari Stage-Harvey of Shepherd of the Valley Lutheran Church. Representative Wilson moved and asked unanimous consent that the invocation be spread on the journal. There being no objection, it was so ordered.

Respecting the beliefs of all Alaskans, I offer this prayer.

Loving God, we give thanks that you have gathered us together and called us as your servants. Strengthen us now by your presence that our thoughts and actions may be rooted in your love for us. Make us sensitive to the most vulnerable among us, children, seniors, the poor, those living in abuse or sickness.

Give us grace to set a good example to all among whom we live, to be just and true, strict and conscientious in duty; gracious and generous toward all.

Be present with loved ones, bind up our sorrows, and give us wisdom and courage to seek your will in this world. Amen.

The Pledge of Allegiance was led by Representative Foster.

CERTIFICATION OF THE JOURNAL

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

MESSAGES FROM THE GOVERNOR

A letter was received January 28, 2015, correcting the appointment and term expiration dates from the January 20 letter (page 58) for the following names for legislative confirmation:

Board of Massage Therapists

David Edwards-Smith – Soldotna

Appointed: 11/25/2014

Reappointed: 1/19/2015

Term Expires: 3/1/2018

Ron Gibbs – Kodiak

Appointed: 11/25/2014

Reappointed: 1/19/2015

Term Expires: 3/1/2016

Traci Gilmour – Juneau

Appointed: 11/25/2014

Reappointed: 1/19/2015

Term Expires: 3/1/2017

Shirley Nelson – Anchorage

Appointed: 11/25/2014

Reappointed: 1/19/2015

Term Expires: 3/1/2017

Amanda Unser – Anchorage
Appointed: 11/25/2014
Reappointed: 1/19/2015 Term Expires: 3/1/2017

Alaska Workers' Compensation Board

Lake Williams – Fairbanks
Appointed: 5/14/2014
Reappointed: 1/19/2015 Term Expires: 3/1/2017

The appointments had been referred to the Labor & Commerce Committee (page 60).

COMMUNICATIONS

The following was received:

Dept. of Administration
Office of the Commissioner
Monetary Terms of Agreement
Between the State and the Marine Engineers' Beneficial Association
(as required by AS 23.40.070)

The Speaker referred the monetary terms to the Finance Committee.

The following was received January 27, 2015:

Local Boundary Commission
Statement of Decision
City of Allakaket
(pursuant to art. X, sec. 12, Constitution of the State of Alaska)

The Statement of Decision will be published in Senate and House Joint Journal Supplement No. 3.

The Speaker referred the Statement of Decision to the Community & Regional Affairs Committee.

The following were received:

Alaska Mental Health Trust Authority
Annual Report 2014
(as required by AS 47.30.046)

Alaska Public Offices Commission
Biennial Report, 2013-2014
January 2015
(as required by AS 15.13.030)

Dept. of Health & Social Services
FY 2015 Operating Grants
<http://dhss.alaska.gov/fms/grants/pages/default.aspx>
(as required by AS 18.05.020)

Dept. of Natural Resources
Dept. of Revenue
Legislative Briefing and Update on the
North Slope Natural Gas Project
Progress and Written Report
January 29, 2015
(as required by Chapter No. 14, SLA 2014)

Alaska State Legislature
Alaska Arctic Policy Commission
Final Report and Implementation Plan
Executive Summary
January 30, 2015
(as required by Legislative Resolve No. 52, SLA 2012)

INTRODUCTION OF CITATIONS

The following citation was introduced and taken up later as a Special Order of Business:

Honoring - Dr. Charles F. Burgess
By Representative Seaton; Senator Stevens

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

In Memoriam - Carl E. Moses
By Senator Hoffman; Representative Edgmon

In Memoriam - Harold L. "Joe" Gilbertson
By Senator Bishop

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

HJR 2

SPONSOR SUBSTITUTE FOR HOUSE JOINT RESOLUTION
NO. 2 by Representatives HAWKER and Millett:

Proposing amendments to the Constitution of the State of Alaska relating to and limiting appropriations from the Alaska permanent fund based on an averaged percent of the fund market value.

was read the first time and referred to the State Affairs, Judiciary, and Finance Committees.

**The presence of Representative Nageak was noted.

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

HB 86

HOUSE BILL NO. 86 by the House Rules Committee by request of the Governor, entitled:

"An Act relating to investment of the power cost equalization endowment fund; and providing for an effective date."

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

The following fiscal note(s) apply:

1. Zero, Dept. of Revenue

The Governor's transmittal letter dated January 28, 2015, follows:

"Dear Speaker Chenault:

Under the authority of Article III, Section 18 of the Alaska Constitution, I am transmitting a bill relating to the investment of the power cost equalization (PCE) endowment fund (AS 42.45.070).

The PCE endowment fund provides annual funding for the PCE and rural electric capitalization fund (AS 42.45.100). The primary purpose of the PCE and rural electric capitalization fund is to annually fund the PCE program, which reduces the cost of energy in areas of the state that experience high electric energy costs.

The bill would amend the powers of the Commissioner of Revenue to invest amounts in the PCE endowment fund. Existing law obligates the Commissioner of Revenue to invest the endowment fund "in a manner likely to achieve at least a seven percent nominal return over time." This investment mandate requires the Commissioner of Revenue to invest with excessive or undue risk in a low-rate environment. The investment strategy also does not enable the Commissioner of Revenue to match the endowment fund's investment policy to the needs of the PCE program. The bill would eliminate the riskier investment mandate and enable the Commissioner of Revenue to establish a more appropriate investment policy by considering the amounts of anticipated draws from the endowment fund that would be necessary to meet the financial needs of the power cost equalization program.

I urge your prompt and favorable action on this measure.

Sincerely,

/s/

Bill Walker
Governor"

HB 87

HOUSE BILL NO. 87 by the House Rules Committee by request of the Governor, entitled:

"An Act relating to the sale of timber on state land; and providing for an effective date."

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

The following fiscal note(s) apply:

1. Zero, Dept. of Natural Resources

The Governor's transmittal letter dated January 28, 2015, follows:

"Dear Speaker Chenault:

Under the authority of Article III, Section 18 of the Alaska Constitution, I am transmitting a bill relating to the sale of timber on State land. The bill would amend AS 38.05.110 and 38.05.118 to expand the authority of the Commissioner of Natural Resources to negotiate the sale of timber at appraised value.

The Department of Natural Resources (DNR) may offer timber sales either through competitive bid or through negotiation. Currently under AS 38.05.118, the Commissioner of Natural Resources may negotiate the sale of timber to a local manufacturer at appraised value. However, negotiated sales larger than 500,000 board feet may only be offered in areas of high unemployment, excess manufacturing capacity, and an underutilized allowable cut of timber. These criteria prohibit larger negotiated timber sales in many areas of the state that are actively managed for forestry, and where there is high demand for wood for timber products and biomass energy. The proposed bill would provide that, in addition to sales to local manufacturers of wood products, sales may also be negotiated with users of wood fiber. This change clarifies that negotiated sales may be used to support wood energy production as well as traditional products. In addition, the bill would eliminate the current limitations that negotiated timber sales be based on a finding that in the area of the sale there is a high level of unemployment, an underutilized manufacturing capacity, and an underutilized supply of timber that will lose value if not cut. The requirement that all three conditions be met substantially limits the Commissioner of Natural Resources' authority and flexibility to approve negotiated sales that would be in the best interest of the State.

Competitively bid timber sales are the preferred sale method under most conditions. However, negotiated sales provide the ability to

tailor some sales to the needs of local processors in areas that lack competitive interest or where there is competition from round log export markets in a region with a constrained timber supply. The latter situation exists in Southern Southeast Alaska where the State of Alaska is a small landowner compared to the Tongass National Forest, and the State of Alaska's full allowable cut is a critical source of logs for the remaining sawmills.

The provisions in the bill would enable the Commissioner of Natural Resources to better respond to the economic and geographic realities of the forest products sector in our state's economy. All timber sales, including negotiated sales, must comply with the constitutional requirement to manage State timber for sustained yield.

I urge prompt and favorable action on this measure.

Sincerely,
/s/
Bill Walker
Governor"

HB 88

HOUSE BILL NO. 88 by the House Rules Committee by request of the Governor, entitled:

"An Act relating to remittance of tire fees; and providing for an effective date."

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

The following fiscal note(s) apply:

1. Fiscal, Dept. of Revenue

The Governor's transmittal letter dated January 28, 2015, follows:

"Dear Speaker Chenault:

Under the authority of Article III, Section 18 of the Alaska Constitution, I am transmitting a bill relating to the deadline for tire fees to be submitted to the State of Alaska by tire vendors.

Under Alaska law, vendors who sell tires are required to collect a fee for each tire sold and submit the fees to the State on a quarterly basis. The bill would change the deadline for vendors to report and pay collected tire fees. The current statutory language has caused confusion because some months have 31 days, and some vendors are late in submitting the collected fees. Therefore, the bill would amend AS 43.98.025 to make it clear to vendors that they have until the end of the month (regardless of the number of days in the month) to submit the fees. The bill would reduce administrative costs to the State of Alaska and benefit vendors by lessening the chance for accidental late filings.

I urge your prompt and favorable action on this measure.

Sincerely,

/s/

Bill Walker
Governor"

HB 89

HOUSE BILL NO. 89 by Representative KELLER, entitled:

"An Act relating to civics examinations and secondary school graduation requirements; and providing for an effective date."

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

HB 90

HOUSE BILL NO. 90 by Representative MILLETT, entitled:

"An Act relating to the Protective Occupation Retirement Council; relating to participation of certain employees in the defined benefit

and defined contribution plans of the public employees' retirement system; and providing for an effective date."

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

HB 91

HOUSE BILL NO. 91 by Representative HUGHES, entitled:

"An Act relating to operating a motor vehicle in lanes of traffic."

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

HB 92

HOUSE BILL NO. 92 by Representatives TARR and Kawasaki, entitled:

"An Act relating to the labeling of food; relating to the misbranding of food; requiring labeling of food produced with genetic engineering; and providing for an effective date."

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

HB 93

HOUSE BILL NO. 93 by Representative TILTON, entitled:

"An Act relating to the duties of probation officers; and relating to conditions of parole."

was read the first time and referred to the State Affairs Committee.

CONSIDERATION OF THE DAILY CALENDAR

LEGISLATIVE CITATIONS

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

Honoring - Alaska Broadcasters Association, 50th Anniversary

By Representatives Pruitt, Chenault, Claman, Colver, Drummond, Edgmon, Foster, Gara, Gattis, Gruenberg, Guttenberg, Hawker, Herron, Hughes, Johnson, Josephson, Kawasaki, Keller, Kito, Kreiss-Tomkins, LeDoux, Lynn, Millett, Munoz, Nageak, Neuman, Olson, Ortiz, Reinbold, Saddler, Seaton, Stutes, Talerico, Tarr, Thompson, Tilton, Tuck, Vazquez, Wilson, Wool; Senator Egan

In Memoriam - Janet Alice Constantine

By Senator Egan; Representatives Munoz, Kito, Chenault, Claman, Colver, Drummond, Edgmon, Foster, Gara, Gattis, Gruenberg, Guttenberg, Hawker, Herron, Hughes, Johnson, Josephson, Kawasaki, Keller, Kreiss-Tomkins, LeDoux, Lynn, Millett, Nageak, Neuman, Olson, Ortiz, Pruitt, Reinbold, Saddler, Seaton, Stutes, Talerico, Tarr, Thompson, Tilton, Tuck, Vazquez, Wilson, Wool

In Memoriam - Christine Ann McVay

By Senator Stevens; Representatives Stutes, Chenault, Claman, Colver, Drummond, Edgmon, Foster, Gara, Gattis, Gruenberg, Guttenberg, Hawker, Herron, Hughes, Johnson, Josephson, Kawasaki, Keller, Kito, Kreiss-Tomkins, LeDoux, Lynn, Millett, Munoz, Nageak, Neuman, Olson, Ortiz, Pruitt, Reinbold, Saddler, Seaton, Talerico, Tarr, Thompson, Tilton, Tuck, Vazquez, Wilson, Wool

In Memoriam - Charles Hugh Dorman

By Senator Stevens; Representatives Stutes, Chenault, Claman, Colver, Drummond, Edgmon, Foster, Gara, Gattis, Gruenberg, Guttenberg, Hawker, Herron, Hughes, Johnson, Josephson, Kawasaki, Keller, Kito, Kreiss-Tomkins, LeDoux, Lynn, Millett, Munoz, Nageak, Neuman, Olson, Ortiz, Pruitt, Reinbold, Saddler, Seaton, Talerico, Tarr, Thompson, Tilton, Tuck, Vazquez, Wilson, Wool

In Memoriam - David Pestrikoff

By Senator Stevens; Representatives Stutes, Chenault, Claman, Colver, Drummond, Edgmon, Foster, Gara, Gattis, Gruenberg, Guttenberg, Hawker, Herron, Hughes, Johnson, Josephson, Kawasaki, Keller, Kito, Kreiss-Tomkins, LeDoux, Lynn, Millett, Munoz, Nageak, Neuman, Olson, Ortiz, Pruitt, Reinbold, Saddler, Seaton, Talerico, Tarr, Thompson, Tilton, Tuck, Vazquez, Wilson, Wool

In Memoriam - Beverly Rena Horn

By Senator Stevens; Representatives Stutes, Chenault, Claman, Colver, Drummond, Edgmon, Foster, Gara, Gattis, Gruenberg, Guttenberg, Hawker, Herron, Hughes, Johnson, Josephson, Kawasaki, Keller, Kito, Kreiss-Tomkins, LeDoux, Lynn, Millett, Munoz, Nageak, Neuman, Olson, Ortiz, Pruitt, Reinbold, Saddler, Seaton, Talerico, Tarr, Thompson, Tilton, Tuck, Vazquez, Wilson, Wool

In Memoriam - Iver Emmanuel Malutin

By Senator Stevens; Representatives Stutes, Chenault, Claman, Colver, Drummond, Edgmon, Foster, Gara, Gattis, Gruenberg, Guttenberg, Hawker, Herron, Hughes, Johnson, Josephson, Kawasaki, Keller, Kito, Kreiss-Tomkins, LeDoux, Lynn, Millett, Munoz, Nageak, Neuman, Olson, Ortiz, Pruitt, Reinbold, Saddler, Seaton, Talerico, Tarr, Thompson, Tilton, Tuck, Vazquez, Wilson, Wool

In Memoriam - Bob Compeau, Jr.

By Senator Bishop; Representatives Wilson, Chenault, Claman, Colver, Drummond, Edgmon, Foster, Gara, Gattis, Gruenberg, Guttenberg, Hawker, Herron, Hughes, Johnson, Josephson, Kawasaki, Keller, Kito, Kreiss-Tomkins, LeDoux, Lynn, Millett, Munoz, Nageak, Neuman, Olson, Ortiz, Pruitt, Reinbold, Saddler, Seaton, Stutes, Talerico, Tarr, Thompson, Tilton, Tuck, Vazquez, Wool

In Memoriam - James Bentley Kallander

By Senator Stevens; Representatives Stutes, Chenault, Claman, Colver, Drummond, Edgmon, Foster, Gara, Gattis, Gruenberg, Guttenberg, Hawker, Herron, Hughes, Johnson, Josephson, Kawasaki, Keller, Kito, Kreiss-Tomkins, LeDoux, Lynn, Millett, Munoz, Nageak, Neuman, Olson, Ortiz, Pruitt, Reinbold, Saddler, Seaton, Talerico, Tarr, Thompson, Tilton, Tuck, Vazquez, Wilson, Wool

In Memoriam - Harold J. Naughton

By Senator Stevens; Representatives Stutes, Chenault, Claman, Colver, Drummond, Edgmon, Foster, Gara, Gattis, Gruenberg, Guttenberg, Hawker, Herron, Hughes, Johnson, Josephson, Kawasaki, Keller, Kito, Kreiss-Tomkins, LeDoux, Lynn, Millett, Munoz, Nageak, Neuman, Olson, Ortiz, Pruitt, Reinbold, Saddler, Seaton, Talerico, Tarr, Thompson, Tilton, Tuck, Vazquez, Wilson, Wool

In Memoriam - Julie Knagin

By Senator Stevens; Representatives Stutes, Chenault, Claman, Colver, Drummond, Edgmon, Foster, Gara, Gattis, Gruenberg, Guttenberg, Hawker, Herron, Hughes, Johnson, Josephson, Kawasaki, Keller, Kito, Kreiss-Tomkins, LeDoux, Lynn, Millett, Munoz, Nageak, Neuman, Olson, Ortiz, Pruitt, Reinbold, Saddler, Seaton, Talerico, Tarr, Thompson, Tilton, Tuck, Vazquez, Wilson, Wool

In Memoriam - Roy Albert Ecklund

By Senator Stevens; Representatives Stutes, Chenault, Claman, Colver, Drummond, Edgmon, Foster, Gara, Gattis, Gruenberg, Guttenberg, Hawker, Herron, Hughes, Johnson, Josephson, Kawasaki, Keller, Kito, Kreiss-Tomkins, LeDoux, Lynn, Millett, Munoz, Nageak, Neuman, Olson, Ortiz, Pruitt, Reinbold, Saddler, Seaton, Talerico, Tarr, Thompson, Tilton, Tuck, Vazquez, Wilson, Wool

In Memoriam - Edward F. Allen

By Senator Stevens; Representatives Chenault, Claman, Colver, Drummond, Edgmon, Foster, Gara, Gattis, Gruenberg, Guttenberg, Hawker, Herron, Hughes, Johnson, Josephson, Kawasaki, Keller, Kito, Kreiss-Tomkins, LeDoux, Lynn, Millett, Munoz, Nageak, Neuman, Olson, Ortiz, Pruitt, Reinbold, Saddler, Seaton, Stutes, Talerico, Tarr, Thompson, Tilton, Tuck, Vazquez, Wilson, Wool

UNFINISHED BUSINESS

Representative Millett 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 Reinbold – from 12:30 p.m., today to 9:30 p.m., February 1

Representative Tarr – from 6:45 p.m., today to 10:00 p.m., February 1

Representative Tuck – from noon, today to 10:15 a.m., February 2

Representative Josephson – from 6:00 a.m., January 31 to 9:37 p.m., February 1

Representative Claman – from 5:00 p.m., today to 10:30 a.m.,
February 2

Representative Ortiz – from:
noon, March 5 to 10:30 p.m., March 8
6:00 a.m., March 19 to 8:30 p.m., March 23

Representative Gara – from:
6:30 p.m., February 6 to 10:45 a.m., February 9
6:30 p.m., February 13 to 10:30 a.m., February 16
6:30 p.m., February 27 to 10:30 a.m., March 2
7:00 p.m., March 13 to 10:30 a.m., March 16
7:00 p.m., March 27 to 10:30 a.m., March 30

SPECIAL ORDER OF BUSINESS

Representative Millett moved and asked unanimous consent that the notice and publication requirements be waived and the citation, Honoring - Dr. Charles F. Burgess, be taken up as a Special Order of Business. There being no objection, it was so ordered.

Representative Millett moved and asked unanimous consent that the House approve the citation. There being no objection, the following citation was approved and sent to enrolling:

Honoring - Dr. Charles F. Burgess
By Representatives Seaton, Chenault, Claman, Colver, Drummond, Edgmon, Foster, Gara, Gattis, Gruenberg, Guttenberg, Hawker, Herron, Hughes, Johnson, Josephson, Kawasaki, Kito, Kreiss-Tomkins, LeDoux, Lynn, Millett, Munoz, Nageak, Neuman, Olson, Ortiz, Pruitt, Saddler, Stutes, Talerico, Tarr, Thompson, Tilton, Tuck, Vazquez, Wilson, Wool; Senator Stevens

UNFINISHED BUSINESS

HB 68

Representative Gara added his name as cosponsor to:

HOUSE BILL NO. 68

"An Act relating to the preparation, electronic distribution, and posting of reports by state agencies."

HB 84

Representative Talerico added his name as cosponsor to:

HOUSE BILL NO. 84

"An Act relating to the Legislative Budget and Audit Committee; and requiring state agencies, municipalities, and regional educational attendance areas to report on federal receipts."

ANNOUNCEMENTS

House committee schedules are published under separate cover.

ADJOURNMENT

Representative Millett moved and asked unanimous consent that the House adjourn until 11:00 a.m., February 2, 2015. There being no objection, the House adjourned at 11:06 a.m.

Suzi Lowell
Chief Clerk