

**ALASKA STATE LEGISLATURE
HOUSE RULES STANDING COMMITTEE**

April 17, 2002

5:30 p.m.

MEMBERS PRESENT

Representative Pete Kott, Chair
Representative Brian Porter
Representative Vic Kohring
Representative Lesil McGuire
Representative Ethan Berkowitz

MEMBERS ABSENT

Representative Carl Morgan
Representative Reggie Joule

OTHER LEGISLATORS PRESENT

Senator Randy Phillips

COMMITTEE CALENDAR

HOUSE BILL NO. 304

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

- MOVED CSHB 304(RLS) OUT OF COMMITTEE

HOUSE JOINT RESOLUTION NO. 47

Urging the United States Environmental Protection Agency and the
Alaska Department of Environmental Conservation to provide
maximum possible flexibility in application of low sulfur diesel
fuel requirements to Alaska.

- MOVED CSHJR 47(RLS) OUT OF COMMITTEE

CS FOR SENATE BILL NO. 176(L&C) am

"An Act prohibiting certain coercive activity by distributors;
relating to certain required distributor payments and purchases;
prohibiting distributors from requiring certain contract terms
as a condition for certain acts related to distributorship and
ancillary agreements; allowing dealers to bring certain court
actions against distributors for certain relief; and exempting
from the provisions of the Act franchises regulated by the

federal Petroleum Marketing Practices Act, situations regulated by the Alaska gasoline products leasing act, and distributorship agreements relating to motor vehicles required to be registered under AS 28.10."

- MOVED HCS CSSB 276(RLS) OUT OF COMMITTEE

PREVIOUS ACTION

BILL: HB 304

SHORT TITLE: PERMANENT FUND INCOME

SPONSOR(S): REPRESENTATIVE(S) WHITAKER

| Jrn-Date | Jrn-Page | | Action |
|----------|----------|-----|---|
| 01/14/02 | 1954 | (H) | PREFILE RELEASED 1/4/02 |
| 01/14/02 | 1954 | (H) | READ THE FIRST TIME - REFERRALS |
| 01/14/02 | 1954 | (H) | STA, FIN |
| 01/16/02 | 1992 | (H) | COSPONSOR(S): FATE |
| 02/16/02 | | (H) | STA AT 10:00 AM BUTROVICH 205 |
| 02/16/02 | | (H) | -- Meeting Postponed to 2/23/02 -- |
| 02/23/02 | | (H) | STA AT 10:00 AM HOUSE FINANCE 519 |
| 02/23/02 | | (H) | Heard & Held |
| 02/23/02 | | (H) | MINUTE(STA) |
| 03/19/02 | | (H) | STA AT 8:00 AM CAPITOL 102 |
| 03/19/02 | | (H) | Moved Out of Committee |
| 03/19/02 | | (H) | MINUTE(STA) |
| 03/19/02 | 2600 | (H) | STA RPT 3DP 1DNP 2NR 1AM |
| 03/19/02 | 2600 | (H) | DP: FATE, WILSON, STEVENS; DNP: JAMES; |
| 03/19/02 | 2600 | (H) | NR: HAYES, COGHILL; AM: CRAWFORD |
| 03/19/02 | 2600 | (H) | FN1: ZERO(REV) |
| 03/21/02 | | (H) | FIN AT 9:00 AM HOUSE FINANCE 519 |
| 03/22/02 | | (H) | FIN AT 9:00 AM HOUSE FINANCE 519 |
| 03/22/02 | 2654 | (H) | COSPONSOR(S): MULDER |
| 03/25/02 | | (H) | FIN AT 9:00 AM HOUSE FINANCE 519 |
| 03/25/02 | | (H) | Moved CSHB 304(FIN) Out of Committee |
| | | | MINUTE(FIN) |
| 03/26/02 | 2679 | (H) | FIN RPT CS(FIN) NT 5DP 1DNP 2NR 3AM |

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|----------|------|-----|---|
| 03/26/02 | 2679 | (H) | DP: BUNDE, WHITAKER, LANCASTER, HUDSON, |
| 03/26/02 | 2679 | (H) | MULDER; DNP: FOSTER; NR: HARRIS, |
| 03/26/02 | 2679 | (H) | MOSES; AM: CROFT, DAVIES, WILLIAMS |
| 03/26/02 | 2680 | (H) | FN(S): FORTHCOMING |
| 03/27/02 | 2719 | (H) | FN2: (REV) |
| 03/27/02 | 2719 | (H) | RULES TO CALENDAR 3/27/02 |
| 03/27/02 | 2719 | (H) | RETURNED TO RLS COMMITTEE |
| 04/15/02 | | (H) | RLS AT 9:00 AM BUTROVICH 205 |
| 04/15/02 | | (H) | Failed To Move Out Of Committee -- Recessed to a call of the Chair -- |
| 04/15/02 | | (H) | MINUTE(RLS) |
| 04/17/02 | | (H) | RLS AT 5:30 PM BUTROVICH 205 |

BILL: HJR 47

SHORT TITLE:LOW SULFUR DIESEL FUEL REQUIREMENTS

SPONSOR(S): COMMUNITY & REGIONAL AFFAIRS

| Jrn-Date | Jrn-Page | | Action |
|----------|----------|-----|---|
| 03/22/02 | 2643 | (H) | READ THE FIRST TIME - REFERRALS |
| 03/22/02 | 2643 | (H) | RES |
| 04/03/02 | | (H) | RES AT 1:00 PM CAPITOL 124 |
| 04/03/02 | | (H) | Moved CSHJR 47(RES) Out of Committee |
| 04/03/02 | | (H) | MINUTE(RES) |
| 04/04/02 | 2794 | (H) | RES RPT CS(RES) NT 5DP |
| 04/04/02 | 2794 | (H) | DP: KERTTULA, CHENAULT, FATE, GREEN, |
| 04/04/02 | 2794 | (H) | MASEK |
| 04/04/02 | 2794 | (H) | FN1: ZERO(H.RES) |
| 04/15/02 | | (H) | RLS AT 9:00 AM BUTROVICH 205 |
| 04/15/02 | | (H) | Scheduled But Not Heard -- Recessed to a call of the Chair -- |
| 04/17/02 | | (H) | RLS AT 5:30 PM BUTROVICH 205 |

BILL: SB 176

SHORT TITLE:DISTRIBUTORSHIPS

SPONSOR(S): LABOR & COMMERCE BY REQUEST

| Jrn-Date | Jrn-Page | | Action |
|----------|----------|-----|------------------------------------|
| 04/05/01 | 0956 | (S) | READ THE FIRST TIME - REFERRALS |

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|----------|------|-----|--|
| 04/05/01 | 0957 | (S) | L&C, JUD, FIN |
| 04/19/01 | | (S) | L&C AT 1:30 PM BELTZ 211 |
| 04/19/01 | | (S) | Heard & Held |
| 04/19/01 | | (S) | MINUTE(L&C) |
| 04/24/01 | | (S) | L&C AT 1:30 PM BELTZ 211 |
| 04/24/01 | | (S) | Moved CSSB 176(L&C) Out of Committee |
| 04/24/01 | | (S) | MINUTE(L&C) |
| 04/25/01 | | (S) | JUD AT 1:30 PM BELTZ 211 |
| 04/25/01 | | (S) | Moved CS(L&C) Out of Committee |
| 04/25/01 | | (S) | MINUTE(JUD) |
| 04/25/01 | | (S) | MINUTE(JUD) |
| 04/25/01 | 1259 | (S) | L&C RPT CS 5DP SAME TITLE |
| 04/25/01 | 1259 | (S) | DP: PHILLIPS, DAVIS, AUSTERMAN, LEMAN, TORGERSON |
| 04/25/01 | 1259 | (S) | FN1: ZERO(CED) |
| 04/26/01 | 1277 | (S) | JUD RPT CS(L&C) 4DP |
| 04/26/01 | 1277 | (S) | DP: TAYLOR, THERRIAULT, COWDERY, ELLIS |
| 04/26/01 | 1277 | (S) | FN1: ZERO(CED) |
| 04/28/01 | 1338 | (S) | FIN REFERRAL WAIVED REFERRED TO RULES |
| 05/01/01 | | (S) | RLS AT 12:15 PM FAHRENKAMP 203 |
| 05/01/01 | | (S) | -- Time Change -- |
| 05/01/01 | | (S) | MINUTE(RLS) |
| 05/01/01 | 1405 | (S) | READ THE SECOND TIME |
| 05/01/01 | 1405 | (S) | L&C CS ADOPTED UNAN CONSENT |
| 05/01/01 | 1405 | (S) | AM NO 1(TITLE AM) ADOPTED UNAN CONSENT |
| 05/01/01 | 1406 | (S) | ADVANCED TO THIRD READING UNAN CONSENT |
| 05/01/01 | 1406 | (S) | READ THIRD TIME CSSB 176(L&C)(TITLE AM) |
| 05/01/01 | 1407 | (S) | PASSED Y19 N1 |
| 05/01/01 | 1407 | (S) | TAYLOR NOTICE OF RECONSIDERATION |
| 05/01/01 | 1400 | (S) | RULES TO CALENDAR 5/1/01 |
| 05/02/01 | 1447 | (S) | RECON TAKEN UP - IN THIRD READING |
| 05/02/01 | 1447 | (S) | RETURN TO SECOND FOR AM 2 UNAN CONSENT |
| 05/02/01 | 1448 | (S) | AM NO 2 ADOPTED UNAN CONSENT |
| 05/02/01 | 1448 | (S) | AUTOMATICALLY IN THIRD READING |

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|----------|------|-----|---|
| 05/02/01 | 1448 | (S) | PASSED ON RECONSIDERATION Y18 N1 A1 |
| 05/02/01 | 1450 | (S) | TRANSMITTED TO (H) |
| 05/02/01 | 1450 | (S) | VERSION: CSSB 176(L&C) AM |
| 05/03/01 | 1501 | (H) | READ THE FIRST TIME - REFERRALS |
| 05/03/01 | 1501 | (H) | L&C, JUD |
| 05/05/01 | | (H) | L&C AT 12:00 PM CAPITOL 17 |
| 05/05/01 | | (H) | Moved HCS CSSB 176(L&C) Out of Committee |
| 05/05/01 | | (H) | JUD AT 1:00 PM CAPITOL 120 |
| 05/05/01 | | (H) | <Bill Postponed> |
| 05/05/01 | | (H) | MINUTE(L&C) |
| 05/06/01 | 1616 | (H) | TITLE CHANGE: HCR 19 |
| 05/06/01 | | (H) | JUD AT 3:00 PM CAPITOL 120 |
| 05/06/01 | | (H) | Moved HCS CSSB 176(JUD) Out of Committee |
| 05/06/01 | | (H) | MINUTE(JUD) |
| 05/06/01 | 1586 | (H) | L&C RPT FORTHCOMING HCS(L&C) 2DP 5NR |
| 05/06/01 | 1586 | (H) | DP: CRAWFORD, HAYES; NR: HALCRO, KOTT, |
| 05/06/01 | 1586 | (H) | MEYER, ROKEBERG, MURKOWSKI |
| 05/06/01 | 1586 | (H) | FN1: ZERO(CED) |
| 05/06/01 | 1616 | (H) | RECEIVED HCS(L&C) NT |
| 05/07/01 | 1636 | (H) | RULES TO CALENDAR 5/7/01 |
| 05/07/01 | 1636 | (H) | MOVED TO FOLLOW CSSB 198(HES) |
| 05/07/01 | 1638 | (H) | MOVED TO BOTTOM OF CALENDAR |
| 05/07/01 | 1649 | (H) | READ THE SECOND TIME |
| 05/07/01 | 1649 | (H) | JUD HCS ADOPTED UNAN CONSENT |
| 05/07/01 | 1650 | (H) | AM NO 1 ADOPTED UNAN CONSENT |
| 05/07/01 | 1650 | (H) | AM NO 2 ADOPTED Y20 N17 A3 |
| 05/07/01 | 1650 | (H) | ...CHANGES TITLE OF LEGISLATION |
| 05/07/01 | 1652 | (H) | HELD IN SECOND READING TO 5/8 |
| 05/07/01 | 1626 | (H) | TITLE CHANGE: HCR 19 |
| 05/07/01 | 1625 | (H) | JUD RPT HCS(JUD) NT 4DP 2NR |
| 05/07/01 | 1626 | (H) | DP: MEYER, COGHILL, JAMES, ROKEBERG; |
| 05/07/01 | 1626 | (H) | NR: BERKOWITZ, KOOKESH |
| 05/07/01 | 1626 | (H) | FN1: ZERO(CED) |
| 05/08/01 | 1713 | (H) | RETURNED TO RLS COMMITTEE |
| 04/15/02 | | (H) | RLS AT 9:00 AM BUTROVICH 205 |
| 04/15/02 | | (H) | Scheduled But Not Heard -- Recessed to a call of the Chair -- |
| 04/17/02 | | (H) | RLS AT 5:30 PM BUTROVICH 205 |

WITNESS REGISTER

BILL LAWRENCE, Staff
to Representative Carl Morgan
House Community and Regional Affairs Standing Committee
Alaska State Legislature
Capitol Building, Room
Juneau, Alaska 99801

POSITION STATEMENT: Testified on behalf of the sponsor, the House Community and Regional Affairs Standing Committee.

JOHN HAXBY
PO Box 111098
Anchorage, Alaska 99511

POSITION STATEMENT: Testified on SB 176.

TERRY BANNISTER, Attorney
Legislative Counsel
Legal and Research Services Division
Legislative Affairs Agency
Terry Miller Building, Room 329
Juneau, Alaska 99801

POSITION STATEMENT: Spoke as the drafter of SB 176 and responded to questions.

ACTION NARRATIVE

TAPE 02-6, SIDE A
Number 0001

CHAIR PETE KOTT called the House Rules Standing Committee meeting to order at 5:30 p.m. Representatives Kott, Porter, Kohring, and McGuire were present at the call to order. Representative Berkowitz arrived as the meeting was in progress.

HB 304-PERMANENT FUND INCOME

CHAIR KOTT announced that the first order of business would be HOUSE BILL NO. 304, "An Act relating to disposition of income of the permanent fund; and providing for an effective date."

Number 0031

REPRESENTATIVE PORTER moved that the committee rescind its action in failing to report CSHB 304(RLS) from committee. There

being no objection, [Version 22-LS1207\T, Cook, 4/5/02] was before the committee.

REPRESENTATIVE PORTER moved to report CSHB 304 [Version T] out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSHB 304(RLS) was reported from the House Rules Standing Committee.

HJR 47-LOW SULFUR DIESEL FUEL REQUIREMENTS

CHAIR KOTT announced that the next order of business would be HOUSE JOINT RESOLUTION NO. 47, Urging the United States Environmental Protection Agency and the Alaska Department of Environmental Conservation to provide maximum possible flexibility in application of low sulfur diesel fuel requirements to Alaska.

Number 0095

REPRESENTATIVE McGUIRE moved to adopt CSHJR 47, Version 22-LS1644\L, Craver, 4/5/02, as the working document. There being no objection, Version L was before the committee.

Number 0136

BILL LAWRENCE, Staff to Representative Carl Morgan, House Community and Regional Affairs Standing Committee, Alaska State Legislature, testified on behalf of the sponsor, the House Community and Regional Affairs Standing Committee. He explained that Version L simply addresses the Department of Environmental Conservation's (DEC) position by adding a "**WHEREAS**" provision on page 2, line 18, and a "**FURTHER RESOLVED**" provision on page 2, line 27. In response to Chair Kott, Mr. Lawrence stated that DEC is aware of the changes.

Number 0277

REPRESENTATIVE McGUIRE moved to report CSHJR 47, Version 22-LS1644\L, Craver, 4/5/02, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSHJR 47(RLS) was reported from the House Rules Standing Committee.

SB 176-DISTRIBUTORSHIPS

CHAIR KOTT announced that the last order of business before the committee would be CS FOR SENATE BILL NO. 176(L&C) am, "An Act

prohibiting certain coercive activity by distributors; relating to certain required distributor payments and purchases; prohibiting distributors from requiring certain contract terms as a condition for certain acts related to distributorship and ancillary agreements; allowing dealers to bring certain court actions against distributors for certain relief; and exempting from the provisions of the Act franchises regulated by the federal Petroleum Marketing Practices Act, situations regulated by the Alaska gasoline products leasing act, and distributorship agreements relating to motor vehicles required to be registered under AS 28.10."

Number 0328

REPRESENTATIVE McGUIRE moved to adopt HCS CSSB 176 Version [22-LS0818\B, Bannister, 4/17/02] as the working document. There being no objection, it was so ordered.

CHAIR KOTT noted the presence of Senator Randy Phillips, Chair of the Senate Labor and Commerce Standing Committee, the sponsor of SB 176. Chair Kott welcomed Senator Phillips and invited him to the table, but Senator Phillips yielded to Representative Rokeberg.

REPRESENTATIVE NORMAN ROKEBERG, Alaska State Legislature, explained that the changes in Version B are related to the exemptions in the title on [page 1,] lines 5 and 8. He further explained the title change. Representative Rokeberg directed attention to page 5 paragraph (4), which he characterized as a redraft of moving the scope of license activities of those individuals licensed under Title 4. Page 6 adds [new language] in paragraphs (5)-(7) and (8)(b).

Number 0501

REPRESENTATIVE BERKOWITZ asked if there is a pending resolution due to the title change.

REPRESENTATIVE ROKEBERG noted his anticipation of a few motions on this bill on the House floor.

REPRESENTATIVE BERKOWITZ expressed his doubt that the House could do a title change to a Senate Bill.

REPRESENTATIVE ROKEBERG pointed out that the sponsor is in concurrence.

REPRESENTATIVE BERKOWITZ related his belief that [the resolution] could be objectionable.

CHAIR KOTT announced that there is a resolution in the House Rules Standing Committee because there was a title change to SB 176 prior to this committee change. Therefore, that resolution will have to go to the House floor as well. Chair Kott further pointed out that a number of technical motions will be required for this bill.

Number 0610

JOHN HAXBY characterized SB 176 as a small business protection act that is necessary to level the playing field between large well financed manufacturers and distributors and small businesses in Alaska. The passage of this legislation will protect small businesses in Alaska from unreasonable manipulation by manufacturers and distributors. Furthermore, the legislation should foster economic growth and development, keeping capital in Alaska. He pointed out that Alaska is one of the few states without a law addressing distributor agreements. Mr. Haxby noted that he has reviewed the proposed changes in the CS, which he viewed as reasonable.

Number 0771

TERRY BANNISTER, Attorney, Legislative Counsel, Legal and Research Services Division, Legislative Affairs Agency, answered, in response to Chair Kott, that she didn't know the impact of this legislation on existing franchises. The legislation attempts to avoid conflict with [existing] franchises. She offered to look into that matter.

CHAIR KOTT closed public testimony.

Number 0836

REPRESENTATIVE BERKOWITZ moved the following amendment, Amendment 1, which addresses page 3, Sec. 45.45.730, regarding death of the dealer or holder of majority interest in dealer.

CHAIR KOTT objected.

REPRESENTATIVE BERKOWITZ pointed out that death isn't the only thing that can incapacitate an individual in a contractual relationship. Therefore, the language "death or disability and other successors and interests" was inserted in the appropriate

spots in this paragraph. He noted that he had consulted with Ms. Bannister on this amendment.

REPRESENTATIVE McGUIRE surmised that [Amendment 1] refers to the (indisc.) that tends to incapacitate.

REPRESENTATIVE BERKOWITZ replied yes.

CHAIR KOTT withdrew his objection.

There being no objection, Amendment 1 was adopted.

Number 0929

REPRESENTATIVE McGUIRE moved to report HCS CSSB 176 as amended out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HCS CSSB 176(RLS) was reported from the House Rules Standing Committee.

ADJOURNMENT

There being no further business before the committee, the House Rules Standing Committee meeting was adjourned at 5:45 p.m.