

MINUTES
SENATE FINANCE COMMITTEE
May 09, 2004
12:10 PM

TAPES

SFC-04 # 113, Side A
SFC 04 # 113, Side B

CALL TO ORDER

Co-Chair Gary Wilken convened the meeting at approximately 12:10 PM.

PRESENT

Senator Gary Wilken, Co-Chair
Senator Con Bunde, Vice Chair
Senator Fred Dyson
Senator Lyman Hoffman
Senator Donny Olson
Senator Ben Stevens

Also Attending: TOMAS BOUTIN, Deputy Commissioner, Department of Revenue; JAMES ARMSTRONG, Staff to Representative Bill Williams; SUE STANCLIFF, Staff to Representative Pete Kott; CHERYLYNN WRIGHT, Staff to Representative Mike Chenault; SARA NIELSEN, Staff to Representative Ralph Samuels; JON BITTNER, Staff to Representative Cheryll Heinze; CRAIG TILLERY, Chief Assistant Attorney, General-Statewide Section Supervisor, Environmental Section, Department of Law

Attending via Teleconference: From Offnet Sites: AL STORY, Lieutenant and Director of Staff, Alaska State Troopers; SHARON BARTON, Director, Permanent Fund Dividend Division, Department of Revenue

SUMMARY INFORMATION

HB 422-BUDGET RESERVE FUND INVESTMENT

The Committee heard from the bill's sponsor and the Department of Revenue. The bill reported from Committee.

HCR 32-AK INFO INFRASTRUCTURE POLICY TASK FORCE

The Committee heard from the sponsor and reported a committee substitute from Committee.

HB 275-ANIMALS AND CRUELTY TO ANIMALS

The Committee heard from the sponsor, the Alaska State Troopers, and reported the bill from Committee.

HB 534-MAKE OFFICE OF VICTIMS RIGHTS PERMANENT

The Committee heard from the sponsor and reported the bill from Committee.

HB 536-PFUND APPLICATION DEADLINES: MILITARY

The Committee heard from the sponsor and the Department of Revenue. The bill was reported from Committee.

HB 295-REGULATIONS: NOTICE AND DISTRIBUTION

The Committee heard from the Department of Law, adopted a committee substitute, and reported the bill from Committee.

HB 495-4 DAM POOL JOINT ACTION AGENCY

This bill was scheduled but not heard.

SB 396-INTERIOR RIVERS PORT AUTHORITY

This bill was scheduled but not heard.

#HB422

CS FOR HOUSE BILL NO. 422(STA)

"An Act repealing the special subaccount established in the constitutional budget reserve fund; and providing for an effective date."

This was the second hearing for this bill in the Senate Finance Committee.

Co-Chair Wilken stated that this legislation would repeal the Constitutional Budget Reserve (CBR) subaccount and, thereby, allow "the entire CBR to be invested in fixed income securities." He informed the Committee that the Department of Revenue would be responding to concerns raised during the first hearing on this bill

regarding the investment policy pertinent to the \$400 million subaccount.

TOMAS BOUTIN, Deputy Commissioner, Department of Revenue, reminded that Committee that, in the year 2000, legislation was adopted that transferred \$400 million from the CBR into a separate subaccount to be "invested under the assumption that it would not need to be available for five years or longer."

Mr. Boutin stated that the Department has determined that this subaccount "is no longer appropriate" in light of the manner in which the CRB is currently being utilized. He shared that the subaccount has experienced "a great deal of volatility" and, in fact, did not obtain its original investment level until December 2003. He declared that "the fundamental investment policy" of the Department is that the CBR should be in fixed income accounts rather than being "market timers."

Senator Olson asked the current value of the subaccount and its anticipated year-end projection.

Mr. Boutin stated that the current balance of the subaccount is \$419 million, and that no projections have been undertaken.

Co-Chair Wilken recalled that this subaccount was established with the goal of investing for the long-term in order to achieve higher yields than those realized by the CBR, which, due to the State's need to be able to access CBR funds to cover State deficits, "was invested on a somewhat short-term basis that have lower returns." He also understood that the revenue generated by the subaccount investments has never achieved the revenue stream level required to provide bond support.

Mr. Boutin affirmed that this is correct. He also recounted that the Department had notified the Legislature that the CBR fund could not be used as security for the issuance of tax-exempt bonds, according to Internal Revenue Service (IRS) code guidelines for "replacement proceeds". Therefore, he continued, a yield restriction is "placed on the entire CBR and any part of it then pledged as security for tax exempt debt."

Co-Chair Wilken acknowledged that yield restriction parameters exist.

JAMES ARMSTRONG, Staff to the bill's sponsor, Representative Bill Williams, noted that the bond support provisions were removed from the year 2000 legislation before it was adopted.

Co-Chair Wilken acknowledged the clarification.

Senator Hoffman commented that in light of Governor Frank Murkowski's position that the CBR should maintain a specified minimum dollar balance, the Legislature could "contemplate" designating that the minimum balance amount be invested for the long-term in order to "potentially" obtain higher yields.

Mr. Boutin clarified that the Governor's position is to maintain a one billion minimum CBR balance. He informed that projections indicate that this "threshold amount" might be breached in the spring of 2006. He stated that, "if and when that one billion dollar account balance is reached," it should be maintained in liquid investments as traditionally, in addition to the possibility that a CBR draw might be required in order to balance the State's budget, a minimum cash flow of \$400 million has historically been required, annually, to fund fire suppression, highway projects, and other projects that would later be federally reimbursed or funded later in the year. In addition, he stated that CBR funds might also be required were crude oil prices, which are a factor in the State's budgeting process, to plummet. He stated that the CBR account balance, including the subaccount balance, is currently \$2,074,400,000.

Senator Hoffman asked the rationale of abandoning this subaccount prior to its long-term five-year maturity date, as he argued, doing so would not allow proper evaluation of the concept.

Mr. Boutin responded that, contrary to procedures that were in place when the subaccount was established, the Department does not currently maintain five-year time horizon projections.

Senator B. Stevens asked whether the current \$2 billion cash balance is an accrued balance or a cash balance.

Mr. Boutin clarified that it is the cash balance.

Senator B. Stevens asked for further information regarding the accrued balance, or money owed from reimbursement.

Mr. Boutin stated that there are no borrowings against the CBR, as it has not been used to provide security or debt. However, he stated that "suspend account" items such as outstanding warrants from fire suppression efforts and other reimbursable funds are not included in the cash balance amount.

Senator B. Stevens asked what the CBR balance would be were suspend accounts included.

Mr. Boutin stated that each weekday morning a reconciliation of outstanding warrants is conducted.

Senator B. Stevens informed that, according to a recent Legislative Finance Division report [copy not provided], \$300 million of CBR funds were allocated to but not utilized by Departments and should be swept back into the CBR.

Co-Chair Wilken interjected that David Teal, the Director of Legislative Finance, has informed him that the cash balance of the CBR is approximately two billion dollars and that were all outstanding warrants reimbursed, the cash balance would be \$2.4 billion.

Co-Chair Wilken commented that reconciling the cash balance of the CBR is not pertinent to this legislation.

Senator B. Stevens stated that he does not support this legislation.

Senator Hoffman asked the Department whether a CBR draw is anticipated this fiscal year due to the fact that crude oil prices are hovering in the \$40 per barrel range.

Mr. Boutin responded that, based on recent calculations, this year's CBR draw could be between \$50 and \$70 million.

Senator Hoffman asked whether this draw is factored into the \$2.1 billion cash balance.

Mr. Boutin responded in the negative.

Senator Bunde moved to report the bill from Committee with individual recommendations and accompanying fiscal notes.

There being no objection, CS HB 422(STA) was REPORTED from Committee with negative \$125,000 fiscal note #1, dated February 9, 2004 from the Department of Revenue.

#HCR32

CS FOR HOUSE CONCURRENT RESOLUTION NO. 32(EDT) am
Relating to information infrastructure and establishing the
Alaska Information Infrastructure Policy Task Force.

This was the second hearing for this bill in the Senate Finance

Committee.

Co-Chair Wilken stated that this bill would establish a 13-member information technology taskforce. He stated that the sponsor would be providing information to address Committee concerns regarding the bill's accompanying \$99,500 fiscal note #3, dated March 4, 2004, from the Legislative Affairs Agency.

SUE STANCLIFF, Staff to Representative Pete Kott, the bill's sponsor, stated that the Legislative Affairs Agency (LAA) fiscal note has been reduced to \$58,000 by utilizing existing Legislative staff to assist the taskforce and by absorbing certain expenses such as contractual services and supplies within existing budgets. She asserted that the taskforce's mission would be challenging and that the expenses outlined in the revised fiscal note are warranted.

Senator Bunde asked for clarification that funding for the Legislative staff assistant position would be absorbed within the LAA budget.

Ms. Stancliff clarified that, were this bill adopted, the LAA would fund the position during the interim between this Legislative Session and the First Session of the Twenty-Fourth Alaska State Legislature. She noted that were a taskforce assistant required into that Session, Legislative staff would be utilized.

Senator Bunde moved to report the bill, as previously amended, from Committee with individual recommendations and accompanying fiscal notes.

There being no objection, SCS CS HCR 32(FIN) was REPORTED from Committee with zero fiscal note #1, dated February 23, 2004 from the University of Alaska and a new \$58,000 fiscal note, dated May 8, 2004 from Legislature Administrative Services, Legislative Affairs Agency.

#HB275

SENATE CS FOR CS FOR HOUSE BILL NO. 275(JUD)

"An Act relating to animals, and to the care of and to cruelty to animals."

This was the first hearing for this bill in the Senate Finance Committee.

Co-Chair Wilken stated that this bill would establish standards of

care for animals and, in addition, would outline the process required to investigate animal cruelty. In addition, he stated that the bill would create the crime of cruelty to animals.

CHERYLYNN WRIGHT, Staff to Representative Mike Chenault, the bill's sponsor, noted that a great deal of work has been put toward the development of this legislation. She stated that the sponsor is pleased with the end result.

Co-Chair Wilken asked how the crime of cruelty to animals would be classified.

Ms. Wright responded that the crime would be classified as a class A or B misdemeanor.

Co-Chair Wilken asked for details regarding the standards of care.

Ms. Wright responded that this information is detailed in Section 1, subsection Sec. 03.22.100. Minimum standards of care for animals. on page one, beginning on line five. She also noted that the determination as to whether these standards have been breached would be based on the professional opinion of a veterinarian. She noted that this language was adopted in the Senate Judiciary Committee.

Senator Bunde spoke in support of the bill. He opined that people who abuse animals often abuse humans. He stated that cruelty to animals should not be tolerated and that this behavior "should be pursued with vigor to exterminate."

Senator Hoffman inquired as to which communities have veterinarians.

Ms. Wright responded that nearly every community has either telephone access or direct access to a veterinarian. She noted that this topic is addressed on Section 1, subsection (c) on page two, beginning on line 16, which specifies that, in the absence of a veterinarian, a peace officer could address the welfare of an animal.

Ms. Wright, referencing Senator Bunde's comments, shared that an [unspecified] Alaskan newspaper had recently reported a case in which a woman disposed of a litter of puppies by throwing them out of a vehicle window while traveling at 55 miles per hour. She stated that two to the puppies died and that the others are receiving care and are up for adoption. She declared that this type of situation would be one that could be more easily prosecuted were this legislation adopted.

Senator Olson inquired as to how this legislation would mesh with the Humane Society's cruelty to animal laws that exist.

Ms. Wright replied that this legislation "is not as radical" as guide-lines recommended by the Humane Society of the United States nor are they as extensive as those established in other states. It is, she disclosed, "one of the lesser laws, revision of statutes" of all the states. She disclosed that Alaska in either "49th or 50th on the list with our current animal abuse laws" and that this legislation would align the State more with other states' laws.

Senator Olson asked for further information regarding current State law.

Ms. Wright responded that the current law is "only about a paragraph and a half long."

Senator Hoffman stated that animal rights activist groups have characterized the Iditarod Dog Sled Race as being "cruel and unusual punishment to the dogs." Continuing, he asked whether the Iditarod Race Committee has reviewed this legislation.

Ms. Wright reiterated that the Iditarod Race Committee and numerous other interested parties have participated in the four-year process developing this legislation. She stated that the section in the bill that addresses "acceptable training standards," is applicable to the Race. She noted that, while the Iditarod Race Committee has not reviewed this version of the bill, they have previously been involved in the discussion.

Senator Olson stated that the Iditarod Sled Dog Race is an important event to his District and he would appreciate the Iditarod Committee's input on the bill.

Co-Chair Wilken interjected that this legislation would also affect the Yukon Quest Race.

Co-Chair Wilken asked the definition of "protective custody" as referenced in the language in Section 1, subsection (c) on page two, lines 13 through 27, which was incorporated into the bill by the Senate Judiciary Committee.

Ms. Wright stated that rather than the term "protective custody" meaning that money would be required to construct animal holding areas, the intent is that such things as temporary care arrangements would be implemented until a decision was made in regard to the animal.

AL STORY, Lieutenant and Director of Staff, Alaska State Troopers, testified via teleconference from an offset site and stated that the inclusion of the term protective custody "fits well into this bill." He stated that this is a term whose meaning is known to law enforcement officers as, similar to how it is defined for humans, the intent of it is to provide for the animal's well-being by taking them to a place such as "a veterinarian or to a public or private custodian" where they could be properly cared for and where their condition could be evaluated to determine whether medical treatment would be required.

Co-Chair Wilken understood therefore that law enforcement officers are comfortable with the language.

Mr. Story verified that law enforcement entities are supportive of the legislation.

Senator Bunde commented that numerous municipalities have programs through which poorly cared for animals are placed in custodial places similar to what is being proposed in this bill. He noted that once an animal is brought back to health and that proof has been provided that the owner would act responsibly, the animal could be returned to the owner. However, he continued, were the owner deemed irresponsible, the animal would be available for adoption.

Senator Bunde moved to report the bill from Committee with individual recommendations and accompanying fiscal notes.

There being no objection, SCS CS HB 275(JUD) was REPORTED from Committee with zero fiscal note #1, dated March 28, 2004 from the Department of Law; zero fiscal note #3, dated April 2, 2004 from the Department of Environmental Conservation; zero fiscal note #4, dated April 1, 2004 from the Department of Public Safety; and indeterminate fiscal note #5, dated April 5, 2004 from the Department of Administration.

AT EASE 12:40 PM / 12:44 PM

#HB534

CS FOR HOUSE BILL NO. 534(FIN)

"An Act repealing the scheduled termination date of the office of victims' rights."

This was the first hearing for this bill in the Senate Finance

Committee.

Co-Chair Wilken noted that this legislation, CS HB 534, Version 23-LS1830\D, would repeal the termination date of the Office of Victims' Rights. He noted that the bill is sponsored by the House Rules Committee by request of the Legislative Budget & Audit (LB&A) Committee.

SARA NIELSEN, Staff to Representative Ralph Samuels, Chair of the LB&A Committee, stated that this "simple bill" would repeal the termination date regarding the Office of Victims' Rights. The Office, she noted, is responsible for providing "legal council, education, and assistance to victims of crime." She shared that the original version of this bill specified a four-year termination date; however, she continued, the House Finance Committee amended the original bill to specify that the Office be permanent.

Co-Chair Wilken inquired to the reason the funding would increase from zero in FY 05 and FY 06 to \$541,000 in FY 07 as reflected in the Legislative Affairs Agency fiscal note #2, dated April 5, 2004.

Ms. Nielsen explained that the Office is currently funded through FY 06, which was its original termination date. She noted that were the Office to become permanent as the result of the adoption of this legislation, funding would be required on an annual basis.

Co-Chair Wilken understood therefore, that rather than requiring new funds, the fiscal note reflects that fund source change.

Ms. Nielsen concurred.

Senator Hoffman noted, however, that "the Permanent Fund dividend" would continue to be the funding source.

Ms. Nielson affirmed.

Senator Olson asked how this legislation would relate to other victims right legislation.

Ms. Nielsen indicated that this legislation would compliment other legislation such as the Victims Compensation Board.

Senator Bunde asked, as a follow-up to Senator Hoffman's comment, for confirmation that this Office would continue to be funded by the Permanent Fund Corporation earnings.

Ms. Nielsen affirmed, and stated that the Corporation could provide further information. She understood that funding is also provided

by the Legislative Affairs Agency.

Senator Bunde opined that the use of Permanent Fund earnings should not be considered as "breaking new ground" as these earnings are currently being spent to support the Office.

Senator Dyson voiced a conflict of interest as he disclosed that his wife's counseling business has received and might continue to receive funds from this Office.

Senator Bunde moved to report the bill from Committee with individual recommendations and accompanying fiscal notes.

There being no objections, CS HB 534(FIN) was REPORTED from Committee with zero fiscal note #2, dated April 5, 2004 from the Legislative Affairs Agency.

#HB536

CS FOR HOUSE BILL NO. 536(MLV)

"An Act relating to applications for permanent fund dividends by certain individuals serving in the armed forces, and to payment of certain 2003 and 2004 dividends; and providing for an effective date."

This was the first hearing for this bill in the Senate Finance Committee.

Co-Chair Wilken commented that this bill, version 23-LS1796\C, is sponsored by the House Rules Committee, at the request of the Special Committee on Economic Development. He stated that this bill "would allow members of the armed services who received hostile fire and imminent danger pay during the FY 03 and FY 04 application period an extension to their 90-day application period." He noted that a zero fiscal note accompanies the bill from the Department of Revenue.

JON BITTNER, Staff to Representative Cheryll Heinze, the Chair of the Special Committee on Economic Development, stated that this legislation would basically provide members of the armed forces who "are in war zone situations" an extension on their Permanent Fund Dividend (PFD) application period. Continuing, he noted that the legislation was developed at the request of the PFD Division, Department of Revenue, after they received appeal letters from Alaska military personnel who served in war in Iraq during the FY 03 and FY 04 PFD application periods. He stated that due to inoperable communication systems these people were unable to access

or remit their PFD applications. Therefore, he stated, this bill would provide military personnel a 90-day extension, once they are out of a war zone situation and in an area that would provide them the ability to access and submit required PFD paperwork. He noted that the bill contains retroactive language that would allow those "who served in the last Iraqi and Afghanistan war" to file for their PFD dividends.

Mr. Bittner stated that the bill would also allow the Commissioner of the Department of Revenue to further accommodate the filings of war zone military personnel who were unable to file, due to war related injuries, within the specified 90-day period once they recovered and were able to provide proof of reasonable cause.

Senator Olson asked the number of applications that might be pending.

Mr. Bittner replied that, while Alaska has approximately 14,000 active armed service members, the number who might qualify under this legislation, is undetermined. He noted that the PFD Division does not currently analyze whether pending military applications were war-zone related.

Senator Hoffman asked therefore whether the PFD Division would seek out these individuals or whether it would be incumbent for the applicant to notify the Division, were this legislation adopted.

Mr. Bittner responded that the Division would notify those Alaskans to whom this legislation would apply.

Senator Hoffman, noting that the annual dividend formula calculation is determined by the total number of applications received, asked the funding source for the additional dollars that would be required for these applicants.

Mr. Bittner responded that the PFD Division director has indicated that this would not be "a problem" as the number of qualifying applicants is expected to be minimal.

Senator Hoffman continued his questioning, as he noted, while the Permanent Fund consists of millions of dollars, these applicants would not have been factored into the dividend amount formula.

Mr. Bittner deferred to the Division to provide the answer.

SHARON BARTON, Director, Permanent Fund Dividend Division, Department of Revenue, testified via teleconference from an offnet site, and informed the Committee that the Division would calculate

the number of active duty personnel who might qualify under this legislation. This projection, she stated, would then be factored into the following year's dividend formula "and held in reserve in the Permanent Fund Dividend Fund." She noted that reserves have already been set aside pending additional information.

Senator Hoffman inquired as to where the funds to support FY 03 dividend payments would be derived.

Ms. Barton responded that the Division has "a rough projection," and that reserves have already been established. She assured the Committee that the numbers would not be so many as to "cause a problem."

Senator Bunde moved to report the bill from Committee with individual recommendations and accompanying fiscal notes.

There being no objection, CS HB 536(MLV) was REPORTED from Committee with zero fiscal note #2, dated May 6, 2004, from the Department of Revenue.

#HB295

CS FOR HOUSE BILL NO. 295(STA) am
"An Act relating to the publishing, furnishing, and contents of certain notices regarding regulations or rules of certain state agencies and entities; relating to distribution of the Alaska Administrative Code, Alaska Administrative Register, and supplements to the code or register; and providing for an effective date."

This was the first hearing for this bill in the Senate Finance Committee.

Co-Chair Wilken commented that this legislation would alter the manner through which the public is notified about meetings pertaining to State regulations.

Senator Bunde moved to adopt the Finance committee substitute, Version 23-GH1145\I, as the working document.

There being no objection, the Version "I" committee substitute was ADOPTED.

CRAIG TILLERY, Chief Assistant Attorney, General-Statewide Section Supervisor, Environmental Section, Department of Law, testified via teleconference from an offnet site to explain that this legislation

would serve to make advertising notices for proposed regulations in newspapers more readable and understandable by requiring less detail to be included in those notices. In addition, he stated that the legislation would make notice distribution methods via the Internet, mail, electronic mail and newspapers more consistent between State agencies. Furthermore, he noted that in certain specialized subject areas such as those pertaining to business situations or to persons who rely on the Internet for information, newspaper notices would no longer be required.

Mr. Tillery stressed that "the key change" of this legislation would be to allow for abbreviated newspaper notices rather than the more detailed versions currently required. This change, he reiterated, would make notices more understandable and would reduce State advertising expenditures. He noted that while the proposed advertising notice format would continue to provide information pertinent to how a regulation is being changed, it would direct people to access the Alaska On-Line Public Notice system on the Internet or to a contact person at a State agency were more detailed information required.

SFC 04 # 113, Side B 01:00 PM

Mr. Tillery continued "that there are a number of discrepancies in notices as required by the Administrative Procedures Act (APA) and those required in State Statute as a result, he attested, of "historical accidents" when statutes were adopted prior to the enactment of the APA. Some of the discrepancies, he continued, are that while Statutes require notices to be advertised in three newspapers, others, such as those affecting the Teachers Retirement Board, the Judicial Retirement Board, and the Public Employees Retirement Board, allow a notice to be in a single newspaper because these individuals "have greater access to the Internet."

Mr. Tillery informed the Committee that although the original bill included the Alaska Railroad, the Alaska Aerospace Development Corporation, the Alaska Housing Finance Corporation, and the Alaska Industrial Development and Export Authority (AIDEA), in the single notice requirement, the Version "I" committee substitute would require those agencies to publish notices in three newspapers. Another change incorporated into the Version "I" committee substitute, he continued, is that the newspaper notice requirement would be eliminated for highly specialized subject areas in which "the interested person relies heavily on the Internet or other means" such as a trade group for information. These affected groups, he shared, would include the Department of Community and

Economic Development's Banking Securities and Corporations Division; Trust Act regulations; and the Department of Revenue's corporate income tax regulations.

Mr. Tillery also pointed out that existing law requires the Lieutenant Governor to provide a paper copy of the Alaska Administrative Code to a clerk of a local governmental unit, at no cost, whether the clerk wants it or not. He stated that the Lieutenant Governor's office has notified the Department of Law that numerous municipalities have pointed out that this paper copy is unnecessary. The committee substitute would change current statute to specify that a municipality's clerk must request a copy and that they must pay for it. In addition, the Committee substitute would allow the clerk to elect to receive Internet access to the Code at a reduced cost.

Senator Hoffman asked whether the language change that would allow a notice to be run in one newspaper rather than three different newspapers is referenced in Sec. 13, subsection (2) on page six, beginning on line eight, which reads as follows.

(2) published in a newspaper [ONE OR MORE NEWSPAPERS] of general circulation in [EACH JUDICIAL DISTRICT OF] the state;

New Text Underlined [BRACKETED TEXT DELETED]

Mr. Tillery stated that numerous statutes relating to newspaper notices are affected by this bill; specifically that Sections 3, 8, and 13 would allow for a single newspaper notice and that Sections 5, 6, 16, 17, and 25 would continue the current three newspaper notice requirement. He noted that the language allowing the use of abbreviated notices primarily pertains to the Americans with Disabilities Act (ADA) language requirements.

Senator Hoffman pointed out that no single newspaper has a Statewide circulation. Therefore, he stated that a notice in one newspaper could negatively affect a notice's public exposure. Consequently, he argued that the cost savings "would not measure up to the lack of information" to the public.

Mr. Tillery pointed out that only three entities: the Alaska Teachers Retirement Board; the Judicial Retirement System; and the Public Employees Retirement Board, would be allowed to advertise in only one paper. These three, he reiterated would be provided this measure because they utilize the Internet on a daily basis and are able to acquire information through their place of business via the Alaska On line Public Notice System or other means. He stressed that the reduced notice language would be limited to these three

entities.

Co-Chair Wilken recalled that concerns relating to this subject arose from the fact that previous pieces of legislation proposed to allow all notices to advertise in a single newspaper of general circulation. This bill, he stressed, limits that ability to the three aforementioned entities. He stated that the bill would also allow for abbreviated notices.

Senator Olson stated that, despite the use of the Internet, it is disconcerting to attempt to deliver notices via one newspaper in such a large State. He asked, therefore, how he could reassure teachers and others that they would be adequately notified.

Mr. Tillery responded that the use of such things as regular postal delivery mail, electronic mailings, labor unions and other associations, as well as entity representatives could further communications pertinent to a group.

Senator Olson noted that people who rely on such newspapers as the Arctic Sound and the Nome Nugget for public notices, "might be unduly left in the dark."

Senator Bunde, himself being a retired teacher, assured that such entities as the Teachers Retirement System (TRS) expend a great deal of money on member communication.

Senator Olson asked the number of time-sensitive deadline oriented communiqués that might be delivered via the United States Postal Service.

Senator Bunde reported that he is unaware of any "immediate nature" communiqués, as he noted that the majority of the notices regard meeting notices and agendas and "are proactive rather than reactive."

Senator Hoffman voiced concern that the only place with Internet capability in rural areas is the school and that a lot of people are computer illiterate.

Senator Olson affirmed that many people do not have Internet access.

Senator Bunde moved to report the Senate Finance committee substitute from Committee with accompanying fiscal note and individual recommendations.

There being no objection, SCS CS HB 295(FIN) was REPORTED from

Committee with a negative \$123,100 fiscal note, dated April 28, 2004 from the Office of Management and Budget.

RECESS TO THE CALL OF THE CHAIR 1:11 PM / 12:03AM

#

ADJOURNMENT

Co-Chair Gary Wilken adjourned the meeting at 12:03 AM.