

ALASKA STATE LEGISLATURE

SENATE RULES COMMITTEE

May 6, 2002

10:35 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. 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."

APPROVED FOR CALENDARING

SENATE BILL NO. 359

"An Act relating to organization grants for mergers, consolidations, or unifications involving third class boroughs."

ADOPTED A SENATE RULES COMMITTEE SUBSTITUTE AND APPROVED FOR CALENDARING

CS FOR HOUSE BILL NO. 206(RLS)

"An Act relating to a vessel-based commercial fisheries limited entry system for the Bering Sea Korean hair crab fishery and for weathervane scallop fisheries, to management of offshore fisheries, and to the definition of 'person' for purposes of the commercial fisheries entry program; and providing for an effective date."

APPROVED FOR CALENDARING

CS FOR HOUSE BILL NO. 288(FIN) am

"An Act relating to commercial fishing limited entry permit buy-back programs, to a permit buy-back assessment, and to voluntary relinquishment of commercial fishing permits; and defining 'optimum number.'"

APPROVED FOR CALENDARING

HOUSE BILL NO. 262

"An Act relating to accounting for and appropriations of receipts

from fees collected by the Department of Labor and Workforce Development for certain inspections and for certain plumbing and electrical worker certificates of fitness; establishing a building safety account; and providing for an effective date."

SCHEDULED BUT NOT HEARD

SENATE CONCURRENT RESOLUTION NO. 36

Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, concerning House Bill No. 262, relating to accounting for and appropriations of receipts from fees collected by the Department of Labor and Workforce Development for certain inspections and for certain plumbing and electrical worker certificates of fitness, establishing a building safety account, and providing for an effective date.

SCHEDULED BUT NOT HEARD

PREVIOUS SENATE COMMITTEE ACTION

SB 239 - See State Affairs minutes dated 1/24/02 and 1/31/02 and Finance Report dated 4/25/02.

SB 359 - See CRA minutes dated 4/17/02 and Finance Report dated 4/30/02.

HB 206 - See Resources minutes dated 3/20/02, 4/17/02 and 4/24/02 and Judiciary minutes dated 4/29/02.

HB 262 - See Labor and Commerce minutes dated 3/21/02, State Affairs minutes dated 4/2/02 and Finance Report dated 4/18/02.

HB 288 - See Resources minutes dated 4/8/02 and Finance Report dated 5/1/02.

WITNESS REGISTER

Mary Jackson
Staff to the Senate CRA Committee
Alaska State Capitol
Juneau, AK 99801-1182

POSITION STATEMENT: Explained and stated support for Amendment 1 to SB 359.

Mary McDowell
Commercial Fisheries Entry Commission
8800 Glacier Highway, Suite 109
Juneau, AK 99801

POSITION STATEMENT: Explained the intent of CSHB 206(RLS) and CSHB 288(RLS).

ACTION NARRATIVE

TAPE 02-12, SIDE A

Number 001

CHAIRMAN RANDY PHILLIPS called the Senate Rules Committee meeting to order at 10:35 a.m. Senators Cowdery, Therriault and Phillips were present. The first order of business to come before the committee was SB 239.

#SB 239

SENATOR COWDERY moved to calendar **SB 239-STATE EMPLOYEES CALLED TO MILITARY DUTY** at the Chairman's discretion with its accompanying fiscal notes.

CHAIRMAN PHILLIPS announced that with no objection, the motion carried.

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#SB 359

SENATOR COWDERY moved to calendar **SB 359-MUNICIPAL ORGANIZATION GRANTS/LBC STUDY** at the Chairman's discretion with its accompanying fiscal notes.

CHAIRMAN PHILLIPS announced that an amendment to SB 359 was proposed.

SENATOR COWDERY withdrew his motion and then moved to take up SB 359 for discussion.

CHAIRMAN PHILLIPS informed members that Amendment 1 was labeled "5302 Cook F.1" and moved its adoption. He then asked Ms. Jackson to testify.

MS. MARY JACKSON, staff to the Senate Community and Regional Affairs Committee, explained that Amendment 1 deletes the language beginning on page 1 and ending on page 2, line 3. The essence of that change is that there will be one \$200,000 payment instead of two. It was suggested that the amendment would be a bit more palatable.

CHAIRMAN PHILLIPS asked if that change is agreeable to the prime sponsor of the bill.

MS. JACKSON said it is.

SENATOR THERRIAULT moved to adopt Amendment 1.

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

SENATOR COWDERY moved to calendar CSSB 359(RLS) at the Chairman's discretion with the accompanying fiscal notes.

CHAIRMAN PHILLIPS announced that with no objection, CSSB 359(RLS) would be calendared.

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#HB 206

CHAIRMAN PHILLIPS announced the committee would take up CSHB 206 (RLS)-LIMITED ENTRY FOR COMM. FISHERIES and asked Ms. McDowell to testify.

MS. MARY MCDOWELL, Commercial Fisheries Entry Commission, explained that HB 206 began as a generic bill to create a vessel-based limited entry alternative. Through the legislative process, it was narrowed down to authorizing a vessel-based limited entry alternative for the weathervane scallop and Korean hair crab fisheries.

SENATOR COWDERY moved to calendar CSHB 206(RLS) at the Chairman's discretion with the accompanying fiscal note.

CHAIRMAN PHILLIPS announced that with no objection, the motion carried.

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#HB 288

SENATOR THERRIAULT moved to calendar CSHB 288(FIN)am-LIMITED ENTRY BUY-BACK PROGRAM/ASSESSMENT at the Chairman's discretion with its accompanying fiscal notes.

MS. MARY MCDOWELL, Commercial Fisheries Entry Commission (CFEC), explained that this measure corrects several flaws in the current state permit buy-back program. One of the main issues is that the funding mechanism in current statute has been found to be unconstitutional, like a dedicated fund, because it essentially says the CFEC would declare a buy-back program, tax fishermen and the money would go straight into the buy-back fund to buy out permits and vessels. This bill creates a mechanism similar to the salmon enhancement tax and the ASMI tax in which the CFEC would declare a buy-back program, the money would be collected out of fish tickets, and fishermen's earnings would go to the state general fund and the legislature may appropriate it back to the buy-back fund to buy out permits.

MS. MCDOWELL explained that current law says that the buy-back program funds could be used to buy-back permits, vessels and gear. This bill only allows the funds to be used to buy back permits, so the money will go much further. It also removes the mandate that CFEC initiate a state-run buy-back program if an outcome study determines there are too many permits in a fishery and instead allows CFEC to do so. This will allow fishermen to seek other ways of consolidating the fleet, either using an industry-run buy-back program or some other method. It provides CFEC with a tool with which to do a study and do a determination about what number of permits would be defensible under the Constitution and explore alternatives to the state run program.

MS. MCDOWELL said the bill contains one other significant change. Current law requires CFEC to do a study of the optimum number of permits in a fishery. That mandate implies that CFEC determine a perfect number. CSHB 288(FIN)am allows CFEC to determine an optimum range, so that CFEC can take fluctuating variables into account. She noted CFEC initially issues a certain number of permits in a fishery and, later on, if permits become too exclusive CFEC must issue more permits; for the opposite scenario, CFEC can buy back permits.

CHAIRMAN PHILLIPS asked where that provision is located in the bill.

MS. MCDOWELL said it is in Section 7. She informed members that this bill is essentially a clean up bill. CFEC has never done a buy back but this bill will make a buy back functional and constitutional.

CHAIRMAN PHILLIPS asked, "Are we going to get sued on this one too?"

MS. MCDOWELL said she believes CFEC is more likely to get sued if this bill doesn't pass.

CHAIRMAN PHILLIPS asked if there were any objections to moving the bill from committee. There were none, therefore Senator Therriault's motion carried.

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#HB 262

CHAIRMAN PHILLIPS announced that HB 262 would be held in committee one more day and that HB 305 would be scheduled the next day. He then adjourned the meeting at 11:45 a.m.

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