

**ALASKA STATE LEGISLATURE
HOUSE STATE AFFAIRS STANDING COMMITTEE**

May 1, 2003
8:06 a.m.

MEMBERS PRESENT

Representative Bruce Weyhrauch, Chair
Representative Jim Holm, Vice Chair
Representative Nancy Dahlstrom
Representative Bob Lynn
Representative Paul Seaton
Representative Ethan Berkowitz
Representative Max Gruenberg

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE JOINT RESOLUTION NO. 4

Proposing an amendment to the Constitution of the State of Alaska relating to the duration of a regular session.

- MOVED CSHJR 4(STA) OUT OF COMMITTEE

HOUSE BILL NO. 215

"An Act repealing statutes that relate to art works in public buildings and facilities and that require a set percentage of construction costs to be spent on art."

- MOVED CSHB 215(STA) OUT OF COMMITTEE

HOUSE JOINT RESOLUTION NO. 24

Relating to the Alaska-Yukon Intergovernmental Relations Accord, to annual legislative exchanges, and to continuing intergovernmental work on matters of joint concern and mutual interest.

- MOVED CSHJR 24(STA) OUT OF COMMITTEE

HOUSE BILL NO. 149

"An Act requiring nonprofit corporations under the Alaska Net Income Tax Act to provide prior public notice of lobbying expenditures and an annual report of lobbying expenditures to the Department of Revenue; providing for a civil penalty for

failure to provide the notice; and providing for an effective date."

- HEARD AND HELD

HOUSE BILL NO. 157

"An Act eliminating the Alaska Public Offices Commission; transferring campaign, public official, and lobbying financial disclosure record-keeping duties to the division of elections; relating to reports, summaries, and documents regarding campaign, public official, and lobbying financial disclosure; providing for enforcement by the Department of Law; making conforming statutory amendments; and providing for an effective date."

- HEARD AND HELD

HOUSE BILL NO. 88

"An Act relating to prohibiting the use of cellular telephones when operating a motor vehicle; and providing for an effective date."

- REMOVED FROM AGENDA

HOUSE BILL NO. 272

"An Act relating to motor vehicle dealers."

- SCHEDULED BUT NOT HEARD

PREVIOUS ACTION

BILL: HJR 4

SHORT TITLE: CONST AM: 90 DAY LEGISLATIVE SESSION

SPONSOR(S): REPRESENTATIVE(S) SAMUELS, ROKEBERG

Jrn-Date	Jrn-Page		Action
01/21/03	0025	(H)	PREFILE RELEASED (1/10/03)
01/21/03	0025	(H)	READ THE FIRST TIME - REFERRALS
01/21/03	0025	(H)	STA, JUD, FIN
03/11/03		(H)	STA AT 8:00 AM CAPITOL 102
03/11/03		(H)	Scheduled But Not Heard
03/17/03	0566	(H)	COSPONSOR(S): CROFT
03/18/03		(H)	STA AT 8:00 AM CAPITOL 102
03/18/03		(H)	Heard & Held
03/18/03		(H)	MINUTE(STA)
03/19/03	0593	(H)	COSPONSOR(S): HOLM, ANDERSON,

			MEYER,
03/19/03	0593	(H)	MCGUIRE
04/24/03	1110	(H)	COSPONSOR(S): KOHRING
04/24/03		(H)	STA AT 8:00 AM CAPITOL 102
04/24/03		(H)	Scheduled But Not Heard
04/29/03		(H)	STA AT 8:00 AM CAPITOL 102
04/29/03		(H)	Heard & Held
			MINUTE(STA)
04/30/03		(H)	JUD AT 1:00 PM CAPITOL 120
04/30/03		(H)	<Bill Hearing Postponed to
			05/02/03> Mtg. Postponed to
			after Maj. Caucus
05/01/03		(H)	STA AT 8:00 AM CAPITOL 102

BILL: HB 215

SHORT TITLE: ONE PERCENT FOR ART
 SPONSOR(S): REPRESENTATIVE(S)STOLTZE

Jrn-Date	Jrn-Page		Action
03/26/03	0640	(H)	READ THE FIRST TIME - REFERRALS
03/26/03	0640	(H)	STA, FIN
04/03/03		(H)	STA AT 8:00 AM CAPITOL 102
04/03/03		(H)	Heard & Held
04/03/03		(H)	MINUTE(STA)
04/17/03		(H)	STA AT 8:00 AM CAPITOL 102
04/17/03		(H)	<Bill Hearing Postponed to 4/24/03>
04/24/03		(H)	STA AT 8:00 AM CAPITOL 102
04/24/03		(H)	Heard & Held
			MINUTE(STA)
04/29/03		(H)	STA AT 8:00 AM CAPITOL 102
04/29/03		(H)	Scheduled But Not Heard
05/01/03		(H)	STA AT 8:00 AM CAPITOL 102

BILL: HJR 24

SHORT TITLE:ALASKA-YUKON INTERGOV RELATIONS ACCORD
 SPONSOR(S): REPRESENTATIVE(S)GRUENBERG

Jrn-Date	Jrn-Page		Action
04/14/03	0964	(H)	READ THE FIRST TIME - REFERRALS
04/14/03	0964	(H)	STA
04/29/03		(H)	STA AT 8:00 AM CAPITOL 102
04/29/03		(H)	Scheduled But Not Heard
05/01/03		(H)	STA AT 8:00 AM CAPITOL 102

BILL: HB 149

SHORT TITLE: LOBBYING BY NONPROFITS

SPONSOR(S): REPRESENTATIVE(S) WOLF

Jrn-Date	Jrn-Page		Action
03/05/03	0395	(H)	READ THE FIRST TIME - REFERRALS
03/05/03	0395	(H)	STA, JUD, FIN
03/05/03	0395	(H)	REFERRED TO STATE AFFAIRS
04/17/03		(H)	STA AT 8:00 AM CAPITOL 102
04/17/03		(H)	<Bill Hearing Postponed to 4/24/03>
04/24/03		(H)	STA AT 8:00 AM CAPITOL 102
04/24/03		(H)	Scheduled But Not Heard
04/29/03		(H)	STA AT 8:00 AM CAPITOL 102
04/29/03		(H)	Scheduled But Not Heard
05/01/03		(H)	STA AT 8:00 AM CAPITOL 102

BILL: HB 157

SHORT TITLE: ELIMINATE APOC

SPONSOR(S): RLS BY REQUEST OF THE GOVERNOR

Jrn-Date	Jrn-Page		Action
03/05/03	0426	(H)	READ THE FIRST TIME - REFERRALS
03/05/03	0426	(H)	STA, JUD, FIN
03/05/03	0426	(H)	FN(S): FORTHCOMING
03/05/03	0426	(H)	GOVERNOR'S TRANSMITTAL LETTER
03/11/03		(H)	STA AT 8:00 AM CAPITOL 102
03/11/03		(H)	Scheduled But Not Heard
03/12/03	0522	(H)	FN1: ZERO(GOV) RECEIVED
03/12/03	0522	(H)	FN2: (ADM) RECEIVED
03/12/03	0522	(H)	FN3: (ADM) RECEIVED
04/22/03		(H)	STA AT 8:00 AM CAPITOL 102
04/22/03		(H)	Heard & Held MINUTE(STA)
04/24/03		(H)	STA AT 8:00 AM CAPITOL 102
04/24/03		(H)	Heard & Held MINUTE(STA)
04/29/03		(H)	STA AT 8:00 AM CAPITOL 102
04/29/03		(H)	Heard & Held MINUTE(STA)
05/01/03		(H)	STA AT 8:00 AM CAPITOL 102

WITNESS REGISTER

REPRESENTATIVE RALPH SAMUELS

Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Spoke as the sponsor of HJR 4.

BARBARA BITNEY, Staff
to Representative Bill Stoltze
Alaska State Legislature

POSITION STATEMENT: Testified on behalf of the sponsor of HB 215, Representative Stoltze.

KATHRYN KURTZ, Attorney
Legislative Legal Counsel
Legislative Legal and Research Services
Legislative Affairs Agency
Juneau, Alaska

POSITION STATEMENT: Spoke as the drafter of HB 215.

REPRESENTATIVE BILL STOLTZE
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Spoke as the sponsor of HB 215.

JOCELYN YOUNG, Curator
1 percent for art program
Anchorage, Alaska

POSITION STATEMENT: Related some concerns with CSHB 215, Version H.

MIKE ANDERSON
Cordova Visual Artists
Cordova, Alaska

POSITION STATEMENT: Testified on HB 215.

JOAN JACKSON, sculptor
Cordova, Alaska

POSITION STATEMENT: During discussion of HB 215, expressed the need for the 1 percent for art program to be run under the Alaska State Council on the Arts.

ALYSSA KLEISSLER
Cordova Arts & Pageants
Cordova, Alaska

POSITION STATEMENT: Testified in support of the changes encompassed in Version H of HB 215.

REPRESENTATIVE KELLY WOLF
Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Spoke as the sponsor of HB 149.

STEVE CONN

Alaska Public Interest Research Group

Anchorage, Alaska

POSITION STATEMENT: Expressed concerns with HB 149 and HB 157.

BROOKE MILES, Executive Director

Alaska Public Offices Commission

Department of Administration

Anchorage, Alaska

POSITION STATEMENT: During discussion of HB 157, answered questions.

ACTION NARRATIVE

TAPE 03-47, SIDE A

Number 0001

CHAIR BRUCE WEYHRAUCH called the House State Affairs Standing Committee meeting to order at 8:06 a.m. Representatives Weyhrauch, Holm, Seaton, Dahlstrom, Lynn, and Gruenberg were present at the call to order. Representative Berkowitz arrived as the meeting was in progress.

HJR 4-CONST AM: 90 DAY LEGISLATIVE SESSION

CHAIR WEYHRAUCH announced that the first order of business was HOUSE JOINT RESOLUTION NO. 4, Proposing an amendment to the Constitution of the State of Alaska relating to the duration of a regular session. [Before the committee is CSHJR 4, Version 23-LS0178\D, Cook, 3/28/03.]

REPRESENTATIVE RALPH SAMUELS, Alaska State Legislature, spoke as the sponsor of HJR 4. He informed the committee that it should have a copy of [Version 23-LS0178\H, Cook, 4/29/03].

The committee took an at-ease from 8:11 a.m. to 8:12 a.m.

CHAIR WEYHRAUCH, upon determining no one wished to testify, closed public testimony.

Number 0495

REPRESENTATIVE SAMUELS explained that the change encompassed in Version H specifies that after a gubernatorial election there

would be a 110-day session. He noted that this change was per the committee's amendment at the prior hearing of HJR 4. In response to Representative Seaton, Representative Samuels related that Section 2(b) reads as follows:

(b) Notwithstanding (a) of this section, the first regular session held after a gubernatorial election is limited to one hundred ten consecutive calendar days. The session may be extended as provided in (a) of this section.

REPRESENTATIVE GRUENBERG recalled that it was generally the policy of the drafters to not use "Notwithstanding" language.

Number 0624

REPRESENTATIVE SEATON moved to adopt CSHJR 4 [Version 23-LS0178\H, Cook, 4/29/03] as the working document. There being no objection, [Version H] was before the committee.

REPRESENTATIVE SEATON moved to report CSHJR 4 [Version 23-LS0178\H, Cook, 4/29/03] out of committee with individual recommendations and the accompanying fiscal notes.

Number 0671

REPRESENTATIVE BERKOWITZ objected. He remarked that the constitution should only be amended when there's no other alternative. He said that there are other alternatives that would lead to a 90-day session or a shorter session. Therefore, he viewed the truly conservative avenue to vote against any amendment to the constitution unless there is a compelling reason to do so and all other remedies have been exhausted.

REPRESENTATIVE HOLM pointed out that [a shorter session] hasn't been done since 1959. He believes legislators will perform better by having the stricture of the constitution.

REPRESENTATIVE SAMUELS remarked that he doesn't view this as a [partisan] issue. Furthermore, a shorter session would possibly increase the pool of people who would be willing to run for office. Representative Samuels pointed out that 120 days was an arbitrary number and thus 90 days is also an arbitrary number. If the length of the session isn't going to be limited, then don't. However, he suggested that a session without a specified length would result in legislators working in July. Therefore,

if the desire is to choose an arbitrary number, then choose one that is shorter.

Number 0886

REPRESENTATIVE BERKOWITZ highlighted that this is a constitutional amendment and it's important to have dialogue regarding the sponsor's and the committee's intent. With regard to changing the constitution because it might increase the pool of potential legislators, Representative Berkowitz remarked that he didn't believe the constitution should be changed on the basis of supposition and conjecture; there need to be more concrete reasons. Although he agreed that there is a likelihood that more people would run for office, there have been no studies to determine whether that's true nor has the experience of other states with shorter sessions been reviewed. Representative Berkowitz reiterated that there are other ways in which to achieve a shorter session, such as statutorily or not starting until the 30th day. Because there is no evidence that shortening the session to 90 days would improve government, it seems arbitrary to act in support of a constitutional amendment. "The balance of power argument is significant," he said. He recalled that when BP and ARCO merged it was a major issue for the state and because the legislature wasn't in session, there were some severe problems for the state's response to the issue. However, he agreed that having an indefinite length of session would probably result in the expansion to meet that indefinite length. There hasn't been a showing that a 120-day session has lead to too many bad things. Furthermore, no matter the length of the session, there will be the flurry of activity at the end.

Number 1105

REPRESENTATIVE SEATON noted that it has been postulated that the legislature did nothing for the six weeks. However, he recalls being very busy serving his constituents, introducing legislation, and working with the [Salmon Industry Task Force] and people to draft legislation for senior citizen legislation. Representative Seaton said he didn't view [the notion that the legislature did nothing for the first six weeks] as a justification for going to a 90-day session.

REPRESENTATIVE GRUENBERG said that he would like to associate himself with Representative Berkowitz's comments.

Number 1280

REPRESENTATIVE BERKOWITZ withdrew his objection to reporting Version H from committee.

REPRESENTATIVE SEATON withdrew his motion to report Version H from committee.

REPRESENTATIVE GRUENBERG expressed concern regarding the use of the "Notwithstanding" language and offered the removal of that language as a conceptual amendment upon the review of Legislative Legal and Research Services.

REPRESENTATIVE SAMUELS asked if he promised to have Legislative Legal and Research Services review the use of the "Notwithstanding" language, would Representative Gruenberg withdraw his motion and the matter could be addressed in the House Judiciary Standing Committee.

REPRESENTATIVE GRUENBERG withdrew his motion.

REPRESENTATIVE SEATON moved to report CSHJR 4, Version 23-LS0178\H, Cook, 4/29/03, out of committee with individual recommendations and the accompanying fiscal notes.

REPRESENTATIVE BERKOWITZ objected.

A roll call vote was taken. Representatives Holm, Seaton, Dahlstrom, Lynn, and Weyhrauch voted in favor of reporting CSHJR 4, Version H. Representatives Berkowitz and Gruenberg voted against it. Therefore, CSHJR 4(STA) was reported out of the House State Affairs Standing Committee by a vote of 5-2.

The committee took a brief at-ease at 8:26 a.m.

HB 215- ONE PERCENT FOR ART

CHAIR WEYHRAUCH announced that the next order of business was HOUSE BILL NO. 215, "An Act repealing statutes that relate to art works in public buildings and facilities and that require a set percentage of construction costs to be spent on art."

Number 1464

BARBARA BITNEY, Staff to Representative Bill Stoltze, Alaska State Legislature, testified on behalf of the sponsor of HB 215, Representative Stoltze. She explained that the sponsor has been working with committee members and the Alaska State Council on the Arts to try to make the changes requested at the last

hearing on HB 215. Ms. Bitney pointed out that one of the changes encompassed in [the committee substitute (CS)] is a tighter title. Another change can be found on page 2, line 3, where language that clarified the 5 percent set aside for maintenance would come from the 1 percent for art program.

REPRESENTATIVE HOLM moved to adopt CSHB 215, Version 23-LS0605\H, Kurtz, 4/30/03, as the working document. There being no objection, Version H was before the committee.

MS. BITNEY returned to her review of the changes encompassed in Version H. She directed attention to page 2, lines 7-11, and said:

It's for the 1 percent applying to projects under \$250,000 or not subject to substantial public use. Requiring a 1 percent deposit in the Art in Public Places fund.

MS. BITNEY pointed out that on page 3, lines 1-2, is a change that merely requires that photo identification be added to the list of monitoring. On page 4, lines 1-3, the change clarifies that the original total construction costs doesn't include cost overruns. Basically, this simplifies the monitoring and applicability of the statute. On page 4, line 31 through page 5, lines 1-4, the change again clarifies that the 5 percent for maintenance is coming from the 1 percent for art program.

Number 1729

REPRESENTATIVE GRUENBERG turned attention to the definition of "construction cost" in Section 6 and asked if it includes total costs, including federal funds, donated funds, (indisc.), or state appropriated funds. If so, he asked if it also includes state (indisc.).

MS. BITNEY answered that the specifics that the sponsor has been working with have been strictly general funds and general obligation bonds.

Number 1810

KATHRYN KURTZ, Attorney, Legislative Legal Counsel, Legislative Legal and Research Services, Legislative Affairs Agency, informed the committee that she is the drafter of HB 215. In response to Representative Gruenberg's question regarding whether this definition of "construction cost" is limited to

state funding and exclusive of federal funding, Ms. Kurtz pointed out that the definition of state funding is specified in Section 7 where the language discusses the appropriation of state funds by the legislature as well as general obligation bond proceeds. Therefore, Ms. Kurtz asked if that would cover [Representative Gruenberg's concerns]. She explained that the specific reference to state funds carries the intention [that "construction cost" is limited to state funds].

REPRESENTATIVE GRUENBERG related his belief [Section 7] would cover his [concerns]; however, he emphasized the need to ensure that there are no unintended consequences. He then turned attention to page 4, lines 29-30, which he characterized as ambiguous. He asked if this language is specifying that the money deposited in the art in public places fund doesn't lapse in a particular year or that it never lapses.

REPRESENTATIVE BILL STOLTZE, Alaska State Legislature, spoke as the sponsor of HB 215. He related that his intent was to have continuity and not be subject to reappropriation and lapsing [agreements].

REPRESENTATIVE GRUENBERG asked if this is a fund that will be project-specific or will it be one fund. If it's project-specific, then presumably at the end of the project the fund would end. However, if it's a general accounting fund, then it wouldn't go away.

REPRESENTATIVE STOLTZE clarified that it's not intended to be project-specific. He explained that some projects won't ever need maintenance and might help those projects that do require maintenance.

REPRESENTATIVE GRUENBERG suggested that the language would be more clear if on page 4, lines 29-30, after "lapse", a "," was inserted and "at the end of a fiscal year" was deleted.

MS. KURTZ remarked that such a change could be made.

REPRESENTATIVE BERKOWITZ pointed out that this is all subject to appropriation, and therefore he suggested inserting a period after "lapse".

MS. KURTZ said that she wouldn't take out the language "unless otherwise provided by an appropriation." due to the nature of the fund and its structure. This is an existing fund and the change is to the lapse state. Arguably, the lapse state isn't

changing because there is the issue of the funds getting into the fund as an implied term of the appropriation of capital funds. Therefore, because this fund is related to capital appropriations, it's important to keep the link to the original capital appropriation.

REPRESENTATIVE BERKOWITZ withdrew his suggestion.

REPRESENTATIVE GRUENBERG moved that the committee adopt the following amendment:

Page 4, lines 29-30, after "lapse":

Insert ", "

Delete "at the end of a fiscal year"

Number 2170

REPRESENTATIVE SEATON asked if there is any lapse that doesn't occur at the end of the fiscal year.

REPRESENTATIVE GRUENBERG said that the language was ambiguous because of the use of "a" before "fiscal year". Normally, [funds] don't lapse until five years after being appropriated.

REPRESENTATIVE HOLM pointed out that these are construction projects that don't end on a fiscal year basis.

REPRESENTATIVE GRUENBERG interjected that the lapse is a statutory lapse that runs from the date of the appropriation, not the completion of the project.

REPRESENTATIVE STOLTZE pledged to review this in the House Finance Committee where much more expertise in this area is available.

REPRESENTATIVE GRUENBERG withdrew his amendment.

Number 2277

REPRESENTATIVE BERKOWITZ moved that the committee adopt [Amendment 1], as follows:

Page 1, lines 6-7:

Delete "or, in the case of a rural school facility, at least one-half of one percent"

Page 1, lines 9-10:

Delete ", or in the case of a rural school facility, one-quarter of one percent"

REPRESENTATIVE STOLTZE said the aforementioned isn't an issue he cares about. He noted that the one-half percent language was inserted by rural Democratic legislators back in the 1970s.

There being no objection, Amendment 1 was adopted.

Number 2332

REPRESENTATIVE SEATON moved to report CSHB 215, Version 23-LS0605\H, Kurtz, 4/30/03, as amended, out of committee with individual recommendations and the accompanying fiscal notes.

CHAIR WEYHRAUCH announced that at this time he would turn to public testimony before the motion is completed.

Number 2385

JOCELYN YOUNG, Curator, 1 percent for art program in Anchorage, informed the committee that she had just received a copy of Version H. Ms. Young commended most of the additions to the legislation because she believes they clarify some aspects and authority of the program. However, the caps placed in the legislation are complicated and, in some ways, seem to defeat the purpose of the program. She suggested that the cap could be done on a case-by-case basis. For example, the 1 percent for art budget for a large construction project is generally for a project such as an airport, which would have extensive corridors where art work is needed. With regard to working on a corrections institute, Ms. Young related her experience with the public art in the Anchorage jail. She explained that those who really use the facility daily are employees and those employees have often commented on their enjoyment of the art in the staff and public areas of the facility. She highlighted that the program used its own formulas and created a partial exemption for the Anchorage jail and thus artwork was only placed in public and staff areas. Ms. Young viewed the aforementioned use of good sense as a better approach to the project.

MS. YOUNG recalled that at the last hearing there was discussion of changing AS 35.27.020(c) from "rural school facility" to the correct term.

CHAIR WEYHRAUCH advised witnesses that HB 215 will be heard in the House Finance Committee where issues of concern that haven't

been addressed in the CS from this committee could be brought up.

MS. YOUNG continued by pointing out that the language in the legislation referring to the commissioner may need some work due to the changes in the state's procurement code, which allows various commissioners responsibility over their own construction of facilities. She suggested that perhaps the aforementioned is an area in which the authority could go the Alaska State Council on the Arts.

Number 2629

REPRESENTATIVE GRUENBERG, in response to Ms. Young's concern regarding the references to the commissioner highlighted page 2, line 26, of Version H. He also highlighted the language on page 4, lines 25-28.

MS. BITNEY commented that one of the ways in which the [1 percent for art program] was strengthened was by requiring it to report to the Alaska State Council on the Arts for the funding, artwork, and location. With regard to the reference to the commissioner, Ms. Bitney agreed that each commissioner has control, however she pointed out that the Department of Transportation & Public Facilities (DOT&PF) has the expertise in building and thus [the sponsor] likes [the current construct]. She noted that [Ms. Jocelyn's notion] was discussed during work on this CS, but it would require further scrutiny.

REPRESENTATIVE HOLM related his belief that the reference to [the commissioner of DOT&PF] has to do with the architectural cleanliness of a project.

Number 2724

MIKE ANDERSON, Cordova Visual Artists, said that he likes a lot of what Version H does.

JOAN JACKSON, sculptor, expressed her desire for the 1 percent for art program to be run under the Alaska State Council on the Arts because she has seen schools and public buildings that have "twitched" out of putting in artwork. She said she didn't believe the aforementioned would happen if the program was under the Alaska State Council on the Arts. She viewed the other changes to the legislation as improvements.

ALYSSA KLEISSLER, Cordova Arts & Pageants, said that she likes the changes encompassed in Version H and is happy that the legislation is no longer a repeal of the program.

Number 2865

CHAIR WEYHRAUCH, upon determining no one else wished to testify, reminded the committee that before it was a motion to report Version H, as amended. He asked if there were any objections. There being no objection, CSHB 215(STA) was reported from the House State Affairs Standing Committee.

HJR 24-ALASKA-YUKON INTERGOV RELATIONS ACCORD

CHAIR WEYHRAUCH announced that the next order of business was HOUSE JOINT RESOLUTION NO. 24, Relating to the Alaska-Yukon Intergovernmental Relations Accord, to annual legislative exchanges, and to continuing intergovernmental work on matters of joint concern and mutual interest.

Number 2890

REPRESENTATIVE GRUENBERG, speaking as the sponsor, explained that this resolution grew out of the recent exchange between the Alaska State Legislature and the Yukon Legislative Assembly. The committee packets should include a copy of the Alaska-Yukon Intergovernmental Relations Accord. The agreement will expire on September 8, 2003, and therefore the purpose of the resolution is to urge the continued extension of accord between the Alaska State Legislature and the Yukon Legislative Assembly. In the past, there have been times when the Northwest Territories of Canada have participated as well. He said he would appreciate the support of the committee.

TAPE 03-47, SIDE B

REPRESENTATIVE GRUENBERG informed the committee that during the exchange there was an informal discussion with the premier of the Yukon, regarding continuing the accord. However, there was no discussion of [the Yukon Legislative Assembly] passing a resolution.

Number 2940

REPRESENTATIVE DAHLSTROM, speaking as a co-sponsor, related that during conversations with the Yukon Legislative Assembly there was positive sentiment and verbal commitments to continue to

address concerns and issues with Alaska. She related her feeling that Alaska will have a positive working relationship with the premier and the rest of the parliament.

REPRESENTATIVE GRUENBERG related that he felt that it was an extremely positive exchange and the Yukon Legislative Assembly wants to work with Alaska.

Number 2904

REPRESENTATIVE HOLM moved that the committee adopt the following conceptual amendment:

Page 1, line 10:

Delete "Pat Duncan"

Delete "Tony Knowles"

He explained that including specific names in government from a specific point in time doesn't blend with the notion of two governments attempting to solidify their relationship.

REPRESENTATIVE GRUENBERG noted his support of that. However, he proposed that the language on page 1, lines 10-11, be changed such that it would read, "**WHEREAS** the Premier of the Yukon and the Governor of Alaska, signed ...".

REPRESENTATIVE DAHLSTROM mentioned that she and Representative Gruenberg had this conversation previously and she is comfortable with that change.

CHAIR WEYHRAUCH reviewed some of the very important connections Alaska and the Yukon Territory share, such as the Yukon River and the U.S.-Canada Salmon Treaty. Chair Weyhrauch announced that there was no objection to Representative Holm's conceptual amendment, and therefore it was adopted.

REPRESENTATIVE DAHLSTROM moved to report HJR 24, as amended, out of committee with individual recommendations. There being no objection, CSHJR 24(STA) was reported out of the House State Affairs Standing Committee.

HB 149-LOBBYING BY NONPROFITS

CHAIR WEYHRAUCH announced that the next order of business was HOUSE BILL NO. 149, "An Act requiring nonprofit corporations under the Alaska Net Income Tax Act to provide prior public notice of lobbying expenditures and an annual report of lobbying

expenditures to the Department of Revenue; providing for a civil penalty for failure to provide the notice; and providing for an effective date."

CHAIR WEYHRAUCH announced that before the committee is SSHB 149, Version 23-LS0354\H. [Although this document is entitled and referred to as a sponsor substitute, it was not officially such and thus the document only exists in the committee packet.]

Number 2712

REPRESENTATIVE KELLY WOLF, Alaska State Legislature, spoke as the sponsor of SSHB 149. Representative Wolf began by explaining that a 501(c)(3) nonprofit organization is a charitable organization to which one can contribute funds and the [contributor] can deduct the contribution from their taxes. There are various types of nonprofit organizations throughout Alaska and the nation, nearly 5,000 501(c)(3) nonprofits within Alaska and 850,000 nationwide. Representative Wolf explained that [this legislation arose from his concern] that when one contributes to a 501(c)(3), the contributor is contributing to support a specific purpose, such as saving cutthroat trout. The contributor is entrusting an organization governed by a board of directors to use contributions to promote the mission of the organization. This legislation would require that 501(c)(3) organizations that choose to lobby the legislature or take up legislative activity, which is limited under the Internal Revenue Service (IRS) code to those efforts classified as insubstantial lobbying efforts, to post a public record within 14 days before or after the lobbying effort. Representative Wolf noted that there were some concerns with the original legislation and thus he introduced the sponsor substitute because he didn't want to restrict 501(c)(3) organizations, which are allowed to lobby. However, the lobbying efforts can only amount to an insubstantial amount, as specified by the IRS which has the authority to govern 501(c)(3) organizations. He clarified that he didn't want to infringe on the constitutional amendment of freedom of speech. However, he stressed the need to maintain full disclosure and public trust with individual contributions to nonprofits.

Number 2515

REPRESENTATIVE WOLF acknowledged that there are many sources from which a contributor can review where the contributions to nonprofits are being spent. One can even request this information from the IRS. He said he was sure that everyone was

aware how wonderful it is to work with the IRS and how speedy it is. Therefore, this legislation allows the public to have an understanding of a nonprofit's budget, the effort being proposed, and the list of [contributors]. He mentioned that to place a notice in the Anchorage Daily News would cost about \$100 or so.

REPRESENTATIVE SEATON pointed out that this legislation would require two notices be printed within eight days. Therefore, each time an organization flies someone to Juneau, \$200 would have to be added to that individual's expenses to cover the notice requirement.

REPRESENTATIVE WOLF nodded in the affirmative.

REPRESENTATIVE SEATON moved that the committee adopt Version 23-LS0354\H for discussion purposes. There being no objection, it was before the committee.

REPRESENTATIVE WOLF, in response to Representative Berkowitz, said that he didn't have a list of 501(c)(3) nonprofits in Alaska, but that information could be garnished from the Department of Commerce & Economic Development (DCED).

REPRESENTATIVE BERKOWITZ explained that he asked because he has received a letter from AARP who is in opposition to this legislation. Therefore, he wanted to know what organizations would be impacted by this legislation. He asked if Representative Wolf had the federal definition of "lobbying expenditure" that is referenced on page 2, lines 26-27.

REPRESENTATIVE WOLF said that although he didn't have the federal definition with him, [it should include] travel and lodging expenditures incurred when lobbying. He mentioned that the definition could be clarified in the legislation.

REPRESENTATIVE WOLF informed the committee that AARP is a 501(c)(4) nonprofit that operates a 501(c)(3) nonprofit. He explained that a 501(c)(4) nonprofit is a social welfare organization whereas a 501(c)(3) nonprofit is a charitable organization. He pointed out that contributions to a 501(c)(4) nonprofit aren't tax deductible, and furthermore a 501(c)(4) nonprofit is specifically designed for lobbying efforts.

REPRESENTATIVE BERKOWITZ noted that members of the [State] Chamber of Commerce are present and he wondered if any of the members are going to testify on this legislation. He recalled

that members of the State Chamber of Commerce have been outspoken with regard to the requirements for lobbyists of for profit organizations. Therefore, he wondered if the chamber had similar concerns when adding a burden to nonprofits.

CHAIR WEYHRAUCH said that members of the State Chamber of Commerce haven't signed up to testify.

Number 2252

STEVE CONN, Alaska Public Interest Research Group (AkPIRG), informed the committee that he is standing in for Steve Cleary, Executive Director of AkPIRG, a 501(c)(3), and Director of AkPIRG Lobby, a 501(c)(4). Mr. Conn suggested that the public notice provision that would cost, what he estimated to be more than \$200 for every \$500 expenditure when visiting legislatures and speaking directly in support of opposition to legislation, would be a tremendous hardship on a 501(c)(3). The consequence of HB 149 is that it places onerous restrictions on the right to petition in exceptional circumstances by typical charities. The legislation really won't impact entities that are ongoing in terms of their interest in public issues because most of those are organized both as a 501(c)(3) and a 501(c)(4) and perform most of the work that would fall under the IRS definition of lobbying under the 501(c)(4). Of course, these entities would have the motivation to perform all of their work under that definition.

MR. CONN noted that he was just in the hearing on HB 293, which is about the statewide sales tax. During that hearing, he said he could see a range of issues that will impact members of a typical charity in this state. For example, exemptions for food, prescription drugs, and businesses. He highlighted that these are things that directly and indirectly impact elders, children, and others. Mr. Conn characterized this as an unanticipated consequence. Therefore, Mr. Conn urged the committee to reject HB 149 for two reasons. Firstly, the notice requirement is so punitive that it'll block simple lobbying activities that aren't even covered under [HB 157], but do fall under the IRS definition. In exceptional cases, charitable lobbying would be more regulated than other forms of lobbying. Secondly, one needs to think of this in context and with regard to one's constituents. He hoped that the sponsor from the Kenai will think about the fact that elders' groups and many charitable groups will be concerned with regard to the impact and equity of a statewide sales tax on their livelihood and economics. Should this legislation pass, the aforementioned

groups may find it as a tremendous barrier to their ability to reach out to the lawmakers.

Number 1972

REPRESENTATIVE GRUENBERG asked if the following nonprofits would be impacted by this legislation: Native nonprofits, the Outdoor Council, the NRA, the American Diabetes Association, the American Heart Association, the Alaska Municipal League, the Boys and Girls Club, the Boy and Girl Scouts, religious organizations, the YMCA, and veterans' groups.

MR. CONN answered that to the best of his knowledge all of the above referenced groups are nonprofits. However, the above referenced groups illustrates that this impacts various charitable and public education endeavors on all sides of the political spectrum.

REPRESENTATIVE GRUENBERG noted a conflict of interest and disclosed that he is a member of a board of directors for Alaska Common Ground, a 501(c)(3) corporation.

REPRESENTATIVE LYNN noted a conflict of interest and disclosed that he is a member of the Alaska Right to Life, a 501(c)(3) organization.

REPRESENTATIVE DAHLSTROM related that some of the organizations that Representative Gruenberg mentioned earlier are actually 501(c)(4) organizations.

REPRESENTATIVE SEATON noted a conflict of interest and disclosed that he is a member of a 501(c)(3) organization.

REPRESENTATIVE BERKOWITZ noted a conflict of interest and disclosed that he is a member of a 501(c)(3) organization.

CHAIR WEYHRAUCH noted a conflict of interest and disclosed that he is a member of various 501(c)(3) organizations.

There was objection to all of the above disclosures, and therefore all members were required to vote.

Number 1770

REPRESENTATIVE WOLF reiterated that under the IRS code a 501(c)(3) can only spend an insubstantial amount [when lobbying]. He related his understanding that the insubstantial

amount is 5 percent or less of their entire annual budget, which is the concern that led to the introduction of this legislation. The legislation doesn't intend to prevent these organizations from lobbying, it merely maintains the public trust.

REPRESENTATIVE BERKOWITZ said it seems constitutionally problematic that this legislation proposes to establish different standards for nonprofits. For example, he wasn't sure that the ExxonMobil Corporation would be required to perform public notification that it was coming to Juneau to lobby whereas a 501(c)(3) would be required to do so. He asked if this disparate treatment creates a constitutional question.

MR. CONN replied that he was sure that a 501(c)(3) will challenge this legislation as a potential violation of the organization's right to petition.

REPRESENTATIVE WOLF highlighted that many 501(c)(3) nonprofit organizations have 501(c)(4) organizations with which they work. He emphasized that this legislation doesn't address 501(c)(4) organizations because they are a lobbying organization. He also emphasized that those funds contributed to a 501(c)(4) organization aren't tax deductible whereas those contributions to a 501(c)(3) are.

Number 1583

REPRESENTATIVE BERKOWITZ remarked that the more he thinks about this, the more problematic it becomes. If the state was to impose these requirements on businesses in this state, it would add substantial costs to the businesses and nonprofits of the state. Furthermore, Representative Berkowitz said that he didn't see a great public good being advanced by this requirement. He asked if there is a particular problem or anecdote that is driving this legislation.

REPRESENTATIVE WOLF explained that one of the concerns is that when predator control issues have been brought up in Alaska, nonprofit organizations, under the guise of a 501(c)(3), have raised large amounts of revenue on an emotionally charged issue of saving the wolves in Alaska. The public trust is at the heart of this matter; full disclosure isn't something that true 501(c)(3) organizations should fear. He pointed out that this legislation focuses on a nonprofit organization not a business.

Number 1436

REPRESENTATIVE SEATON directed attention to page 2, lines 17-23, which specifies that every 501(c)(3) nonprofit shall file a annual report of all its lobbying expenditures in the previous year whether the organization spends over \$500 or not. Representative Seaton questioned how there could be a zero fiscal note when this requirement will result in the Department of Revenue processing an additional report from each 501(c)(3) in the state.

REPRESENTATIVE WOLF explained that currently 501(c)(3) nonprofits are required to file an annual tax report with the IRS declaring expenditures for the year. Therefore, the state's report would be a duplicate of that.

REPRESENTATIVE SEATON related his understanding that the language in the legislation refers to a detailed report of "all lobbying expenditures" rather than a composite of the expenditures. Therefore, he said he believes it will be quite an onerous report.

REPRESENTATIVE WOLF said that isn't the intent. The report required in the legislation is supposed to be a composite of the organization's total lobbying efforts, a duplicate of what the 501(c)(3) issues to the IRS. Therefore, he remarked that he would accept an amendment to change that to reflect the intent.

Number 1209

CHAIR WEYHRAUCH expressed interest in having someone from the Department of Revenue present at the next hearing in order to discuss the zero fiscal note and the filing of this report. He related his belief that there will have to be agency time spent reviewing these reports. Chair Weyhrauch asked if currently a 501(c)(3) nonprofit has to report lobbying expenditures to the federal government.

REPRESENTATIVE WOLF replied yes.

CHAIR WEYHRAUCH related his further understanding that if 501(c)(3) nonprofits don't report their lobbying expenditures or spend more than a substantial portion on lobbying efforts, those nonprofits would be subject to federal prosecution.

REPRESENTATIVE WOLF replied yes. However, he said that verbal comments from IRS representatives have been that the IRS doesn't have the time or funds to pursue such [prosecutions] when there are 850,000 501(c)(3) nonprofits.

Number 1137

REPRESENTATIVE BERKOWITZ remarked that if the federal government doesn't have the funds or the time and Alaska has about 1,000 501(c)(3) nonprofits, then seemingly there will be an expenditure of time and funds to do this in the state.

REPRESENTATIVE WOLF explained that originally the intent of the legislation was for 501(c)(3) nonprofits to pursue public notice in order to have full disclosure. However, Legislative Legal and Research Services felt that a report should go to the Department of Revenue.

REPRESENTATIVE WOLF said that he would entertain a friendly amendment to eliminate the report to the Department of Revenue.

REPRESENTATIVE BERKOWITZ returned to the notion that those expending more than \$500 would become entangled in the lobbying laws. He asked if Representative Wolf would be willing to extend that universally in the state.

REPRESENTATIVE WOLF expressed concern with such an expansion.

REPRESENTATIVE BERKOWITZ commented, "If it's good for the goose, it's good for the gander."

REPRESENTATIVE WOLF explained that the concern [that lead to this legislation] is that a 501(c)(3) is using other people's money on a trust issue and the contributors write that contribution off of their taxes.

REPRESENTATIVE BERKOWITZ characterized that as a matter between the contributor and the 501(c)(3). Shouldn't the government stay out of that relationship, he asked.

REPRESENTATIVE WOLF reiterated that his original intent was to avoid involving the Department of Revenue. He highlighted that in Alaska there is a growing distrust with regard to what 501(c)(3) nonprofits do with their funds.

CHAIR WEYHRAUCH announced that HB 149 would be held over.

HB 157-ELIMINATE APOC

CHAIR WEYHRAUCH announced that the final order of business was HOUSE BILL NO. 157, "An Act eliminating the Alaska Public

Offices Commission; transferring campaign, public official, and lobbying financial disclosure record-keeping duties to the division of elections; relating to reports, summaries, and documents regarding campaign, public official, and lobbying financial disclosure; providing for enforcement by the Department of Law; making conforming statutory amendments; and providing for an effective date."

CHAIR WEYHRAUCH turned to the short title of HB 157, "Eliminate APOC", which he viewed as a misnomer because this legislation doesn't eliminate the Alaska Public Offices Commission (APOC). Chair Weyhrauch announced that he wanted to limit public testimony at this hearing, which he said would be a work session on a large number of amendments that will result in a committee substitute (CS). After a CS is [drafted], the committee will review the CS before reporting it from committee.

Number 0820

STEVE CONN, Alaska Public Interest Research Group (AkPIRG), said that he wanted to connect HB 157 to the proposed statewide sales tax. He highlighted that the legislature passed the campaign finance law after 80 percent of the public said, if polled they would pass an initiative on campaign finance reform. Much of HB 157 deals with amendments to the campaign finance law. These are amendments that loosen restrictions on lobbyist contributions outside their district and substantially raise the contribution limit. Given the debate and issues that will be driven by the proposed statewide sale tax related to who receives exemptions, this isn't a time to present an impression to the public that money drives political decision-making in the legislative process. This is a time when the public is very concerned with regard to the role of lobbyists and the lobbyist's role to drive a message. Mr. Conn pointed out that the work on HB 157 will now be read against the concerns held by the elders on the longevity bonus and the statewide sales tax. Mr. Conn concluded by informing the committee he is retired from AkPIRG and the University of Alaska and is a member of the AARP, and a resident of Seward. He noted that that city will have a lot of concern with regard to the statewide sales tax.

CHAIR WEYHRAUCH reminded the committee that before it is CSHB 157, Version HB 157.doc, 4/24/2003. He explained that the amendments have been organized such that they will be taken in order of the section impacted.

REPRESENTATIVE GRUENBERG announced that he wanted to hold Amendments 1 and 1-A.

REPRESENTATIVE BERKOWITZ pointed out that his Amendment 1-B, which would eliminate Section 1, is the most universal approach and if it passes, it would eliminate the need for Amendments 1 and 1-A.

REPRESENTATIVE BERKOWITZ moved that the committee adopt Amendment 1-B, which read as follows:

Page 1, lines 7 - 9:

Delete "**amending the campaign finance and public official financial disclosure laws to allow municipalities to choose whether they apply to municipal elections and municipal officials;**"

Page 2, lines 1 - 21:

Delete all material.

Page 2, line 22:

Delete "**Sec. 2**"

Insert "**Section 1**"

Renumber the following bill sections accordingly.

Page 22, lines 6 - 19:

Delete all material.

Renumber the following bill sections accordingly.

Page 22, line 24:

Delete "sec. 20"

Insert "sec. 19"

Page 22, line 29:

Delete "sec. 37"

Insert "sec. 34"

Page 23, line 5:

Delete "sec. 20"

Insert "sec. 19"

Page 23, line 6:

Delete "sec. 34"

Insert "sec. 31"

Page 23, line 8:
Delete "Section 36"
Insert "Section 33"

Page 23, line 9:
Delete "sec. 38"
Insert "sec. 35"

[Not on tape, but reconstructed from the committee secretary's log notes, was Representative Dahlstrom's objection to Amendment 1-B.]

TAPE 03-48, SIDE A

REPRESENTATIVE BERKOWITZ, in response to Representative Dahlstrom's objection, explained that he is offering Amendment 1-B because "we" don't know the consequences if the format of the system is changed. He noted that everyone at this table lives in an area that has "opted in," although there are areas in the state that have not. The cost shifted to the municipality will come at a time when there is declining state support for municipal revenues. He characterized this as a pass through to the taxpayers of the communities that "opt in". Furthermore, this adds cost due to the election and the establishment of local interface with APOC. Moreover, there is no knowledge with regard to the result if communities that are currently in move out. Therefore, this will result in a patchwork quilt of different approaches to APOC. As the system currently exists, there is a lot of benefit to having uniformity in the local and state elections and [this legislation] runs the risk of using that uniformity. With regard to the fees that municipalities would be required to pay under this legislation, he related his experience with fee creep in which the fee far exceeds the cost and becomes a profit center for the state. Therefore, he suggested keeping the state paying its share and maintain as small a bureaucracy as possible.

Number 0245

REPRESENTATIVE HOLM referred to the document provided by Ms. Miles entitled, "Municipality Status Under Campaign Disclosure & Public Official Financial Disclosure Laws." He inquired as to what this document relates. He also inquired as to the meaning of "Exempt" in the Public Official Financial Disclosure column.

Number 0465

BROOKE MILES, Executive Director, Alaska Public Offices Commission, Department of Administration, explained that the exempt designation is because the voters in the community listed voted to exempt themselves from AS 39.50. In further response to Representative Holm, Ms. Miles explained that under the Campaign Disclosure column the term "Required" means that the community hasn't exempted itself as permitted under the statute. The term "Opted Out" means that the community has exempted itself as permitted by the statute. If the Campaign Disclosure column is blank it's because the community's population is less than 1,000 citizens and thus isn't required to be subject to the law.

REPRESENTATIVE HOLM related his understanding of Ms. Miles' memorandum that the total cost for all of these municipalities was under \$100,000, specifically \$61,760. He recalled that APOC's budget is \$753,000 and thus the \$61,760 is a small portion of APOC's budget.

MS. MILES said it would seem to be. However, she pointed out that APOC doesn't have staff that is dedicated only to working with municipalities. The APOC staff works with municipalities and the state with both financial and campaign disclosures. The lobbying law only applies to the state. Therefore, it was difficult to determine the funds required to service municipalities. She explained that the \$61,760 came from the percentage of personal services time on the staff working on those laws. However, those costs don't include when a complaint is filed at the municipal level. She pointed out that complaints are filed under both financial disclosure law and the campaign disclosure law and those add to APOC's costs, particularly if an Administrative Procedures Act hearing is required. Ms. Miles apologized for not being able to present a more solid number.

Number 0140

REPRESENTATIVE HOLM explained that he was thinking in terms of shifting the cost back to the municipalities, if they choose to not exempt their personnel elected. Because of the aforementioned, he objects to Amendment 1-B. If this rewrite is to occur, then [the language being deleted by Amendment 1-B] should remain in the legislation.

CHAIR WEYHRAUCH directed his comments to Representative Berkowitz and said that he understands that currently a municipality has to opt in to this, which would result in a fee.

However, he understood Representative Berkowitz to explain that a municipality would have to pay a fee and in these times of taking money away, there isn't the desire to do that. Therefore, he thought that [Amendment 1-B] met the above concern by meaning that the municipality would be out unless it opted in, at which time the municipality would pay the fee.

REPRESENTATIVE BERKOWITZ explained that many entities are in [the state system] now and [with this legislation] he questioned whether those entities will be out and have to "pursue a question," which means that there would be hearings at the local level, attorney time, and a potential election, resulting at some point in someone being tasked with interfacing with APOC. Therefore, there would be costs as well as unanticipated consequences associated with changing the status quo. Representative Berkowitz said upsetting the infrastructure for relatively small amounts of money with uncertain benefits doesn't seem to be a risk worth taking at this point. However, if the costs are far greater than the \$61,760, then this is simply a "pass-along" to local communities. Representative Berkowitz said:

If we want to systematically look at services the state provides that we think the municipality ought to provide, then let's do that. But, if we're doing this on an ad hoc basis, that raises all kinds of problems. I think there are real efficiencies that are gained across the state and the overall cost to the citizens of the state are reduced when the state provides these services rather than requiring each community to provide those services. There are economies of scale that will not be met if we require municipalities to pick up these services, and there's also efficiencies that we lose by requiring these municipalities that have already asked the question [and] already given an answer to re-ask those questions.

CHAIR WEYHRAUCH asked if, under Version HB 157.doc, 4/24/2003, those communities that have already opted in will be kicked out and have to opt in again through a new election.

MS. MILES replied no. She related her understanding that under the current version of the bill, those municipalities that have already opted in would now be required by election to opt in. Perhaps, one could view this to mean that everyone already in is considered in and thus discussion of the fee could occur, or the municipality could opt out.

REPRESENTATIVE GRUENBERG said that Amendment 1 would accomplish what Ms. Miles presented above.

Number 1060

REPRESENTATIVE SEATON commented that he doesn't see that it's necessary to go through all this change. There is a system in which many cities have opted in. With the elimination of [Section 1], then all the municipalities that have opted in will continue to receive the services they already receive and will be in APOC and provide reports. He surmised that [this legislation] eliminates a change and the system will stay the same.

MS. MILES responded that such would be the case if the committee adopts Amendment 1-B.

REPRESENTATIVE GRUENBERG pointed out that there are two issues that need to be reviewed separately. The first issue is whether the intent is to impose a fee on the municipalities. If there is no desire to impose a fee on the municipalities, then Amendment 1-B should be adopted because it retains the status quo. If the desire is to impose a fee on the municipalities, the question becomes whether the municipalities should have to opt out or opt in. If the decision is to have the municipalities opt out and impose the fee, then Amendment 1-B should be adopted. If the decision is to have the municipalities opt in and impose the fee, then he suggested rejecting everything, leaving Section 1 as it is currently written.

Number 1182

REPRESENTATIVE BERKOWITZ inquired as to what would happen to pending issues related to municipal elections if the legislation passed "as is."

MS. MILES answered that pending issues would go through their normal course of business, under the authority of the law under which the issues began.

REPRESENTATIVE SEATON related his belief that the fee structure is probably one of the basic parts of revenue sharing that there is. He further related his belief that the current system seems to work well for the municipalities and APOC. Therefore, he viewed [the legislation] as a "funny way" to recoup a small

amount of money from municipalities. He announced his support of the amendment to retain the system as it exists.

CHAIR WEYHRAUCH reminded the committee that the motion to adopt Amendment 1-B is pending.

A roll call vote was taken. Representatives Seaton, Dahlstrom, Lynn, Berkowitz, Gruenberg, and Holm voted in favor of Amendment 1-B. Representative Weyhrauch voted against it. Therefore, Amendment 1-B was adopted by a vote of 6-1.

[HB 157 was held over.]

ADJOURNMENT

The House State Affairs Standing Committee meeting was recessed at 10:01 a.m. to a call of the chair [The meeting was reconvened May 5, 2003, at 8:20 a.m.]