

HOUSE JOURNAL

ALASKA STATE LEGISLATURE

TWENTY-SECOND LEGISLATURE -- SECOND SESSION

Juneau, Alaska

Wednesday

March 27, 2002

Seventy-third Day

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

Roll call showed 38 members present. Representative Ogan had been previously excused from a call of the House today. Representative Masek was absent and her presence was noted later.

The invocation was offered by the Reverend Kathleen Wakefield of the Church of the Holy Trinity. Representative Bunde moved and asked unanimous consent that the invocation be spread on the journal. There being no objection, it was so ordered.

God of surprises, when I think You are not present in my life,
You reveal Yourself in the love of friends and family and
nurture me in Your never-ending affection.

God of surprises, when we think You are not present in our
community, You labour to make us of one heart and cause us
to share gladly and generously.

God of surprises, when people think You are not present in
our world, You bring hope out of despair and create growth
out of difficulty.

God of surprises, You are ever with us. When the days go by
and our vision fades, keep surprising us. When our hope dims
and our patience wears thin, keep coming to us. Teach us to
keep our lamps lit and to be prepared, that we may see Your
loving presence among us. Amen. (by Francis Brien)

The Pledge of Allegiance was led by Representative Crawford.

CERTIFICATION OF THE JOURNAL

Representative James moved and asked unanimous consent that the journal for the 72nd legislative day be approved as certified by the Chief Clerk. There being no objection, it was so ordered.

* * * * *

Representative Meyer introduced his daughter, Karly Meyer, Tara Reed, Hannah and Katelyn Bryant, Guest Pages, from Anchorage.

REPORTS OF STANDING COMMITTEES

The Health, Education & Social Services Committee has reviewed the qualifications of:

Mark Begich
University of Alaska Board of Regents

and recommends the following:

Confirm (5): Kohring, Wilson, Cissna, Joule, Stevens

No recommendation (2): Coghill, Dyson

Joseph Hardenbrook
University of Alaska Board of Regents

and recommends the following:

Confirm (4): Wilson, Cissna, Joule, Stevens

No recommendation (3): Kohring, Coghill, Dyson

Marlene A. Johnson
University of Alaska Board of Regents

and recommends the following:

Confirm (4): Dyson, Cissna, Joule, Stevens

No recommendation (3): Kohring, Coghill, Wilson

The reports were signed by Representative Dyson, Chair.

HJR 32

The Community & Regional Affairs Committee has considered:

HOUSE JOINT RESOLUTION NO. 32

Encouraging the United States Board on Geographic Names to adopt place name changes proposed by the Alaska Historical Commission.

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

Do pass (5): Kerttula, Scalzi, Halcro, Meyer, Morgan

No recommendation (1): Murkowski

The following fiscal note(s) apply:

1. Zero, House Community & Regional Affairs Committee

HJR 32 was referred to the Resources Committee.

HJR 46

The Resources Committee has considered:

HOUSE JOINT RESOLUTION NO. 46

Relating to the moratorium on fish farming in British Columbia.

and recommends it be replaced with:

CS FOR HOUSE JOINT RESOLUTION NO. 46(RES)
(same title)

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

Do pass (7): Kerttula, Chenault, McGuire, Green, Stevens, Masek, Scalzi

The following fiscal note(s) apply to CSHJR 46(RES):

1. Zero, House Special Committee on Fisheries

HJR 46 was referred to the Rules Committee for placement on the calendar.

HB 128

The Finance Committee has considered:

HOUSE BILL NO. 128

"An Act relating to employment of certain minors in agriculture."

and recommends it be replaced with:

CS FOR HOUSE BILL NO. 128(L&C)

"An Act relating to the required approval of the commissioner of labor and workforce development for the employment of certain minors."

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

Do pass (5): Bunde, Whitaker, Harris, Davies, Mulder

No recommendation (1): Moses

The following fiscal note(s) apply to CSHB 128(L&C):

1. Fiscal, Dept. of Labor & Workforce Development

HB 128 was referred to the Rules Committee for placement on the calendar.

HB 290

The Labor & Commerce Committee has considered:

HOUSE BILL NO. 290

"An Act relating to membership in the Comprehensive Health Insurance Association."

and recommends it be replaced with:

CS FOR HOUSE BILL NO. 290(L&C)

"An Act relating to health care insurance and to the Comprehensive Health Insurance Association; and providing for an effective date."

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

Do pass (1): Rokeberg

Do not pass (5): Meyer, Hayes, Crawford, Kott, Halcro

No recommendation (1): Murkowski

The following fiscal note(s) apply to CSHB 290(L&C):

1. Zero, Dept. of Community & Economic Development
2. Indeterminate, Dept. of Administration

HB 290 was referred to the Finance Committee.

HB 299

The Community & Regional Affairs Committee has considered:

HOUSE BILL NO. 299

"An Act providing for the naming and renaming of Alaska geographic features."

and recommends it be replaced with:

CS FOR HOUSE BILL NO. 299(CRA)
(same title)

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

Do pass (5): Kerttula, Scalzi, Halcro, Meyer, Morgan

No recommendation (1): Murkowski

The following fiscal note(s) apply to CSHB 299(CRA):

1. Zero, House Community & Regional Affairs Committee/Dept. of Natural Resources

HB 299 was referred to the Resources Committee.

HB 361

The State Affairs Committee has considered:

HOUSE BILL NO. 361
"An Act relating to pilot pay programs to attract and retain exceptional state employees; and providing for an effective date."

and recommends it be replaced with:

CS FOR HOUSE BILL NO. 361(STA)
"An Act relating to pilot pay programs to attract and retain state employees in job classes that are difficult to fill or require certain critical qualifications; and providing for an effective date."

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

Do pass (2): Stevens, James

No recommendation (4): Crawford, Fate, Hayes, Coghill

The following fiscal note(s) apply to CSHB 361(STA):

1. Zero, Dept. of Administration/All Depts.

HB 361 was referred to the Finance Committee.

**The presence of Representative Masek was noted.

HB 471

The Community & Regional Affairs Committee has considered:

HOUSE BILL NO. 471

"An Act relating to the definitions of 'net income' and 'unrestricted net income' for purposes of determining the amount of the Alaska Industrial Development and Export Authority's dividend to the state; relating to communities within which rural development loans may be made by the authority; and providing for an effective date."

and recommends it be replaced with:

CS FOR HOUSE BILL NO. 471(CRA)

"An Act increasing the maximum amount of loans from the bulk fuel revolving loan fund operated by the Alaska Energy Authority; relating to the definitions of 'net income' and 'unrestricted net income' for purposes of determining the amount of the Alaska Industrial Development and Export Authority's dividend to the state; relating to communities within which rural development loans may be made by the Alaska Industrial Development and Export Authority; and providing for an effective date."

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

Do pass (6): Kerttula, Halcro, Scalzi, Murkowski, Meyer, Morgan

The following fiscal note(s) apply to CSHB 471(CRA):

1. Zero, Dept. of Community & Economic Development

HB 471 was referred to the Labor & Commerce Committee.

REPORTS OF SPECIAL COMMITTEES

HB 423

The House Special Committee on Oil & Gas has considered:

HOUSE BILL NO. 423

"An Act relating to the Alaska Railroad; authorizing the Alaska Railroad Corporation to provide financing for the acquisition, construction, improvement, maintenance, equipping, or operation of facilities for the transportation of natural gas resources within and outside the state by others; authorizing the Alaska Railroad Corporation to issue bonds to finance such facilities; and providing for an effective date."

and recommends it be replaced with:

CS FOR HOUSE BILL NO. 423(O&G)

"An Act relating to the Alaska Railroad; authorizing the Alaska Railroad Corporation to provide financing for the acquisition, construction, improvement, maintenance, equipping, or operation of facilities for the transportation of natural gas resources within and outside the state by others; authorizing the Alaska Railroad Corporation to issue bonds to finance those facilities; and providing for an effective date."

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

Do pass (2): Guess, Fate

No recommendation (1): Joule

Amend (2): Chenault, Kohring

The following fiscal note(s) apply to CSHB 423(O&G):

1. Fiscal, Dept. of Community & Economic Development
2. Fiscal, Dept. of Revenue

HB 423 was referred to the Finance Committee.

The Speaker stated that the House would stand at ease to a call of the Chair for a Majority and a Minority Caucus; and so, the House stood at ease at 10:23 a.m.

AFTER AT EASE

The Speaker called the House back to order at 11:11 a.m.

CONSIDERATION OF THE DAILY CALENDAR

SECOND READING OF HOUSE BILLS

HB 303

The following was read the second time:

HOUSE BILL NO. 303

"An Act relating to the levy and collection of a sales tax; and providing for an effective date."

with the:	Journal Page
STA RPT CS(STA) NT 2DP 4DNP 1NR	2541
FN1: (REV)	2541
FIN RPT CS(FIN) NT 4DP 5DNP 2NR	2679
FN2: (REV)	2679

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. 303(FIN)

"An Act relating to the levy and collection of a sales tax and a use tax and to levy and collection of municipal sales and use taxes; and providing for an effective date."

There being no objection, it was so ordered.

Amendment No. 1 was offered by Representative Kohring:

Page 9, lines 24 - 25:

Delete all material and insert:

**** Sec. 11.** The uncodified law of the State of Alaska is amended by adding a new section to read:

CONTINGENT EFFECT OF SECTIONS 1 - 10 OF THIS ACT.

(a) Sections 1 - 10 of this Act do not take effect unless, at the next general election, a majority of the votes cast favors adoption of a state sales and use tax under (b) of this section.

(b) At the next general election, the lieutenant governor shall place before the qualified voters of the state a proposition in the following form:

Q U E S T I O N

Shall the provisions of ch. ____, SLA 2002, relating to the levy and collection of a statewide sales tax and a use tax and the levy and collection of municipal sales and use taxes become effective?

YES [] NO []

In preparing the ballot, the lieutenant governor shall first enter the chapter number assigned to this Act.

* **Sec. 12.** Section 11 of this Act takes effect immediately under AS 01.10.070(c).

* **Sec. 13.** If, under sec. 11 of this Act, secs. 1 - 10 of this Act take effect, sec. 10 of this Act takes effect on the date of certification of the results of the next general election by the lieutenant governor.

* **Sec. 14.** If, under sec. 11 of this Act, secs. 1 - 10 of this Act take effect, except as provided in secs. 12 and 13 of this Act, this Act takes effect January 1, 2003."

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

Representative Whitaker objected.

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

CSHB 303(FIN)
Second Reading
Amendment No. 1

YEAS: 7 NAYS: 32 EXCUSED: 1 ABSENT: 0

Yeas: Coghill, Crawford, Croft, Foster, Kohring, Masek, Meyer

Nays: Berkowitz, Bunde, Chenault, Cissna, Davies, Dyson, Fate, Green, Guess, Halcro, Harris, Hayes, Hudson, James, Joule, Kapsner, Kerttula, Kookesh, Kott, Lancaster, McGuire, Morgan, Moses, Mulder, Murkowski, Porter, Rokeberg, Scalzi, Stevens, Whitaker, Williams, Wilson

Excused: Ogan

And so, Amendment No. 1 was not adopted.

The Speaker stated that the House would stand at ease until 11:50 a.m.; and so, the House stood at ease at 11:19 a.m.

AFTER AT EASE

The Speaker called the House back to order at 12:06 p.m.

SECOND READING OF HOUSE BILLS

(continued)

HB 303

Amendment No. 2 was offered by Representatives Davies and Hudson:

Page 1, lines 1 - 2 (title amendment):

Delete all material.

Insert **""An Act relating to taxation of income; and providing for an effective date.""**

Page 1, line 4, through page 9, line 25:

Delete all material and insert new bill sections to read:

*** Section 1.** AS 43.20 is amended by adding a new section to read:

Sec. 43.20.009. Tax on individuals. (a) There is imposed for each taxable year an income tax on the taxable income of every

(1) resident individual; and

(2) nonresident and part-year resident individual with income from sources in the state.

(b) As soon as practicable after September 30 of each year, the department shall publish the applicable tax rate under this subsection for the following calendar year. The applicable tax rate is:

(1) four percent if, on September 30 of that year, the unaudited balance in the budget reserve fund created by art. IX, sec. 17, Constitution of the State of Alaska, was equal to or less than \$2,000,000,000;

(2) two percent if, on September 30 of that year, the unaudited balance in the budget reserve fund created by art. IX, sec. 17, Constitution of the State of Alaska, was more than \$2,000,000,000 but not more than \$2,500,000,000; or

(3) one percent if, on September 30 of that year, the unaudited balance in the budget reserve fund created by art. IX, sec. 17, Constitution of the State of Alaska, was more than \$2,500,000,000.

(c) For a resident individual, the tax under this section is the sum of the taxpayer's taxable income multiplied by the tax rate described in (b) of this section.

(d) For a part-year resident individual or a nonresident individual, the tax under this section shall be computed by applying the rate described in (b) of this section to the individual's taxable income, and multiplying the result by a fraction, the numerator of which is taxable income from all sources in the state and the denominator of which is taxable income from all sources.

(e) The minimum tax under this section is \$25.

(f) In this section, "taxable income" has the meaning given in 26 U.S.C. 63 (Internal Revenue Code).

* **Sec. 2.** AS 43.20.030(a) is amended to read:

(a) If **an individual**, a corporation, or a partnership that has a corporation as a partner, is required to make a return **of income** under the provisions of the Internal Revenue Code, **the individual, corporation, or partnership** [IT] shall file with the department, within 30 days after the federal return is required to be filed, a return setting out

(1) the amount of tax due under this chapter, less **allowable credits and payments** claimed against the tax, and

(2) other information **that the department requires** for the purpose of carrying out the provisions of this chapter [THAT THE DEPARTMENT REQUIRES].

* **Sec. 3.** AS 43.20.030(d) is amended to read:

(d) A taxpayer, upon request by the department, shall **file with the taxpayer's state return** [FURNISH TO THE DEPARTMENT] a true [AND CORRECT] copy of the tax return [WHICH THE TAXPAYER HAS] filed with the United States Internal Revenue Service. Every taxpayer shall **file an amended return with** [NOTIFY] the department, **and remit any additional tax and interest due, within** [IN WRITING OF ANY ALTERATION IN, OR MODIFICATION OF, THE TAXPAYER'S FEDERAL INCOME TAX RETURN AND OF A RECOMPUTATION OF TAX OR DETERMINATION OF DEFICIENCY, WHETHER WITH OR WITHOUT ASSESSMENT. A FULL STATEMENT OF THE FACTS MUST ACCOMPANY THIS NOTICE. THE NOTICE SHALL BE FILED WITHIN] 60 days after **a** [THE] final determination of the **taxpayer's federal tax liability** [MODIFICATION, RECOMPUTATION OR DEFICIENCY, AND THE TAXPAYER SHALL PAY THE ADDITIONAL TAX OR PENALTY UNDER THIS CHAPTER]. For purposes of this **subsection** [SECTION], a final determination **means** [SHALL MEAN] the **date** [TIME] that an amended federal return is filed, **the date a federal** [OR A NOTICE OF DEFICIENCY OR AN] assessment is **made, or the date the restrictions on assessment are waived by** [MAILED TO] the taxpayer [BY THE INTERNAL REVENUE SERVICE, EXCEPT THAT IN NO EVENT WILL THERE BE A FINAL DETERMINATION FOR PURPOSES OF THIS SECTION UNTIL THE TAXPAYER HAS EXHAUSTED RIGHTS OF APPEAL UNDER FEDERAL LAW].

* **Sec. 4.** AS 43.20.031(c) is amended to read:

(c) In computing the tax under this chapter, **a corporation** [THE TAXPAYER] is not entitled to deduct any taxes based on or measured by net income.

* **Sec. 5.** AS 43.20.040 is repealed and reenacted to read:

Sec. 43.20.040. Income from sources in the state.

- (a) In this chapter, income from sources in the state includes
- (1) compensation for personal services rendered in the state;
 - (2) working in the state for salary or wages;

(3) income from real or tangible personal property located in the state;

(4) income from stocks, bonds, notes, bank deposits, and other intangible personal property having a taxable or business situs in the state; however, the receipt of interest income from intangible property in the state does not alone establish a taxable or business situs in the state;

(5) rentals and royalties for the use of or for the privilege of using, in the state, patents, copyrights, secret processes and formulas, good will, marks, trade brands, franchises, and other property having a taxable or business situs in the state;

(6) income distributed from a trust established under or governed by the laws of the state;

(7) income of whatever nature from a source with a taxable or business situs in the state.

(b) Except as provided in (a)(4) of this section, in this section, income is from a source with a taxable or business situs in the state if it is attributed to or derived from

(1) business facilities or property in the state;

(2) business, farming, or fishing activities in the state;

(3) conducting in the state the management or investment function for intangible property;

(4) a partnership or limited liability company conducting business activities in the state;

(5) a corporation transacting business activities in the state that has elected to file federal returns under subchapter S of the Internal Revenue Code;

(6) any other activity from which income is received, realized, or derived in the state.

(c) If a business, trade, or profession is carried on partly inside and partly outside the state, other than the rendering of purely personal services by an individual, the income from sources in the state shall be determined as provided in AS 43.19.

* **Sec. 6.** AS 43.20 is amended by adding a new section to article 1 to read:

Sec. 43.20.046. Individual income tax credits. (a) For a resident, the income tax imposed on that resident by another state or territory of the United States for the taxable year, on income derived from sources in that state or territory, is allowed as a credit against the tax under this chapter.

(b) The credit under (a) of this section is determined by multiplying the tax computed under this chapter by a fraction, the numerator of which is the income derived from sources in the other state or territory and the denominator of which is income derived from all sources. The credit under (a) of this section may not exceed the actual tax paid to the other state or territory.

(c) To the extent required by federal law, an individual is allowed as a credit against the tax under this chapter 10.2 percent of interest received by the individual in the taxable year upon obligations unconditionally backed by the full faith and credit of the United States.

(d) An individual is allowed only the state credits provided in this section. The total state credit allowed under this section may not exceed the tax liability for the taxable year for the individual. A credit may not be carried, in whole or in part, to a different taxable year.

* **Sec. 7.** AS 43.20 is amended by adding a new section to read:

Sec. 43.20.171. Tax withholding on wages of individuals.

(a) Every employer making payment of wages, salaries, or crew shares

(1) shall deduct and withhold an amount of tax computed in a manner to approximate the amount of tax due on those wages, salaries, or crew shares under this chapter for that taxable year;

(2) shall remit the tax withheld to the department accompanied by a return on a form prescribed by the department at the times required by the department by regulation;

(3) is liable for the payment of the tax required to be deducted and withheld under this section but is not liable to any individual for the amount of the payment; and

(4) shall furnish to the employee on or before January 31 of the succeeding year, or within 30 days after a request by the employee after the employee's termination if the 30-day period ends before January 31, a written statement on a form prescribed by the department showing

(A) the name and taxpayer identification number of the employer;

(B) the name and social security number of the employee;

(C) the total amount of wages, salary, or crew shares for the taxable year; and

(D) the total amount deducted and withheld as tax for the taxable year.

(b) The department shall publish the rate of withholding required by this section.

(c) In this section,

(1) "employee" includes an individual who receives compensation on a crew share basis in connection with a commercial fishing activity;

(2) "employer" includes a person who pays compensation to an individual on a crew share basis in connection with a commercial fishing activity.

* **Sec. 8.** AS 43.20.200(b) is amended to read:

(b) The same period of limitation upon the assessment and collection of taxes imposed under this chapter and the same exceptions to it shall apply as provided in 26 U.S.C. 6501 - 6503 (Internal Revenue Code). In the case of additional tax due by reason of a modification, recomputation, or determination of deficiency in a taxpayer's federal income tax return, the period of limitation on assessment commences from the date that the **amended return** [NOTICE] required in AS 43.20.030(d) is filed, and if no **amended return** [NOTICE] is filed the tax may be assessed at any time.

* **Sec. 9.** AS 43.20.340 is amended by adding new paragraphs to read:

(12) "individual" means a natural person, married or unmarried, adult or minor, subject to payment of income tax under 26 U.S.C. (Internal Revenue Code);

(13) "nonresident" means an individual who is not a resident or part-year resident;

(14) "resident" means an individual who, for the entire taxable year, was domiciled in the state or resided in the state.

* **Sec. 10.** AS 43.05.085; AS 43.20.012, 43.20.013, and 43.20.072(d) are repealed.

* **Sec. 11.** The uncodified law of the State of Alaska is amended by adding a new section to read:

INDIVIDUAL INCOME TAX RATE FOR 2003. The tax rate for 2003 under AS 43.20.009, added by sec. 1 of this Act, is four percent.

* **Sec. 12.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: REGULATIONS. The Department of Revenue may proceed to adopt regulations necessary to implement the provisions of this Act. The regulations take effect under AS 44.62 (Administrative Procedure Act), but not before the effective date of the provision being implemented.

* **Sec. 13.** Section 12 of this Act takes effect immediately under AS 01.10.070(c).

* **Sec. 14.** Except as provided in sec. 13 of this Act, this Act takes effect January 1, 2003."

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

Objection was heard.

Amendment No. 1 to Amendment No. 2 was offered by Representative Davies:

Under Section 1(b)(1):

Delete "four"

Insert "2.6"

Representative Davies moved and asked unanimous consent that Amendment No. 1 to Amendment No. 2 be adopted. There being no objection, it was so ordered.

Amendment No. 2 to Amendment No. 2 as amended was offered by Representatives Rokeberg, Dyson, and Moses:

Under Section 6 add a new subsection to read:

"(d) An individual is allowed a credit equal to the amount of property taxes paid to a municipality in Alaska for a single parcel of real property located in Alaska that the individual owns."

Renumber the following subsection accordingly.

Representative Rokeberg moved and asked unanimous consent that Amendment No. 2 to Amendment No. 2 as amended be adopted.

Objection was heard.

The question being: "Shall Amendment No. 2 to Amendment No. 2 as amended be adopted?" The roll was taken with the following result:

CSHB 303(FIN)

Second Reading

Amendment No. 2 to Amendment No. 2 as amended

YEAS: 17 NAYS: 22 EXCUSED: 1 ABSENT: 0

Yeas: Coghill, Dyson, Guess, Harris, Hayes, Kohring, Kott, Masek, McGuire, Meyer, Moses, Mulder, Murkowski, Rokeberg, Stevens, Williams, Wilson

Nays: Berkowitz, Bunde, Chenault, Cissna, Crawford, Croft, Davies, Fate, Foster, Green, Halcro, Hudson, James, Joule, Kapsner, Kerttula, Kookesh, Lancaster, Morgan, Porter, Scalzi, Whitaker

Excused: Ogan

And so, Amendment No. 2 to Amendment No. 2 as amended was not adopted.

Amendment No. 3 to Amendment No. 2 as amended was offered by Representative Berkowitz:

Insert a new bill section to read:

"* **Section. 1.** AS 43.20 is amended by adding a new section to read:

Sec. 43.20.001. Limitation on individual tax liability. The annual income tax liability of an individual under this chapter may not exceed the total the individual has received in permanent fund dividends under AS 43.23 over a five-year period, the fifth year of which is the tax year for which the tax is due."

Renumber the following bill sections accordingly.

Representative Berkowitz moved and asked unanimous consent that Amendment No. 3 to Amendment No. 2 as amended be adopted.

Objection was heard.

A technical amendment to Amendment No. 3 to Amendment No. 2 as amended was offered by Representative Davies:

Following "total":

Delete "the individual has"

Insert "an individual would have"

Representative Davies moved and asked unanimous consent that the technical amendment to Amendment No. 3 to Amendment No. 2 as amended be adopted. There being no objection, it was so ordered.

A technical amendment to Amendment No. 3 to Amendment No. 2 as amended was offered by Representative Kerttula:

Following "exceed the":

Delete the remaining sentence.

Insert "sum of the previous five permanent fund dividends."

Representative Kerttula moved and asked unanimous consent that the technical amendment to Amendment No. 3 to Amendment No. 2 as amended be adopted.

Representative Whitaker objected.

The question being: "Shall the technical amendment to Amendment No. 3 to Amendment No. 2 as amended be adopted?" The roll was taken with the following result:

CSHB 303(FIN)

Technical Amendment to

Amendment No. 3 to Amendment No. 2 as amended

YEAS: 17 NAYS: 22 EXCUSED: 1 ABSENT: 0

Yeas: Berkowitz, Cissna, Crawford, Croft, Davies, Dyson, Guess, Hayes, Hudson, Joule, Kapsner, Kerttula, Kookesh, Kott, Masek, Murkowski, Wilson

Nays: Bunde, Chenault, Coghill, Fate, Foster, Green, Halcro, Harris, James, Kohring, Lancaster, McGuire, Meyer, Morgan, Moses, Mulder, Porter, Rokeberg, Scalzi, Stevens, Whitaker, Williams

Excused: Ogan

And so, the technical amendment was not adopted.

The question being: "Shall Amendment No. 3 to Amendment No. 2 as amended be adopted?" The roll was taken with the following result:

CSHB 303(FIN)

Second Reading

Amendment No. 3 to Amendment No. 2 as amended

YEAS: 15 NAYS: 24 EXCUSED: 1 ABSENT: 0

Yeas: Berkowitz, Cissna, Crawford, Croft, Davies, Guess, Hayes, Hudson, Joule, Kapsner, Kerttula, Kookesh, Moses, Murkowski, Wilson

Nays: Bunde, Chenault, Coghill, Dyson, Fate, Foster, Green, Halcro, Harris, James, Kohring, Kott, Lancaster, Masek, McGuire, Meyer, Morgan, Mulder, Porter, Rokeberg, Scalzi, Stevens, Whitaker, Williams

Excused: Ogan

And so, Amendment No. 3 to Amendment No. 2 as amended was not adopted.

Amendment No. 4 to Amendment No. 2 as amended was offered by Representative Croft:

Insert a new bill section to read:

**** Section 1.** AS 43.20 is amended by adding a new section to read:
Sec. 43.20.001. Limitation on individual tax liability. The annual income tax liability of an individual under this chapter may not exceed \$10,000."

Representative Croft moved and asked unanimous consent that Amendment No. 4 to Amendment No. 2 as amended be adopted.

Representative Whitaker objected.

A technical amendment to Amendment No. 4 to Amendment No. 2 as amended was offered by Representative Rokeberg:

Following "**individual**":

Insert "**or joint return**"

Following "individual":

Insert "or joint return"

Representative Rokeberg moved and asked unanimous consent that the technical amendment to Amendment No. 4 to Amendment No. 2 as amended be adopted

Representative James objected.

The question being: "Shall the technical amendment to Amendment No. 4 to Amendment No. 2 as amended be adopted?" The roll was taken with the following result:

CSHB 303(FIN)

Technical Amendment to

Amendment No. 4 to Amendment No. 2 as amended

YEAS: 23 NAYS: 13 EXCUSED: 1 ABSENT: 3

Yeas: Berkowitz, Bunde, Chenault, Coghill, Crawford, Croft, Davies, Dyson, Guess, Harris, Hayes, Joule, Kapsner, Kerttula, Kookesh, Kott, McGuire, Meyer, Mulder, Porter, Rokeberg, Williams, Wilson

Nays: Fate, Foster, Green, James, Kohring, Lancaster, Masek, Morgan, Moses, Murkowski, Scalzi, Stevens, Whitaker

Excused: Ogan

Absent: Cissna, Halcro, Hudson

And so, the technical amendment was adopted.

A technical amendment to Amendment No. 4 to Amendment No. 2 as amended was offered by Representative Rokeberg:

Delete "\$10,000"
Insert "\$5,000"

Representative Rokeberg moved and asked unanimous consent that the technical amendment to Amendment No. 4 to Amendment No. 2 as amended be adopted.

Objection was heard.

The Speaker ruled the technical amendment substantial and out of order.

The question being: "Shall Amendment No. 4 to Amendment No. 2 as amended be adopted?" The roll was taken with the following result:

CSHB 303(FIN)

Second Reading

Amendment No. 4 to Amendment No. 2 as amended

YEAS: 15 NAYS: 23 EXCUSED: 1 ABSENT: 1

Yeas: Berkowitz, Cissna, Crawford, Croft, Davies, Dyson, Guess, Hayes, Hudson, Joule, Kapsner, Kerttula, Kookesh, Murkowski, Rokeberg

Nays: Bunde, Chenault, Coghill, Fate, Foster, Green, Halcro, Harris, James, Kott, Lancaster, Masek, McGuire, Meyer, Morgan, Moses, Mulder, Porter, Scalzi, Stevens, Whitaker, Williams, Wilson

Excused: Ogan

Absent: Kohring

And so, Amendment No. 4 to Amendment No. 2 as amended was not adopted.

Representative Mulder placed a call of the House.

The call was satisfied.

Representative Croft rose to a point of order stating that a member's reference to the action of the other body was out of order. The Speaker stated that the point was well taken and cautioned that member.

The question being: "Shall Amendment No. 2 as amended be adopted?" The roll was taken with the following result:

CSHB 303(FIN)
Second Reading
Amendment No. 2 as amended

YEAS: 17 NAYS: 22 EXCUSED: 1 ABSENT: 0

Yeas: Berkowitz, Cissna, Crawford, Croft, Davies, Guess, Hayes, Hudson, Joule, Kapsner, Kerttula, Kookesh, Lancaster, Moses, Murkowski, Scalzi, Wilson

Nays: Bunde, Chenault, Coghill, Dyson, Fate, Foster, Green, Halcro, Harris, James, Kohring, Kott, Masek, McGuire, Meyer, Morgan, Mulder, Porter, Rokeberg, Stevens, Whitaker, Williams

Excused: Ogan

And so, Amendment No. 2 as amended was not adopted.

Amendment No. 3 was offered by Representative Masek:

Page 9, lines 24 - 25:

Delete all material and insert:

*** Sec. 11.** The uncodified law of the State of Alaska is amended by adding a new section to read:

CONDITIONAL EFFECT. Sections 1 - 10 of this Act take effect only if a version of SJR 23, proposing amendments to the Constitution of the State of Alaska relating to an appropriation limit and a spending limit, is passed by the legislature and approved by the voters during the 2002 general election.

* **Sec. 12.** If secs. 1 - 9 of this Act take effect under sec. 11 of this Act, they take effect on January 1, 2003.

* **Sec. 13.** If sec. 10 of this Act takes effect under sec. 11 of this Act, it takes effect the day after the certification of the results of the 2002 general election concerning SJR 23.

* **Sec. 14.** Section 11 of this Act takes effect immediately under AS 01.10.070(c)."

Representative Masek moved and asked unanimous consent that Amendment No. 3 be adopted.

Representative Mulder objected.

The question being: "Shall Amendment No. 3 be adopted?" The roll was taken with the following result:

CSHB 303(FIN)
Second Reading
Amendment No. 3

YEAS: 7 NAYS: 31 EXCUSED: 1 ABSENT: 1

Yeas: Chenault, Foster, Kohring, Masek, Meyer, Rokeberg, Wilson

Nays: Berkowitz, Bunde, Cissna, Coghill, Crawford, Croft, Davies, Dyson, Fate, Green, Guess, Halcro, Harris, Hayes, Hudson, James, Joule, Kapsner, Kerttula, Kookesh, Kott, Lancaster, McGuire, Morgan, Mulder, Murkowski, Porter, Scalzi, Stevens, Whitaker, Williams

Excused: Ogan

Absent: Moses

And so, Amendment No. 3 was not adopted.

The Speaker stated that the House would stand at ease to a call of the Chair for a Majority and a Minority Caucus; and so, the House stood at ease at 4:15 p.m.

AFTER AT EASE

The Speaker called the House back to order at 4:42 p.m.

SECOND READING OF HOUSE BILLS
(continued)

HB 303

The Speaker stated that, without objection, the following bill would be held in second reading and returned to the Rules Committee:

CS FOR HOUSE BILL NO. 303(FIN)

"An Act relating to the levy and collection of a sales tax and a use tax and to levy and collection of municipal sales and use taxes; and providing for an effective date."

HB 304

The Speaker stated that, without objection, the following bill would be returned to the Rules Committee:

HOUSE BILL NO. 304

"An Act relating to disposition of income of the permanent fund; and providing for an effective date."

HB 20

The Speaker stated that, without objection, the following bill would be returned to the Rules Committee:

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."

UNFINISHED BUSINESS

HB 304

The Finance Committee submitted the forthcoming fiscal note(s) to accompany their report (page 2680):

2. Fiscal, Dept. of Revenue

for:

CS FOR HOUSE BILL NO. 304(FIN)

"An Act relating to the education fund and the infrastructure and economic development fund, to the market value of the permanent fund, and to distribution of the income of the permanent fund; and providing for an effective date."

HB 304 is in the Rules Committee.

HB 508

Representative McGuire added her recommendation of "do pass" on the Resources Committee report (page 2682) for the following:

HOUSE BILL NO. 508

"An Act relating to publication of results of testing for paralytic shellfish poisoning by the Department of Environmental Conservation and to participation of the Department of Environmental Conservation in the development of operating plans of qualified regional dive fishery associations."

HB 508 is in the Rules Committee.

HJR 36

Representative Kohring added his name as cosponsor to:

SPONSOR SUBSTITUTE FOR HOUSE JOINT RESOLUTION
NO. 36

Proposing an amendment to the Constitution of the State of Alaska relating to limiting the rate of state individual income taxes and sales taxes.

HB 448

Representatives Meyer and Croft added their names as cosponsors to:

HOUSE BILL NO. 448

"An Act relating to establishing a data base of residential telephone customers who do not wish to receive telephone solicitations, providing that the data base be compiled at no cost to the customers, requiring telephone solicitors to purchase the data base, and requiring paid solicitors to register; and providing for an effective date."

ANNOUNCEMENTS

House committee schedules are published daily under separate cover.

The following meeting today has been changed as indicated:

Finance Committee

POSTPONED TO:

10:00 a.m., 3/28

ADJOURNMENT

Representative James moved and asked unanimous consent that the House adjourn until 10:00 a.m., March 28, 2002, for a technical session. There being no objection, the House adjourned at 4:47 p.m.

Suzi Lowell
Chief Clerk