

HOUSE FINANCE COMMITTEE
May 04, 2004
7:48 P.M.

TAPE HFC 04 - 105, Side A

CALL TO ORDER

Co-Chair Williams called the House Finance Committee meeting to order at 7:48 P.M.

MEMBERS PRESENT

Representative John Harris, Co-Chair
Representative Bill Williams, Co-Chair
Representative Kevin Meyer, Vice-Chair
Representative Mike Chenault
Representative Eric Croft
Representative Hugh Fate
Representative Richard Foster
Representative Mike Hawker
Representative Reggie Joule
Representative Carl Moses
Representative Bill Stoltze

MEMBERS ABSENT

None

ALSO PRESENT

Pete Ecklund, House Committee Staff, Representative Bill Williams; James Armstrong, Staff, Representative Bill Williams; John MacKinnon, Deputy Director, Department of Transportation and Public Facilities; Diane Barrans, Executive Director, Postsecondary Education Commission, Department of Education

PRESENT VIA TELECONFERENCE

None

SUMMARY

HB 561 An Act providing for and relating to the issuance of general obligation bonds in a principal amount of not more than \$1,000,000 for the purpose of paying the cost of state transportation projects; and providing for an effective date.

CS HB 561 (FIN) was reported out of Committee with a "do pass" recommendation and with a new fiscal note by the Department of Revenue.

CSSB 337(L&C)

An Act relating to the powers of the Alaska Energy Authority to make grants and loans, to enter into contracts, and to improve, equip, operate, and maintain bulk fuel, waste energy, energy conservation, energy efficiency, and alternative energy facilities and equipment; relating to the bulk fuel revolving loan fund; relating to the Alaska Energy Authority's liability for the provision of technical assistance to rural utilities; relating to the Alaska Energy Authority's investment of the power development fund; repealing the electrical service extension fund; and providing for an effective date.

HCS CS SB 337 (FIN) was reported out of Committee with a "no recommendation" and with zero note #1 by the Department of Revenue and zero note #2 by the Department of Community & Economic Development.

#SB337

CS FOR SENATE BILL NO. 337(L&C)

An Act relating to the powers of the Alaska Energy Authority to make grants and loans, to enter into contracts, and to improve, equip, operate, and maintain bulk fuel, waste energy, energy conservation, energy efficiency, and alternative energy facilities and equipment; relating to the bulk fuel revolving loan fund; relating to the Alaska Energy Authority's liability for the provision of technical assistance to rural utilities; relating to the Alaska Energy Authority's investment of the power development fund; repealing the electrical service extension fund; and providing for an effective date.

Representative Foster MOVED to RESCIND previous Committee action taken on passing HCS SB 337 (FIN) out of Committee. There being NO OBJECTION, action was rescinded.

Co-Chair Williams observed that the previous passed amendment had not addressed all the necessary concerns.

PETE ECKLUND, HOUSE COMMITTEE STAFF, REPRESENTATIVE BILL WILLIAMS, reiterated that Amendment #1, previously passed by Committee had been incomplete. There are two sections in law, which the amendment could not officially sustain. He pointed out that Amendment #2, #23-GS2076\D.4, Craver,

5/4/04, would provide the proper extension needed for the ethanol tax credit. (Copy on File).

Co-Chair Williams MOVED to ADOPT Amendment #2. Representative Hawker OBJECTED asking if Amendment #2 would be in addition to Amendment #1. Mr. Ecklund clarified that Amendment #2 would be included with the Committee's previous taken action. Representative Hawker WITHDREW his OBJECTION.

There being NO further OBJECTION, Amendment #2 was adopted.

Representative Foster MOVED to report HCS CS SB 337 (FIN) out of Committee with individual recommendations and with the accompanying fiscal notes. He asked that the previous signed committee report be the one attached with the bill. There being NO OBJECTION, it was so ordered.

HCS CS SB 337 (FIN) was reported out of Committee with a "no recommendation" and with zero note #1 by the Department of Revenue and zero note #2 by the Department of Community & Economic Development.

#HB561

HOUSE BILL NO. 561

An Act providing for and relating to the issuance of general obligation bonds in a principal amount of not more than \$1,000,000 for the purpose of paying the cost of state transportation projects; and providing for an effective date.

Vice-Chair Meyer MOVED to RESCIND previous action taken in passing CS HB 561 (FIN) out of Committee. There being NO OBJECTION, action was rescinded.

Vice-Chair Meyer MOVED to RESCIND previous action taken by the Committee in adopting Amendment #1. There being NO OBJECTION, the action was rescinded.

Co-Chair Williams MOVED to ADOPT the Revised Amendment #1. (Copy on File).

JAMES ARMSTRONG, STAFF, REPRESENTATIVE BILL WILLIAMS, explained the new Amendment #1, which would add, change and delete previous projects, changing the total request to \$93,280 million dollars. He highlighted the changes:

- Anchorage - Jewel Lake Road & Strawberry Road Signalization inclusion \$1,100,000
- Skagway - Harbor Deferred Maintenance deletion \$1,300,000
- Donlin Creek - Crooked Creek/Donlin Creek Access Road inclusion \$2,000,000

- Changed Statewide Harbor Deferred Maintenance
Change from \$3,500,000 to \$4,800,000

Vice-Chair Meyer noted that the distribution list appeared "out of balance".

Representative Croft believed that there would be significant balance achieved in consolidation with the education bond package proposed, and includes the University. He pointed out that the projects proposed were addressing critical needs in Anchorage. He reiterated that it is important to look at the whole package when determining the balance.

Representative Chenault commented that there is a federal earmark match for the State Highway System in the amount of \$15 million dollars to match the \$280 million dollars of federal projects. Mr. Armstrong responded that the distribution percentage was removing the \$15 million dollars from the top and applying the percentages used in HB 525 from the FY03 budget. Using that calculation, Anchorage will receive the same amount it did through HB 525.

Co-Chair Williams questioned the Department's rationale for changing the numbers in the State highway system projects.

JOHN MACKINNON, DEPUTY DIRECTOR, DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES, explained that the Department does not know what the projects will be and there has been no federal authorization to date. There is a policy in the Department that the State makes a match on State owned projects and on the non-State owned projects, the communities are encouraged to make the match. The additional language clarifies that the earmarks would be State owned projects. The Department requested the language.

Representative Croft observed that by removing the \$15 million dollars, Anchorage has approximately 33% of the designated projects.

There being NO OBJECTION, the revised Amendment #1 was adopted.

Vice Chair Meyer asked if the goal in making the determinations was to keep the amount under \$100 million dollars. Co-Chair Williams responded that it was his intent to keep all numbers as low as possible.

Representative Foster MOVED to report CSHB 561 (FIN) out of Committee with individual recommendations and with the accompanying fiscal note and the previous adopted committee report. There being NO OBJECTION, it was so ordered.

CS HB 561 (FIN) was reported out of Committee with a "do pass" recommendation and with a new fiscal note by the Department of Revenue.

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ADJOURNMENT

The meeting was adjourned at 8:03 P.M.