

ALASKA STATE LEGISLATURE
SENATE STATE AFFAIRS STANDING COMMITTEE

April 15, 2003

9:05 a.m.

MEMBERS PRESENT

Senator Gary Stevens, Chair
Senator John Cowdery, Vice Chair
Senator Fred Dyson

MEMBERS ABSENT

Senator Gretchen Guess
Senator Lyman Hoffman

COMMITTEE CALENDAR

SENATE BILL NO. 152

"An Act relating to concealed handguns."

MOVED SB 152 OUT OF COMMITTEE

SENATE BILL NO. 162

"An Act relating to a tobacco product manufacturer's compliance with certain statutory requirements regarding cigarette sales; and providing for an effective date."

MOVED SB 162 OUT OF COMMITTEE

SENATE BILL NO. 119

"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."

MOVED CSSB 119 (STA) OUT OF COMMITTEE

HOUSE BILL NO. 34

"An Act relating to negotiated regulation making; and providing for an effective date."

MOVED HB 34 OUT OF COMMITTEE

CS FOR HOUSE BILL NO. 114(JUD)(title am)

"An Act relating to the issuance of a search warrant upon the sworn testimony or affidavit of a person communicated by telephone, other appropriate means, or facsimile machine."

MOVED CSHB 114 (JUD)(title am) OUT OF COMMITTEE

PREVIOUS ACTION

SB 119 - No previous action to record.
SB 152 - No previous action to record.
SB 162 - No previous action to record.
HB 34 - No previous action to record.
HB 114 - No previous action to record.

WITNESS REGISTER

Senator Ralph Seekins
Alaska State Capitol, Room 125
Juneau, AK 99801-1182
POSITION STATEMENT: Sponsor SB 152

Brian Judy
NRA representative
555 Capitol Mall, Suite 625
Sacramento, CA 95814
POSITION STATEMENT: Testified on SB 152

Mike Barnhill
Assistant Attorney General
Department of Law
PO Box 110300
Juneau, AK 99811-0300
POSITION STATEMENT: Testified on SB 162

Johanna Bales
Department of Revenue
PO Box 110400
Juneau, AK 99811-0400
POSITION STATEMENT: Testified on SB 162

Kevin Jardell
Assistant Commissioner
Department of Administration
PO Box 110200
Juneau, AK 99811-0200
POSITION STATEMENT: Testified on SB 119

Brooke Miles

Public Offices Commission Director
Department of Administration
2221 E. Northern Lights, Room 128
Anchorage, AK 99508-4140
POSITION STATEMENT: Testified on SB 119

Laurie Churchill
P.O. Box 7043
Nikiski, AK 99635
POSITION STATEMENT: Testified on SB 119

Barbara Cotting
Staff to Representative Jim Holm
Alaska State Capitol, Room 110
Juneau, AK 99801-1182
POSITION STATEMENT: Introduced HB 34

Doug Wooliver
Administrative Attorney
Alaska Court System
303 K St.
Anchorage, AK 99501-2084
POSITION STATEMENT: Testified on HB 11487

ACTION NARRATIVE

TAPE 03-19, SIDE A

CHAIR GARY STEVENS called the Senate State Affairs Standing Committee meeting to order at 9:05 a.m. Present were Senators Dyson, Cowdery and Chair Gary Stevens.

The first order of business was SB 152.

#SB 152

SB 152-CONCEALED HANDGUNS

SENATOR RALPH SEEKINS, bill sponsor, paraphrased the sponsor statement.

In 2002 SB 242 was introduced to simplify and clarify the procedures for recognizing concealed handgun permits for other states. As a result of a floor amendment offered late in the session, recognition was limited to those permits held by individuals who had not had a permit denied or revoked.

Although the amendment appeared reasonable on the surface, it had unintended consequence. Texas, the second most populous state in the nation, refused reciprocity with the State of Alaska. The refusal is technically bureaucratic in nature, yet presents a barrier to reciprocity. SB 152 attempts to resolve this issue.

The first section of the bill recognizes permit holders from other states as valid permit holders in Alaska. The second section of the legislation requires the Alaska Department of Public Safety to enter into reciprocity agreements with other states when it is necessary to benefit Alaska permit holders.

The House amended the companion bill and he was in agreement. In section 2 (b) they inserted language "that have the legal authority to enter into such agreements" between "states" and "so".

CHAIR GARY STEVENS noted the bill would move to Judiciary next and it could be amended at that time.

SENATOR JOHN COWDERY asked how many states provide for concealed permits.

SENATOR SEEKINS replied most states did and the NRA representative might have the exact number.

SENATOR COWDERY asked how many Alaskans held concealed handgun permits.

SENATOR SEEKINS deferred the question to Brian Judy.

There were no further questions for Senator Seekins.

BRIAN JUDY, NRA representative, spoke in support of SB 152 and the proposed amendment. The bill is a technical change and would have no substantive impact on Alaska. The intent is to open the recognition of Alaska permits by other states.

In response to Senator Cowdery's questions, he said there are just over 17,600 Alaskan permit holders. Forty three states issue permits to law-abiding citizens and of those, there are 25 that currently recognize permits issued to law-abiding citizens from other states including Alaska.

SENATOR FRED DYSON asked him to comment on the fact that there have been few cases in which someone with a conceal-carry permit used their weapon improperly and on the number of cases in which conceal-carry permit holders have stopped crimes in progress and/or aided public safety officers.

MR. JUDY said they are finding that although the criterion for issuance differs from state to state, permit holders virtually never cause problems. Also, a number of studies have found that in states with conceal-carry permits crimes did stop. In Alaska, violent crime increased through the early 1990s. The Alaska conceal-permit law passed in 1995 and violent crime dropped dramatically in the years 1996-1998.

SENATOR DYSON noted in some states the police have given instruction in firearm safety to domestic violence and rape victims and have seen a significant drop in those crimes. He asked if he remembered that research.

MR. JUDY did recall that happening in a Florida community. In response to an increase in crime, the chief of police held a well-publicized series of firearm safety courses specifically for women and issued conceal-weapon permits on an emergency basis. The incidence of rape nearly disappeared immediately.

There were no further questions.

SENATOR COWDERY made a motion to move SB 152 and attached fiscal note from committee with unanimous consent. There being no objection, it was so ordered.

#

#SB 162

SB 162-CIGARETTE SALES REQUIREMENTS

MIKE BARNHILL, Assistant Attorney General, spoke in support of SB 162. His full testimony as well as the background and sectional analysis are in the bill file.

The bill relates to the 1998 Tobacco Master Settlement Agreement (MSA), which gives Alaska a stream of revenue that lasts indefinitely. However, there are a number of ways the revenue stream could be reduced, one of which is a non-participating manufacturer adjustment (NPM). To avoid such an adjustment, a model statute was adopted in 1999 to level the economic playing field between tobacco manufacturers that participate in the MSA and tobacco manufacturers that don't. It requires NPMs to

deposit approximately 1.5 cents into escrow for every cigarette they sell in the state. The Department of Revenue advises NPMs of their obligations under Alaska law and if they don't comply, the case is referred to the Department of Law.

For example, a company in India makes candy flavored cigarettes and about 100,000 were sold in Alaska without compliance. The Department of Law filed a suit, which entailed hiring a process server to carry the complaint summons to India. To avoid this expense in the future, Alaska enacted complimentary legislation designed to diligently enforce statutes. If a company failed to comply with Alaska law, it went on to a list and their cigarettes were labeled contraband and Alaska distributors were prohibited from selling those cigarettes. Many states followed suit but the legislation was a bit different in every state. Finally the National Association of Attorneys General worked to prepare a uniform bill and SB 162 is the product of that working group. It has been introduced and passed in 12 states, introduced in 20 other states including Alaska and 4 other states are considering introduction.

A list of cigarettes and companies that are permitted in Alaska would be created. A distributor could review the list on the Department of Revenue website to determine which cigarettes they are able to sell in the state, order them and sell them accordingly. To get on the list, a tobacco manufacturer must either certify they are a participating manufacturer under the MSA or certify they are a NPM and they are in compliance with the law. The bill provides penalties for non-compliance and requires NPMs to register or appoint an in-state agent.

If a distributor brings in cigarettes that are on the permitted list, but the manufacturer is subsequently removed from that list there is a tax credit available for the distributor. Finally, if a NPM refuses to comply and the department has to sue, the department is able to carry the complaint to the Department of Community and Economic Development.

CHAIR GARY STEVENS recapped the provisions of the bill.

SENATOR JOHN COWDERY asked if the state knew which companies were trying to avoid paying.

MR. BARNHILL replied the department has a list of about 15 companies on a contraband list.

JOHANNA D. BALES, Department of Revenue, said she administers the tobacco and cigarette products excise program and enforces the NPM statute. In what appears to be an attempt to avoid the escrow payment, new manufacturers and brands appear on a daily basis. Under this law the manufacturers would be required to give their information to the department prior to selling their product. This year there are five or six new manufacturers and it remains to be seen whether they will make their escrow payments. From that standpoint, this is important legislation because it places the responsibility on the manufacturers.

SENATOR COWDERY asked if residents could import personal use cigarettes.

MS. BALES said they could if the manufacturer was on the list. An individual who brings in tobacco for personal consumption is treated no differently than any other taxpayer. They must be licensed with the Department of Revenue prior to bringing the cigarettes in under existing tobacco legislation.

SENATOR COWDERY asked about duty free purchases.

MS. BALES explained recent changes in both federal and state law restrict those purchases for in-state use.

SENATOR COWDERY asked about tobacco sales other than cigarettes.

MS. BALES said just cigarettes and tobacco for roll-your-own cigarettes are covered under the MSA.

CHAIR GARY STEVENS asked whether military personnel or fishermen who buy substantial amounts of tobacco in Seattle and bring it to Alaska were beyond the scope of the bill.

MS. BALES replied they would be subject to the same requirements. If the cigarettes were brought within the three-mile limit the tax would be due.

CHAIR GARY STEVENS verified that the wholesaler in Seattle would be obliged to make sure the tax was paid.

MS. BALES agreed.

SENATOR COWDERY asked for the definition of a cigarette.

MS. BALES defined it as a tobacco product that is wrapped in paper. Roll-your-own meets that definition if that product is

intended to make a cigarette. This bill wouldn't change the definition.

There were no further questions.

SENATOR COWDERY made a motion to move SB 162 and attached fiscal note from committee with individual recommendations. He asked for unanimous consent. There being no objection, it was so ordered.

#

#SB 119

SB 119-APOC/ CAMPAIGNS/ LOBBYING/ DISCLOSURE

CHAIR GARY STEVENS asked for a motion to adopt the committee substitute (CS).

SENATOR JOHN COWDERY made a motion to adopt CSSB 119 bil2.doc dated 4/15/03 for discussion purposes. There was no objection.

CHAIR GARY STEVENS explained this is a Governor's bill, which would eliminate the Alaska Public Office Commission. The CS would not eliminate the commission, but it would make substantial changes.

SENATOR COWDERY asked for the differences between this work draft and the one dated 4/14/03.

KEVIN JARDELL, Assistant Commissioner with the Department of Administration, explained there were no substantive changes between the two. The changes were technical clean up.

The original intent of the legislation was to address candidate frustrations with APOC and the current financial laws. Many of the frustrations came from not having a mechanism to allow for an expedited process to stop ongoing violations prior to an election. After the legislation was introduced, APOC stepped forward with ideas to fix the problem areas they had identified. The changes are significant and deserve attention.

BROOKE MILES, APOC Executive Director, briefed the committee on the bill.

- Raises annual campaign contribution limits for individuals to contribute to candidates or groups - political action committees (PACs) from \$500 per year to \$1,000 per year

- For individuals to contribute to political parties from \$5,000 per year to \$10,000 per year
- For groups (PACs) to contribute to candidates from \$1,000 under current law to \$5,000 per year
- For groups (PACs) to contribute to political parties from \$1,000 to \$10,000

Non-group entities or non-profit organizations that participate differently than PACs:

- Non-group entity to a candidate is raised from \$500 to \$1,000

SENATOR COWDERY asked whether a candidate could give surplus campaign funds to a non-profit and, assuming that was acceptable, how the non-profit could use those funds.

MS. MILES told him a candidate could give surplus fund to a non-profit and that wouldn't change under SB 119. She continued to explain non-profit corporations that form non-group entities must comply with campaign disclosure laws. They could accept contributions from individuals of up to \$1,000. Ninety percent of those individuals would have to be Alaska residents and they would have to report just as a group or candidate reports.

SENATOR COWDERY asked if a candidate could give money to a non-profit then get it back in the next campaign.

MS. MILES thought that was acceptable but the candidate could get just \$1,000 back.

CHAIR GARY STEVENS asked if a candidate's church would be required to report a \$500 contribution.

MS. MILES replied churches don't have to report to APOC. Many charitable organizations don't have non-group entities. There is a requirement in law that a non-group entity register as the entity that would participate in political activities and file campaign disclosure reports. For instance, Boy Scouts, Big Brothers Big Sisters don't have non-group entities.

MS. MILES explained:

- SB 119 removes municipal elections and candidates from the state campaign disclosure law. The commission feels that should be carefully considered and perhaps conceptually

plan for a way that municipalities could opt into the law and pay a user fee to the state for doing that. The current campaign disclosure law was enacted in the early 1970s and municipalities have been part of it. That isn't an area that the commission is very effective given there are 31 communities that are subject to the law and the commission has limited resources.

CHAIR GARY STEVENS remarked school boards, city councils and borough assemblies must have accounted for enormous quantities of paperwork.

MS. MILES replied the financial disclosure statements and some campaign disclosure reports are opted out in SB 119. Under current law a candidate can file a form stating he or she will not spend more than \$2,500 on their campaign and in many communities all school board and some assembly members file under that exemption but they still needed to file a financial disclosure statement. In the years the commission staff is very busy with state elections, it's quite an effort for the commission to get materials out for the October municipal elections.

CHAIR GARY STEVENS said that's all been eliminated in this bill but there may be some option to buy into the system if so desired.

MS. MILES replied that was correct, availability was the commission's concern.

SENATOR COWDERY asked if school districts have ever contributed to APOC.

MS. MILES replied they haven't in the 20 years she has worked with the commission.

SENATOR COWDERY asked how they'd determine a value they wanted to opt in at now.

MS. MILES said they haven't had time to consider that yet, but it would probably need to be based on the number of candidates and the number of reports they would be required to file so the cost would be fair to each community.

SENATOR COWDERY asked for verification that they could do their own.

MS. MILES said they could. Other states frequently have separate municipal coverage for each community so they could determine their own campaign disclosure limits. The commission has set limits that are practical to state campaigns, but a municipality might elect to have a lower limit.

SIDE B

10:00 am

SENATOR COWDERY asked how the new limits compare with other states.

MS. MILES replied it's in the middle.

CHAIR GARY STEVENS asked about municipalities that opt in and remarked they don't appear to get much service. He then asked whether the commission analyzed the financial disclosures from city councils and borough assemblies or did anything that might be seen as a benefit to the municipalities.

MS. MILES said the commission has a manager of the financial disclosure law and she reviews each state filing from judges, directors, commissioners, or legislators, but she only does municipal filings every other year.

CHAIR GARY STEVENS opined it's good for the state to get out of that business. It's not a state responsibility and eliminating municipalities is wise.

MS. MILES continued:

- SB 119 removes the requirement to file the ten day after campaign disclosure report. This report is required after the election when interest is no longer high, but it doesn't include the total cost of the election. In addition, this legislation requires the year-end report to be filed on February 15. It must contain all the costs of the election and all disbursements must be made by February 1.
- Added is a requirement to file a report 90 days after a special election. This was a technical requirement that was needed when the reporting period for state candidates in a regular election was moved to February 1.

SENATOR COWDERY asked what circumstances might require a special election.

MS. MILES replied they aren't very common but the bill drafters wanted to make sure that whatever activity was in a state special election was captured in the campaign disclosure law.

- The bill would require candidates and groups to report the names and addresses of all contributors, regardless of the amount. For contributors giving more than \$250 the candidate and group would also be required to report their occupation and employer. Currently individuals giving less than \$100 are given a head count while those giving more must give name, address, occupation and employer. The changes look forward to the day when there is electronic filing. Because a candidate is required to keep that information, as are groups, it was considered expeditious to have it all reported. The detailed reporting doesn't come until after \$250.

CHAIR GARY STEVENS asked what the rationale was for reporting every contribution including names, even those under \$100.

MS. MILES said it's simply because candidates are required to keep those records and, once electronic filing is standard, that information would need to be entered.

SENATOR COWDERY asked about cases in which a candidate receives a contribution and doesn't know any of the required information about the contributor.

MS. MILES explained the commission has a regulation and policy regarding good faith effort to determine occupation and employer.

She continued:

- Although the detailed reporting threshold has been increased to \$250 and they ask for the name and address of everyone, the commission has moved exempt fundraisers into statute.
- The limit that people could give to candidates was increased from \$250 to \$500. The commission looks upon that as an inflationary increase. This applies to leaflets or yard signs that an individual pays for.
- For campaign disclosure, financial disclosure and for lobbying the bill prepares the ground for mandatory electronic filing. Exemptions would be available as

appropriate. The commission would provide support for those not in the computer age, but that would likely be an exemption.

CHAIR GARY STEVENS observed electronic filing would be a substantial cost savings in terms of doing business.

MS. MILES agreed and added it would allow a reallocation of staff resources to provide increased training and support.

She continued:

- The bill would remove the prohibition on lobbyists making a lawful campaign contribution to candidates living outside the lobbyist's district. The restrictions under the lobbying law that prohibit lobbyists from being treasurers, deputy treasurers, campaign managers and delivering contributions would remain. The lobbyist would be required to report the contributions made to candidates.

CHAIR GARY STEVENS asked for the definition of lobbyist.

MS. MILES defined a lobbyist as a person who is paid to directly communicate with public officials in an effort to influence official action. If the person is an occasional lobbyist, a regular employee of a company, they would be subject to the law once they spend 16 hours in a thirty day period communicating directly with public officials in efforts to influence official action.

SENATOR COWDERY asked about school children visiting legislators.

MS. MILES replied they aren't paid. If the group had reimbursed expenses and spent more than 16 hours in a 30 day period they'd be required to file as a representational lobbyist. They wouldn't be required to pay the fee and wouldn't be subject to the fund raising restrictions. The company would simply file the report disclosing the expenses.

CHAIR GARY STEVENS stated, a locally elected official may spend more than 16 hours, but they aren't paid so they would be exempted under this proposal.

MS. MILES replied current law exempts all elected and appointed state and municipal officials from these provisions.

SENATOR COWDERY asked if a dinner engagement would figure in the total.

MS. MILES replied it would for the salaried person, but not for children visiting their legislator.

SENATOR COWDERY asked if that was 16 hours in a 30 day period.

MS. MILES said it was and that is four times greater than the existing regulation and it is put into statute.

SENATOR COWDERY asked about the person that lobbies 20 hours in one month then never returns to lobby again.

MS. MILES explained that for purposes of being a fundraiser, that person would be considered to be a lobbyist for one year from the date of the last registration. As far as being subject to the lobbying law filing reports, after they've filed the last report of compensation paid to them for lobbying, they could terminate and that would end their report filing obligation.

She continued:

- The bill repeals the legislative session bans on soliciting or accepting campaign contributions for legislative and gubernatorial candidates.
 - She added, campaign disclosure law doesn't prohibit accepting a contribution during the session; it's the legislative ethics law. The Alaska State Supreme Court said this was not constitutional and specifically struck it from one side of the campaign disclosure law, but inadvertently left it on another side making this a housekeeping measure.

SENATOR COWDERY asked if that meant he could have a fundraiser during session.

MS. MILES advised he could under campaign disclosure law, but he would be in violation under legislative ethics law.

SENATOR COWDERY asked why the ethics law was in conflict in light of the supreme court ruling.

MR. JARDELL understood the supreme court was recognizing the inherent authority of the body to police itself. If the body imposes the requirement, it is different than the statute.

MS. MILES continued:

- The CS would repeal the requirement that a candidate notify APOC within five days when he or she makes a contribution to their own campaign with the hope that will be repaid once there are surplus funds. On the next campaign disclosure report the candidate would indicate whether or not they would like to recoup the contribution if surplus funds were available. The recoup limit remains the same.
- This allows complaint violations to be expedited by the commission in appropriate circumstances.
 - APOC would have to hold a hearing within 48 hours.
 - It would give APOC a cease and desist authority for advertisements.
 - The CS moves the complaint process into statute and requires a 15 day response and 90 days is the maximum from complaint to adjudication under any circumstance.
- This shortens the time period for bringing the statute of limitations on bringing an administrative complaint from four years to one year.
- It amends the definition of political party to be the same as the definition used by the Division of Elections.
- On the financial disclosure statement for legislators, the source of income threshold would be raised to \$10,000 from \$1,000.

SENATOR COWDERY asked why public officials must disclose property ownership.

MS. MILES replied real property has always been part of the law written by citizen initiative. If the property is sold and valued at more than \$10,000, the name of the purchaser would be disclosed as well. If the property were gifted, the public official would still need to show they no longer owned the property.

CHAIR GARY STEVENS referred to page 25 of the work draft regarding sources of income. He noted there was no differentiation between child and dependent child and asked if he would be expected to disclose his son's employer who lives in San Diego or his daughter's employer who is a teacher in Seattle.

MS. MILES replied under AS 39.50 and AS 24.60.200, the definition section, child only applies to dependent child.

SENATOR COWDERY asked her to clarify that and make it a proposed amendment.

CHAIR GARY STEVENS agreed that would be a good idea. He noted this includes page 25, line 11, line 25, line 27 and page 26, line 1, line 11, line 17.

MS. MILES replied under AS 39.50.400 H1, child means a person's dependent child or a person's non-dependent child who is living with the person.

CHAIR GARY STEVENS expressed comfort with that clarification.

SENATOR COWDERY wanted to see reference to the statute to make it clear.

MS. MILES continued:

- With regard to publicly traded stock holdings, they made an exception when the filers interest is less than \$10,000

That concluded the summary.

CHAIR GARY STEVENS asked about the differences between the Poet Account and the Account Poet Reserve.

MS. MILES said they didn't address that and frankly she has never understood it. Senator Donley asked that there be a Poet Reserve Account where candidates could put all the money allowed for transfer for the term of office. She thought it was \$5,000 per year so some Senators might have \$20,000 and House members might have \$10,000. In the original law they could put the money in an office account that was named "Poet" by a creative staff member. Senator Donley determined there was a tax liability question with the money in the Poet Account so he created the Poet Reserve Account. The law requires a candidate to have both accounts. They must put the money in the reserve account then transfer it out at \$5,000 per year. It's a problem for candidates and she's sorry it's not included in the proposed CS. If legislators want just one Poet Account the commission wouldn't take issue with that.

She added, with reapportionment and knowing some Senators would have two year terms, the commission made an exception in 2002 and allowed some Senators to keep \$20,000 for a two year term.

CHAIR GARY STEVENS remarked it's confusing and he would certainly like to see some clarification of the issue.

SENATOR COWDERY said it could be addressed in the Finance Committee.

There was an inaudible response from Mr. Jardell who was seated in the audience.

SENATOR COWDERY asked how much this would reduce the commission budget.

MS. MILES replied it was difficult to quantify. Paper printing and postage would amount to about \$5,000. Once there is electronic filing, there would be additional reductions due to staff reallocation.

SENATOR COWDERY asked how many staff APOC had currently.

MS. MILES replied there are ten full time staff and one part time staff. The Juneau administrator that does the lobbying law is full time and they have part time clerical staff. In Anchorage there are nine staff. The current budget is \$752.6 with just enough contractual services to conduct business. The commission will have to meet more frequently to adjudicate claims.

CHAIR GARY STEVENS asked about the cost associated with electronic filing.

MS. MILES replied it is substantial and is currently in the Governor's Capital Budget funding request for a one time \$450,000 for campaign disclosure, lobbying, financial disclosure for legislators and all public officials.

CHAIR GARY STEVENS asked if it was for new equipment and software.

MS. MILES advised it was mostly for programming. Fifty thousand dollars is in hardware. It's a one-time expense after which there would just be standard agency support for software.

SENATOR COWDERY made a motion to adopt amendment #1 to remove "spousal equivalent" wherever it appears and replace it with "domestic partner" or other appropriate language.

CHAIR GARY STEVENS asked if Ms. Miles could outline the difference.

MR. JARDELL said,

The intent is to recognize the sanctity of marriage and the spouse, but there is no true equivalent partner or other relationship with a spouse and in recognizing that respect I think the Administration would support the concept and idea behind that.

It's a legal and social equivalent. Senator Cowdery's amendment is conceptual and would give the drafters the ability to get the substance of the law.

CHAIR GARY STEVENS asked if there was objection to amendment #1 and there was none.

MR. JARDELL suggested amendment #2 to remove occupation information when the contribution is under \$250. This clears a drafting error because the drafters intended to remove it.

SENATOR COWDERY moved conceptual amendment #2 as suggested. There was no objection.

CHAIR GARY STEVENS made a motion to adopt conceptual amendment #3 to clarify that any reference to child meant dependent child. There was no objection.

LAURIE CHURCHILL from Nikiski testified she was concerned with significant changes that would impair the general public's availability for public information as far as financial disclosures. They want to ensure APOC is able to function to provide educational information to the public.

CHAIR GARY STEVENS remarked there would be real advantages with electronic filing and with regard to full disclosure, it's important to know who contributed to which campaign immediately.

SENATOR COWDERY made a motion to move CSSB 119 (STA) from committee with individual recommendations and attached, revised, fiscal notes. There being no objection, it was so ordered.

#

#HB 34

HB 34-REPEAL SUNSET OF NEGOTIATED REG.MAKING

BARBARA COTTING, staff to Representative Jim Holm, paraphrased from the sponsor statement:

A process called negotiated regulation making (Neg-Reg) was authorized in statute in SLA 1998, Ch 117. The original bill, HB 264, has a sunset date of July 1, 2003. HB 34 repeals that sunset, thus allowing the Neg-Reg process to continue.

Negotiated regulation making is widely supported because it makes the regulation-writing process more applicable to reality. It allows a team of affected, interested parties to negotiate and submit recommendations before the regulations are published for public review.

Most notable successes to date have been cruise ship regulations and charitable gaming regulations, two extremely contentious issues that were favorably resolved using the negotiated regulation process. Though it does involve some up-front efforts to assemble the negotiating team, it saves far more at the other end of the process by eliminating lawsuits and lengthy public appeals.

Another important advantage is that the affected industries are involved from the beginning so the resulting regulations are far more practical, enforceable, and business-friendly.

Passage of HB 34 before the end of the 2003 legislative session will allow this valuable Neg-Reg process to remain in statute.

TAPE 3-20 SIDE A

10:45 am

Examples of how this process has been successfully used include the Department of Environmental Conservation and the Department of Revenue with cruise ship waste disposal and charitable gaming regulations. An advantage to this process is it eliminates public appeals and lawsuits after the regulations have been implemented. She noted the two zero fiscal notes.

CHAIR GARY STEVENS noted Craig Tillery was available to answer questions.

SENATOR JOHN COWDERY asked how often this was used.

CRAIG TILLERY from the Department of Law stated the negotiated rule making has been used twice that he's aware of. It was also used as a model with respect to non-tank vessel legislation and regulations.

SENATOR COWDERY asked what negative impact would result if the law were to sunset on July 1.

MR. TILLERY replied the negative impact is the law would no longer be available. The Administration has taken no position on the bill. The department has reviewed it and there are no legal problems the way it is drafted. It's a rare tool but works well in some instances and has a place in the toolbox.

SENATOR COWDERY made a motion to move HB 34 from committee with individual recommendations and attached fiscal note. He asked for unanimous consent. There being no objection, it was so ordered.

#

#HB 114

HB 114-ISSUANCE OF SEARCH WARRANTS

DOUG WOOLIVER, Administrative Attorney with the Alaska Court System, explained the bill was introduced at the request of the Alaska Supreme Court to address a technical problem with the way judges are allowed to accept testimony from peace officers that are requesting a search warrant. Typically an officer fills out an affidavit, signs it, takes it to court, and is available for questions. The officer could also drop the affidavit with the court and the judge could make a decision based on the application itself. The problem arises when the judge and the officer aren't in the same community, which is frequent in Alaska. In circumstances where the item to be searched is in danger of being lost or destroyed the officer may fax the application for a search warrant and testify telephonically. In many cases that standard can't be met.

This bill adds one sentence to the law that allows a judge to accept a faxed affidavit or telephonic testimony so the judge can take into account the practical impact the delay would have on the investigation. The language adds "or would interfere with an ongoing investigation". It in no way changes all other factors that govern the issuance of a search warrant. The bill was drafted with input from the Department of Law, Public

Defender Agency, the Alaska Court System, and the Alaska State Troopers.

There were no questions or comments.

CHAIR GARY STEVENS asked for a motion.

SENATOR JOHN COWDERY made a motion to move CSHB 114 (JUD) (title am) from committee with the accompanying fiscal note. He asked for unanimous consent. There being no objection, it was so ordered.

#

There being no further business to come before the committee, Chair Gary Stevens adjourned the meeting at 11:00 am.