

HOUSE JOURNAL
ALASKA STATE LEGISLATURE
THIRTIETH LEGISLATURE
FOURTH SPECIAL SESSION

Juneau, Alaska

Monday

October 23, 2017

First Day

Pursuant to the Governor's proclamation, dated September 22 calling the legislature into special session, the House was called to order by Speaker Edgmon at 11:09 a.m.

Roll call showed 36 members present. Representative Wilson was absent.

Representative Tuck 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 Knopp – from today to 2:00 p.m., October 28

Representative Reinbold – from today to 10:00 p.m., October 24

Representative Tarr – until 2:00 p.m. today

The invocation was offered by the Chaplain, the Reverend Gordon Blue of Holy Trinity Episcopal Church. Representative Westlake moved and asked unanimous consent that the invocation be spread on the journal. There being no objection, it was so ordered.

Let the words of my mouth, and the meditations of our hearts
be respecting of the beliefs of all the people of our great land,
Alaska, O Lord, our maker and redeemer.

In tradition, we remember James of Jerusalem today, beginning with a portion of Psalm 119: *Rulers have persecuted me without a cause, but my heart stands in awe of your word. I am as glad because of your promise as one who finds great spoils. As for lies, I hate and abhor them, but your law is my love. Seven times a day do I praise you, because of your righteous judgments. Great peace have they who love your law; for them there is no stumbling block.* (Psalm 119:161-165)

Let us pray. Creator, we give you thanks, for all you are and all you bring to us within the sacred circle of your creation, and especially we thank you today for this gathering. Four times this House has been called back to the Chambers of their labor, Lord, let there be peace among them. Give them the great peace of those for whom there is no stumbling block.

Nothing is so difficult, O Lord, as to create something new, and in difficult times this is what we seem called upon to do. Nothing is so difficult, O Lord, as to be the stumbling block, placed in the path of difficult times. Bless this House and inspire them, Lord, to find in their path the cornerstone of the future you are calling them to bring.

Help them to do that work which they have sworn to do, on the behalf of future generations and of this one: the protection of the poor and the oppressed, and the provision of well-being for all of your people. Bless them in their work together, so that they may bring blessings upon the future generations of Alaska. Amen.

The Pledge of Allegiance was led by Representative Sullivan-Leonard.

CERTIFICATION OF THE JOURNAL

Representative Tuck moved and asked unanimous consent that the journal for the first legislative day of the third special session, the First Supplement, House Journal Supplement No. 9, and Senate and House Joint Journal Supplement No. 12 be approved as certified by the Chief Clerk. There being no objection, it was so ordered.

MESSAGES FROM THE GOVERNOR

The following Governor's proclamation dated September 22 was read:

"Under the authority of Article II, Section 9, and Article III, Section 17, Constitution of the State of Alaska, and in the public interest, I call the Thirtieth Legislature of the State of Alaska into its fourth special session in the legislative chambers in Juneau, Alaska, on October 23, 2017, at 11:00 a.m., to consider passage of bills on the following subjects:

1. SB 54 - Crime and Sentencing.
2. An act or acts enacting a tax on wages and net earnings from self-employment; and relating to the administration and enforcement of the wages and net earnings from self-employment tax.

Dated this 22 day of September 2017.

/s/
Bill Walker
Governor"

The Speaker stated that, without objection, the House would recess to a call of the Chair; and so, the House recessed at 11:15 a.m.

AFTER RECESS

The Speaker called the House back to order at 2:08 p.m.

**The presence of Representative Tarr, who was excused (page 1797), was noted.

MESSAGES FROM THE SENATE

A message dated October 23 was read stating the Senate passed the following, and it is transmitted for consideration:

**FIRST READING AND REFERENCE
OF SENATE RESOLUTIONS**

SCR 401

SENATE CONCURRENT RESOLUTION NO. 401 by the Senate Rules Committee:

Suspending Rules 47 and 55, Uniform Rules of the Alaska State Legislature, relating to the carry-over of bills from the First Regular Session to the Fourth Special Session, concerning Senate Bill No. 54.

was read the first time and taken up as a Special Order of Business.

SPECIAL ORDER OF BUSINESS

SCR 401

Representative Tuck moved and asked unanimous consent that SCR 401 be taken up as a Special Order of Business:

Representative Millett objected and withdrew the objection.

Representative Johnson objected.

The question being: "Shall the House take up SCR 401?" The roll was taken with the following result:

SCR 401

Take up

Special Order of Business

YEAS: 30 NAYS: 7 EXCUSED: 2 ABSENT: 1

Yeas: Birch, Chenault, Claman, Drummond, Edgmon, Fansler, Foster, Gara, Grenn, Guttenberg, Johnston, Josephson, Kawasaki, Kito, Kopp, Kreiss-Tomkins, LeDoux, Millett, Ortiz, Parish, Pruitt, Seaton, Spohnholz, Stutes, Talerico, Tarr, Thompson, Tuck, Westlake, Wool

Nays: Eastman, Johnson, Neuman, Rauscher, Saddler, Sullivan-Leonard, Tilton

Excused: Knopp, Reinbold

Absent: Wilson

And so, the motion passed.

The question being: "Shall SCR 401 pass the House?" The roll was taken with the following result:

SCR 401

Special Order of Business

YEAS: 31 NAYS: 6 EXCUSED: 2 ABSENT: 1

Yeas: Birch, Chenault, Claman, Drummond, Edgmon, Fansler, Foster, Gara, Grenn, Guttenberg, Johnston, Josephson, Kawasaki, Kito, Kopp, Kreiss-Tomkins, LeDoux, Millett, Ortiz, Parish, Pruitt, Saddler, Seaton, Spohnholz, Stutes, Talerico, Tarr, Thompson, Tuck, Westlake, Wool

Nays: Eastman, Johnson, Neuman, Rauscher, Sullivan-Leonard, Tilton

Excused: Knopp, Reinbold

Absent: Wilson

And so, SCR 401 passed the House, was signed by the Speaker and Chief Clerk, and returned to the Senate.

COMMUNICATIONS

The following was received:

Alaska Criminal Justice Commission

Annual Report

October 22, 2017

(as required by AS 44.19.647)

INTRODUCTION, FIRST READING, AND REFERENCE OF HOUSE BILLS

HB 4001

HOUSE BILL NO. 4001 by the House Rules Committee by request of the Governor, entitled:

"An Act imposing a tax on wages and net earnings from self-employment; relating to the administration and enforcement of the wages and net earnings from self-employment tax; and providing for an effective date."

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

The following fiscal note(s) apply:

1. Fiscal, Dept. of Revenue

The Governor's transmittal letter dated September 22 follows:

"Dear Speaker Edgmon:

Under the authority of art. III, sec. 18, Constitution of the State of Alaska, I am transmitting a bill relating to taxation of wages and earnings in the state.

The bill would impose a tax on wages and net self-employment income earned in Alaska by resident and nonresident individuals. The tax rate would be 1.5 percent annually, and would be capped at the greater of \$2,200 (adjusted for inflation) or two times the amount of the permanent fund dividend distributed in the previous calendar year. The tax would take effect in calendar year 2019 and is expected to raise \$300-325 million by FY2020.

Under this bill, employers would be required to pay to the Department of Revenue withholdings that approximate the amount of the tax. Through regulation, the withholding would stop when the statutory cap is reached. This protects individuals working multiple jobs and insulates vulnerable populations, such as single parents, by limiting each Alaskan's tax burden, and keeps us the lowest-taxed state in the nation.

This tax is a simple and efficient measure to address our state's budget shortfall. Over the past six years, state budgets have been reduced by 44 percent, but state revenues have fallen faster. To cover the gap, key state savings accounts have been drawn down by \$14 billion, and are expected to be depleted by the end of FY 2019. It is vital that these

savings accounts not go any lower and in accordance with the constitution must be replenished over time. New revenues are needed to support critical public services such as education, public safety, and reliable transportation.

We need a fiscal plan that includes prudent operating and capital budgets, the judicious use of investment earnings, and revenues necessary to balance the budget. This tax will get us closer to balancing the state's budget and enable Alaska's economy to grow.

Sincerely,

/s/

Bill Walker
Governor"

UNFINISHED BUSINESS

SB 54

Representative Kreiss-Tomkins, Chair, moved that the following be waived from the State Affairs Committee:

CS FOR SENATE BILL NO. 54(FIN)

"An Act relating to crime and criminal law; relating to violation of condition of release; relating to sex trafficking; relating to sentencing; relating to imprisonment; relating to parole; relating to probation; relating to driving without a license; relating to the pretrial services program; and providing for an effective date."

Representative Millett objected.

The question being: "Shall CSSB 54(FIN) be waived from the State Affairs Committee?" The roll was taken with the following result:

CSSB 54(FIN)

Waive STA referral

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

Yeas: Birch, Claman, Drummond, Eastman, Edgmon, Fansler, Foster, Gara, Grenn, Guttenberg, Josephson, Kawasaki, Kito, Kreiss-Tomkins, LeDoux, Ortiz, Parish, Seaton, Spohnholz, Stutes, Tarr, Thompson, Tuck, Westlake, Wool

Nays: Chenault, Johnson, Johnston, Kopp, Millett, Neuman, Pruitt, Rauscher, Saddler, Sullivan-Leonard, Talerico, Tilton

Excused: Knopp, Reinbold

Absent: Wilson

And so, the motion passed.

CSSB 54(FIN) was removed from the State Affairs Committee and referred to the Judiciary Committee.

HB 111

Pursuant to HB 111-OIL & GAS PRODUCTION TAX;PAYMENTS;CREDITS (Chapter No. 3, SSSLA 2017), the Speaker appointed the following member as Co-chair of the Legislative Working Group:

Representative Tarr

HJR 23

Representative Grenn removed as a cosponsor to:

HOUSE JOINT RESOLUTION NO. 23

Proposing amendments to the Constitution of the State of Alaska relating to the Alaska permanent fund.

HB 216

Representative Grenn added as a cosponsor to:

HOUSE BILL NO. 216

"An Act relating to transfers from the dividend fund; creating the restorative justice account; relating to appropriations from the restorative justice account for payments for and services to crime victims, operating costs of the Violent Crimes Compensation Board, operation of domestic violence and sexual assault programs, mental health services and substance abuse treatment for offenders, and incarceration costs; and providing for an effective date."

ANNOUNCEMENTS

Rule 23(d) of the Uniform Rules is in effect.

House committee schedules are published under separate cover.

The following meetings today were changed:

Judiciary Committee

CHANGED TO:

15 min after adjournment

State Affairs Committee

CANCELED

ADJOURNMENT

Representative Tuck moved and asked unanimous consent that the House adjourn until 10:30 a.m., October 25. There being no objection, the House adjourned at 3:34 p.m.

Crystaline Jones
Chief Clerk