

**SENATE JOURNAL**  
**ALASKA STATE LEGISLATURE**  
**THIRTIETH LEGISLATURE**

**FIRST SESSION**

**Juneau, Alaska**

**Wednesday**

**April 26, 2017**

**One Hundredth Day**

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

The roll showed twenty members present.

The prayer was offered by the Chaplain, Pastor Julia Seymour, Lutheran Church of Hope, Anchorage. Senator Hoffman moved and asked unanimous consent that the prayer be spread. Without objection, it was so ordered.

Holy God,

You are the source of knowledge and courage, of understanding and reconciliation. I give you thanks for the state of Alaska. I thank you for blessings of our natural resources in plants, animals, land, and people. I thank you for our rich history - the fullness of which is known only to you.

I believe that in your Divine eternal wisdom, you have drawn these leaders here to this place. Within their minds and hearts, you have placed skill and discernment for the needs of the state today and for all the tomorrows to come. I pray that the words of their mouths and the meditations of their hearts would be acceptable in your sight.

St. Paul wrote to the Galatians that the fruits of the Holy Spirit are love, joy, peace, patience, kindness, generosity, faithfulness, and self-control. (Gal. 5:22-23). I pray for

these Senators, their staffers, and all who are gathered today that the presence of the Holy Spirit would be evident in this place through the clear, tangible presence of all these fruits.

The work at hand today is complex and involves the lives of many people, every one of whom is known to you. Breathe, O Holy Breath, upon this place as you did at the beginning of all time. Bring order to chaos, as you did in the beginning. Reveal opportunities for new creation through compromise, friendship, and understanding.

Again I thank you for these public servants. Hold them tenderly, mercifully, graciously in your care. Bless them in their work, in their homes, and in their play. Bring to them and through them the gift of your Divine peace. Amen.

Senator Olson led the Senate in the Pledge of Allegiance.

### **Certification**

Senator Micciche moved and asked unanimous consent that the journals for the ninety-eighth and ninety-ninth legislative days be approved as certified by the Secretary. Without objection, it was so ordered.

### **Messages from the House**

Message dated April 24 was read stating:

In accordance with the passage of a motion to invite the Senate for a Joint Session, the Senate is invited to meet in Joint Session on April 27, 2017, at 11:00 a.m. to consider the Governor's appointments to boards and commissions.

Senator Micciche moved and asked unanimous consent to suspend Uniform Rule 51 and decline the House invitation. Without objection, it was so ordered.

The Secretary was requested to notify the House.

**Communications**

The following reports are on file in the Office of the Secretary of the Senate:

Department of Revenue  
Child Support Services Division  
Report on Tier 3 Countries Membership in  
Hague Child Support Convention  
March 31, 2017  
in accordance with Chapter 32, SLA 2015

Department of Revenue  
2016 Report on Tax Credit Certificate Purchases  
April 25, 2017  
in accordance with AS 43.05.230

**Introduction and Reference of  
Senate Resolutions****SCR 12**

SENATE CONCURRENT RESOLUTION NO. 12 BY THE  
SENATE RESOURCES COMMITTEE,

Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, concerning House Bill No. 111, relating to the oil and gas production tax, tax payments, and credits; relating to interest applicable to delinquent oil and gas production tax; relating to carried-forward lease expenditures based on losses and limiting those lease expenditures to an amount equal to the gross value at the point of production of oil and gas produced from the lease or property where the lease expenditure was incurred; relating to information concerning tax credits, lease expenditures, and oil and gas taxes; relating to the disclosure of that information to the public; relating to an adjustment in the gross value at the point of production; and relating to a legislative working group.

was read the first time and held on the Secretary's desk.

**Consideration of the Calendar****Second Reading of Senate Bills****SB 103**

SENATE BILL NO. 103 "An Act establishing the Alaska education innovation grant program; eliminating the Alaska education grant program and the Alaska performance scholarship program; redesignating the Alaska higher education investment fund as the Alaska education innovation grant fund; and providing for an effective date" was read the second time.

Senator MacKinnon, Cochair, moved and asked unanimous consent for the adoption of the Finance Committee Substitute offered on page 955. Senator Gardner objected, then withdrew her objection. There being no further objection, CS FOR SENATE BILL NO. 103(FIN) "An Act establishing the Alaska education innovation grant program; eliminating the Alaska education grant program; relating to the funding of and eligibility for the Alaska performance scholarship program; redesignating the Alaska higher education investment fund as the Alaska education innovation grant fund; and providing for an effective date" was adopted.

Senator Begich offered Amendment No. 1:

Page 6, line 31, following "**AS 14.03.128**":

Insert "**and any other education grants, services, or programs selected by the legislature**"

Page 7, line 13, following "AS 14.03.128":

Insert "and any other education grants, services, or programs selected by the legislature"

Senator Begich moved for the adoption of Amendment No. 1. Senator MacKinnon objected.

The question being: "Shall Amendment No. 1 be adopted?" The roll was taken with the following result:

CSSB 103(FIN)  
Second Reading  
Amendment No. 1?

**YEAS: 6 NAYS: 14 EXCUSED: 0 ABSENT: 0**

Yeas: Begich, Dunleavy, Egan, Gardner, Olson, Wielechowski

Nays: Bishop, Coghill, Costello, Giessel, Hoffman, Hughes, Kelly,  
MacKinnon, Meyer, Micciche, Stedman, Stevens, von Imhof, Wilson

and so, Amendment No. 1 failed.

Senator Micciche moved and asked unanimous consent that the bill be considered engrossed, advanced to third reading and placed on final passage. Without objection, it was so ordered.

CS FOR SENATE BILL NO. 103(FIN) was read the third time.

The question being: "Shall CS FOR SENATE BILL NO. 103(FIN)  
"An Act establishing the Alaska education innovation grant program;  
eliminating the Alaska education grant program; relating to the  
funding of and eligibility for the Alaska performance scholarship  
program; redesignating the Alaska higher education investment fund  
as the Alaska education innovation grant fund; and providing for an  
effective date" pass the Senate?" The roll was taken with the following  
result:

CSSB 103(FIN)  
Third Reading - Final Passage

**YEAS: 13 NAYS: 7 EXCUSED: 0 ABSENT: 0**

Yeas: Coghill, Costello, Dunleavy, Giessel, Hoffman, Hughes, Kelly,  
MacKinnon, Meyer, Micciche, Stevens, von Imhof, Wilson

Nays: Begich, Bishop, Egan, Gardner, Olson, Stedman, Wielechowski

and so, CS FOR SENATE BILL NO. 103(FIN) passed the Senate.

Senator Micciche moved for the adoption of the effective date clauses.

The question being: "Shall the effective date clauses be adopted?" The roll was taken with the following result:

CSSB 103(FIN)

Effective Date Clauses

**YEAS: 20 NAYS: 0 EXCUSED: 0 ABSENT: 0**

Yeas: Begich, Bishop, Coghill, Costello, Dunleavy, Egan, Gardner, Giessel, Hoffman, Hughes, Kelly, MacKinnon, Meyer, Micciche, Olson, Stedman, Stevens, von Imhof, Wielechowski, Wilson

and so, the effective date clauses were adopted and the bill was referred to the Secretary for engrossment.

### Citations

Honoring - Army Emergency Relief

Senator(s) Wielechowski, Kelly, Begich, Bishop, Coghill, Costello, Dunleavy, Egan, Gardner, Giessel, Hoffman, Hughes, MacKinnon, Meyer, Micciche, Olson, Stedman, Stevens, von Imhof, Wilson  
Representative(s) LeDoux

Honoring - Anchorage North Stars 2017 16U National Champions

Senator(s) Begich, Meyer, Kelly, Bishop, Coghill, Costello, Dunleavy, Egan, Gardner, Giessel, Hoffman, Hughes, MacKinnon, Micciche, Olson, Stedman, Stevens, von Imhof, Wielechowski  
Representative(s) Birch

Honoring - Carla Hadley McConnell

Senator(s) Wielechowski, Kelly, Begich, Bishop, Coghill, Costello, Dunleavy, Egan, Gardner, Giessel, Hoffman, Hughes, MacKinnon, Meyer, Micciche, Olson, Stedman, Stevens, von Imhof  
Representative(s) LeDoux

Honoring - Jeff Jabusch

Senator(s) Stedman, Kelly, Begich, Bishop, Coghill, Costello, Dunleavy, Egan, Gardner, Giessel, Hoffman, Hughes, MacKinnon, Meyer, Micciche, Olson, Stevens, von Imhof, Wielechowski  
Representative(s) Ortiz

Honoring - ACS Girls Basketball Team 2017 3A State Champions

Representative(s) Pruitt

Senator(s) Giessel, Kelly, Begich, Bishop, Coghill, Costello, Dunleavy, Egan, Gardner, Hoffman, Hughes, MacKinnon, Meyer, Micciche, Olson, Stedman, Stevens, von Imhof, Wielechowski

Honoring - East High School Music Department

Representative(s) Pruitt

Senator(s) Giessel, Kelly, Begich, Bishop, Coghill, Costello, Dunleavy, Egan, Gardner, Hoffman, Hughes, MacKinnon, Meyer, Micciche, Olson, Stedman, Stevens, von Imhof, Wielechowski

Honoring - Natalie Hanson

Representative(s) Fansler

Senator(s) Hoffman, Kelly, Begich, Bishop, Coghill, Costello, Dunleavy, Egan, Gardner, Giessel, Hughes, MacKinnon, Meyer, Micciche, Olson, Stedman, Stevens, von Imhof, Wielechowski

Honoring - Kristi Wood

Representative(s) Spohnholz

Senator(s) Wielechowski, Kelly, Begich, Bishop, Coghill, Costello, Dunleavy, Egan, Gardner, Giessel, Hoffman, Hughes, MacKinnon, Meyer, Micciche, Olson, Stedman, Stevens, von Imhof

In Memoriam - Jan Faiks

Senator(s) Giessel, Kelly, Begich, Bishop, Coghill, Costello, Dunleavy, Egan, Gardner, Hoffman, Hughes, MacKinnon, Meyer, Micciche, Olson, Stedman, Stevens, von Imhof, Wielechowski, Wilson

Representative(s) Johnston

In Memoriam - Brian Kincaid

Senator(s) Hughes, Dunleavy, Kelly, Begich, Bishop, Coghill, Costello, Egan, Gardner, Giessel, Hoffman, MacKinnon, Meyer, Micciche, Olson, Stedman, Stevens, von Imhof, Wielechowski, Wilson

Representative(s) Rauscher

In Memoriam - Gregory Stuart Bill

Senator(s) Hughes, Kelly, Begich, Bishop, Coghill, Costello, Dunleavy, Egan, Gardner, Giessel, Hoffman, MacKinnon, Meyer, Micciche, Olson, Stedman, Stevens, von Imhof, Wielechowski, Wilson

Representative(s) Johnson

In Memoriam - Robert Greig

Senator(s) Hughes, Dunleavy, Kelly, Begich, Bishop, Coghill, Costello, Egan, Gardner, Giessel, Hoffman, MacKinnon, Meyer, Micciche, Olson, Stedman, Stevens, von Imhof, Wielechowski, Wilson

Representative(s) Rauscher

In Memoriam - Rosanne Bailey

Senator(s) Hughes, Bishop, Kelly, Begich, Coghill, Costello, Dunleavy, Egan, Gardner, Giessel, Hoffman, MacKinnon, Meyer, Micciche, Olson, Stedman, Stevens, von Imhof, Wielechowski, Wilson

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

### **Unfinished Business**

#### **SB 26**

President Kelly appointed Senate conferees to a Conference Committee to consider the following bills:

CS FOR SENATE BILL NO. 26(FIN) "An Act relating to an appropriation limit; relating to the budget responsibilities of the governor; relating to the Alaska permanent fund, the earnings of the Alaska permanent fund, and the earnings reserve account; relating to the mental health trust fund; relating to deposits into the dividend fund; relating to the calculation and payment of permanent fund dividends; and providing for an effective date."

and



HOUSE CS FOR CS FOR SENATE BILL NO. 26(FIN)(efd fld H)  
"An Act relating to an appropriation limit; relating to the budget responsibilities of the governor; relating to the Alaska permanent fund, the earnings of the Alaska permanent fund, and the earnings reserve account; relating to the mental health trust fund; relating to deposits into the dividend fund; and relating to the calculation and payment of permanent fund dividends."

**Conference Committee on SB 26**

Senator MacKinnon, Chair

Senator Hoffman

Senator Egan

The Secretary was requested to notify the House.

**Announcements**

Announcements are at the end of the journal.

**Engrossment**

**SB 103**

CS FOR SENATE BILL NO. 103(FIN) "An Act establishing the Alaska education innovation grant program; eliminating the Alaska education grant program; relating to the funding of and eligibility for the Alaska performance scholarship program; redesignating the Alaska higher education investment fund as the Alaska education innovation grant fund; and providing for an effective date" was engrossed, signed by the President and Secretary and transmitted to the House for consideration.

**Adjournment**

Senator Micciche moved and asked unanimous consent that the Senate stand in adjournment until 11:00 a.m., April 27, 2017. Without objection, the Senate adjourned at 12:17 p.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**

<b>Apr 27</b>	<b>Thursday</b>	<b>Beltz 105 (tsbldg)</b>	<b>3:30 PM</b>
	No Meeting Scheduled		

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**EDUCATION**

<b>Apr 26</b>	<b>Wednesday</b>	<b>Butrovich 205</b>	<b>8:00 AM</b>
	No Meeting Scheduled		

<b>Apr 28</b>	<b>Friday</b>	<b>Butrovich 205</b>	<b>8:00 AM</b>
	No Meeting Scheduled		

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**FINANCE**

<b>Apr 26</b>	<b>Wednesday</b>	<b>Senate Finance 532</b>	<b>9:00 AM</b>
+ HB 111	OIL & GAS PRODUCTION TAX;PAYMENTS;CREDITS		
+	Bills Previously Heard/Scheduled		

<b>Apr 27</b>	<b>Thursday</b>	<b>Senate Finance 532</b>	<b>9:00 AM</b>
+ HB 111	OIL & GAS PRODUCTION TAX;PAYMENTS;CREDITS		
+	Rich Ruggiero, Castle Gap Energy Partners - LB&A Consultant		
	Roger Marks, LB&A Consultant		
+	Bills Previously Heard/Scheduled		

**FINANCE (continued)**

**Apr 28 Friday Senate Finance 532 9:00 AM**  
 + Presentation: Senate Fiscal Plan  
 Meeting will Recess to 1:30 p.m.  
 + HB 111 OIL & GAS PRODUCTION TAX;PAYMENTS;CREDITS  
 -- Testimony <Invitation Only> --  
 + Bills Previously Heard/Scheduled

**Apr 29 Saturday Senate Finance 532 9:00 AM**  
 + HB 111 OIL & GAS PRODUCTION TAX;PAYMENTS;CREDITS  
 -- Public Testimony <9:00 a.m. - 11:00 a.m.> --  
 Must be Signed up by 10:30 a.m.  
 + Bills Previously Heard/Scheduled

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**HEALTH & SOCIAL SERVICES**

**Apr 26 Wednesday Butrovich 205 1:30 PM**  
 No Meeting Scheduled

**Apr 28 Friday Butrovich 205 1:30 PM**  
 No Meeting Scheduled

**May 01 Monday Butrovich 205 1:30 PM**  
 No Meeting Scheduled

**May 03 Wednesday Butrovich 205 1:30 PM**  
 No Meeting Scheduled

**May 05 Friday Butrovich 205 1:30 PM**  
 No Meeting Scheduled

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**JUDICIARY**

**Apr 26 Wednesday Beltz 105 (tsbldg) 1:30 PM**  
 No Meeting Scheduled

**Apr 28 Friday Beltz 105 (tsbldg) 1:30 PM**  
 No Meeting Scheduled

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**LABOR & COMMERCE**

**Apr 26 Wednesday Beltz 105 (tsbldg) 9:00 AM**  
 + HB 115 INCOME TAX; PFD PAYMENT/CREDIT;  
 -- Testimony <Invitation Only> --  
 + Presentation - Tax Foundation - "Implications of  
 an Alaska Income Tax"  
 -- Testimony <Invitation Only> --  
 + Bills Previously Heard/Scheduled

**Apr 26 Wednesday Beltz 105 (tsbldg) 1:30 PM**  
 -- MEETING CANCELED --  
 + HB 115 INCOME TAX; PFD PAYMENT/CREDIT;  
 -- Testimony <Invitation Only> --  
 + Dept. of Revenue - Modeling HB 115 Impact on  
 Alaska's Economy  
 + Bills Previously Heard/Scheduled

**Apr 26 Wednesday Beltz 105 (tsbldg) 5:00 PM**  
 -- MEETING CANCELED --  
 + HB 115 INCOME TAX; PFD PAYMENT/CREDIT;  
 -- Statewide Public Testimony --  
 -- Public Testimony <Limited to 2 Minutes> --  
 Please Sign-in at Your Local LIO No Later Than  
 6:30pm. Limited Number of Off-Net Phone Lines  
 Available, Must be Arranged Through Chair's  
 Office Prior to Hearing.  
 Contact by Phone: 907-465-4968  
 + Bills Previously Heard/Scheduled

**Apr 27 Thursday Beltz 105 (tsbldg) 9:00 AM**  
 -- MEETING CANCELED --  
 + HB 115 INCOME TAX; PFD PAYMENT/CREDIT;  
 -- Testimony <Invitation Only> --  
 + Bills Previously Heard/Scheduled

**Apr 27 Thursday Beltz 105 (tsbldg) 1:30 PM**  
 + HB 115 INCOME TAX; PFD PAYMENT/CREDIT;  
 -- Testimony <Invitation Only> --  
 + Presentation - Mercatus Center - "Recommendations  
 for Stabilizing Alaska's Revenue"  
 - Alaska Trust Industry  
 + Dept. of Revenue - Modeling HB 115 Impact on  
 Alaska's Economy  
 + Bills Previously Heard/Scheduled

**LABOR & COMMERCE (continued)**

**Apr 27      Thursday                      Beltz 105 (tsbldg)                      5:00 PM**

-- MEETING CANCELED --

- + HB 115 INCOME TAX; PFD PAYMENT/CREDIT;  
 -- Statewide Public Testimony --  
 -- Public Testimony <Limited to 2 Minutes> --  
 Please Sign-in at Your Local LIO No Later Than  
 6:30pm. Limited Number of Off-Net Phone Lines  
 Available, Must be Arranged Through Chair's  
 Office Prior to Hearing.  
 Contact by Phone: 907-465-4968  
 + Bills Previously Heard/Scheduled

**Apr 28      Friday                              Beltz 105 (tsbldg)                      9:00 AM**

-- MEETING CANCELED --

- + HB 115 INCOME TAX; PFD PAYMENT/CREDIT;  
 -- Testimony <Invitation Only> --

**Apr 28      Friday                              Beltz 105 (tsbldg)                      1:30 PM**

- + HB 115 INCOME TAX; PFD PAYMENT/CREDIT;  
 -- Testimony <Invitation Only> --  
 + Bills Previously Heard/Scheduled

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**RESOURCES**

**Apr 26      Wednesday                      Butrovich 205                      2:00 PM**

-- MEETING CANCELED --

-- Please Note Time --

- + HB 111 OIL & GAS PRODUCTION TAX;PAYMENTS;CREDITS  
 -- Testimony <Invitation Only> --

**Apr 27      Thursday                              Butrovich 205                      3:30 PM**

-- MEETING CANCELED --

- + HB 111 OIL & GAS PRODUCTION TAX;PAYMENTS;CREDITS  
 -- Testimony <Invitation Only> --

**Apr 28      Friday                              Butrovich 205                      2:00 PM**

-- MEETING CANCELED --

-- Please Note Time --

- + HB 111 OIL & GAS PRODUCTION TAX;PAYMENTS;CREDITS  
 -- Testimony <Invitation Only> --

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**STATE AFFAIRS**

**Apr 27      Thursday                      Butrovich 205              3:30 PM**  
No Meeting Scheduled

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**TRANSPORTATION**

**Apr 27      Thursday                      Butrovich 205              1:30 PM**  
No Meeting Scheduled

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**JOINT COMMITTEES****LEGISLATIVE COUNCIL**

**Apr 27      Thursday                      House Finance 519              4:00 PM**  
+ EXECUTIVE SESSION  
- West Benson LIO