

ALASKA STATE LEGISLATURE

**SENATE RULES COMMITTEE**

May 13, 2002

8:37 p.m.

**MEMBERS PRESENT**

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

**MEMBERS ABSENT**

All Members Present

**COMMITTEE CALENDAR**

2d CS FOR HOUSE BILL NO. 303(RLS)

"An Act relating to taxation of individual income; and providing for an effective date."

APPROVED FOR CALENDARING

CS FOR HOUSE BILL NO. 27(FIN)

"An Act relating to the registration of individuals who perform home inspections; relating to regulation of contractors; relating to registration fees for specialty contractors, home inspectors, and associate home inspectors; relating to home inspection requirements for residential loans purchased or approved by the Alaska Housing Finance Corporation; relating to civil actions by and against home inspectors and to civil actions arising from residential unit inspections; and providing for an effective date."

APPROVED FOR CALENDARING

HOUSE BILL NO. 131

"An Act relating to standards for forest resources and practices; and providing for an effective date."

APPROVED FOR CALENDARING

CS FOR HOUSE BILL NO. 135(JUD) am

"An Act relating to municipal fees for certain police protection services and to a tenant's activities that result in the imposition of those fees."

APPROVED FOR CALENDARING

CS FOR HOUSE BILL NO. 152(RLS)

"An Act relating to brewpub licenses; and providing for an effective date."

SCHEDULED BUT NOT HEARD

CS FOR HOUSE BILL NO. 182(FIN) am

"An Act relating to certain vehicles, including motorcycles and trailers; relating to the registration, bonding, and other regulation of motor vehicle dealers; relating to the registration and other regulation of certain motor vehicle buyers' agents; relating to acts and transactions involving vehicles, including trailers, and to the acts and practices of certain persons and entities involved in vehicle transactions, including trailer transactions; relating to consumer protection for used vehicle buyers; amending Rule 3, Alaska Rules of Civil Procedure; and providing for an effective date."

SCHEDULED BUT NOT HEARD

HOUSE BILL NO. 239

"An Act establishing a pilot program for a regional learning center."

APPROVED FOR CALENDARING

CS FOR HOUSE BILL NO. 252(RLS)

"An Act relating to the construction of certain statutes relating to children; relating to the scope of duty and standard of care for persons who provide services to certain children and families; relating to civil liability for damages to certain children and their families resulting from failure to comply with certain statutes; relating to intensive family preservation services; and providing for an effective date."

APPROVED FOR CALENDARING

HOUSE BILL NO. 300

"An Act relating to the procurement of certain travel services."

APPROVED FOR CALENDARING

CS FOR HOUSE BILL NO. 317(FIN)

"An Act relating to stalking and to violating a protective order; and amending Rules 4 and 65, Alaska Rules of Civil Procedure, and Rule 9, Alaska Rules of Administration."

APPROVED FOR CALENDARING

CS FOR HOUSE BILL NO. 382(FIN)

"An Act relating to the evaluation and cleanup of sites where certain controlled substances may have been manufactured or stored; and providing for an effective date."

APPROVED FOR CALENDARING

CS FOR HOUSE BILL NO. 489(JUD)  
"An Act relating to cruelty to animals."  
APPROVED FOR CALENDARING

HOUSE BILL NO. 510  
"An Act relating to the regulation of commercial motor vehicles to avoid loss or withholding of federal highway money, and to out-of-service orders concerning commercial motor vehicles; amending Rule 43.1, Alaska Rules of Administration; and providing for an effective date."  
APPROVED 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

CS FOR HOUSE BILL NO. 51(FIN)  
"An Act giving notice of and approving the entry into and the issuance of certificates of participation for a lease-purchase agreement for a seafood and food safety laboratory facility; relating to the use of certain investment income for certain construction costs; and providing for an effective date."  
APPROVED FOR CALENDARING

CS FOR HOUSE BILL NO. 393(JUD) am  
"An Act relating to unfair and deceptive trade practices and to the sale of business opportunities; amending Rules 4 and 73, Alaska Rules of Civil Procedure; and providing for an effective date."  
APPROVED FOR CALENDARING

CS FOR HOUSE BILL NO. 330(FIN) am  
"An Act relating to providing alcoholic beverages to a person under 21 years of age."  
ADOPTED A SENATE RULES COMMITTEE SUBSTITUTE AND APPROVED FOR CALENDARING

CS FOR HOUSE BILL NO. 471(CRA)  
"An Act increasing the maximum amount of loans from the bulk fuel revolving loan fund operated by the Alaska Energy Authority; relating to the definitions of 'net income' and 'unrestricted net income' for purposes of determining the amount of the Alaska Industrial Development and Export Authority's dividend to the state; relating to communities within which rural development loans may be made by the Alaska Industrial Development and Export Authority; and providing for an effective date."  
APPROVED FOR CALENDARING

**PREVIOUS SENATE COMMITTEE ACTION**

HB 303 - See State Affairs minutes dated 5/9/02 and Finance minutes dated 5/12/02.

HB 27 - See Labor and Commerce minutes dated 4/30/02, Judiciary minutes dated 5/10/02 and Finance minutes dated 5/12/02

HB 131 - See Resources minutes dated 3/20/01 and 4/8/02 and Finance minutes dated 5/12/02.

HB 135 - See CRA minutes dated 3/27/02 and Judiciary minutes dated 5/11/02.

HB 239 - See HESS minutes dated 4/17/02.

HB 252 - See Judiciary minutes dated 5/10/02 and Finance minutes dated 5/12/02.

HB 317 - See Judiciary minutes dated 5/10/02 and Finance minutes 5/12/02.

HB 382 - See Resources minutes dated 4/29/02 and 5/6/02 and Finance minutes dated 5/11/02.

HB 489 - See Judiciary minutes dated 5/10/02 and Finance minutes dated 5/12/02.

HB 510 - See Transportation minutes dated 5/11/02.

HJR 35 - See State Affairs minutes dated 3/21/02 and Rules minutes dated 4/11/02.

HB 51 - See HESS minutes dated 5/5/01 and Finance minutes dated 5/13/02.

HB 393 - See Labor and Commerce minutes dated 4/30/02 and 5/4/02, Judiciary minutes dated 5/10/02 and Finance minutes dated 5/11/02.

HB 330 - See Judiciary minutes dated 5/6/02.

HB 471 - See CRA minutes dated 5/3/02 and Finance minutes dated 5/10/02.

**WITNESS REGISTER**

Representative Gary Stevens  
Alaska State Capitol

Juneau, AK 99801-1182

**POSITION STATEMENT:** Sponsor of HB 393

Representative Joe Green

Alaska State Capitol

Juneau, AK 99801-1182

**POSITION STATEMENT:** Sponsor of HB 471

Mr. Bob Poe

Alaska Industrial Development and  
Export Authority and Alaska Energy  
Authority

813 W Northern Lights Blvd.

Anchorage, AK 99503

**POSITION STATEMENT:** Answered questions about HB 471.

**ACTION NARRATIVE**

**TAPE 02-15, SIDE A**

Number 001

**CHAIRMAN RANDY PHILLIPS** called the Senate Rules Committee meeting to order at 8:37 p.m. Senators Halford, Ellis, Therriault, Cowdery and Phillips were present. The first order of business to come before the committee was HB 303.

#HB 303

SENATOR HALFORD moved to calendar 2d CSHB 303(RLS)-INDIVIDUAL INCOME TAX at the Chairman's discretion.

SENATOR ELLIS objected.

CHAIRMAN PHILLIPS announced that the motion carried with Senators Therriault, Halford, Cowdery and Phillips in favor and Senator Ellis opposed.

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#HB27

SENATOR HALFORD moved to calendar CSHB 27(FIN)-HOME INSPECTORS/CONTRACTORS at the Chairman's discretion.

CHAIRMAN PHILLIPS announced that without objection, the motion carried.

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CHAIRMAN PHILLIPS announced that HB 51 was placed at the bottom of the calendar.

#HB131

SENATOR HALFORD moved to calendar HB 131-FOREST RESOURCES & PRACTICES STANDARDS at the Chairman's discretion.

CHAIRMAN PHILLIPS announced that without objection, the motion carried.

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#HB135

SENATOR HALFORD moved to calendar CSHB 135(JUD)am-EXCESSIVE POLICE SERVICES:FEES/ TENANCY at the Chairman's discretion.

CHAIRMAN PHILLIPS announced that without objection, the motion carried.

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CHAIRMAN PHILLIPS noted that HB 152 would be placed at the bottom of the calendar.

#HB239

SENATOR HALFORD moved to calendar HB 239-VOCATIONAL EDUCATION PILOT PROGRAM at the Chairman's discretion.

CHAIRMAN PHILLIPS announced that without objection, the motion carried.

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#HB 252

SENATOR HALFORD moved to calendar CSHB 252(RLS)-CHILDREN IN NEED OF AID: SERVICES & LIAB. at the Chairman's discretion.

CHAIRMAN PHILLIPS announced that without objection, the motion carried.

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#HB300

SENATOR HALFORD moved to calendar HB 300-PROCUREMENT OF TRAVEL SERVICES at the Chairman's discretion.

CHAIRMAN PHILLIPS announced that without objection, the motion carried.

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#HB317

SENATOR HALFORD moved to calendar CSHB 317(FIN)-STALKING & PROTECTIVE ORDERS at the Chairman's discretion.

CHAIRMAN PHILLIPS announced that without objection, the motion

carried.  
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CHAIRMAN PHILLIPS announced that HB 330 would be placed at the bottom of the calendar.

#HB382

SENATOR HALFORD moved to calendar CSHB 382(FIN)-CLEANUP OF ILLEGAL DRUG SITES at the Chairman's discretion.

CHAIRMAN PHILLIPS announced that without objection, the motion carried.

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CHAIRMAN PHILLIPS announced that HB 393 and HB 471 would be placed at the bottom of the calendar.

#HB489

SENATOR HALFORD moved to calendar CSHB 489(JUD)-CRUELTY TO ANIMALS at the Chairman's discretion.

CHAIRMAN PHILLIPS announced that without objection, the motion carried.

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#HB510

SENATOR COWDERY moved to calendar HB 510-COMMERCIAL MOTOR VEHICLES:REGULATIONS at the Chairman's discretion.

CHAIRMAN PHILLIPS announced that without objection, the motion carried.

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#HJR35

SENATOR HALFORD moved to calendar HJR 35am -REPEAL ESTATE TAX at the Chairman's discretion.

SENATOR ELLIS noted that HJR 35am was referred back to committee when it was scheduled on the Senate floor because Senator Donley had a concern. He asked if that concern has been addressed.

MR. PHELAN STRAUBE, Senate Rules Committee aide, informed Senator Ellis that HJR 35am was not amended by the Senate Finance Committee so the same House version will be calendared on the floor.

SENATOR ELLIS objected to calendaring HJR 35am.

CHAIRMAN PHILLIPS announced that the motion carried with Senators Therriault, Halford, Cowdery and Phillips in favor, and Senator Ellis opposed.

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CHAIRMAN PHILLIPS informed members that HB 51 has a fiscal note and that the committee does not yet have possession of HB 182 so those two bills will be heard later.

#HB 330

SENATOR HALFORD moved to calendar CSHB 330(FIN)am-PROVIDING ALCOHOL TO MINORS/ BREWPUB LIC. at the Chairman's discretion.

CHAIRMAN PHILLIPS announced that without objection, the motion carried.

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CHAIRMAN PHILLIPS informed members that he would not take up HB 393 or HB 471 at this meeting and that HB 152 would be heard later.

SENATOR ELLIS asked the Chairman's intention regarding HB 152.

CHAIRMAN PHILLIPS said he planned to recess the meeting and meet again later.

#HB51

SENATOR ELLIS moved to calendar CSHB 51(FIN)-LEGIS APPROVAL OF SEAFOOD/FOOD SAFETY LAB and its accompanying fiscal notes at the Chairman's discretion.

CHAIRMAN PHILLIPS announced that without objection, the motion carried.

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#HB393

The committee took up CSHB 393(JUD)am-SALES OF BUSINESS OPPORTUNITIES.

REPRESENTATIVE GARY STEVENS, sponsor of HB 393, explained that the measure is considered to be a consumer protection bill from "biz-ops" or business opportunities that impact vulnerable Alaskans. Biz-ops come in the form of infomercials and other advertisements. Some are legitimate while others are not. HB 393 will have no impact on the legitimate businesses. The bill will require these businesses to register with the state, establish an escrow account, and provide a 30-day cancellation period for the buyer.

SENATOR COWDERY recounted a newspaper story about a credit card scam and asked if this bill would offer protection in such a situation.

REPRESENTATIVE STEVENS said he was not aware of that story.

SENATOR HALFORD moved to calendar CSHB 393(JUD)am at the Chairman's discretion.

CHAIRMAN PHILLIPS announced that without objection, the motion carried.

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#HB330

SENATOR HALFORD moved to bring up CSHB 330(FIN)am-PROVIDING ALCOHOL TO MINORS/ BREWPUB LIC. again.

CHAIRMAN PHILLIPS announced that without objection, the motion carried.

SENATOR HALFORD said he had a piece of legislation that the Senate Judiciary Committee worked out with representatives of the brewpub industry. He believes the agreement had strong support in the committee. Adopting that legislation as an amendment to HB 330 will require a conceptual title amendment. He moved to incorporate that amendment into HB 330 thereby adopting a Senate Rules Committee substitute and the appropriate title amendment and resolution.

CHAIRMAN PHILLIPS announced that without objection, the motion carried.

SENATOR HALFORD then moved to calendar SCS HB 330(RLS).

CHAIRMAN PHILLIPS announced that without objection, SCS HB 330(RLS) would be calendared.

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#HB471

CHAIRMAN PHILLIPS announced the committee would recess to a call of the chair at 8:55 p.m. He then called the meeting back to order at 8:56 p.m. and announced that CSHB 471(CRA)-AIDEA LOANS AND DIVIDEND/AEA LOANS was before the committee.

REPRESENTATIVE JOE GREEN, sponsor of HB 471, said this legislation addresses a concern of the Governmental Accounting Standards Board (GASB). GASB has changed the way the Alaska

Industrial Development and Export Authority (AIDEA) calculates net income. Alaska's current statute uses the common practice for determining net income to determine how much can be deposited in the general fund. Unless Alaska's accounting procedures are altered to follow the GASB rules, AIDEA will not be able to calculate its net income and allow money to be deposited in the general fund. The issues surround AIDEA's rules for financing loans to small communities that cannot secure financing in common ways and on the amount of money that is loaned for bulk fuel.

SENATOR HALFORD asked if Section 4 will exclude any community connected by road or rail to Anchorage or Fairbanks from having access to the fund.

REPRESENTATIVE GREEN clarified that if a community has a population of 5,000 or less and is not connected to a road or rail system, or has a population of 2,000 or less and is connected by a road or rail to Anchorage or Fairbanks, there is no change.

SENATOR HALFORD asked if the previous rule was that a community could be connected by road or rail and have a population of less than 5,000 but now the population must be less than 2,000.

MR. BOB POE, Executive Director of AIDEA, explained the intent of that change is to "dial in" the Rural Development Initiative Fund (RDIF) to those communities that cannot get participation loans through AIDEA. This is an attempt to segment out the RDIF program for communities that cannot get alternative financing.

SENATOR HALFORD asked if Houston would qualify for the new program.

MR. POE said that Houston is on the road system and could easily get loan financing because it has banks nearby.

SENATOR HALFORD asked how a community of 10,000 in Southeast Alaska would be classified.

MR. POE said it would have to have a population of less than 5,000 as the Marine Highway System does not qualify as a road.

SENATOR HALFORD noted that some of those communities have banks and that he is not sure that definition is equitable.

MR. POE indicated the definition has been a challenge but the intent is to make the program work as originally intended, that being to target lodges and other kinds of truly rural business

enterprises that might find it hard to get any other kind of financing.

SENATOR HALFORD asked about the interest rate.

MR. POE said the loan rate is between 7 and 9.5 percent right now. The RDIF loans are in the 7 percent range.

SENATOR HALFORD asked if the interest rate exceeds the cost of funds.

MR. POE said it does.

SENATOR HALFORD moved to calendar CSHB 471(CRA) and its accompanying fiscal notes at the Chairman's discretion.

CHAIRMAN PHILLIPS announced that without objection, the motion carried.

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There being no further business to come before the committee, CHAIRMAN PHILLIPS recessed the meeting at 9:04 p.m.