

HOUSE FINANCE COMMITTEE

May 05, 2004

4:22 P.M.

TAPE HFC 04 - 106, Side A

TAPE HFC 04 - 106, Side B

TAPE HFC 04 - 107, Side A

CALL TO ORDER

Co-Chair Williams called the House Finance Committee meeting to order at 4:22 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

Susan Parkes, Deputy Attorney General, Criminal Division, Department of Law; Senator Fred Dyson; Linda Hall, Division of Insurance, Department of Community & Economic Development; Jane Alberts, Staff to Senator Bunde; Rick Urion, Director, Division of Occupational Licensing, Department of Community & Economic Development; Senator Lyda Green; Senator Fred Dyson; Barbara Huft-Tucknes, Director of Legislative Affairs, Teamsters Local 959; Laura Young Campbell, Speech Language Pathologist, Mat-Su School District

PRESENT VIA TELECONFERENCE

Brook Miles, Director, Public Offices Commission, Department of Administration; Mark Davis, Director, Division of Banking and Securities, Department of Revenue, Anchorage; Karen Vosburg, Alaska Right to Life, Wasilla; Vicki Halcro, Director, Planned Parenthood of Alaska, Anchorage; Roger DuBrock, Chief Executive Officer, Aleut Corporation

SUMMARY

HB 255

An Act amending the Alaska Wage and Hour Act as it relates to flexible work hour plans, the provision of training wages, and the definitions of certain terms; and repealing the exemption in the Act from the payment of minimum wages for learners.

CSSB 255(FIN) was REPORTED out of Committee with individual recommendations and one zero fiscal impact note.

HCS FOR CSSB 30(JUD)

An Act relating to information and services available to pregnant women and other persons; ensuring informed consent before an abortion may be performed; and providing exceptions to informed consent in certain cases.

SB 30 was HELD in Committee for further consideration.

CSSB 170(JUD)

An Act relating to murder in the second degree, the justification of defense of self or others, immunity from prosecution, sentencing, probation, discretionary parole, and the right to representation in certain criminal proceedings; relating to violation of a custodian's duty; relating to sexual abuse of a minor; relating to release of information concerning certain cases involving a minor; relating to local options regarding alcoholic beverages, the offense of furnishing or delivery of alcoholic beverages to a person under 21 years of age, and forfeiture of property used in, and money or other items of value used in financial transactions derived from, violation of certain laws relating to alcoholic beverages; relating to assault by means of a dangerous instrument; relating to operating or driving a motor vehicle, aircraft, or watercraft while under the influence of an alcoholic beverage, inhalant, or controlled substance, to the refusal to submit to a chemical test, and to the presumptions concerning the chemical analysis of breath or blood; and providing for an effective date.

HCS CSSB 170(FIN) was REPORTED out of Committee with individual recommendations and three fiscal impact notes.

HCS FOR CSSB 276(JUD)

An Act relating to the Alaska Insurance Guaranty Association; relating to the powers of the Alaska

Industrial Development and Export Authority concerning the association; and providing for an effective date.

HCS SB 276(JUD) was REPORTED out of Committee with individual recommendations and five previously published fiscal impact notes.

HOUSE CS FOR CS FOR SENATE BILL NO. 351(STA)

An Act requiring the Alaska Public Offices Commission to accept documents by nonelectronic means, and specifying the manner of preparing the forms that are provided by the commission.

HCS CSSB 351(STA) was REPORTED out of Committee with a "do pass" recommendation and one previously published fiscal impact note.

CSSB 357(FIN)

An Act relating to the regulation of insurance, insurance licenses, qualifications of insurance producers, surplus lines, fraud investigations, electronic transactions, and compliance with federal law and national standards; and providing for an effective date.

SB 357 was POSTPONED.

CS SB 365(FIN)

An Act relating to the regulation of speech-language pathologist assistants; and providing for an effective date.

HCS CSSB 365(FIN) was REPORTED out of Committee with a "do pass" recommendation and with one previously published fiscal impact note.

SENATE BILL NO. 389

An Act relating to the conversion of certain corporations to limited liability companies; and providing for an effective date.

SB 389 was REPORTED out of Committee with individual recommendations and two previously published fiscal impact notes.

#SB170

CS FOR SENATE BILL NO. 170(JUD)

An Act relating to murder in the second degree, the justification of defense of self or others, immunity from prosecution, sentencing, probation, discretionary

parole, and the right to representation in certain criminal proceedings; relating to violation of a custodian's duty; relating to sexual abuse of a minor; relating to release of information concerning certain cases involving a minor; relating to local options regarding alcoholic beverages, the offense of furnishing or delivery of alcoholic beverages to a person under 21 years of age, and forfeiture of property used in, and money or other items of value used in financial transactions derived from, violation of certain laws relating to alcoholic beverages; relating to assault by means of a dangerous instrument; relating to operating or driving a motor vehicle, aircraft, or watercraft while under the influence of an alcoholic beverage, inhalant, or controlled substance, to the refusal to submit to a chemical test, and to the presumptions concerning the chemical analysis of breath or blood; and providing for an effective date.

CO-CHAIR HARRIS MOVED TO ADOPT Work Draft 23-GS1024, Version S, Luckhaupt, dated 5-5-04, as the version of legislation before the Committee. There being NO OBJECTION, it was so ordered.

SUSAN PARKES, DEPUTY ATTORNEY GENERAL, CRIMINAL DIVISION, DEPARTMENT OF LAW (DOL), explained that the seven amendments from the Department of Law propose to move language from the House version into the Senate version, and one amendment from Co-Chair Williams proposes to delete a provision. With the exception of Amendment #1 relating to self-defense, all of the amendments and the revised Amendment #2, relating to immunity and formerly Amendment #5, have been moved into the Senate bill. She noted that Ms. Linda Wilson of the Public Defender Agency had testified in support of those amendments.

Ms. Parkes explained that the first change is found in Section 7, raising provision of alcohol to a minor from an A misdemeanor to a C felony. It allows a local option community to opt out of making that change. The second change is in Section 13, creating a new offense of assault in the third degree, with criminal negligence causing serious physical injury by means of a dangerous instrument. Two definitions of "serious physical injury" appear in subsections (a) and (b). The House limited the offense to only the definition in subsection (b).

In response to a question by Representative Joule, Ms. Parkes read from the definition of "dangerous instrument," and said that it is any deadly weapon, including knives, guns, vehicles, bricks or bats.

Ms. Parkes explained that the next change appears in subsection 27. The Senate version provided that once

convicted of a felony DUI, every subsequent DUI would also be a felony. The House Judiciary Committee wanted to limit subsequent felony DUIs to twenty years. This change has been incorporated for both felony DUI and felony refusal.

Representative Stoltze asked how it meshes with the recently passed HB 342. Ms. Parkes replied that HB 342 was a "look back" and this is a "look forward." The Department believes that the bills mesh without conflict.

Representative Chenault asked if HB 342 was a 15-year look back. Ms. Parkes thought that it was a 15-year look back, and then 15 years later, a DUI would be considered a first offense.

Representative Chenault asked if the Department would prefer a 20-year look back. Ms. Parkes clarified that this is a 20-year look forward that only applies to felonies. She explained the triggers. Once someone commits a felony offense, the sentencing moves into Title 12.

Backtracking, Ms. Parkes explained Amendment #2 regarding third party custodians ordered by the judge as part of the bail condition. The judge must make written or oral findings describing the reason for the order. This change is now incorporated into the Senate version, due to a Judicial Council study showing that the third party custodian requirement was holding people in jail for a longer period of time.

The Amendment #8 proposed by Co-Chair Williams removed the felony murder provision from the bill. Representative Joule asked if Amendment #8 appears in Section 13, and Ms. Parkes thought so [Amendment #8 deletes Section 13, which would expand the felony murder rule to include the death of a participant in the crime].

Ms. Parkes urged that Amendments #1 and #2 made by the House Judiciary Committee and deleted by the Senate Judiciary Committee be adopted into the Finance Committee Substitute.

Representative Stoltze asked if she had discussed the change in immunity. Ms. Parkes clarified that it is the revised Amendment #2, but there is a provision in the Work Draft Version S that simply codifies current law.

Representative Joule asked if the House Judiciary provision on rights to contact attorneys by friends or family does not appear in this version. Ms. Parkes affirmed that it's not in the Senate version and the DOL does not propose to adopt it.

Representative Fate referred to Section 17 and asked for a description of non-deadly force. Ms. Parkes explained that it includes pushing, hitting, or shoving without the intent

to kill; in other words, force without a deadly weapon. A discussion ensued with Representative Fate.

Co-Chair Harris MOVED to ADOPT Amendment #1. Co-Chair Williams OBJECTED.

Amendment #1 reads:

Page 11, following line 5:

Insert a new bill section to read:

**\*Sec.19.** AS 11.81 is amended by adding a new section to read:

**Sec.11.81.345. Defense of self and others.** A court may instruct the jury about justification described in AS 11.81.330-11.81.340 if the court, sitting without a jury, finds that there is some plausible evidence to warrant a reasonable jury to find elements of the justification."

Renumber the following bill sections accordingly.

Ms. Parkes noted that the Public Defender does not support Amendment #1, which changes the level of evidence necessary for the judge to instruct on self-defense. Currently under case law, if there is some, even implausible evidence, the judge instructs on self-defense. This proposes "some plausible evidence," and it doesn't change the burden of proof. Judges make these decisions all the time, and the Department feels that it is an appropriate job for the judge. With only implausible evidence of self-defense for a jury to rely on, Ms. Parkes said that it might lead to jurors making decisions based on speculation or conjecture.

Representative Croft commented that the amendment takes away the self-defense from the jury and gives it to the judge. He felt that the right to defend oneself before a jury is very important. The Senate removed this after hearing it.

Representative Joule asked if it applies to both the grand and petit jury systems. Ms. Parkes explained that the grand jury is ex parte, or just the prosecutor with the jurors. The grand jury does not receive jury instructions although the prosecutor will instruct on self-defense if needed.

Co-Chair Williams upheld his objection to Amendment #1.

A roll call vote was taken on the motion to adopt Amendment #1.

IN FAVOR: Hawker

OPPOSED: Stoltze, Chenault, Croft, Fate, Foster, Joule, Meyer, Williams, Harris

Representative Moses was absent.  
The MOTION FAILED (1-9). Amendment #1 was not adopted.

Co-Chair Harris MOVED to ADOPT Amendment #2. Co-Chair  
Williams OBJECTED.

Amendment #2 reads:

Page 11, following line 20:  
Insert the following:

**"(1) "higher-level felony" means an unclassified  
or class A felony;  
(2) "lower-level felony" means a class B or class  
C felony;"**

Renumber the following paragraphs accordingly.

Page 12, lines 17 and 18:

Delete all material and insert:  
"(i) If the court finds that the witness has a valid  
claim of privilege, it shall advise an attorney designated  
by the attorney general of that finding and inform the  
attorney of the category or categories of offense to which  
the privilege applies: a higher-level felony, a lower-level  
felony, or a misdemeanor. If the designated attorney  
decides that granting immunity to the witness is  
appropriate, the designated attorney shall inform the  
prosecution of that decision, and shall deliver or cause to  
be delivered a letter to the witness, or an attorney for the  
witness, granting immunity to the witness. The designated  
attorney may not disclose the category of offense to  
anyone."

Ms. Parkes explained that the Senate Judiciary Committee did  
not consider Amendment #2. A prior immunity provision was  
deleted and Representative Gruenberg proposed this  
compromise. Currently when someone claims a right against  
self-incrimination to testify, a judge conducts a hearing,  
appoints an attorney, listens to his or her offer of proof,  
and decides whether they have a valid right to immunity. The  
judge informs the prosecutor that the person has a valid  
Fifth Amendment privilege and, based on no information  
whatsoever, the prosecutor must decide whether to give the  
person immunity. The Gonzales Case interprets the  
Constitution in the manner that Alaska must give  
transactional immunity so that any crimes the person  
discusses on the stand cannot be prosecuted.

Ms. Parkes explained that Amendment #2 proposes a  
constitutional means for prosecutors to gain information to  
make an informed decision about whether to offer immunity.  
The risks are extremely high. She said that if immunity were

given to the wrong individuals, they would take the stand and talk about serious crimes for which they can't be prosecuted. However, if immunity is not given in very serious cases, crucial evidence may not be offered to prosecute a serious crime.

Ms. Parkes continued, this proposes that the judge not inform the prosecutor of any information but instead, appoint someone within the Criminal Division to grant immunity. The judge would determine the Fifth Amendment privilege of the witness for a higher-level felony, a lower-level felony or a misdemeanor. The prosecutor would only be informed of the granting of immunity, not the category of offense to which it applies.

Ms. Parkes concluded that the DOL believes that the amendment would safeguard a witness's Fifth Amendment privilege. She noted that the House Judiciary Committee discussed it at length, and the Public Defender believes it will violate the Gonzales Case but the Department of Law does not. The Department feels it's good public policy for public defenders to make informed decisions on whether to grant immunity. She said that the issue would be appealed to the Supreme Court. She urged adoption of the amendment.

In response to a question by Representative Croft, Ms. Parkes said that the State would want to weigh the risk in granting immunity depending on the seriousness of the crime, ranging from shoplifting to felony. She commented that few states require transactional immunity but Alaska's constitution is unique in requiring a greater level of immunity.

Representative Croft indicated that he had no objection to the amendment.

Co-Chair Williams WITHDREW his OBJECTION. Amendment #2 was adopted.

Representative Chenault brought up Section 26 relating to DUI and asked if AS 04 appears somewhere else in law. Ms. Parkes affirmed that this deals with the DUI statute, and AS 04 relates to minor and commercial DUI. Section 26 relates to the "big gulp" defense.

MOVED to report HCS CSSB 170(FIN) out of Committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

HCS CSSB 170(FIN) was REPORTED out of Committee with individual recommendations and three fiscal impact notes.

#SB365  
CS FOR SENATE BILL NO. 365(FIN)

An Act relating to the regulation of speech-language pathologist assistants; and providing for an effective date.

JANE ALBERTS, STAFF TO SENATOR BUNDE, introduced the bill.

LAURA YOUNG CAMPBELL, SPEECH-LANGUAGE PATHOLOGIST, MAT-SU SCHOOL DISTRICT, explained that the bill establishes the regulation of speech-language pathologist assistants. The speech-language assistants would enroll in a two-year program at Prince William Sound Community College, a distance-learning program taught by licensed speech-language pathologists. The students would also gain one hundred clinically supervised hours, to emerge from the program with an assistant's degree. This would affect assistants in all job settings, not just the schools. She explained that in the remote rural regions of the State, a speech pathologist is sometimes only available a few days a month, while having a properly trained assistant would allow the consumer on-going treatment. An assistant in the schools would handle clerical, non-student activities to allow the speech pathologist more time to work with students in smaller groups. Outside of the schools, the assistant would benefit the treatment of all ages of people with communication disorders.

Co-Chair Harris asked if she supported Amendment #1. Ms. Young Campbell affirmed that the Alaska Speech Language Hearing Association supports it.

Representative Chenault asked her level of education and if other degree programs would be available for an assistant to advance and replace her when she retires. Ms. Young Campbell explained that a Masters degree, national board certification, and an internship are required. Following the two-year program, a person could work toward a Bachelors or a Masters degree. Currently Alaska doesn't have a Bachelor's program, but a distance delivery Master's program is starting up.

Co-Chair Harris MOVED to ADOPT Amendment #1. Co-Chair Williams OBJECTED for purposes of discussion.

Amendment #1 reads:

Delete all language on page 4, lines 25-27  
[" (3) appears to the department to suffer from no mental illness or chemical or alcohol dependency that would interfere with the applicant's ability to perform safely as a speech-language pathologist assistant." ]

RICK URION, DIRECTOR, DIVISION OF OCCUPATIONAL LICENSING, DEPARTMENT OF COMMUNITY & ECONOMIC DEVELOPMENT stated that

the bill relates to a good program, but the Department found a problem area on page 4, lines 25-27. He felt that none of his dedicated employees is qualified to determine if someone is mentally ill or chemically dependent.

Co-Chair Williams WITHDREW his OBJECTION. Amendment #1 was adopted.

Representative Foster MOVED to report HCS CSSB 365(FIN) out of Committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

HCS CSSB 365(FIN) was REPORTED out of Committee with a "do pass" recommendation and one previously published fiscal impact note.

#SB351

HOUSE CS FOR CS FOR SENATE BILL NO. 351(STA)

An Act requiring the Alaska Public Offices Commission to accept documents by nonelectronic means, and specifying the manner of preparing the forms that are provided by the commission.

SENATOR LYDA GREEN, SPONSOR, explained that recently passed legislation regarding the Alaska Public Offices Commission (APOC) inadvertently included the words, "upon request of the Commission" which gave the APOC authority to require electronic filing of election campaign records. She felt that this should be changed. Although all candidates would eventually turn to electronic equipment, the program would not be ready for at least two years. The bill has been narrowed to candidates for election and provides that the information may be printed legibly in dark ink on forms approved and filed by the Commission. She expressed a concern that forms be filed timely and be made ready for public review. She disagreed with the current emphasis that the information be immediately available to the public over the Internet.

Senator Green pointed out the language that was changed on page 1, line 6, "The commission may request," and offered it for the Committee's consideration.

Representative Joule asked if faxes would be an acceptable means of filing. Senator Green explained that filing may be by fax, mail or electronically.

Vice-Chair Meyer voiced support for the bill because he had experienced software glitches in filing electronically during the past ten years.

Representative Chenault asked if a candidate could still fax the reports under the proposed changes. Senator Green replied that under the current statute, if APOC requested it, a candidate could only transmit the information electronically. She felt that the APOC should waive the requirement for Representative Joule's district if a candidate didn't own a computer. She believed that candidates should be able to file in their accustomed manner.

BROOK MILES, EXECUTIVE DIRECTOR, ALASKA PUBLIC OFFICES COMMISSION (APOC), DEPARTMENT OF ADMINISTRATION, stated that the APOC does not support the bill. The Commission views this reversal of the ability to request electronic filing as a serious impediment.

**TAPE HFC 04 - 106, Side B**

Ms. Miles continued, stating that when the Legislature agreed to give the APOC electronic filing, it also reduced the Commission's budget by \$100 thousand, which has resulted in a 20% reduction to its workforce. She pointed out that there is fewer staff to do a lot more work, and having electronic filing would change APOC's ability to conduct business, as well as inform the public of changes in the law. The fiscal note is Indeterminate because APOC does not know how many people will choose to file paper documents and how many will file electronically. Ms. Miles said that historically, never higher than 15% of all candidates have filed electronically. She said that without additional funding, the APOC would be unable to meet its mission. There would be significant delays in getting the information to the public in the 2004 State election, and the problem would be magnified in the 2006 gubernatorial election.

Vice-Chair Meyer asked if the APOC could scan or otherwise avoid retyping the information filed on paper. Ms. Miles affirmed that it would be possible to scan forms, but a relational database would not be possible if a picture is scanned in.

Vice-Chair Meyer thought that candidates with multiple terms would prefer electronic filing because it is easier. Ms. Miles said the current program requires that the candidate fill out the campaign disclosure form electronically, but the new program is more interactive and "user friendly."

Representative Fate asked if the program is operational, and commented that there were a lot of glitches in the upgraded filing software that led to him filing a couple of typed pages. Ms. Miles replied that the APOC will use a [indisc] by next summer, or at least in next year's municipal races. She said that it would be tested beforehand.

Representative Foster MOVED to report HCS CSSB 351(STA) out of Committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

HCS CSSB 351(STA) was REPORTED out of Committee with a "do pass" recommendation and one previously published fiscal impact note.

#HB255

HOUSE BILL NO. 255

An Act amending the Alaska Wage and Hour Act as it relates to flexible work hour plans, the provision of training wages, and the definitions of certain terms; and repealing the exemption in the Act from the payment of minimum wages for learners.

Co-Chair Harris MOVED to ADOPT the blank Work Draft as the version of legislation before the Committee. Representative Croft objected and then withdrew his objection.

The work draft amends Section 1 of HB 255 as follows:

**\*Section 1.** AS 23.10.085(b) is amended to read:

(b) The regulations may, without limiting the generality of (a) of this section, define terms used in AS 23.10.050-23.10.150, and restrict or prohibit industrial homework or other acts or practices that the director finds appropriate to carry out the purpose of AS 23.10.050-23.10.150, or to prevent the circumvention or evasion of AS 23.10.050-23.10.150. If the regulations defining an individual employed in a bona fide executive, administrative, or professional capacity for purposes of AS 23.10.055 require that the individual receive a minimum salary, the required minimum salary must be two times the state minimum wage for the first forty hours of employment each week.

BARBARA HUFT-TUCKNES, DIRECTOR OF LEGISLATIVE AFFAIRS, TEAMSTERS LOCAL 959, spoke to the change.

Representative Foster MOVED to report CSHB 255(FIN) out of Committee with the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

CSHB 255(FIN) was REPORTED out of Committee with individual recommendations and one zero fiscal impact note.

#SB276

HOUSE CS FOR CS FOR SENATE BILL NO. 276(JUD)

An Act relating to the Alaska Insurance Guaranty Association; relating to the powers of the Alaska Industrial Development and Export Authority concerning the association; and providing for an effective date.

LINDA HALL, DIVISION OF INSURANCE, DEPARTMENT OF COMMUNITY & ECONOMIC DEVELOPMENT, explained that there is a serious financial loss because of the insolvency of the insurer, Alaska Insurance Guaranty Association. The statute allows prorating of claimants but this is an unacceptable solution because the medical bills of claimants are not paid. Currently, Alaska has 579 open claims with injured workers. Employers satisfy the obligation but when the insurer is insolvent, the claim is transferred and will revert to the employer. The goal is to protect policyholders, and SB 276 proposes to change the way the Division of Insurance does assessments. The legislation authorizes the Alaska Industrial Development and Export Authority (AIDEA) to guarantee loans to the Alaska Insurance Guaranty Association (AIGA) needed to make the association financially able to meet cash flow needs.

[Due to the malfunction of Tape 106 Side B, the following minutes are a reconstruction of discussion during the meeting.]

Ms. Hall continued her testimony. She referred to the chart titled, "Alaska Insurance Guaranty Association" (copy on file.) and discussed the first line. Ms. Hall stated that this is a painful and expensive bill, with employers unable to handle the claims of 579 injured employees.

Co-Chair Harris discussed the line item, Fund Source, reflecting \$8,890,000 on Fiscal Note #6 with Ms. Hall.

Vice-Chair Meyer asked if businesses or the Chamber of Commerce have been involved. Ms. Hall affirmed. In response to a question by Vice-Chair Meyer, Ms. Hall explained that businesses handle the situation according to their profit margins.

Vice-Chair Meyer asked if Providence or Carrs are the largest employers. Ms. Hall affirmed, and noted that these businesses are self-insured.

Representative Chenault commented that as an employer, he is hit hard by Workers' Compensation Insurance increases that will continue to rise.

Representative Fate asked the effect on workers' compensation as employers go to self-insurance. Ms. Hall said that as more companies seek other types of insurance, a smaller market is created that is less attractive with less competition, which has led to increases in premiums. In

Alaskan companies, the average worker's compensation claim is \$19 thousand.

Representative Hawker asked if the Division of Insurance is responsible for monitoring firms. Ms. Hall affirmed that it has the responsibility to oversee insolvency.

Representative Hawker discussed the Fremont suspension with Ms. Hall. He asked if any options are remotely viable to settle this assessment. Ms. Hall replied that the Division had looked at a variety of options and worked with the AIDEA. The Senate rejected using Permanent Fund earnings.

Representative Hawker commented that this is less than popular with the people who would have to pay it. Ms. Hall pointed out that the State Chamber is on record in support of the bill, and it has broad support because of recognition of the current crisis. Representative Hawker thought that the acceptance would be reluctant and Ms. Hall agreed.

In response to a question by Representative Chenault, Ms. Hall said that in Alaska the frequency of accidents has declined but the cost of claims has risen. Medical care comprises 55% of the claims. She commented on Alaska's aging population and the variety of factors that impact Workers' Compensation.

Co-Chair Harris MOVED to report SB 276 out of Committee with individual recommendations and the accompanying fiscal notes. There being NO OBJECTION, it was so ordered.

HCS SB 276(JUD) was REPORTED out of Committee with individual recommendations and five previously published fiscal impact notes.

#SB389

SENATE BILL NO. 389

An Act relating to the conversion of certain corporations to limited liability companies; and providing for an effective date.

JANE ALBERTS, STAFF TO SENATOR BUNDE, introduced the bill.

MARK HICKEY, ALEUT CORPORATION, explained that SB 389 is a straightforward bill. Section 2 on page 1 allows entities, including subsidiary corporations and certain domestic and foreign corporations, to convert to the status of a limited liability company. He pointed out that the fiscal notes are zero. The Native regional corporations are interested in this legislation because they own subsidiaries and this would allow the transfer of assets. The conversion would

bring operating flexibility and tax benefits. Mr. Hickey discussed the Doyon and Koniag Corporations.

Co-Chair Harris asked if Co-Chair Williams' Native regional corporation would be involved. Mr. Hickey affirmed.

Representative Hawker asked the definition of subsidiary corporation on page 2, line 2. Mr. Hickey was unsure if it is defined in statute.

ROGER DUBROCK, CHIEF EXECUTIVE OFFICER, ALEUT CORPORATION, VIA TELECONFERENCE, stated that a "subsidiary corporation" is implicitly defined in the language on page 2, lines 2-3, as "owned directly or indirectly by one or more parent corporations." A subsidiary corporation has no individual shareholders.

Representative Hawker asked if the bill's intent is revenue neutrality and facilitation of the conversion of the for-profit entities. Mr. DuBrock affirmed.

Representative Chenault and Mr. DuBrock discussed the non-qualification of a subsidiary corporation and whether it could have its earnings sheltered. Mr. DuBrock noted that if two corporations owned the subsidiary equally, half of the earnings would flow to each parent corporation. He discussed losses of the subsidiary.

Representative Chenault asked the ownership requirement to file a consolidated tax return. Mr. DuBrock replied that it must be 80%.

Mr. Hickey commented that the key is the language defining the subsidiary corporation as owned directly or indirectly by one or more parent corporations. This bill would facilitate the exercise of dissolving the subsidiary.

Representative Foster MOVED to report SB 389 out of Committee with individual recommendations and the accompanying fiscal notes. There being NO OBJECTION, it was so ordered.

SB 389 was REPORTED out of Committee with individual recommendations and two previously published fiscal impact notes.

#SB30

HOUSE CS FOR CS FOR SENATE BILL NO. 30(JUD)

An Act relating to information and services available to pregnant women and other persons; ensuring informed consent before an abortion may be performed; and providing exceptions to informed consent in certain cases.

SENATOR FRED DYSON, SPONSOR, explained that the Department of Health & Social Services requested that all reproductive information including abortion services be provided online. The first change made by the House Judiciary Committee required that information reviewed by obstetricians also be reviewed by the state medical board, which, Senator Dyson said, it would prefer not to do. He explained the other amendments made by House Judiciary Committee, and noted that the major change eliminated the 24-hour waiting period. Senator Dyson felt that the 24-hour waiting period would not pose a barrier to receiving the service.

In response to a question by Representative Croft, Co-Chair Williams clarified that Version G is the House Judiciary Committee Substitute and Version Y is the blank Finance CS.

MYRNA GARDNER, JUNEAU, spoke from written testimony (copy on file.) She felt that the underlying intentions of the bill are anti-abortion, and that it implies that women do not have a right to privacy even though Alaska's history on privacy is very clear. She asked that female constituents be considered intelligent enough to make this decision themselves without State invasion into their privacy. She asked the Committee not to vote for the bill.

**TAPE HFC 04 - 107, Side A**

**At Ease: 3:25 PM**  
**Reconvene: 3:30 PM**

VICKI HALCRO, DIRECTOR, PUBLIC AFFAIRS AND MARKETING, PLANNED PARENTHOOD OF ALASKA, ANCHORAGE, VIA TELECONFERENCE, voiced opposition to SB 30. She commented that it is redundant and discriminatory. Under the Alaska Constitution, the right to choose is a fundamental right of women. The bill assumes that physicians are being negligent in not giving women the information needed for informed consent. She added that the House Judiciary Committee had removed the 24-hour waiting period, and she stated that this [waiting period] would add an undue burden on women in rural Alaska. She felt that the bill has serious constitutional issues.

KAREN VOSBURG, (TESTIFIED VIA TELECONFERENCE), EXECUTIVE DIRECTOR, ALASKA RIGHT TO LIFE, ANCHORAGE, voiced support for the legislation. She spoke to the description of the unborn baby and argued that women need to know "what is being removed during an abortion." She asserted that nearly 80% of women surveyed by the Elliott Institute believe that they were denied information or actively misinformed by their counselors prior to their abortion. She continued, stating that women were not given a full explanation of the possible risks or complications. Abortion counseling is an opportunity to discuss birth control, and she spoke to

censoring information. Ms. Vosburg urged that the legislation be passed from Committee.

Co-Chair Williams requested that the Department of Law be present to discuss these issues.

SB 30 was HELD in Committee for further consideration.  
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ADJOURNMENT

The meeting was adjourned at 6:25 P.M.