

# SENATE JOURNAL

## ALASKA STATE LEGISLATURE

### TWENTY-SECOND LEGISLATURE -- SECOND SESSION

Juneau, Alaska

Friday

February 1, 2002

#### Nineteenth Day

Pursuant to adjournment the Senate was called to order by President Halford at 11:12 a.m.

The roll showed seventeen members present. Senators Cowdery, Donley, Kelly were excused from a call of the Senate.

The prayer was offered by the Chaplain, Major Larry Fankhauser of The Salvation Army. Senator Hoffman moved and asked unanimous consent that the prayer be spread. Without objection, it was so ordered.

Dear God, we come before You this day with grateful hearts. As one nation under God, I pray that each Senator gathered here would be strengthened to meet the tasks of this day. Those tasks and responsibilities that lie before them are great. May decisions be sure, made courageously with no floundering in indecision.

Lord, I would pray that You would grant to each of us peace in the assurance that Your leading is in it all. Then we can go from this place able to face whatever may come. Thank You Lord. Amen.

Senator Olson led the Senate in the Pledge of Allegiance.

#### Certification

Senator Leman moved and asked unanimous consent that the journals for the seventeenth and eighteenth legislative days, Senate Journal Supplement No. 6 and House and Senate Joint Journal Supplement No. 11 be approved as certified by the Secretary. Without objection, it was so ordered.

**Standing Committee Reports****SB 175**

The Labor and Commerce Committee considered SENATE BILL NO. 175 "An Act providing municipalities with the authority to protest or to recommend conditions on the issuance and renewal of charitable gaming permits and requiring the Department of Revenue to deny or condition the license or permit unless the protest or conditions are arbitrary, capricious, or unreasonable, or the conditions conflict with state law" and recommended it be replaced with

CS FOR SENATE BILL NO. 175(L&C) "An Act providing municipalities with the authority to protest the issuance and renewal of charitable gaming permits and licenses based upon violations of municipal ordinances and requiring the Department of Revenue to deny the license or permit until the violation is remedied."

Signing do pass: Senator Stevens, Chair, Senators Austerman, Leman, Torgerson. Signing no recommendation: Senator Davis.

The following fiscal information was published today:

Fiscal Note No. 2, Department of Revenue

The bill was referred to the Finance Committee.

**SB 209**

The Transportation Committee considered SPONSOR SUBSTITUTE FOR SENATE BILL NO. 209 "An Act relating to authorizing the Alaska Railroad Corporation to lease land within certain terminal reserves for a period of up to 55 years" and recommended it be replaced with

CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 209(TRA) "An Act relating to authorizing the Alaska Railroad Corporation to lease land for a period of up to 55 years."

Signing do pass: Senator Cowdery, Chair, Senators Taylor, Wilken, Ward, Elton.

The following fiscal information was published today:

Fiscal Note No. 1, zero, Department of Community and Economic Development

The bill was referred to the Resources Committee.

**SB 235**

The State Affairs Committee considered SENATE BILL NO. 235 "An Act relating to emergency and disaster relief forces as state employees for purposes of workers' compensation benefits; relating to the Emergency Management Assistance Compact and the implementation of the compact; and providing for an effective date" and recommended it be replaced with

CS FOR SENATE BILL NO. 235(STA)

Signing do pass: Senator Therriault, Chair, Senators Phillips, Davis, Stevens.

The following previously published fiscal information applies:

Fiscal Note No. 1, zero, Department of Military and Veterans' Affairs

The bill was referred to the Labor and Commerce Committee.

**SB 239**

The State Affairs Committee considered SENATE BILL NO. 239 "An Act relating to state employees who are called to active duty as reserve or auxiliary members of the armed forces of the United States; and providing for an effective date." Signing do pass: Senator Therriault, Chair, Senators Phillips, Davis, Stevens.

The following previously published fiscal information applies:

Fiscal Note No. 1, zero, Department of Administration

The bill was referred to the Finance Committee.

**SB 243**

The Labor and Commerce Committee considered SENATE BILL NO. 243 "An Act extending the termination date of the Board of Chiropractic Examiners; and relating to chiropractors." Signing do pass: Senator Stevens, Chair, Senators Austerman, Davis, Leman.

The following fiscal information was published today:

Fiscal Note No. 1, Department of Community and Economic Development

President Halford added a Finance Committee referral to the bill.

The bill was referred to the Finance Committee.

**HB 157**

The Labor and Commerce Committee considered CS FOR HOUSE BILL NO. 157(JUD) am "An Act relating to trust companies and providers of fiduciary services; amending Rules 6 and 12, Alaska Rules of Civil Procedure, Rule 40, Alaska Rules of Criminal Procedure, Rules 204, 403, 502, 602, and 611, Alaska Rules of Appellate Procedure, and Rules 7.2 and 7.3, Alaska Rules of Professional Conduct; and providing for an effective date" and recommended it be replaced with

SENATE CS FOR CS FOR HOUSE BILL NO.  
157(L&C)

Signing do pass: Senator Stevens, Chair, Senators Austerman, Davis, Torgerson, Leman.

The following fiscal information was published today:

Fiscal Note No. 2, zero, Department of Community and Economic Development

The bill was referred to the Judiciary Committee.

**HB 241**

The Transportation Committee considered CS FOR HOUSE BILL NO. 241(RES) "An Act relating to a railroad utility corridor for extension of the Alaska Railroad to Canada and to extension of the Alaska Railroad to Whitehorse, Yukon, Canada." Signing do pass: Senator Cowdery, Chair, Senators Wilken, Taylor, Ward. Signing do not pass: Senator Elton.

The following fiscal information was published today:

Fiscal Note No. 2, zero, Senate Transportation Committee

The bill was referred to the Resources Committee.

**Introduction and Reference of  
Senate Resolutions****SCR 23**

SENATE CONCURRENT RESOLUTION NO. 23 BY SENATOR PHILLIPS,

Relating to declaring April 6, 2002, as Alaska Tartan Day.

was read the first time and referred to the State Affairs Committee.

**SCR 24**

SENATE CONCURRENT RESOLUTION NO. 24 BY SENATOR ELTON,

Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, concerning House Bill No. 334, making appropriations for a grant to Arctic Power.

was read the first time.

President Halford stated the resolution would be held on the Secretary's desk.

**SJR 32**

SENATE JOINT RESOLUTION NO. 32 BY SENATORS WARD,  
Austerman, Cowdery, Taylor,

Proposing amendments to the Constitution of the  
State of Alaska relating to a marine and rail  
transportation fund.

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

**Introduction and Reference of Senate Bills****SB 267**

SENATE BILL NO. 267 BY THE SENATE RULES COMMITTEE  
BY REQUEST OF THE GOVERNOR, entitled:

"An Act establishing the Alaska veterans' memorial  
endowment fund and providing for credits against  
certain taxes for contributions to that fund; relating to  
other tax credits for certain contributions; and  
providing for an effective date."

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

The following fiscal information was published today:

Fiscal Note No. 1, Department of Military and Veterans' Affairs

Fiscal Note No. 2, indeterminate, Department of Revenue

Fiscal Note No. 3, indeterminate, Department of Community and  
Economic Development

Governor's transmittal letter dated January 29:

Dear President Halford:

There are scores of memorials to veterans and monuments to the  
military throughout the state, owned by various entities. These  
memorials and monuments should be in excellent condition at all

times to convey proper respect and to honor our former and present members of the military who served our nation and state and yet, these tributes to our military are in varying stages of upkeep.

This bill I am transmitting establishes the Alaska Veterans' Memorial Endowment Fund to help fund efforts to maintain our current memorials and provide a possible source of funding for new memorials. It is part of a package of legislation I am introducing this year, and introduced last year, to offer proper acknowledgment and appreciation of our veterans.

The bill proposes to finance the fund partly through contributions that will be eligible for certain state corporate tax credits. Primary use of the funds will be for maintaining veterans' memorials. Once this purpose is substantially satisfied in a fiscal year, the fund may be used to establish new memorials and to finance similar projects to recognize efforts of the military.

The Veterans' Memorial Endowment Fund would be administered by the commissioner of revenue with a portion of the fund earnings available for appropriation for maintenance and establishment of memorials. A contributing taxpayer would receive a credit that could be applied against certain Alaska taxes, such as insurance premium taxes, income taxes, oil and gas exploration and production taxes, pipeline transportation property taxes, mining license taxes, and fisheries taxes. Tax credits would be limited in the same manner as they are for existing tax credit programs.

Many Alaskans agree the state and its citizens should exhibit due respect to our veterans and military by maintaining these memorials and monuments. Dozens of Alaska corporations, businesses, and individuals have readily pledged contributions to this worthwhile endeavor, with the expectation of a matching state appropriation. The state is not obliged to maintain all memorials and monuments, yet it is appropriate for the state to share in the cost by providing modest matching grants. Therefore, I am proposing with this bill a one-time state contribution to the fund of \$125,000.

I urge you to take favorable action on this measure and my entire package of veterans' legislation.

Sincerely,

/s/

Tony Knowles

Governor

**SB 268**

SENATE BILL NO. 268 BY THE SENATE RULES COMMITTEE  
BY REQUEST OF THE GOVERNOR, entitled:

"An Act relating to the issuance of state-guaranteed revenue bonds by the Alaska Housing Finance Corporation to finance mortgages for qualifying veterans; and providing for an effective date."

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

The following fiscal information was published today:

Fiscal Note No. 1, Office of the Governor

Fiscal Note No. 2, zero, Department of Revenue

Governor's transmittal letter dated January 29:

Dear President Halford:

Alaska has the highest per capita percentage of veterans of any state in the nation. We must send the clear message that our state recognizes and appreciates those who have served. This bill I am transmitting is one in a package of legislation I am introducing this year to offer tribute to our veterans. It continues the state's history of authorizing bonds for guaranteed veteran housing loans.

The State of Alaska is one of only five states that receives favorable treatment under the Internal Revenue Code for guaranteed veterans bonds. This program is designed to provide the lowest possible interest rates to our veterans, without any income limitations.

The accompanying bill is the first step in allowing the state to continue to take advantage of this worthwhile program. It would provide for a statewide vote at the next general election on authorizing \$500 million in Alaska Housing Finance Corporation (AHFC) bonds for qualifying veterans. This would be the fifth such bond approval; the voters authorized a total of \$2.2 billion in state-guaranteed AHFC veterans bonds in four separate elections between 1982 and 1986. The AHFC has issued nearly all of those bonds, requiring a new authorization.

The need for continuing this guaranteed housing loan program for veterans may well increase. Congress is considering expanding the current Internal Revenue Service Code definition of "qualified veterans," which now limits participants to those who served in the military before January 1, 1977 and were honorably discharged within the last 30 years. I support extending the program to veterans who have served in more recent years. If this effort succeeds, the veteran's mortgage program in this state would see a dramatic increase in home loans to qualifying individuals -- all the more reason to allow this question to be placed on the statewide ballot.

Sincerely,

/s/

Tony Knowles  
Governor

**SB 269**

SENATE BILL NO. 269 BY THE SENATE RULES COMMITTEE  
BY REQUEST OF THE GOVERNOR, entitled:

"An Act naming bridge number 1121, across the  
Knik River, the Sergeant James Bondsteel Bridge of  
Honor; and providing for an effective date."

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

The following fiscal information was published today:

Fiscal Note No. 1, zero, Department of Transportation and Public  
Facilities

Governor's transmittal letter dated January 29:

Dear President Halford:

I am pleased to transmit this bill that recognizes James Leroy Bondsteel. This veteran and Alaska Medal of Honor recipient lost his life on a Glenn Highway bridge crossing the Knik River. Veterans join me in supporting this proposal to rename this bridge the Sergeant James Bondsteel Bridge of Honor.

James Leroy Bondsteel was born on July 18, 1947 in Jackson, Michigan. He died in a traffic accident on April 9, 1987 on bridge number 1121 on the Glenn Highway while returning to his home in Houston.

Mr. Bondsteel contributed greatly to his country during three tours of duty during the Vietnam War. As a Staff Sergeant, he was awarded the Medal of Honor for his conspicuous gallantry for actions in battle on May 24, 1969. In that battle he destroyed 10 enemy bunkers and rallied his troops despite his own wounds.

Mr. Bondsteel remained in the Army after his Vietnam service. He was an infantry training instructor and a mentor to younger troops. He retired from the Army in the mid-1980s and moved to Alaska to work, first as a counselor at the Wasilla Vet Center and later for the U.S. Veteran's Administration in Anchorage. At the time of his death, Mr. Bondsteel left behind a wife and two young daughters. He is buried at the Ft. Richardson National Cemetery.

Fellow veterans on the Alaska Veterans Advisory Council asked that the state name bridge number 1121 in honor of Mr. Bondsteel. This gesture would be a fitting tribute to the memory of this Alaska hero while recognizing the sacrifices all veterans have made for our country.

Sincerely,

/s/

Tony Knowles  
Governor

**SB 270**

SENATE BILL NO. 270 BY THE SENATE RULES COMMITTEE BY REQUEST OF THE LEGISLATIVE BUDGET AND AUDIT COMMITTEE, entitled:

"An Act extending the termination date of the Board of Dispensing Opticians; relating to the regulation of dispensing opticians; and providing for an effective date."

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

**SB 271**

SENATE BILL NO. 271 BY SENATORS WARD, Austerman, Cowdery, Taylor, entitled:

"An Act establishing the Alaska Marine and Rail Transportation Authority; establishing the marine and rail transportation fund; relating to ferries and ferry terminals; relating to the Alaska Railroad Corporation; and providing for an effective date."

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

**SB 272**

SENATE BILL NO. 272 BY THE SENATE FINANCE COMMITTEE, entitled:

"An Act making a supplemental appropriation for tourism marketing efforts; and providing for an effective date."

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

**SB 273**

SENATE BILL NO. 273 BY THE SENATE LABOR AND COMMERCE COMMITTEE, entitled:

"An Act extending the termination date of the Board of Governors of the Alaska Bar Association."

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

**SB 274**

SENATE BILL NO. 274 BY SENATOR OLSON, entitled:

"An Act relating to issuance of a locum tenens permit for a physician or osteopath; and providing for an effective date."

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

**Second Reading of Senate Resolutions****SCR 24**

President Halford stated that SENATE CONCURRENT RESOLUTION NO. 24 Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, concerning House Bill No. 334, making appropriations for a grant to Arctic Power, which had been held to the Secretary's desk (page 2083) would be taken up at this time.

SENATE CONCURRENT RESOLUTION NO. 24 was read the second time and was before the Senate on final passage.

The question being: "Shall SENATE CONCURRENT RESOLUTION NO. 24 Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, concerning House Bill No. 334, making appropriations for a grant to Arctic Power, pass the Senate?" The roll was taken with the following result:

SCR 24

Second Reading - Final Passage

**YEAS: 6 NAYS: 11 EXCUSED: 3 ABSENT: 0**

Yeas: Davis, Ellis, Elton, Hoffman, Lincoln, Olson

Nays: Austerman, Green, Halford, Leman, Phillips, Stevens, Taylor, Therriault, Torgerson, Ward, Wilken

Excused: Cowdery, Donley, Kelly

and so, SENATE CONCURRENT RESOLUTION NO. 24 failed.

### **Consideration of the Calendar**

#### **Citations**

Honoring – Suzanne "Sue" Linford

Representative(s) Croft

Senator(s) Ellis, Phillips, Halford, Green, Kelly, Taylor, Austerman, Lincoln, Davis, Elton, Leman, Wilken, Donley, Hoffman, Stevens, Therriault

Honoring – Loren Lounsbury

Representative(s) Croft

Senator(s) Ellis, Phillips, Ward, Halford, Green, Kelly, Taylor, Austerman, Lincoln, Davis, Elton, Leman, Wilken, Donley, Hoffman, Torgerson, Stevens, Therriault

Senator Leman 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 258**

Senators Ellis, Wilken, Taylor, Lincoln, Davis, Elton, Stevens moved and asked unanimous consent to be shown as cosponsors on SENATE BILL NO. 258 "An Act relating to the use of electronic ballots." Without objection, it was so ordered.

Senator Therriault moved and asked unanimous consent to be excused from a call of the Senate on February 4. Without objection, Senator Therriault was excused.

**HB 334**

The reconsideration on CS FOR HOUSE BILL NO. 334(FIN) "An Act making appropriations for a grant to Arctic Power to promote the opening of the Arctic National Wildlife Refuge for oil and gas exploration and development; and providing for an effective date" was not taken up this legislative day and the bill was signed by the President and Secretary and returned to the House.

**Announcements**

Announcements are at the end of the journal.

**Adjournment**

Senator Leman moved and asked unanimous consent that the Senate stand in adjournment until 11:00 a.m., February 4, 2002. Without objection, the Senate adjourned at 11: 25 a.m.

Heidi Vogel  
Secretary of the Senate

February 2002

**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>Feb 01</b>	<b>Friday</b>	<b>Fahrenkamp 203</b>	<b>1:30 PM</b>
		No Meeting Scheduled	
<b>Feb 07</b>	<b>Thursday</b>	<b>Senate Finance 532</b>	<b>8:00 AM</b>
+	-- Time and Location Change -- Joint w/(H) Local Boundary Commission: Annual Report, Homer Annexation City of Homer Presentation <Testimony by Invitation Only>		
<b>Feb 09</b>	<b>Saturday</b>	<b>Senate Finance 532</b>	<b>9:00 AM</b>
+	-- Time and Location Change -- Joint w/(H) Citizens Concerned About Annexation Public Testimony on Homer Annexation		

**FINANCE**

<b>Feb 05</b>	<b>Tuesday</b>	<b>Senate Finance 532</b>	<b>9:30 AM</b>
SB 247	REAPPROPRIATIONS & CAPITAL APPROPRIATIONS Capital Budget Overview Bills Previously Heard/Scheduled		
<b>Feb 06</b>	<b>Wednesday</b>	<b>Senate Finance 532</b>	<b>9:30 AM</b>
SB 272	SUPPLEMENTAL APPROP TOURISM MARKETING		
= SB 153	UNDERGROUND STORAGE TANK LOAN FUND		
= SB 115	EXTEND BD. OF STORAGE TANK ASSISTANCE Bills Previously Heard/Scheduled		

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**HEALTH, EDUCATION & SOCIAL SERVICES**

**Feb 04 Monday Butrovich 205 1:30 PM**  
 + SB 256 CERTIFICATE OF NEED PROGRAM  
 + SCR 21 TREATMENT FOR DISTURBED CHILDREN

**Feb 06 Wednesday Butrovich 205 1:30 PM**  
 No Meeting Scheduled

**Feb 07 Thursday Butrovich 205 4:00 PM**  
 -- Time Change --  
 Proposed Meeting  
 Joint w/(H)  
 Overview: Substance Abuse Directors Association of Alaska  
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**JUDICIARY**

**Feb 01 Friday Beltz 211 1:30 PM**  
 -- Meeting Canceled --  
 + SB 242 CONCEALED HANDGUN PERMITTEES  
 <Bill Postponed to 2/11/02>

**Feb 04 Monday Beltz 211 1:30 PM**  
 No Meeting Scheduled

**Feb 06 Wednesday Beltz 211 1:30 PM**  
 + HB 111 CIVIL LIABILITY AND LIVESTOCK

**Feb 07 Thursday To Be Announced 2:00 PM**  
 -- Time Change --  
 + Joint w/(H)  
 Alaska Trust Law

**Feb 08 Friday Beltz 211 1:30 PM**  
 No Meeting Scheduled  
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**LABOR & COMMERCE**

**Feb 05 Tuesday Beltz 211 1:30 PM**  
 No Meeting Scheduled

**LABOR & COMMERCE (continued)**

**Feb 07 Thursday Beltz 211 1:30 PM**  
 + HCR 12 FOREIGN SHIPS AND U.S. LONGSHOREMEN  
 + SB 257 EXTEND BOARD OF PROFESSIONAL COUNSELORS  
 + SB 244 OPTOMETRISTS: SUNSET AND MISCELLANEOUS

**RESOURCES**

**Feb 01 Friday Butrovich 205 3:30 PM**  
 No Meeting Scheduled

**Feb 04 Monday Butrovich 205 3:30 PM**  
 No Meeting Scheduled

**Feb 06 Wednesday Butrovich 205 3:30 PM**  
 No Meeting Scheduled

**Feb 08 Friday Butrovich 205 3:30 PM**  
 = SB 140 SMALL WATER-POWER DEVELOPMENT PROJECTS  
 SB 255 LAND EXCHANGES: GOLD CORD DEVELOPMENT

**Feb 13 Wednesday Senate Finance 532 3:30 PM**  
 -- Location Change --  
 Joint w/Joint Committee on Natural Gas Pipelines  
 Overviews:  
 Dept of Revenue- Financial Participation  
 in AK Natural Gas Pipeline  
 Dept of Natural Resources- Gas Supply and  
 Demand; Natural Gas and LNG Value

**STATE AFFAIRS**

**Feb 05 Tuesday Beltz 211 3:30 PM**  
 No Meeting Scheduled

**Feb 07 Thursday Beltz 211 3:30 PM**  
 SB 258 AUTHORIZING ELECTRONIC BALLOTS  
 SCR 22 SOBRIETY AWARENESS MONTH  
 SJR 31 TAX EXEMPT BONDS TO FUND VETERANS LOANS  
 Bills Previously Heard/Scheduled

**JOINT COMMITTEES****ARMED SERVICES COMMITTEE**

**Feb 05      Tuesday                      Senate Finance 532              1:30 PM**  
 -- Location Change --  
 Lt. General Norton Schwartz,  
 Maj. Gen. Willie B. Nance: Briefing

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**NATURAL GAS PIPELINES**

**Feb 13      Wednesday                      Senate Finance 532              3:30 PM**  
 Joint w/Senate Resources Committee  
 Overviews:  
 Dept of Revenue- Financial Participation  
 in AK Natural Gas Pipeline  
 Dept of Natural Resources- Gas Supply  
 and Demand; Natural Gas and LNG Value

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**OTHER MEETINGS****CHILDREN'S CAUCUS**

**Feb 12      Tuesday                      Fahrenkamp 203              12:00 PM**  
 +  
 Alaska Women's Resource Center:  
 Stepping Stones Program

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**JOINT SESSION**

**Feb 19      Tuesday                      House Chamber              11:00 AM**  
 US Senator Frank Murkowski

**Feb 20      Wednesday                      House Chamber              11:00 AM**  
 Chief Justice Dana Fabe