

HOUSE JOURNAL
ALASKA STATE LEGISLATURE
THIRTIETH LEGISLATURE
SECOND SESSION

Juneau, Alaska **Wednesday** **January 24, 2018**

Ninth Day

Pursuant to adjournment the House was called to order by Speaker Edgmon at 10:38 a.m.

Roll call showed 39 members present. There was one vacancy.

The invocation was offered by the Chaplain, the Reverend Karen Perkins of Resurrection Lutheran Church. Representative Ortiz moved and asked unanimous consent that the invocation be spread on the journal. There being no objection, it was so ordered.

With the deepest respect for the religious beliefs of all Alaskans, I offer the following prayer:

Lord God, you call your people to honor those in authority. Help us support trustworthy leaders, participate in wise decisions for our common life, and serve our neighbors in local communities. Bless the leaders of this land, that we may be at peace among ourselves and a blessing to all nations of the earth; through Jesus Christ, our Savior and Lord. Amen.

The Pledge of Allegiance was led by Representative Wool.

CERTIFICATION OF THE JOURNAL

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

MESSAGES FROM THE SENATE

A message dated January 22 was read stating the Senate accepted the invitation to meet in joint session in the House Chamber at 11:00 a.m., February 7 to hear the State of the Judiciary Address by Chief Justice Craig Stowers.

A message dated January 22 was read stating the Senate accepted the invitation to meet in joint session in the House Chamber at 11:00 a.m., February 22 to hear an address by the Honorable Lisa Murkowski, U.S. Senator.

A message dated January 22 was read stating the Senate accepted the invitation to meet in joint session in the House Chamber at 11:00 a.m., February 26 to hear an address by the Honorable Dan Sullivan, U.S. Senator.

COMMUNICATIONS

The following were received:

Alaska Municipal Bond Bank Authority
Certification of Reserves
January 18, 2018
(as required by AS 44.85.270)

Dept. of Revenue
Alaska Retirement Management Board
Notification of Availability of Financial Reports
January 16, 2018
(as required by AS 37.10.220)

INTRODUCTION OF CITATIONS

The following citations were introduced and taken up later as a Special Order of Business:

Honoring - William K. Williams
By Representative Ortiz; Senator Stedman

Honoring - Tom Martini, Jeff Evon & The Bethel Search and Rescue
By Representative Fansler; Senator Hoffman

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

Honoring - Rod Christiansen
By Representatives Johnson, Sullivan-Leonard, Neuman, Rauscher,
Tilton, Eastman; Senator Hughes

Honoring - Jerry "Chuthmuk" Liboff
By Representative Edgmon; Senator Hoffman

In Memoriam - Bryan Robert Anderson
By Representative Edgmon; Senator Hoffman

In Memoriam - Martin McGuinness
By Senator Begich

INTRODUCTION, FIRST READING, AND REFERENCE OF HOUSE RESOLUTIONS

HJR 30

HOUSE JOINT RESOLUTION NO. 30 by Representatives
Josephson, Gara, and Drummond:

Urging the United States Congress to reaffirm the commitment of
the United States to promote the safety, health, and well-being of
refugees and displaced persons; urging the United States
government to uphold its international leadership role in
responding to displacement crises with humanitarian assistance
and to work with the international community and the United
Nations High Commissioner for Refugees to find solutions to
conflicts and protect refugees; and urging the President of the
United States to continue to mitigate the burden placed on
frontline refugee host countries.

was read the first time and referred to the Community & Regional
Affairs and State Affairs Committees.

**INTRODUCTION, FIRST READING, AND REFERENCE
OF HOUSE BILLS****HB 265**

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 265 by Representative Rauscher, entitled:

"An Act relating to the renewal of a license involving alcoholic beverages; and relating to the issuance, renewal, or transfer of ownership of a beverage dispensary license or a restaurant or eating place license."

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

HB 299

HOUSE BILL NO. 299 by Representative Wool, entitled:

"An Act extending the termination date of the Alcoholic Beverage Control Board; and providing for an effective date."

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

HB 300

HOUSE BILL NO. 300 by Representatives Wool, Kawasaki, and Drummond, entitled:

"An Act prohibiting the expenditure of state or municipal assets to enforce federal marijuana laws; and providing for an effective date."

was read the first time and referred to the Community & Regional Affairs and Judiciary Committees.

HB 301

HOUSE BILL NO. 301 by Representative Wool, entitled:

"An Act relating to the renewal and transfer of ownership of a beverage dispensary license or restaurant or eating place license."

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

HB 302

HOUSE BILL NO. 302 by Representative Wool, entitled:

"An Act extending the termination date of the Board of Professional Counselors; and providing for an effective date."

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

HB 303

HOUSE BILL NO. 303 by the House Rules Committee by request of the Governor, entitled:

"An Act relating to workers' compensation benefits for the rehabilitation and reemployment of injured employees."

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

The following fiscal note(s) apply:

1. Zero, Dept. of Administration
2. Fiscal, Dept. of Labor & Workforce Development

The Governor's transmittal letter dated January 23 follows:

"Dear Speaker Edgmon:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill relating to the rehabilitation and reemployment of injured employees in the workers' compensation system. The bill improves the process of determining eligibility and developing reemployment plans for workers who cannot return to their former jobs as a result of a work-related injury, and proposes services to support employers in getting injured workers back on the job quickly.

The reemployment process is meant to provide severely injured workers with new skills to return to the labor market. However, developing workable reemployment plans within statutory constraints has grown increasingly difficult since the reemployment process was last reformed over ten years ago. This bill updates an outdated process with new approaches to provide adequate benefits while controlling costs, and to enhance the system's efficiency and fairness.

This bill would set the maximum cost for a reemployment plan at an amount that accounts for inflation since the last statutory increase in 2000, and provides for annual adjustments of the maximum cost based on the consumer price index. The bill would also increase the limited cash benefit for job dislocation to account for inflation since the benefit was created in 2005. Eligible employees would also have more choices in reemployment goals and plans. The law would no longer require that plans take the shortest amount of time for completion, although statutory time and cost limitations would still apply.

At the same time, the bill would help employers control costs by setting fees for the services of rehabilitation specialists who evaluate eligibility, and develop and monitor plans. The bill would limit the payment of stipend benefits that cover living expenses during the reemployment process to not more than one year before a plan is approved and not more than two years after a plan is approved. This helps employers control costs and curb abuse of the system by discouraging employees from delaying the reemployment process to receive additional stipend. Finally, the bill would also limit liability for employers for reemployment benefits by establishing a deadline for a worker to request these benefits.

The bill would reduce disputes over an employee's non-cooperation with the process by making participation by employees wholly voluntary. Eligibility evaluations would occur only upon an employee's written request and are bypassed if the employer and employee agree to the employee's eligibility. Also, eligible employees would have more time to choose the job dislocation benefit over continuing to participate in the reemployment process. Even after the period for selecting the job dislocation benefit ends, an employee may choose to stop participating in the reemployment process at any time, ending an employer's ongoing liability for reemployment benefits. The

process may be suspended on request if an employee's medical condition changes or the employee has other unusual and extenuating circumstances that prevent the employee from temporarily participating in retraining. Additionally, the bill would permit an employer to controvert and stop paying reemployment benefits if the employee is not willing to participate in the process.

Even though the reemployment process would be voluntary, the bill would encourage employees to return to work because it would not permit employees to settle reemployment benefits with their employers. Instead, employees eligible for reemployment benefits must choose to either complete a reemployment plan or take a job dislocation benefit. This avoids injured employees receiving large lump sums that they often do not use to complete retraining on their own.

The bill would also encourage employees' return to work by allowing the administrator to offer consultation services for employers on early return-to-work policies and programs. Returning injured workers to the job on light duty while they are recovering from their injury maintains their connection to the workforce, and minimizes lost wages and downtime. Moreover, studies have shown that the longer an injured worker remains off work, the less likely that the worker will return to the labor market. The proposed consultation services are meant to reduce the need for retraining and the overall cost of workers' compensation benefits by returning injured employees to work sooner.

Finally, the bill would make the process more efficient in three different ways. First, the bill would allow the reemployment benefits administrator to reconsider or modify decisions, and rehabilitation specialists to help parties modify plans, changing the cumbersome process under current law that requires parties to ask the Alaska Workers' Compensation Board for such adjustments. However, parties would still be permitted to seek Board review of the administrator's decisions in any matter. Second, because the number of qualified rehabilitation specialists is declining, the bill would provide greater flexibility for the administrator to assign and manage these specialists so that lack of availability does not delay eligibility evaluations and plan development. Third, the bill would extend the deadline for specialists to complete eligibility evaluations to 60 days, eliminating

the requirement that they request more time if an evaluation is not completed in 30 days.

This bill would improve the delivery of reemployment benefits to injured workers, ensure reemployment benefits remain adequate, control employers' costs, and encourage the early return to work of injured employees for the benefit of both employees and their employers.

I urge your prompt and favorable action on this measure.

Sincerely,

/s/

Bill Walker

Governor"

HB 304

HOUSE BILL NO. 304 by the House Rules Committee by request of the Governor, entitled:

"An Act relating to the Alaska microloan revolving loan fund and loans from the fund."

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

The following fiscal note(s) apply:

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

The Governor's transmittal letter dated January 23 follows:

"Dear Speaker Edgmon:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill relating to the Alaska microloan revolving fund.

The Alaska microloan revolving fund exists to assist state residents with small business venture loans to facilitate entrepreneurial

enterprise throughout the state, with a specific policy emphasis on job creation in rural communities.

This bill would improve the program by allowing a loan term for up to 15 years (as opposed to the current six years) and increase the interest rate from one percentage point above the prime rate to two percentage points above the prime rate. Further, the minimum interest rate would be modified to not less than four percent a year (rather than the current six percent a year). The maximum interest rate would remain eight percent a year.

These changes will allow the program to incentivize the startup and expansion of small and micro businesses, growing the small business sector while still protecting the state's financial interests.

I urge your prompt and favorable action on this measure to create a Stronger Alaska.

Sincerely,

/s/

Bill Walker
Governor"

HB 305

HOUSE BILL NO. 305 by the House Rules Committee by request of the Governor, entitled:

"An Act relating to oil and hazardous substances and waiver of cost recovery for containment and cleanup of certain releases; and providing for an effective date."

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

The following fiscal note(s) apply:

1. Fiscal, Dept. of Environmental Conservation

The Governor's transmittal letter dated January 23 follows:

"Dear Speaker Edgmon:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill relating to cost recovery relief for homeowners.

This bill would offer cost recovery relief to homeowners when they have a release of oil or hazardous substance from equipment used for space heating or electrical power generation. Current statutes require the Department of Environmental Conservation to seek complete cost recovery for cleaning up spilled petroleum or other hazardous substances. This can deter homeowners from reporting or cooperating with the department when they experience a spill at their home, such as a spill from a heating oil tank.

This bill would allow the Department to waive all or a portion of response costs for cleanup for homeowners. Requirements are:

- Release was from piping, tankage, or other equipment solely used to heat an individual's home or residential building with no more than four housing units;
- The individual did not willfully or negligently fail to comply with spill prevention, reporting, and response requirements;
- The individual took immediate measures upon discovery of the release and provides reasonable assistance in the clean-up.

Allowing relief from cost recovery would result in more timely and efficient cleanup of these contaminated sites, which protects human health and the environment.

I urge your prompt and favorable action on this bill.

Sincerely,

/s/

Bill Walker
Governor"

HB 306

HOUSE BILL NO. 306 by the House Rules Committee by request of the Governor, entitled:

"An Act relating to disbursement options under the Public Employees' Retirement System of Alaska and the Teachers' Retirement System of Alaska for participants in the defined contribution plan; 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 Administration

The Governor's transmittal letter dated January 23 follows:

"Dear Speaker Edgmon:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill relating to disbursement options for the defined contribution retirement plans.

In 2005, the state established a defined contribution retirement plan for certain employees of the State, political subdivision, or public organization of the State. The plan applies to qualified members of the public employees' retirement system (AS 39.35), and the teachers' retirement system (AS 14.25) hired after July 1, 2006. Each plan includes provisions for membership, participation, contributions by members and employers, and distribution of a participant's share.

Currently, the law places statutory restrictions on the forms of distribution. Unfortunately, for plan participants, the statutory options have proven to be inflexible and serve to limit plan participant options. The Division of Retirement and Benefits has found through surveys that plan participants desire further options, including an option for a guaranteed lifetime income product. To meet this need, the Department of Revenue (DOR) and the Department of Administration (DOA) are considering available options and will make those recommended options available for consideration by the Alaska Retirement Management Board in the spring of 2018.

This bill would provide DOA with the ability to put plan options in regulation. Through the regulation process, DOA would have more flexibility to respond to participant needs. This will result in better options for participants, enhance the desirability of public service as a career, and provide a more stable financial future for plan participants.

I urge your prompt and favorable action on this measure.

Sincerely,

/s/

Bill Walker
Governor"

HB 307

HOUSE BILL NO. 307 by Representatives Tuck and LeDoux,
entitled:

"An Act requiring a person who commits certain offenses under the code of military justice to register as a sex offender or child kidnapper; relating to the Servicemembers Civil Relief Act; relating to contracts made by a member of the organized militia; relating to nonjudicial punishment of members of the organized militia; relating to offenses subject to court-martial proceedings; and providing for an effective date."

was read the first time and referred to the House Special Committee on Military & Veterans' Affairs and the Judiciary Committee.

CONSIDERATION OF THE DAILY CALENDAR

LEGISLATIVE CITATIONS

Representative Tuck 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 - Bruce Rife

By Representatives Seaton, Edgmon, Birch, Chenault, Claman, Drummond, Eastman, Fansler, Foster, Gara, Grenn, Guttenberg, Johnson, Johnston, Josephson, Kawasaki, Kito, Kopp, Kreiss-

Tomkins, LeDoux, Millett, Neuman, Ortiz, Parish, Pruitt, Rauscher, Reinbold, Saddler, Spohnholz, Stutes, Talerico, Tarr, Thompson, Tilton, Tuck, Wilson, Wool; Senator Stevens

Honoring - Tim Whip

By Representatives Seaton, Edgmon, Birch, Chenault, Claman, Drummond, Eastman, Fansler, Foster, Gara, Grenn, Guttenberg, Johnson, Johnston, Josephson, Kawasaki, Kito, Kopp, Kreiss-Tomkins, LeDoux, Millett, Neuman, Ortiz, Parish, Pruitt, Rauscher, Reinbold, Saddler, Spohnholz, Stutes, Talerico, Tarr, Thompson, Tilton, Tuck, Wilson, Wool; Senator Stevens

UNFINISHED BUSINESS

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

Representative Tuck – from 1:00 p.m., January 26 to 10:00 a.m., January 29

SPECIAL ORDER OF BUSINESS

Representative Tuck moved and asked unanimous consent that the notice and publication requirements be waived and the citations, Honoring - William K. Williams and Honoring - Tom Martini, Jeff Evon & The Bethel Search and Rescue, be taken up as a Special Order of Business. There being no objection, it was so ordered.

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

Honoring - William K. Williams

By Representatives Ortiz, Edgmon, Birch, Chenault, Claman, Drummond, Eastman, Fansler, Foster, Gara, Grenn, Guttenberg, Johnson, Johnston, Josephson, Kawasaki, Kito, Kopp, Kreiss-Tomkins, LeDoux, Millett, Neuman, Parish, Pruitt, Rauscher, Reinbold, Saddler, Seaton, Spohnholz, Stutes, Sullivan-Leonard, Talerico, Tarr, Thompson, Tilton, Tuck, Wilson, Wool; Senator Stedman

Honoring - Tom Martini, Jeff Evon & The Bethel Search and Rescue
By Representatives Fansler, Edgmon, Birch, Chenault, Claman,
Drummond, Eastman, Foster, Gara, Grenn, Guttenberg, Johnson,
Johnston, Josephson, Kawasaki, Kito, Kopp, Kreiss-Tomkins,
LeDoux, Millett, Neuman, Ortiz, Parish, Pruitt, Rauscher, Reinbold,
Saddler, Seaton, Spohnholz, Stutes, Sullivan-Leonard, Talerico, Tarr,
Thompson, Tilton, Tuck, Wilson, Wool; Senator Hoffman

UNFINISHED BUSINESS

HB 214

Representative Millett added as first cosponsor and Representatives
Spohnholz and Sullivan-Leonard added as cosponsors to:

HOUSE BILL NO. 214

"An Act renaming a portion of the Alaska Safe Children's Act as
Bree's Law; relating to Bree's Law programs and Bree's Law
activities; relating to dating violence and abuse policy, training,
awareness, prevention, and notices; and providing for an effective
date."

ANNOUNCEMENTS

House committee schedules are published under separate cover.

ADJOURNMENT

Representative Tuck moved and asked unanimous consent that the
House adjourn until 10:30 a.m., January 26. There being no objection,
the House adjourned at 11:14 a.m.

Crystaline Jones
Chief Clerk

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