

ALASKA STATE LEGISLATURE

**SENATE RULES COMMITTEE**

April 11, 2001

10:38 a.m.

**MEMBERS PRESENT**

Senator Randy Phillips, Chair  
Senator John Cowdery, Vice Chair  
Senator Gene Therriault  
Senator Johnny Ellis

**MEMBERS ABSENT**

Senator Rick Halford

**COMMITTEE CALENDAR**

SENATE BILL NO. 340

"An Act relating to treatment of permanent fund dividends for purposes of determining eligibility for certain benefits; and providing for an effective date."

APPROVED FOR CALENDARING

SENATE BILL NO. 354

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

APPROVED FOR CALENDARING

SENATE BILL NO. 358

"An Act naming state ferries."

APPROVED FOR CALENDARING

HOUSE BILL NO. 390

"An Act delaying the repeal of the salmon marketing tax; expanding the allowable use of that tax for the salmon marketing programs of the Alaska Seafood Marketing Institute; relating to the Alaska Seafood Marketing Institute's salmon marketing committee; and providing for an effective date."

APPROVED SCS HB 390(RLS) FOR CALENDARING

HOUSE JOINT RESOLUTION NO. 35 am

Relating to urging the United States Congress to amend the tax code to permanently repeal the estate tax.

APPROVED FOR CALENDARING

**PREVIOUS COMMITTEE ACTION**

SB 340 - See Finance Report dated 4/10/02.

SB 354 - See Resources minutes dated 4/3/02.

SB 358 - See Transportation minutes dated 4/9/02.

HB 390 - No previous Senate committee action to record.

HJR 35 - See State Affairs minutes dated 3/21/02.

**WITNESS REGISTER**

Ms. Laura Jane Wineingar  
Staff to Senator Green  
Alaska State Capitol  
Juneau, AK 99801-1182

**POSITION STATEMENT:** Testified for the sponsor of SB 354

Ms. Sue Stancliff  
Staff to Representative Maguire  
Alaska State Capitol  
Juneau, AK 99801-1182

**POSITION STATEMENT:** Testified for the sponsor of HB 390

Ms. Kristy Tibbles  
Staff to Senator Stevens  
Alaska State Capitol  
Juneau, AK 99801-1182

**POSITION STATEMENT:** Testified for the sponsor of SB 282,  
companion bill to HB 390

Ms. Laura Fleming  
Alaska Seafood Marketing Institute  
1111 W 8<sup>th</sup> St.  
Juneau, AK 99801

**POSITION STATEMENT:** Stated support for HB 390 and a proposed  
amendment

Mr. Heath Hilyard  
Staff to Representative James  
Alaska State Capitol  
Juneau, AK 99801-1182

**POSITION STATEMENT:** Testified for the sponsor of HB 390

**ACTION NARRATIVE**

**TAPE 02-6, SIDE A**

Number 001

**CHAIRMAN RANDY PHILLIPS** called the Senate Rules Committee meeting to order at 10:38 a.m. Senators Cowdery, Therriault, Ellis and Phillips were present. The committee took up SB 340.

#SB 340

SENATOR COWDERY moved to calendar **SB 340-HOLD HARMLESS PROVISIONS OF PFD PROGRAM** with its accompanying fiscal notes at the Chairman's discretion.

SENATOR ELLIS objected. The motion carried with Senators Therriault, Cowdery and Phillips in favor, and Senator Ellis opposed.

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#SB 354

SENATOR COWDERY moved to calendar **SB 354-PRICES PAID BY MILK PROCESSING PLANTS** at the Chairman's discretion.

SENATOR ELLIS objected and asked for an explanation of the measure.

MS. JANE WINEINGAR, staff to Senator Green, sponsor, stated that SB 354 will enable farmers to be paid a fair price for milk. Pricing will be based on the quality of milk, which depends on many variables such as the butterfat content. Many states have similar legislation.

SENATOR ELLIS asked why it is necessary for the State of Alaska to weigh in to the private sector market considerations for the price of milk.

MS. WINEINGAR said Matanuska Maid is the only processing plant in the state so the farmers only have one choice of where to sell, and that plant is state-owned.

SENATOR ELLIS said maybe the fact that the State of Alaska owns a dairy is a problem. He asked why the State is in the milk business.

SENATOR COWDERY commented that in his youth, he hauled milk from the Matanuska Valley. At that time, two dairies were operating in the Valley. Some dairy farms had jerseys or cows that produced milk with a higher butterfat content. He took samples of every day's production to determine the price. He believes that the importance of the quality of milk is no different than the quality of oil. He stated strong support for the bill.

SENATOR COWDERY repeated his motion to calendar SB 354 and its

accompanying zero fiscal note at the Chairman's discretion.

SENATOR ELLIS removed his objection, therefore the motion carried.

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#SB 358

SENATOR COWDERY moved to calendar SB 358-NAMING STATE FERRIES at the Chairman's discretion.

CHAIRMAN PHILLIPS announced that with no objection, SB 358 would be calendared.

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#HB 390

SENATOR COWDERY moved to place HB 390-ASMI SALMON MARKETING & MARKETING TAX and a proposed amendment before the committee for the purpose of discussion. There being no objection, the motion carried.

MS. SUE STANCLIFF, staff to Representative Maguire, sponsor, explained that HB 390 is a companion bill to SB 282. HB 390 does two things. First, the salmon marketing programs of the Alaska Seafood Marketing Institute (ASMI), which are scheduled to terminate on June 30, 2004, would be extended for five years. Second, it extends the salmon marketing tax, which supports ASMI activities and the domestic marketing program. That tax is scheduled to terminate in 2003; the bill extends the tax for five years. The bill also allows for international marketing. At present ASMI is restricted to domestic marketing.

MR. KRISTY TIBBLES, staff to Senator Ben Stevens, sponsor of SB 282, told members that both bills are identical except for a change made to SB 282 by the Senate Finance Committee. That committee deleted a provision in the bill on page 3, lines 26-29, which extended the date to 2009 for certain activities related to the salmon marketing tax. Therefore, those activities will expire in 2004. The important part of the bill was retained, which is the extension of the tax. She then noted that Senator Cowdery had a proposed amendment to delete the same provision from HB 390.

SENATOR THERRIAULT asked what activities will be curtailed by the proposed amendment.

MS. TIBBLES said the activities are collecting, organizing, distributing, and making available to the public information on prices paid and market conditions for raw salmon [AS 16.51.100(7)]; and cooperating with commercial salmon fishermen,

fishermen's organizations, seafood processors, and the Alaska Fisheries Development Foundation [AS 16.51.100(8)].

CHAIRMAN PHILLIPS asked about AS 16.51.100(9).

MS. TIBBLES explained that subsection established a salmon marketing committee to assist and advise the board in administering the domestic salmon marketing program that is funded through the tax.

CHAIRMAN PHILLIPS commented that if subsections (7) through (9) are repealed, all of those functions will go away.

MS. TIBBLES said they will in 2004.

SENATOR THERRIault said ASMI will have to specifically request that those functions be extended before they expire in 2004.

MS. LAURA FLEMING, public relations director of ASMI, said ASMI supports the reauthorization of the one percent tax. During hearings in both the House and Senate, that provision had great support from both processors and fishermen. Extending the tax will prevent ASMI from getting "caught midstream" in the middle of a summer season. ASMI supports bringing HB 390 into conformity with the Senate Finance version of SB 282.

SENATOR COWDERY moved to adopt Amendment 1, which reads as follows.

**\*Sec. 4.** The uncodified law of the State of Alaska enacted in sec. 10, ch.55, SLA 1993, as amended by sec.2, ch.111, SLA 1998, is amended to read:

Sec.10. AS 16.51.100(7), 16.51.100(8), and 16.51.100(9) are repealed June 30, **2009**[2004].

CHAIRMAN PHILLIPS noted that with no objection, Amendment 1 was adopted.

SENATOR COWDERY moved to calendar CSHB 390(RLS) with its attached fiscal note at the Chairman's discretion. There being no objection, the motion carried.

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#HJR 35

MR. HEATH HILYARD, staff to Representative Jeannette James, stated he was available to answer questions about **HJR 35-REPEAL ESTATE TAX.**

There being no questions, SENATOR COWDERY moved to calendar HJR

35 with its accompanying fiscal note at the Chairman's discretion. There being no objection, the motion carried.

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There being no further business to come before the committee, CHAIRMAN PHILLIPS adjourned the meeting at 10:54 p.m.