

# HOUSE JOURNAL

## ALASKA STATE LEGISLATURE

### TWENTY-SECOND LEGISLATURE -- SECOND SESSION

Juneau, Alaska

Friday

February 15, 2002

#### Thirty-third Day

Pursuant to adjournment the House was called to order by Speaker Porter at 10:04 a.m.

Roll call showed 25 members present. Representatives Davies, Halcro, Kott, Masek, Morgan, Moses, Mulder, Murkowski, Ogan, Rokeberg, Scalzi, and Stevens had been previously excused from a call of the House today. Representatives Croft and Kohring were absent and their presence was noted later.

Representative James moved and asked unanimous consent that Representative Williams be excused from a call of the House from today to 9:45 p.m., plane time, February 18, 2002. There being no objection, it was so ordered.

The invocation was offered by Pastor Patrick Brayton of Valley Chapel. Representative Joule moved and asked unanimous consent that the invocation be spread on the journal. There being no objection, it appears below:

Heavenly Father, Your word instructs us to pray continually for all who are in authority over us and it further states that such prayer is good and acceptable in Your sight. I, therefore, count it an honor and a joy to pray for these men and women who make up our House of Representatives. Bless them, Father, for their faithfulness in serving the people of this wonderful state. They sacrifice much to be here. Please watch over their families and affairs while they are away from their homes. Grant health to their bodies and peace to their hearts. Give them, also, Your grace to do this difficult work and may their labors bear good fruit for the state of Alaska. I pray, Lord, that Your great wisdom will be imparted to, and

be received by, these faithful public servants. As You alone know what tomorrow will be, let us be led by Your Spirit into a secure and happy future. We thank You Father for Your love and we honor You as Sovereign over the affairs of this state. In Jesus' Name I pray. Amen.

The Pledge of Allegiance was led by Representative Fate.

#### **CERTIFICATION OF THE JOURNAL**

Representative James moved and asked unanimous consent that the journal for the 31st and 32nd legislative days be approved as certified by the Chief Clerk. There being no objection, it was so ordered.

#### **MESSAGES FROM THE GOVERNOR**

A letter dated and received at 4:35 p.m., February 13, 2002, was read stating that, in accordance with Article III, section 25 of the Alaska Constitution, the Governor submits the following name for legislative confirmation of appointment to the position noted:

The following appointment was referred to the Health, Education & Social Services Committee:

##### **Commissioner - Department of Health and Social Services**

Jay Livey - Juneau  
Appointed: 10/09/2001

In addition, in accordance with AS 39.05.080, the Governor submits the following names for legislative confirmation of appointment to the boards and commissions noted:

The following appointment was referred to the Finance Committee:

##### **Alaska Mental Health Trust Authority Board of Trustees**

Phil A. Younker, Sr. - Fairbanks  
Appointed: 06/07/2001 Term Expires: 03/01/2005

The following appointments were referred to the Judiciary Committee:

**Board of Governors of the Alaska Bar**

William A. Granger - Anchorage

Appointed: 06/29/2001 Term Expires: 03/01/2003

**Commission on Judicial Conduct**

Jeffrey M. Feldman - Anchorage

Appointed: 09/01/1993 Reappointed: 07/16/1997 and  
06/07/2001 Term Expires: 03/01/2005

**Violent Crimes Compensation Board**

Leslie D. Bogda Wheeler - Wasilla

Appointed: 05/15/1996 Reappointed: 12/11/1998 and  
01/18/2002 Term Expires: 03/01/2004

The following appointments were referred to the Labor & Commerce Committee:

**Alaska State Board of Public Accountancy**

Marjorie J. Kaiser - Anchorage

Appointed: 07/16/1997 Reappointed: 06/07/2001  
Term Expires: 03/01/2005

Steven R. Tarola - Homer

Appointed: 07/16/1997 Reappointed: 06/07/2001  
Term Expires: 03/01/2005

Sandra R. Wilson - Fairbanks

Appointed: 07/16/1997 Reappointed: 06/07/2001  
Term Expires: 03/01/2005

**Alcoholic Beverage Control Board**

Ellen L. Ganley - Fairbanks

Appointed: 06/29/1995 Reappointed: 01/31/1996,  
02/19/1999, and 01/31/2002 Term Expires: 03/01/2005

**State Board of Registration for Architects, Engineers, and Land Surveyors**

Linda Cyra-Korsgaard - Anchorage  
Appointed: 09/11/1998 Reappointed: 07/01/2001  
Term Expires: 06/30/2005  
Donald J. Iverson - Anchorage  
Appointed: 08/12/1997 Reappointed: 07/01/2001  
Term Expires: 03/01/2005  
Scott McLane - Soldotna  
Appointed: 08/12/1997 Reappointed: 07/01/2001  
Term Expires: 03/01/2005  
Patricia Peirsol - Fairbanks  
Appointed: 08/12/1997 Reappointed: 07/01/2001  
Term Expires: 03/01/2005

**Board of Barbers and Hairdressers**

William (Randy) R. Graf - Anchorage  
Appointed: 06/21/2001 Term Expires: 03/01/2002

**Board of Chiropractic Examiners**

Dr. Gregory M. Culbert - Eagle River  
Appointed: 01/24/2002 Term Expires: 03/01/2005  
Dr. R. Clark Davis - Ketchikan  
Appointed: 11/14/2001 Term Expires: 03/01/2004  
Dr. Carol J. Davis - Fairbanks  
Appointed: 11/16/1998 Reappointed: 07/15/2001  
Term Expires: 03/01/2005

**Board of Dental Examiners**

Dr. Robert J. Allen - Bethel  
Appointed: 11/14/2001 Term Expires: 03/01/2003  
Dr. William L. Gerace - Anchorage  
Appointed: 06/25/2001 Term Expires: 03/01/2005  
Dr. Rebecca Neslund - Kodiak  
Appointed: 11/14/2001 Term Expires: 03/01/2005

**Board of Dispensing Opticians**

James Rothmeyer - Fairbanks  
Appointed: 03/17/1999 Reappointed: 06/07/2001  
Term Expires: 03/01/2005

**Alaska Labor Relations Agency**

Roberta Demoski - Anchorage

Appointed: 01/18/2002 Term Expires: 03/01/2003

Aaron T. Isaacs - Klawock

Appointed: 06/12/2000 Reappointed: 01/18/2002

Term Expires: 03/01/2005

David D. Rasley - Fairbanks

Appointed: 11/14/2001 Term Expires: 03/01/2004

Raymond P. Smith - Anchorage

Appointed: 03/06/1995 Reappointed: 06/30/1995,  
07/31/1998, and 08/22/2001 Term Expires: 03/01/2004

**Board of Marine Pilots**

Jack G. Poulson - Juneau

Appointed: 06/07/2001 Term Expires: 03/01/2004

**Board of Marital and Family Therapy**

Larry Holman - Anchorage

Appointed: 08/22/2001 Reappointed: 12/14/2001

Term Expires: 03/01/2005

**State Medical Board**

Dr. Allan G. Schlicht - Juneau

Appointed: 11/14/2001 Term Expires: 03/01/2004

Thomas H. Wilson - Fairbanks

Appointed: 11/14/2001 Term Expires: 03/01/2005

**Board of Certified Direct-Entry Midwives**

Martha J. Falkar Linden - Anchorage

Appointed: 11/26/1997 Reappointed: 07/21/2001

Term Expires: 03/01/2005

**Board of Nursing**

Dr. Nancy L. Sanders - Anchorage

Appointed: 08/23/1999 Reappointed: 06/07/2001

Term Expires: 03/01/2005

**Board of Examiners in Optometry**

Dr. Erik D. Christianson - Ketchikan

Appointed: 06/01/1998 Reappointed: 06/07/2001

Term Expires: 03/01/2005

**Board of Pharmacy**

Gerry Knasiak - Ketchikan

Appointed: 04/16/1998 Reappointed: 06/07/2001

Term Expires: 03/01/2005

Laura Lee Nelson - Juneau

Appointed: 06/29/1999 Reappointed: 06/07/2001

Term Expires: 03/01/2005

**State Physical Therapy and Occupational Therapy Board**

Sundi M. Hondl - Wasilla

Appointed: 01/21/1998 Reappointed: 08/22/2001

Term Expires: 03/01/2005

Laura McDonough - Anchorage

Appointed: 06/07/2001 Term Expires: 03/01/2004

Dr. George D. Rhyneer - Anchorage

Appointed: 11/06/2001 Term Expires: 03/01/2004

**Board of Professional Counselors**

Janet McGillivray - Anchorage

Appointed: 03/21/2000 Reappointed: 11/06/2001

Term Expires: 03/01/2005

Dr. Allan A. Morotti - Fairbanks

Appointed: 11/16/1998 Reappointed: 11/06/2001

Term Expires: 03/01/2005

**Board of Psychologist and Psychological Associate Examiners**

Dr. Carey S. Edney - Anchorage

Appointed: 10/31/1997 Reappointed: 07/01/2001

Term Expires: 03/01/2005

**Board of Certified Real Estate Appraisers**

Judy Kemplen - Anchorage

Appointed: 01/21/1998 Reappointed: 06/30/2001

Term Expires: 03/01/2005

Stephen F. Turner - Anchorage

Appointed: 08/25/2000 Reappointed: 01/18/2002

Term Expires: 03/01/2006

**Real Estate Commission**

Lowell (Tom) T. Freeman - Anchorage

Appointed: 11/06/2001 Term Expires: 03/01/2003

Jeannie Johnson - Douglas

Appointed: 06/07/2001 Term Expires: 03/01/2005

Susan Rainey - Fairbanks

Appointed: 09/15/2001 Term Expires: 03/01/2005

**Regulatory Commission of Alaska (RCA)**

Will Abbott - Anchorage

Appointed: 07/01/1999 Reappointed: 07/01/2001

Term Expires: 03/01/2007

**Board of Social Work Examiners**

Lorraine M. Jaeger-Kirsch - Douglas

Appointed: 11/14/2001 Reappointed: 01/18/2002

Term Expires: 03/01/2006

Denny Patella - Anchorage

Appointed: 09/11/1998 Reappointed: 08/22/2001 and

09/25/2001 Term Expires: 03/01/2005

**Alaska Workers' Compensation Board**

Dorothy Bradshaw - Fairbanks

Appointed: 01/30/1996 Reappointed: 06/02/1998 and

07/01/2001 Term Expires: 03/01/2004

John Giuchici - Fairbanks

Appointed: 10/10/1991 Reappointed: 06/25/1996,

09/07/2000, and 01/18/2002 Term Expires: 03/01/2005

Stephen T. Hagedorn - Anchorage

Appointed: 08/19/1991 Reappointed: 06/25/1996,

09/06/2000, and 01/18/2002 Term Expires: 03/01/2005

James (Jay) N. Rhodes - Ketchikan

Appointed: 09/11/2001 Term Expires: 03/01/2004

Philip E. Ulmer - Eagle River

Appointed: 01/30/1996 Reappointed: 06/02/1998 and

07/01/2001 Term Expires: 03/01/2004

The following appointments were referred to the Resources Committee:

**Board of Game**

George Matz - Anchorage

Appointed: 05/17/2001 Term Expires: 03/01/2004

J. Dana Pruhs - Anchorage

Appointed: 05/17/2001 Term Expires: 03/01/2003

The following appointments were referred to the State Affairs Committee:

**State Commission for Human Rights**

Kathy K. Wisthoff - Anchorage

Appointed: 02/20/1997 Reappointed: 01/31/2002

Term Expires: 03/01/2007

**Alaska Public Offices Commission (APOC)**

Sheila Gallagher - Anchorage

Appointed: 06/07/2001 Term Expires: 03/01/2006

The following appointments were referred to the House Special Committee on Education and the Health, Education & Social Services Committee:

**Board of Education and Early Development**

Sally Rue - Juneau

Appointed: 03/23/2000 Reappointed: 01/31/2002

Term Expires: 03/01/2007

**Professional Teaching Practices Commission**

Steven Beardsley - Anchorage

Appointed: 12/11/1998 Reappointed: 07/01/2001

Term Expires: 03/01/2004

Vickie L. McCubbin - Anchorage

Appointed: 12/11/1998 Reappointed: 07/01/2001

Term Expires: 03/01/2004

Dr. Donna Peterson - Soldotna

Appointed: 07/01/2001 Term Expires: 03/01/2004



**University of Alaska Board of Regents**

Mark Begich - Anchorage

Appointed: 05/29/2001 Term Expires: 03/01/2009

Joseph Hardenbrook - Fairbanks

Appointed: 06/01/2001 Term Expires: 06/01/2003

Marlene A. Johnson - Juneau

Appointed: 05/29/2001 Term Expires: 03/01/2009

The following appointment was referred to the House Special Committee on Fisheries and the Resources Committee:

**Alaska Commercial Fisheries Entry Commission (CFEC)**

Mary McDowell - Juneau

Appointed: 10/06/1997 Reappointed: 08/20/2001

Term Expires: 03/01/2006

Resumes for the appointments are on file in the Chief Clerk's office.

**REPORTS OF STANDING COMMITTEES****HB 171**

The Finance Committee has considered:

HOUSE BILL NO. 171

"An Act relating to a curriculum for Alaska history; and providing for an effective date."

and recommends it be replaced with:

CS FOR HOUSE BILL NO. 171(FIN)

(same title)

The report was signed by Representative Williams, Co-chair, with the following individual recommendations:

Do pass (8): Bunde, Harris, Croft, Moses, Lancaster, Hudson, Foster, Williams

The following fiscal note(s) apply to CSHB 171(FIN):

2. Zero, Dept. of Education & Early Development

HB 171 is on today's calendar.

\*\*The presence of Representative Croft was noted.

**HB 229**

The Labor & Commerce Committee has considered:

HOUSE BILL NO. 229

"An Act imposing a tax on employment; and providing for an effective date."

and recommends it be replaced with:

CS FOR HOUSE BILL NO. 229(L&C)  
(same title)

The report was signed by Representative Murkowski, Chair, with the following individual recommendations:

Do not pass (4): Crawford, Meyer, Rokeberg, Kott

No recommendation (3): Halcro, Hayes, Murkowski

The following fiscal note(s) apply to CSHB 229(L&C):

Fiscal note(s) forthcoming.

HB 229 was referred to the Finance Committee.

**HB 288**

The Resources Committee has considered:

HOUSE BILL NO. 288

"An Act relating to commercial fisheries limited entry permit buy-back programs."

and recommends it be replaced with:

CS FOR HOUSE BILL NO. 288(RES)

"An Act relating to commercial fishing limited entry permit buy-back programs and to relinquishment of commercial fishing permits; and defining 'optimum number'."

The report was signed by Representative Scalzi, Co-chair, with the following individual recommendations:

Do pass (6): Chenault, Kerttula, Fate, McGuire, Stevens, Scalzi

The following fiscal note(s) apply to CSHB 288(RES):

1. Zero, Dept. of Fish & Game

HB 288 was referred to the Finance Committee.

### **HB 312**

The Finance Committee has considered:

HOUSE BILL NO. 312

"An Act relating to the delay of the reduction of supplementary public school funding; and providing for an effective date."

The report was signed by Representatives Mulder and Williams, Co-chairs, with the following individual recommendations:

Do pass (9): Croft, Whitaker, Harris, Moses, Lancaster, Hudson, Foster, Mulder, Williams

Do not pass (1): Bunde

The following fiscal note(s) apply:

1. Fiscal, Dept. of Education & Early Development

HB 312 was referred to the Rules Committee for placement on the calendar.

**HB 375**

The Judiciary Committee has considered:

## HOUSE BILL NO. 375

"An Act making corrective amendments to the Alaska Statutes as recommended by the revisor of statutes; and providing for an effective date."

The report was signed by Representative Rokeberg, Chair, with the following individual recommendations:

Do pass (1): Rokeberg

No recommendation (3): Berkowitz, Meyer, Coghill

Amend (2): Ogan, James

The following fiscal note(s) apply:

1. Zero, Legislative Affairs Agency

HB 375 was referred to the Rules Committee for placement on the calendar.

**HB 381**

The Judiciary Committee has considered:

## HOUSE BILL NO. 381

"An Act relating to the crime of failure to stop at the direction of a peace officer; and providing for an effective date."

The report was signed by Representative Rokeberg, Chair, with the following individual recommendations:

Do pass (3): James, Meyer, Rokeberg

No recommendation (2): Coghill, Berkowitz

The following fiscal note(s) apply:

## 1. Zero, Dept. of Law

HB 381 was referred to the Rules Committee for placement on the calendar.

**HB 402**

The Health, Education & Social Services Committee has considered:

## HOUSE BILL NO. 402

"An Act relating to diversion payments, wage subsidies, cash assistance, and self-sufficiency services provided under the Alaska temporary assistance program; relating to the food stamp program; relating to child support cases that include persons who receive cash assistance or self-sufficiency services under the Alaska temporary assistance program; and providing for an effective date."

The report was signed by Representative Dyson, Chair, with the following individual recommendations:

Do pass (3): Dyson, Wilson, Cissna

No recommendation (3): Coghill, Kohring, Joule

The following fiscal note(s) apply:

## 1. Zero, Dept. of Health &amp; Social Services

HB 402 was referred to the Finance Committee.

**REPORTS OF SPECIAL COMMITTEES****HCR 20**

The House Special Committee on Military & Veterans' Affairs has considered:

## HOUSE CONCURRENT RESOLUTION NO. 20

Relating to declaring September 11, 2002, as Emergency Service Providers and Armed Forces Appreciation Day.

and recommends it be replaced with:

CS FOR HOUSE CONCURRENT RESOLUTION NO. 20(MLV)  
Relating to declaring September 11, 2002, as a Day of  
Remembrance.

The report was signed by Representative Chenault, Chair, with the following individual recommendations:

Do pass (4): Kott, Murkowski, Masek, Chenault

The following fiscal note(s) apply to CSHCR 20(MLV):

1. Zero, House Special Committee on Military & Veterans' Affairs

HCR 20 was referred to the Rules Committee for placement on the calendar.

### **HB 305**

The House Special Committee on Military & Veterans' Affairs has considered:

HOUSE BILL NO. 305

"An Act prohibiting certain state employment, a student loan, or a permanent fund dividend for a person who fails to register for the military selective service; and providing for an effective date."

The report was signed by Representative Chenault, Chair, with the following individual recommendations:

Do pass (4): Kott, Green, Murkowski, Chenault

Do not pass (1): Masek

The following fiscal note(s) apply:

1. Zero, Dept. of Revenue

HB 305 was referred to the State Affairs Committee.

**INTRODUCTION OF CITATIONS**

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

Honoring - Michael L. Lakin  
By Representative James

Honoring - Harry Davis  
By Representative Hayes

In Memoriam - Sara Machetanz  
By Senator Green

In Memoriam - Reverend Tchernavia M. Williams  
By Senator Davis

**INTRODUCTION, FIRST READING, AND REFERENCE  
OF HOUSE RESOLUTIONS****HJR 40**

HOUSE JOINT RESOLUTION NO. 40 by Representative Crawford:

Supporting funding for federal highway programs.

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

**HJR 41**

HOUSE JOINT RESOLUTION NO. 41 by the House Rules Committee by request of the Governor:

Proposing an amendment to the Constitution of the State of Alaska relating to providing for priorities for and among subsistence uses in the allocation of fish, wildlife, and other renewable resources.

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

The following fiscal note(s) apply:

1. Fiscal, Office of the Governor

The Governor's transmittal letter dated February 14, 2002, appears below:

"Dear Speaker Porter:

Today I am introducing an innovative approach to resolving an issue that has haunted Alaskans for more than a decade -- the permanent protection of subsistence. Probably more than any single issue, our failure to resolve subsistence has contributed to the growing divide between urban and rural Alaskans. This approach protects the importance of subsistence for rural Alaskans first, and then recognizes the needs of those urban residents who have a customary and traditional use of fish and game resources. It is a fresh and widely supported starting point for achieving a permanent resolution to subsistence.

This proposal is built on the hard work of many Alaskans. Last August, I convened 42 prominent Alaskans from all walks of life -- business, civic, religious, Native -- in the Subsistence Leadership Summit. By demonstrating an overwhelming sense of unity and a new level of understanding, respect, and agreement, they re-ignited the hope of bringing Alaskans together. The Summit made a major contribution to helping find a solution to the long-standing subsistence dilemma.

To build on the work of that summit, I then asked 11 Alaskans -- most of them members of the Summit -- to craft a potential subsistence amendment to the Alaska Constitution. That group succeeded in writing the constitutional amendment that I am offering today in this resolution. It will protect the lifeblood that subsistence is to the cultural, spiritual, economic and physical well being of rural Alaskans.

I am asking that we place this constitutional amendment before the public for a vote, allowing Alaskans to take a major step toward bridging the divide that has separated our urban and rural residents.



We have debated and struggled with the subsistence issue for far too many years. We must finally act to protect the subsistence way of life and regain state management of all fish and wildlife uses throughout Alaska. Alaskans have the right to vote on this constitutional amendment, and the need for the chance to do so. I encourage your prompt action on this resolution.

Sincerely,  
/s/  
Tony Knowles  
Governor"

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

**HB 254**

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 254 by  
Representative James by request, entitled:

"An Act relating to the teachers' retirement system, the judicial retirement system, and the public employees' retirement system and to the tax qualification under the Internal Revenue Code of those systems; amending the definition of 'actuarial adjustment' in the teachers' retirement system and the public employees' retirement system; repealing certain provisions of the teachers' retirement system and the public employees' retirement system; and providing for an effective date."

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

**HB 315**

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 315 by  
Representative Rokeberg, entitled:

"An Act allowing employers that are small businesses, small nonprofit organizations, or small associations for insurance purposes to join state employee insurance coverage as a group; and providing for an effective date."

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

**HB 428**

HOUSE BILL NO. 428 by the House Labor & Commerce Committee by request, entitled:

"An Act relating to the definitions of 'floating fisheries business' and 'shore-based fisheries business' for the purposes of the fishery business tax; and providing for an effective date."

was read the first time and referred to the House Special Committee on Fisheries and the Resources and Labor & Commerce Committees.

**HB 429**

HOUSE BILL NO. 429 by the House Rules Committee by request of the Governor, entitled:

"An Act relating to certain licenses for the sale of tobacco products; relating to tobacco taxes and sales and cigarette tax stamps; relating to provisions making certain cigarettes contraband and subject to seizure and forfeiture; relating to certain crimes, penalties, and interest concerning tobacco taxes and sales; relating to notification regarding a cigarette manufacturer's noncompliance with the tobacco product Master Settlement Agreement or related statutory provisions and to confiscation of the affected cigarettes; and providing for an effective date."

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

The following fiscal note(s) apply:

1. Fiscal, Dept. of Revenue

The Governor's transmittal letter dated February 13, 2002, appears below:

"Dear Speaker Porter:

This bill I am transmitting today is designed to reduce the importation of black market cigarettes into Alaska by requiring each pack of cigarettes sold in the state be clearly marked with a tobacco tax stamp.

On October 1, 1997, Alaska increased its tobacco tax rate on cigarettes from 29 cents per pack to \$1 per pack. The impetus for the tax increase was to promote public health. The Legislature and the Administration believed that if cigarettes were more expensive, fewer people would smoke. Our particular hope was that the increase in cost would cause fewer young people to take up the unhealthy habit in the first place.

The tobacco tax increase has had a significant effect on the sale of taxable cigarettes in Alaska. In the five fiscal years before the tax increase, cigarette sales averaged 53 million packs per year. In the three complete fiscal years since the increase, cigarette sales have averaged 42.1 million packs per year — a drop of more than 20 percent. Much of this decrease can be attributed to reduced smoking. And yet, we also believe an unknown quantity of untaxed cigarettes are imported into the state. Existing laws make it difficult to track just how many untaxed cigarettes are coming into Alaska.

The Department of Revenue believes a very simple measure — a tax stamp on each package — would help close our borders to the importation of untaxed cigarettes. This bill would require a stamp affixed to all packs of cigarettes on which the tax has been paid. The stamps would be heat-applied so they could not be transferred to untaxed packs and would be difficult to counterfeit. The colorful stamp would be easily recognizable so that Department of Revenue personnel, law enforcement agents, and consumers would immediately know whether the tax had been paid on any given pack of cigarettes. In addition, the bill would require the tax be paid before the cigarettes are imported into the state.

The bill also would place considerable weight behind the state's ability to enforce the stamp requirement. The Department of Revenue and law enforcement agencies would have the authority to seize and destroy unstamped cigarettes, and violators could be subject to

significant civil penalties and criminal liability.

Other states, many of which have much lower cigarette taxes than Alaska, have long recognized the benefit of a tax stamp on cigarettes. At this time, 46 states require a stamp on cigarettes. This bill draws from the statutes and experience of those other states. States that recently adopted a cigarette tax stamp program have significantly increased their tobacco tax revenues. Michigan reported an 8.7 percent increase in cigarette taxes in the first year of its program, 1999. Initial reports from Hawaii — a state that, like ours, doesn't have bordering states but does have a high tax rate — indicate an amazing 25 percent increase in tax collection.

Although these results from other states are encouraging, we do not have a reliable basis to predict the size of the effect of cigarette tax stamps here in Alaska. Given that cigarette tax revenue is about \$40 million per year, each one percent increase in tax collected would raise about \$400,000 per year.

Stamps do not come free and distributors will incur costs when affixing stamps to individual packs of cigarettes. In recognition of the cost, the bill provides a tax discount for distributors of two percent for the first one million stamps and one percent for all additional stamps.

I urge your support of this important bill. It will enhance compliance with the state's revenue laws while providing an important public health benefit.

Sincerely,  
/s/  
Tony Knowles  
Governor"

**HB 430**

HOUSE BILL NO. 430 by Representative Croft, entitled:

"An Act imposing a surcharge on fines imposed for misdemeanors, infractions, and violations and authorizing disposition of estimated receipts from that surcharge; and creating

the juvenile justice grant fund in order to provide financial assistance for the operation of youth courts."

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

**HB 431**

HOUSE BILL NO. 431 by Representative Murkowski, entitled:

"An Act providing for compliance with local planning and zoning ordinances by the Alaska Railroad Corporation."

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

**HB 432**

HOUSE BILL NO. 432 by Representative Harris, entitled:

"An Act relating to the labeling of animal and poultry feeds and to the agriculture program coordinator; and providing for an effective date."

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

**HB 433**

HOUSE BILL NO. 433 by Representative Crawford, entitled:

"An Act relating to proof of motor vehicle insurance; and providing for an effective date."

was read the first time and referred to the Transportation and State Affairs Committees.

**HB 434**

HOUSE BILL NO. 434 by Representative Crawford, entitled:

"An Act allowing an employee's wage to be reduced below the minimum wage to provide adequate health care."

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

**HB 435**

HOUSE BILL NO. 435 by Representative Harris, entitled:

"An Act relating to the prices paid by milk processing plants to suppliers of fluid milk."

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

**HB 436**

HOUSE BILL NO. 436 by Representatives Harris and Hayes, entitled:

"An Act relating to construction, plumbing, mechanical, electrical, fire safety, and other safety codes adopted by state agencies and municipalities."

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

**HB 437**

HOUSE BILL NO. 437 by Representatives Harris and Hayes, entitled:

"An Act adopting a version of the Uniform Mechanical Code for the state and providing for adoption of future versions of the code; and relating to the building code adopted by the state and to other safety codes."

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

**HB 438**

HOUSE BILL NO. 438 by Representative McGuire, entitled:

"An Act relating to motor vehicle registration plates for disabled veterans; and providing for an effective date."

was read the first time and referred to the House Special Committee on Military and Veterans' Affairs and the State Affairs and Finance Committees.

**HB 439**

HOUSE BILL NO. 439 by the House Special Committee on Oil & Gas, entitled:

"An Act removing provisions providing an opportunity to petition for review of proposed consistency determinations under the Alaska coastal zone management program."

was read the first time and referred to the State Affairs and Resources Committees.

**HB 440**

HOUSE BILL NO. 440 by Representative Kohring, entitled:

"An Act relating to alternative operating budgets for agencies."

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

**HB 441**

HOUSE BILL NO. 441 by Representative Kohring, entitled:

"An Act merging the Department of Environmental Conservation and the Department of Natural Resources and naming the resulting entity the Department of Natural Resources and Conservation; and providing for an effective date."

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

**HB 442**

HOUSE BILL NO. 442 by Representatives Berkowitz, Cissna, Crawford, Croft, Davies, Guess, Hayes, Joule, Kapsner, Kerttula, Kookesh, and Moses, entitled:

"An Act relating to the primary election; and providing for an effective date."

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

**HB 443**

HOUSE BILL NO. 443 by Representative Kohring, entitled:

"An Act retroactively extending the application and licensing deadlines and amending the effective date of certain provisions relating to regulation of persons who practice tattooing and permanent cosmetic coloring or body piercing; and providing for an effective date."

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

**CONSIDERATION OF THE DAILY CALENDAR**

**SECOND READING OF HOUSE BILLS**

**HB 171**

The following was read the second time:

HOUSE BILL NO. 171

"An Act relating to a curriculum for Alaska history; and providing for an effective date."

with the:

Journal Page

EDU RPT CS(EDU) 4DP 1NR 1AM	1203
FN1: (EED)	1204
HES REFERRAL WAIVED	1217
FIN RPT CS(FIN) 8DP	2273
FN2: ZERO(EED)	2274

Representative James moved and asked unanimous consent that the following committee substitute be adopted in lieu of the original bill:



CS FOR HOUSE BILL NO. 171(FIN)  
(same title)

There being no objection, it was so ordered.

Amendment No. 1 was offered by Representative Kapsner:

Page 3, line 20:

Delete "develop"  
Insert "provide"

Representative Kapsner moved and asked unanimous consent that Amendment No. 1 be adopted.

Representative Fate objected and withdrew the objection. There being no further objection, Amendment No. 1 was adopted.

Amendment No. 2 was offered by Representative Whitaker:

Page 3, line 21:

Following "include":  
Insert "study components that are intended to examine the dynamic culture of the state, including"

Representative Whitaker moved and asked unanimous consent that Amendment No. 2 be adopted.

Representative Bunde objected and withdrew the objection. There being no further objection, Amendment No. 2 was adopted.

CSHB 171(FIN) am will be in third reading on the February 19, 2002, calendar.

#### LEGISLATIVE CITATIONS

Representative James 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 - Tom Layou, Eagle Scout

By Representatives Rokeberg, Porter, Berkowitz, Bunde, Chenault, Cissna, Coghill, Crawford, Croft, Dyson, Green, Guess, Halcro, Harris, Hayes, Hudson, James, Joule, Kerttula, Kohring, Kott, Lancaster, McGuire, Meyer, Morgan, Mulder, Murkowski, Ogan, Stevens, Williams, Wilson

Honoring - Shishmaref Tannery

By Representatives Joule, Porter, Berkowitz, Bunde, Chenault, Cissna, Coghill, Crawford, Croft, Dyson, Foster, Guess, Halcro, Harris, Hayes, Hudson, James, Kerttula, Kohring, Kookesh, Kott, Lancaster, McGuire, Meyer, Morgan, Mulder, Murkowski, Ogan, Rokeberg, Stevens, Williams, Wilson

Honoring - Karl Bausler, PA, ANP, Indian Health Service Medical Provider of the Year

By Senator Elton; Representatives Kerttula, Hudson, Porter, Berkowitz, Bunde, Chenault, Cissna, Crawford, Croft, Dyson, Green, Guess, Halcro, Harris, Hayes, James, Joule, Kohring, Kookesh, Kott, Lancaster, McGuire, Meyer, Morgan, Mulder, Murkowski, Ogan, Rokeberg, Stevens, Williams, Wilson

Honoring - Darroll Hargraves

By Senator Olson; Representatives Foster, Porter, Berkowitz, Bunde, Chenault, Cissna, Coghill, Crawford, Croft, Dyson, Fate, Green, Guess, Halcro, Harris, Hayes, Hudson, James, Joule, Kerttula, Kookesh, Kott, Lancaster, McGuire, Meyer, Morgan, Mulder, Murkowski, Ogan, Rokeberg, Stevens, Whitaker, Williams, Wilson

Honoring - Phil and Betty Ames, 55th Wedding Anniversary

By Senator Ward; Representatives Porter, Berkowitz, Bunde, Chenault, Cissna, Coghill, Crawford, Croft, Dyson, Green, Halcro, Harris, Hayes, Hudson, James, Joule, Kerttula, Kohring, Kott, Lancaster, McGuire, Meyer, Morgan, Mulder, Murkowski, Ogan, Rokeberg, Stevens, Williams, Wilson

## Honoring - John M. Lichtenberger

By Senator Elton; Representatives Kerttula, Hudson, Porter, Berkowitz, Bunde, Chenault, Cissna, Crawford, Croft, Dyson, Halcro, Harris, Hayes, James, Joule, Kott, Lancaster, McGuire, Meyer, Morgan, Mulder, Murkowski, Ogan, Rokeberg, Stevens, Williams, Wilson

## In Memoriam - Officer Justin Todd Wollam

By Representatives McGuire, Porter, Berkowitz, Bunde, Chenault, Cissna, Coghill, Crawford, Croft, Dyson, Foster, Green, Guess, Halcro, Harris, Hayes, Hudson, James, Joule, Kerttula, Kohring, Kott, Lancaster, Meyer, Morgan, Mulder, Murkowski, Ogan, Rokeberg, Stevens, Williams, Wilson; Senator Leman

## In Memoriam - Kenneth Lawrence

By Senator Elton; Representatives Kerttula, Hudson, Porter, Berkowitz, Bunde, Chenault, Cissna, Coghill, Crawford, Croft, Dyson, Foster, Guess, Halcro, Harris, Hayes, James, Joule, Kott, Lancaster, McGuire, Meyer, Morgan, Mulder, Murkowski, Ogan, Rokeberg, Scalzi, Stevens, Williams, Wilson

## In Memoriam - Robert C. "Bob" Bailey

By Senators Halford, Phillips; Representatives Dyson, Porter, Berkowitz, Bunde, Chenault, Cissna, Coghill, Crawford, Croft, Foster, Halcro, Harris, Hayes, Hudson, James, Joule, Kerttula, Kohring, Kott, Lancaster, McGuire, Meyer, Morgan, Mulder, Murkowski, Ogan, Rokeberg, Scalzi, Stevens, Williams, Wilson

**UNFINISHED BUSINESS**

Representative James 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 Berkowitz - from 2:05 p.m., today to 12:55 p.m., plane time, February 18, 2002

Representative Coghill - from 1:00 p.m., today to 9:30 p.m., plane time, February 17, 2002

Representative James - from 7:00 a.m. to 9:00 p.m., February 16; and from 7:19 a.m., March 8 to 1:05 p.m., plane time, March 12, 2002

Representative Rokeberg - from 6:00 a.m., March 7 to 10:00 p.m., plane time, March 12; and from 6:00 a.m., March 28 to 10:04 a.m., plane time, April 1, 2002

Representative McGuire - from 2:05 p.m., February 20 to 10:04 a.m., plane time, February 25, 2002 (amended from page 2256)

\*\*The presence of Representative Kohring was noted.

**HJR 33**

Representatives Kott, Meyer, Wilson, Coghill, McGuire, Lancaster, Harris, Green, and Ogan added their names as cosponsors to:

## HOUSE JOINT RESOLUTION NO. 33

Expressing gratitude to President George W. Bush, to the President's cabinet, and to the men and women of the United States armed forces and declaring support for the war on terrorism.

**HB 20**

Representative Lancaster added his name as cosponsor to:

## HOUSE BILL NO. 20

"An Act relating to state aid to municipalities and certain other recipients, and for the village public safety officer program; relating to municipal dividends; relating to the public safety foundation program; and providing for an effective date."

**HB 320**

Representative Cissna added her name as cosponsor to:

## HOUSE BILL NO. 320 am

"An Act relating to the use of electronic balloting equipment."

**HB 368**

Representative Kerttula added her name as cosponsor to:

HOUSE BILL NO. 368

"An Act authorizing the commissioner of community and economic development to refinance and extend the term of a fishery enhancement loan."

**HB 419**

Representative Guess added her name as cosponsor to:

HOUSE BILL NO. 419

"An Act establishing the Prescription Drug Assistance Task Force; and providing for an effective date."

**ANNOUNCEMENTS**

House committee schedules are published daily under separate cover.

Personal Bill Deadline extended to: 9:00 a.m., 2/19  
Chief Clerk's office will be open: 1:00 p.m. - 5:00 p.m., 2/18

**ADJOURNMENT**

Representative James moved and asked unanimous consent that the House adjourn until 10:45 a.m., February 19, 2002. There being no objection, the House adjourned at 10:35 a.m.

Suzi Lowell  
Chief Clerk