

HOUSE FINANCE COMMITTEE
April 18, 2001
1:44 PM

TAPE HFC 01 - 85, Side A
TAPE HFC 01 - 85, Side B
TAPE HFC 01 - 86, Side A

CALL TO ORDER

Co-Chair Williams called the House Finance Committee meeting to order at 1:44 PM.

MEMBERS PRESENT

Representative Bill Williams, Co-Chair
Representative Eldon Mulder, Co-Chair
Representative Con Bunde, Vice-Chair
Representative Eric Croft
Representative John Davies
Representative John Harris
Representative Carl Moses
Representative Richard Foster
Representative Bill Hudson
Representative Ken Lancaster
Representative Jim Whitaker

ALSO PRESENT

Senator Randy Phillips; Dan Sullivan, Development Director, Arctic Winter Games, Anchorage; Mike Tibbles, Staff, Representative Williams; Randy Ruaro, Staff, Representative Williams; Paul Rusanowski, Senior Vice President Operations, Alaska Intrastate Gas Company, Anchorage; Dean Guaneli, Chief Assistant Attorney General, Criminal Division, Department of Law.

PRESENT VIA TELECONFERENCE

Katelyn Markley, Alaska Industrial Development and Export Authority (AIDEA); Jim Maley, Executive Director, Jesse Lee Home, Seward; Tim Sczawinski, Seward; Jim Stratton, Director, Parks and Outdoor Recreation, Department of Natural Resources

SUMMARY

HB 40 "An Act providing for the revocation of driving privileges by a court for a driver convicted of a violation of traffic laws in connection with a fatal motor vehicle or commercial motor vehicle accident; amending Rules 43 and 43.1, Alaska Rules of Administration; and providing for an effective date."

HB 40 was heard and HELD in Committee for further consideration.

HB 96 "An Act relating to acquisition and development of the Jesse Lee Home; and providing for an effective date."

CSHB 96 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with previously published fiscal impact note (1) by the House Education and Social Services.

HB 101 "An Act relating to charter schools; and providing for an effective date."

CSHB 101 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with two previously published fiscal impact note by the Department of Education and Early Development (#1 and #2).

HB 236 "An Act relating to the contracting and financing authority of the Alaska Industrial Development and Export Authority; authorizing the authority to issue bonds in a principal amount not to exceed \$76,000,000 to finance the acquisition, design, construction, inventory, and operation of natural gas, propane air, or manufactured gas public utility facilities; and providing for an effective date."

HB 236 was heard and HELD in Committee for further consideration.

SB 93 "An Act relating to the Arctic Winter Games Team Alaska trust; and providing for an effective date."

SB 93 was REPORTED out of Committee with a "do pass" recommendation and with previously published fiscal impact note (#1) by the Department of Revenue.

CSSB 93 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with a previously published zero fiscal note by the Department of Revenue (#1).

#sb93

SENATE BILL NO. 93

"An Act relating to the Arctic Winter Games Team Alaska trust; and providing for an effective date."

SENATOR RANDY PHILLIPS, SPONSOR testified in support of SB 93. He observed that the legislation relates to the Arctic Winter Games Team Alaska Trust Fund and was modeled after the Alaska Children's Fund. The legislation would permit state, federal and private money to be deposited in the Fund and invested. The interest from the fund would be used to support Team Alaska and the Arctic Winter Games. The Arctic Winter Games occur every two years. The next games will be held in Greenland. It is the second level winter games. Approximately 2,000 athletics participate. Approximately 330 athletics participate from Alaska. State participation for the games has been around \$250,000 to \$300,000 dollars every two years. The trust fund would provide funding stability. The games have been in existence for 30 years. The state has provided financial support since 1970.

Representative Croft noted that there is a zero fiscal note and questioned how funding would be established without a fiscal note. Senator Phillips noted that the legislation would only establish the shell.

Representative Hudson spoke in support. He questioned if a permanent fund dividend check off had been considered. Senator Phillips stated that he had considered the possibility of using a check off. He stated that he would consider it for the next year. He emphasized the uniqueness of the Arctic Winter Games. He provided examples of his experience with the Arctic Winter Games.

DAN SULLIVAN, DEVELOPMENT DIRECTOR, ARCTIC WINTER GAMES, ANCHORAGE testified via teleconference in support of SB 93. He observed that one part-time employee working out of a donated office manages the event. More than 100 volunteers assist. He observed that Alaska is lagging behind in equipment and uniforms and the ability to manage the event. Athletes pay a third of their participations cost; currently each athletic pays about \$450 dollars to participate. This cost is estimated to double due to transportation costs. He suggested the use of Tobacco Settlement Funds to establish the trust. He noted that sports help keep young people from tobacco.

Representative Lancaster MOVED to report CSSSB 93 (FIN) out of Committee with the accompanying fiscal note. Representative John Davies spoke in support of the legislation. He noted that he participated in the first Arctic Winter games. He emphasized the cultural exchange that occurs at the event.

There being NO OBJECTION, CSSSB 93 (FIN) was moved from Committee.

#hb101

HOUSE BILL NO. 101

"An Act relating to charter schools; and providing for an effective date."

MIKE TIBBLES, STAFF, REPRESENTATIVE WILLIAMS provided members with Amendment 1 (copy on file). He explained that the amendment would modify the section that provides a \$500 dollar grant per student and adds a pro rata provision in the event of a shortfall.

Co-Chair Williams MOVED to ADOPT Amendment 1. Representative Croft OBJECTED for the purpose of discussion. Mr. Tibbles reiterated that the amendment would add subsection (c) to pro rata the appropriation if there are insufficient funds to apply \$500 dollars per student for every charter school student. Each student's share would be reduced equally. The cost is approximately \$1.6 million dollars.

Representative Croft maintained that the appropriation should be fully funded. He stated that he did not want the fiscal note to drive the text. He felt that the fiscal note should be funded at the level of the legislation.

Co-Chair Mulder spoke in support and stated his desire to fund the entire fiscal note. He noted that the amendment would provide future flexibility. Mr. Tibbles added that the fiscal note would be funded in the conference committee. He observed that the same pro rata language is contained in other education funding such as the foundation formula. He noted that the student count could change between the time the fiscal note is funded and the student count occurs.

Co-Chair Mulder clarified that the same pro rata language exists in regulation for pupil transportation.

Representative Croft expressed hope that the intent would be to fully fund the appropriation and withdrew his objections.

Co-Chair Mulder MOVED to report CSHB 101 (FIN) out of Committee with the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

CSHB 101 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with two previously published fiscal impact note by the Department of Education and Early Development (#1 and #2).

#hb236

HOUSE BILL NO. 236

"An Act relating to the contracting and financing authority of the Alaska Industrial Development and Export Authority; authorizing the authority to issue bonds in a principal amount not to exceed \$76,000,000 to finance the acquisition, design, construction, inventory, and operation of natural gas, propane air,

or manufactured gas public utility facilities; and providing for an effective date."

RANDY RUARO, STAFF, REPRESENTATIVE WILLIAMS testified in support of the legislation. He explained that the legislation would provide the legislative approval necessary for the Alaska Industrial Development and Export Authority (AIDEA) to review the Southeast and Gulf of Alaska gas project for bond funding, required under AS 44.88.095(g) for projects over \$10 million dollars. Approval does not mean that the project would be funded as there are other statutory requirements. There is a zero fiscal note.

Co-Chair Williams noted that it was not his intention to move the bill from committee at that time.

PAUL RUSANOWSKI, SENIOR VICE PRESIDENT OPERATIONS, ALASKA INTRASTATE GAS COMPANY, ANCHORAGE spoke in support of HB 236. He noted that the project would bring utility gas utility service to Southeast and Gulf of Alaska communities. The project is based on the production, transportation and storage of liquid natural gas, liquid petroleum gas and manufactured gases. The company is approved by the Alaska Public Utilities Commission in 17 communities and is involved in long-term operations and maintenance of local gas distribution systems. They contract with communities to provide gas supplies and marine transportation. The communities involved include: 4 in the Gulf of Alaska and 13 in Southeast Alaska. The legislation would allow them to expand to include five more communities in Southeast Alaska. Juneau, Ketchikan, Sitka and Kodiak would be the largest communities served. He projected a residential load of 5 billion cubic feet annually (for all four communities combined) within 5 years of startup. He estimated that an additional 3.7 billion cubic feet of commercial and industrial loads would be available. He stated that there would be 10 to 12 billion cubic feet annually, about 10 years out in the project.

Mr. Rusanowski provided members with a handout of slides that were projected during his presentation(copy on file). He reviewed the slides. He noted that gases move through pipes to a processing facility and are stored and transported. They are then re-injected into storage fields and stored as liquids. Supplies would come from Prince Rupert, which is the closest point.

Mr. reviewed major components of the project: acquisition of gas supplies, transportation, storage and distribution. Gas would come from Northern British Columbia and Southern Yukon Alberta and Prince Rupert Canada have active gas fields. Marine transportation involves three different modes: a barge (1 million gallon capacity), railcar aqua train

(180,000 and 500,000 existing capacity) and existing small bulk gas carriers (500,000 to 2 million capacity).

Representative Croft questioned what would happen in the event of a collision or spill of a liquefied gases. Mr. Rusanowski explained that they would float out on the water and vaporize. Some would dissolve in the water but most would be vaporized. There would not be an expulsion. The double haul is designed to prevent damage to the internal tanks. It is easier to repair the hull than to repair the tanks. The purpose is not containment.

Mr. Rusanowski showed slides of existing facilities (copy on file.) He stressed that the residential and small business service is their focus. Residential service is expected at \$7.25 dollars per cubic feet and \$7.95 dollars monthly service charge. He compared the proposed rate with other states. The rate would be about .40 cents above the national average, but competitive to Northeastern states.

Once gas comes to the communities operations and management costs would be under the control of the company. Debt service is 30 percent. Fuel represents 62 percent of the cost structure and transportation represents 32 percent. He emphasized that efficiency would impact costs. Wholesale liquid petroleum prices from Canada during the last 4 years have ranged from .20 to .40 cents. He estimated their cost at .25 to .30 cents a gallon.

Representative Croft noted that prices have increased in the last years. Mr. Rusanowski agreed that prices had gone up, but explained that the higher prices are not holding. He explained that natural gas is a single carbon methane molecular. Liquid petroleum gases are gases at near normal temperature such as ethane, propane, and butanes. He explained that liquid petroleum gases are now being put into the natural gas stream in pipelines throughout North America. The natural gas stream had been previously returned to oilfields to maintain pressure or used to create specialty products such as bottled propane. Propane stores well and indefinitely. All the gases that go into the pipeline are indistinguishable at the burner tip. Each one provides a different amount of energy. Gases are balanced to provide a stable energy content.

Mr. Rusanowski compared petroleum gases to crude oil. He noted that their prices are linked. When there are peaks in crude oil prices, petroleum gases do not follow as sharply.

Mr. Rusanowski referred to community energy surveys. He noted that the annual energy consumption in Southeast Alaska is 165 million BTU per year. The average cost of fuel oil in rural Southeast Alaska was \$1.74 dollars per gallon in 1999.

The average annual cost of fuel is \$2,700 dollars a year in small communities.

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Mr. Rusanowski discussed savings for rural homeowners. He estimated that there would be a 15 to 40 percent savings. Those with the highest electric rates have the best savings.

Representative John Davies questioned what assumptions were made regarding amortization of infrastructure costs. Mr. Rusanowski noted that those cost were not included. An incentive program was built in to allow cost recovery of those modifications in 5 years or less.

Mr. Rusanowski reviewed a slide that compared the gas and electric cost to operate a clothes dryer in Anchorage and their service area (page 7 of handout). He concluded that the stable pricing structure makes it advantageous to convert to gas.

Mr. Rusanowski explained that their estimates use a 9-year build out scenario. He added that they expect the actual build out to be only 6 to 7 years. He anticipated a bump in the fourth year as the first three communities come on line and then steady growth from that point.

Mr. Rusanowski discussed marketing incentives, which would make it in the interest of the public to convert. Juneau, Ketchikan and Sitka would be the first communities to receive services. Klawock and Craig would most likely be the next two served.

Representative Croft noted that Angoon and Kake have the lowest percent benefit and questioned why they would be among the first served. Mr. Rusanowski noted that the scenario is based on transportation logistics. The plan takes advantage of the fact that the route would go by these communities, because of the size they could be engineered quickly. Savings would be less in these smaller communities due to the cost for waterfront storage and send out facilities. The infrastructure is the same in every community. There is a small population to serve, but a large volume of gas still needs to be available. There are fewer people to amortize against.

Mr. Rusanowski noted that there would be 200 or more jobs created during construction. There would be 15 permanent full time jobs created in Juneau, another 35 jobs throughout other areas of Southeast Alaska and 50 or more related secondary industry jobs.

Mr. Rusanowski observed that there would be an equity investment of \$11.5 million dollars and loans of \$45 million

dollars. There would be internally generated revenues of \$13 million dollars. Infrastructure costs in the communities would be \$45 million dollars.

Mr. Rusanowski pointed out that HB 239 would provide legislative approval for a utility project of over \$10 million dollars and authorizes a bond limit of \$76 million dollars. There would be a sunset date of July 1, 2006 for issuance of bonds. This would allow focus on the development and finance program in AIDEA, which would target development, ownership and operation of facilities like road, ports and utilities. These projects would need to be essential to the economic well being of the area, financially feasible and supported by local communities. The project would move into the due diligence and economic feasibility review with AIDEA when the legislation is passed.

Representative Whitaker asked if there is a downside to the project. Mr. Rusanowski did not think there would be a downside to introducing gas utilities to the communities. The service would enhance infrastructure and provide different opportunities. Some employees could be displaced as the use of fuel oil is decreased but there would be an increase in gas related jobs. He maintained that communities would be more attractive for development and acknowledged that some could view this negatively. Gas provides a clean fuel source with environmental benefits. He discussed the benefits, such as a reduction in pollution.

Representative Whitaker concluded that the project would bring economic growth and opportunity. He questioned the gas source.

Mr. Rusanowski noted that they have agreements with Amoco Canada (the largest holder of gas reserves in Canada). He stressed that Alaskan gas would be used when available and Cook Inlet gas would be used if additional reserves are discovered.

Mr. Rusanowski noted that average household consumption is 165 million BTU per year. The American Gas Association estimates 170 million BTU per year.

Representative Whitaker questioned if the high price of gas in the market was an anomaly and what factors could lower the price. Mr. Rusanowski pointed out that gas and oil have generally been coupled. They were decoupled during the last excursion in prices. This has only happened one other time in the past 30 - 40 years. Wholesale gas prices rose from \$2.50 - \$3.50 per million BTU's to \$13 dollars. The federal government cost projection is \$4.00 dollars by next year. The current cost is \$5.00 dollars per BTU. There has been an increase in gas exploration.

Representative Whitaker disagreed that there would be a significant reduction of the value of gas. Supply is still out stripping demand. The futures market indicates that the prices will remain high. He expressed support for the project.

Mr. Rusanowski noted that the competition is with fuel oil prices. As long as fuel oil prices remain high (they are currently at \$28 dollars) it doesn't matter what gas is.

Representative Lancaster noted that the project was originally to bring gas from Alaska. Mr. Rusanowski explained that the Cook Inlet reserves were in question. A 10-year reliable gas source is needed. They were unable to secure a long-term commitment for gas from Cook Inlet. He noted the intent to return to Alaskan gas when it is available.

Representative Lancaster clarified that it is not their intent to generate power. Mr. Rusanowski noted that they would need certificates from the Regulatory Commission [in order to generate power]. They could not sell gas for power generation without approval.

Representative Lancaster questioned the cost of the feasibility study. Co-Chair Williams explained that it would go before AIDEA and that AIDEA would incorporate the cost. The legislation only puts the project before AIDEA for consideration. Mr. Rusanowski added that it would be a year or two out before bonding would take place.

Representative John Davies asked if the AIDEA proposal would come before the legislature.

KATELYN MARKLEY, ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY (AIDEA) testified via teleconference. She clarified that the once the legislature provides the bond authorization a due diligence process by AIDEA would have to be completed. This includes a feasibility study to determine that the project is advantageous to the state of Alaska. Sources and uses of funds would then be reviewed. Sufficient revenues for debt and operation would have to be demonstrated. The Alaska Industrial Development and Export Authority would do a risk analysis and market review. They would also review the credit strength of participants, demand on public facilities, and adverse affects on communities. They would also assess job creation and determine if it is consistent with bonding authorization. The projects would also have to be approved by the communities. The project would not come before the legislature again. Once the feasibility study is completed the AIDEA board would approve or disapprove the project.

Representative Harris noted that the project would provide possibilities to reduce rural utility costs. He asked the process involved to gain approval from the Alaska Regulatory Commission to sell gas to a utility system.

Mr. Rusanowski stated that it would make sense for some communities to consider [the use of gas to generate power]. There would have to be a fully operational and functioning gas utility in the community with an alternative fuel source readily available for the electric utility. The electric utility could approach the gas company. The gas utility would have to assess their reserves to see if there are sufficient reserves and how it would affect their customers. The analysis would then be used to approach the Regulatory Commission with the electric utility to apply for the right to sell gas for the purpose of generating electricity. If it is determined to be in the public's interest they would determine the rate and conditions for sale. It would be initiated by the electric utility. The Regulatory Commission could determine that the rate should be higher or lower depending on cost and the service being provided by the gas utility. The regulatory prices would determine the legitimate charges for the service.

HB 236 was heard and HELD in Committee for further consideration.

#hb96

HOUSE BILL NO. 96

"An Act relating to acquisition and development of the Jesse Lee Home; and providing for an effective date."

Representative Ken Lancaster, Sponsor testified in support of HB 96. He explained that the legislation would allow the Department of Natural Resources to look at acquisition of the Jesse Lee Home. The home was built in Seward in 1925 to house children. It hasn't been occupied since the 1964 earthquake when it was severely damaged. The Alaska state flag was designed on the site and American soldiers were housed there during World War II. It is currently in the hands of the Kenai Peninsula Borough and is in the process of being given to the city of Seward. There is a \$65 thousand dollar fiscal note for an architectural study and site assessment. The Jesse Lee Home was later moved to Anchorage and is still in operation.

Representative John Davies clarified that the funds would go toward the study. He questioned if the city of Seward would donate the building. Representative Lancaster explained that the Department of Natural Resources would be expected to "make those assumptions". The city of Seward would be willing to donate the property or it could be retained by the city if the Department of Natural Resources wanted to manage the property or help fix the building.

In response to a question by Representative Croft, Representative Lancaster explained that the facility was moved to Anchorage in the early 1960's after the earthquake.

Representative Harris referred to the fiscal note and pointed out that an existing historic preservation grant program would cover half of the cost.

JIM STRATTON, DIRECTOR, PARKS AND OUTDOOR RECREATION, DEPARTMENT OF NATURAL RESOURCES testified via teleconference. He explained that the grant requires a 50 percent match. This is half of the consultant's costs. This would be matched with \$35 thousand dollars in federal funds.

Representative Moses clarified that Unalaska was the first site of the home.

Representative John Davies noted that \$70 thousand dollars would be spent on the architectural consultant. Mr. Stratton observed that the federal funds are authorized in the current operating budget through a historical grant program.

JIM MALEY, EXECUTIVE DIRECTOR, JESSE LEE HOME, SEWARD testified via teleconference in support of the legislation. The program is currently known as Alaska Children's Services, which is the oldest and largest childcare institution in Alaska. The original home was built as an orphanage in Unalaska in 1890. It was moved to Seward in 1925. He noted its historic value. He emphasized the home's service to Alaskan children.

TIM SCZAWINSKI, SEWARD, testified via teleconference. He suggested that the move of the Jesse Lee Home was not a result of the earthquake damage as much as Alaska's move toward foster homes. He stressed the community's interest and involvement in maintaining this historical site. The City Council appropriated \$50 thousand dollars to clear the adjacent land to make the site more presentable and protect against further damage.

Representative John Davies MOVED to report HB 96 out of Committee with individual recommendations and with the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

CSHB 96 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with previously published fiscal impact note (1) by the House Education and Social Services.

CSHB 96 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with previously published fiscal impact note (1) by the House Education and Social Services.

TAPE HFC 01 - 86, Side A

#hb40

HOUSE BILL NO. 40

"An Act providing for the revocation of driving privileges by a court for a driver convicted of a violation of traffic laws in connection with a fatal motor vehicle or commercial motor vehicle accident; amending Rules 43 and 43.1, Alaska Rules of Administration; and providing for an effective date."

DEAN GUANELI, CHIEF ASSISTANT ATTORNEY GENERAL, DEPARTMENT OF LAW, explained that the legislation would revoke licenses of those that violate a traffic law or regulation of the state, which results in a death. Licenses would be revoked for a year. He noted that there are a number of fatal accidents on Alaskan highways. He observed that the criminal penalty does not cover accidents where a traffic law or regulation was violated such as running a stop light, falling asleep at the wheel, crossing the center line, or going off the road. Currently, the only penalty is a \$300 dollar fine in the form of a traffic ticket. Victims' families question how someone who caused a death can be allowed to continue driving. He noted that, on page 2: if a person is convicted of a violation of a traffic law and the court finds that the person was operating a motor vehicle and the driver's violation of a traffic law contributed to an accident that caused the death of another person then their license would be revoked for one year. He recounted testimony and observed the affect on families.

Mr. Guaneli stressed that the question is, "should the state of Alaska recognize that the poor judgment that is exercised, whether you run a red light or whether you fall asleep at the wheel, whether that justifies revoking the license". He maintained that the answer to the question is "yes". The legislation provides license revocation for one year and also provides for a limited driver's license. The court can grant a limited license to drive for purpose of work or drive for purposes of providing care for someone who is in need of the [driver's] physical care. There is adequate protection to prevent loss of employment. He asserted that it is time to recognize that there are a wide variety of circumstances that reflect poor judgment, poor driving and as a result, license action should be taken.

Vice-Chair Bunde asked if it would be a presumptive sentence or mandatory minimum sentence. Mr. Guaneli stated that it would be and noted that the Court would need to make certain findings that the conduct contributed to the death. If there were another license revocation (if the conduct put the driver's points over the limit), the revocation would run

concurrently. It would guarantee that the sentence would be at least one year.

In response to Vice-Chair Bunde, Mr. Guaneli discussed presumptive sentencing. He pointed out that the Administration is advocating for an appropriate sanction where none exists.

Representative Lancaster asked why there is a September 1st effective date. Mr. Guaneli did not know the rationale for the effective date.

Representative Harris felt that the legislation was "unsettling". He observed that the penalty for the identical conduct is changed depending on the outcome. Mr. Guaneli pointed out that the law looks at the circumstances and what results from the conduct in addressing sanctions.

Representative Croft noted that the legislation represents "almost a strict liability consequence of a violation that is proven". He questioned the lack of a mental state.

Mr. Guaneli noted that the state does not have to prove intent for most violations of traffic laws. Mental states that are generally associated with criminal law do not apply to traffic violations. If the state could prove criminal negligence then the current criminal negligence law would pertain. The legislation would apply to a small set of cases, perhaps a half a dozen cases a year that do not fall under other criminal law. If the driver simply acts carelessly, the only action would be a civil lawsuit. The state could do nothing more than issue a traffic ticket.

In response to a question by Representative John Davies, Mr. Guaneli clarified that the preponderance of evidence standard is the usual legal standard applied in civil cases involving negligence involving torts or contracts. The penalty is in essence a civil penalty or administrative action imposed by the court. The preponderance of evidence standard would be the appropriate standard.

Representative John Davies observed that it is a relatively low standard. He concluded that the action is between civil and criminal. He questioned if it is appropriate to maintain a civil standard when the case would be in between.

Mr. Guaneli explained that in most cases the court would have found clear and convincing evidence and would be able to make the [clear and convincing evidence] standard. He did not think it [the change to clear and convincing evidence] would make a practical difference.

Representative Davies expressed further concern with the use of "contributed" on line 7, page 2: the violation of traffic

laws by the person contributed to the accident. He observed that the person who was killed could also have done something that "contributed" to the accident. Mr. Guaneli noted that the [conduct of the person killed] does not directly enter into the case. The court would discern whether the violation of the traffic law contributed to the accident and other negligence by another party is not the court's concern. He argued in support of the language contained in the legislation. Representative Davies pointed out that the accident must "cause" the death. He expressed further concern with the fact that there may be different levels of contribution to the accident and questioned if "contributed" should be changed to "caused". Mr. Guaneli stated that he did not object to "substantially contributed" to the accident. The legal system has a variety of terms that it uses to weigh levels of culpability. All of these concepts are taken into consideration. He explained that the intent is not to turn these cases into large involved civil lawsuits. The legislation is designed to be a simple decision by a magistrate that the violation contributed to the accident. It is not designed to be used in later civil litigation. The legislation provides that the decision by the judge is not to be used in other litigation.

Representative Davies gave an example of an accident: a person at a stop sign has their car stall when they go into the intersection. Another person comes over a hill, where there is reduced sight and hits the stalled car. The stalled car would be guilty of a traffic violation. The person that came over the hill was speeding. He questioned if the driver of the stalled car would lose their license if the driver of the speeding car were killed. Mr. Guaneli was not sure. He stated that if the violation were not a moving violation the law would not apply.

HB 40 was heard and HELD in Committee for further consideration.

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ADJOURNMENT

The meeting was adjourned at 3:40 p.m.