

ALASKA STATE LEGISLATURE  
**SENATE STATE AFFAIRS COMMITTEE**

May 8, 2003  
3:35 pm

**MEMBERS PRESENT**

Senator Gary Stevens, Chair  
Senator Fred Dyson  
Senator Gretchen Guess

**MEMBERS ABSENT**

Senator John Cowdery, Vice Chair  
Senator Lyman Hoffman

**COMMITTEE CALENDAR**

HOUSE BILL NO. 248

"An Act relating to the annual salary of the chief procurement officer; and providing for an effective date."

MOVED HB 248 OUT OF COMMITTEE

SENATE BILL NO. 198

"An Act relating to recovery of civil damages by a peace officer or firefighter; and providing for an effective date."

MOVED CSSB 198(STA) OUT OF COMMITTEE

CS FOR HOUSE BILL NO. 266(FIN)

"An Act relating to questioned ballots and questioned voters, voter registration, training of election officials, preparation of election materials, provision of election materials, forms, and supplies for polling places, voter identification, absentee voting, and counting ballots; and providing for an effective date."

MOVED CSHB 266(FIN) OUT OF COMMITTEE

SENATE JOINT RESOLUTION NO. 6

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

MOVED SJR 6 OUT OF COMMITTEE

SENATE BILL NO. 211

"An Act relating to the publishing and furnishing of certain public notices regarding regulations or rules of certain state agencies; relating to distribution of the Alaska Administrative Code, Alaska Administrative Register, and supplements to the code

or register; and providing for an effective date."

HEARD AND HELD

SENATE BILL NO. 183

"An Act authorizing municipalities to provide for economic development and authorizing municipalities to expend revenue collected on an areawide or nonareawide basis to provide for economic development."

MOVED CSSB 183(STA) OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

HB 248 - No previous action to record.  
SB 198 - No previous action to record.  
HB 266 - No previous action to record.  
SJR 6 - See State Affairs minutes dated 2/11/03  
SB 211 - No previous action to record.  
SB 183 - See CRA minutes dated 4/30/03

**WITNESS REGISTER**

Dan Spencer  
Director, Division of Administrative Services  
Department of Administration  
PO Box 110200  
Juneau, AK 99811-0200

**POSITION STATEMENT:** Testified on HB 248

Brian Hove  
Staff to Senator Ralph Seekins  
Alaska State Capitol  
Juneau, AK 99801-1182

**POSITION STATEMENT:** Introduced SB 198

Mike Couturier  
Anchorage Police Department Employees Association Vice President  
and Patrolman  
No address provided

**POSITION STATEMENT:** Testified on SB 198

Mike Fox  
No address provided

**POSITION STATEMENT:** Testified on SB 198

Will Aitchison  
Attorney for the Anchorage Police Employees Association  
No address provided

**POSITION STATEMENT:** Testified on SB 198

Mitch Gravo

Lobbyist and Attorney for the Anchorage Police Department  
No address provided

**POSITION STATEMENT:** Testified on SB 198

Laura Glaiser  
Director Division of Elections  
P.O. Box 110017  
Juneau, AK 99811-0017

**POSITION STATEMENT:** Testified on HB 266

Sarah Felix  
Assistant Attorney General, Civil Division  
Department of Law  
PO Box 110300  
Juneau, AK 99811-0300

**POSITION STATEMENT:** Available for questions on HB 266

Sara Nielsen  
Staff to Representative Ralph Samuels  
**POSITION STATEMENT:** Testified on SJR 6

Senator Ralph Seekins  
Alaska State Capitol  
Juneau, AK 99801-1182  
**POSITION STATEMENT:** Sponsor of SB 183

Dan Bockhorst  
Local Boundary Commission  
Department of Community & Economic Development  
550 West Seventh Avenue, Suite  
Anchorage, Alaska 99501-3510  
**POSITION STATEMENT:** Testified on SB 183

David Leone  
P.O. Box 71267  
Fairbanks, AK 99707  
**POSITION STATEMENT:** Testified on SB 183

Craig Tillery  
Assistant Attorney General, Environmental Section  
Department of Law  
1031 W. 4<sup>th</sup> Ave, Suite 200  
Anchorage, AK 99501  
**POSITION STATEMENT:** Testified on SB 211

Robert Pierson  
No address provided  
**POSITION STATEMENT:** Testified on SB 211

Mark Davis  
Director of Banking

Department of Community & Economic Development  
PO Box 110800  
Juneau, AK 99811-0800

**POSITION STATEMENT:** Testified on SB 211

Randy Ruedrich  
No address provided

**POSITION STATEMENT:** Testified on SB 211

Elise Hsieh  
Department of Law  
PO Box 110300  
Juneau, AK 99811-0300

**POSITION STATEMENT:** Listened to testimony on SB 211

Linda Hall  
Director, Division of Insurance  
Department of Community & Economic Development  
PO Box 110800  
Juneau, AK 99811-0800

**POSITION STATEMENT:** Testified on SB 211

**ACTION NARRATIVE**

**TAPE 02-03-28, SIDE A**

**CHAIRMAN GARY STEVENS** called the Senate State Affairs Committee meeting to order at 3:35 pm. Present were Senators Fred Dyson, Gretchen Guess and Chair Gary Stevens. Senators John Cowdery and Lyman Hoffman arrived soon thereafter. The first order of business to come before the committee was HB 248.

#HB 248

**HB 248-SALARY OF CHIEF PROCUREMENT OFFICER**

Dan Spencer, Director of Administrative Services for the Department of Administration, explained that HB 248 would change the salary for the chief procurement officer to a range 24 from a range 23 on the State of Alaska scale.

CHAIR GARY STEVENS noted the fiscal notes reflect a net savings to the state.

SENATOR GRETCHEN GUESS made a motion to move HB 248 and attached fiscal notes from committee with individual recommendations. There being no objection, it was so ordered.

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#SB 198

**SB 198-DAMAGES RECOVERED BY POLICE/FIREFIGHTER**

BRIAN HOVE, staff to Senator Ralph Seekins, read the sponsor statement into the record:

SB 198 revises the common law known as the Firefighter's Rule. This rule precludes firefighters and peace officers from recovering civil damages for injuries caused by any negligent act inflicted while on duty. The Firefighters Rule does not distinguish between negligent acts requiring the firefighters or peace officer's response from negligent acts that are unrelated to the reason the firefighter or peace officer was required to respond.

For example, as currently employed, the Firefighters Rule precludes a police officer from suing for damages for injuries suffered as a result of being struck by a drunk driver during the course of transporting a prisoner to the courthouse. This despite the fact that the negligent act, in this case, the drunk driving, is unrelated to the duty the officer was performing at the time. SB 198 corrects this incongruity. Yet, on the other hand, this bill does nothing to change the case where the police officer is injured during the course of a pursuit of the drunk driver. This is considered a foreseeable risk associated with the profession and, accordingly, well within that which the Firefighter's Rule should cover.

Therefore, SB 198 makes a distinction between negligence that is related to the reason the firefighter or peace officer is responding and negligence that is unrelated to the reason the firefighter or peace officer is responding. In the first instance, it does not allow a civil action. Instead the firefighter or peace officer must rely on the state's workers compensation system. However, in the case where injury was caused by a negligent act not related to the reason for the firefighter or peace officer's response, then - under this legislation - a civil action can be brought against the at-fault party.

SENATOR JOHN COWDERY asked how many people might be affected by this legislation and what other states have done in this regard.

MR. HOVE didn't have that information.

SENATOR GRETCHEN GUESS asked whether the bill would be retroactive.

MR. HOVE replied they had not discussed effective dates.

SENATOR FRED DYSON asked who the personal representative is for peace officers.

CHAIR GARY STEVENS asked Mike Couturier to join Mr. Hove at the table.

MIKE COUTURIER, an Anchorage Patrol Officer, expressed support for SB 198. He said officers accept the inherent risks associated with their profession, but need recourse for accidents and injuries that are unrelated to the job they are performing. He told a story about an officer that was critically injured by a drunk driver while enroute to a call. Because of the Fireman's Rule, he was unable to recover damages incurred as a result of that traffic accident. Peace officers and firefighters shouldn't have to give up their rights as citizens when they are working. These are infrequent occurrences and would not cause a large increase in litigation across the state; the bill would simply take care of the exceptions.

SENATOR GUESS asked the committee to entertain two points:

- Whether the bill should be retroactive to 2000
- That the effective date should be immediate

SENATOR JOHN COWDERY commented that glitches in law should be corrected.

CHAIR GARY STEVENS asked whether insurance coverage entered into the discussion.

MR. COUTURIER advised it did to a certain extent because taxpayers are paying for acts of neglect.

MIKE FOX, retired state trooper and employee of a Public Safety Employee Association, testified in support of the bill.

WILL AITCHISON, attorney for the Anchorage Police Employees Association, testified via teleconference in support of SB 198. The Fireman's Rule stems from old rules regarding liability when someone is doing business on your property. It evolved to the point that police officers and firefighters had no right to recover from a negligent third party when injured on the job.

A number of state legislatures have statutorily repealed court

decisions that adopted this type of rule on the theory that the negligent wrongdoer, not the public, should bear responsibility for their conduct.

The Firefighters Rule was adopted in a case involving the Dillingham chief of police, but the Alaska Supreme Court didn't define the confines of the rule and there are several. SB 198 adopts the Firefighters Rule statutorily, but makes a distinction between negligence that is related to the reason the firefighter or peace officer is responding and negligence that is unrelated to the reason they are responding.

In response to Senator Cowdery's question, he said these cases have been infrequent in Alaska. With regard to Senator Dyson's question, he said the personal representative refers to peace officers and firefighters who have died in the line of duty and in those cases the personal representative would be the executor of the estate.

CHAIR GARY STEVENS asked him to comment on the effective date and whether it should be retroactive to 2000.

MR. AITCHISON said the bill is written to be effective on July 1, but he doesn't see why it should be then. Also, the way he reads the bill it would be retroactive to an existing claim.

SENATOR COWDERY asked if the state would assume additional costs with this change.

MR. AITCHISON opined there would be a cost reduction to the state.

CHAIR GARY STEVENS pointed out that page 2, line 5 makes the law applicable on or after the effective date of the act.

SENATOR COWDERY asked what is typical in other states.

MR. AITCHISON thought this was the most common form. Other states are split. Some have a more intensive rule and some have no rule whatsoever.

SENATOR DYSON asked if the bill would allow for just the negligent party to be sued and not a deep pocket.

MR. AITCHISON replied the bill only allows lawsuits against those who are negligent and only where the negligence is independent of the reason that the officer or firefighter is responding.

SENATOR DYSON asked for verification that SB 198 wouldn't allow an injured officer or firefighter to collect twice for medical bills or lost wages.

MR. AITCHISON said there would be an obligation to pay back the state or whoever paid the medical bills.

SENATOR DYSON asked if pain and suffering, payment for loss of future earnings and punitive damages would go directly to the injured worker.

MR. AITCHISON replied they would.

SENATOR DYSON asked how to modify the bill to make it retroactive.

MR. AITCHISON replied you would remove the applicability clause.

SENATOR GUESS stated she would like to remove Sec. 2 and make it effective immediately.

CHAIR GARY STEVENS asked the sponsor's staff to respond to the proposed change.

MR. HOVE said he had no problem with the change.

SENATOR LYMAN HOFFMAN commented [indiscernible}.

MITCH GRAVO, attorney and lobbyist for the Anchorage Police Department Employees Association, testified they would support the amendment.

SENATOR GUESS made a motion to amend the bill to remove Sec. 2, lines 3-6 on page 2 and make a new Sec. 2 to make the effective date immediate.

CHAIR GARY STEVENS called for a roll call on Amendment 1. Senators Hoffman, Cowdery, Dyson, Guess and Chair Gary Stevens voted yea. Amendment 1 passed unopposed.

SENATOR DYSON made a motion to move CSSB 198(STA) and attached fiscal note from committee with individual recommendations. There being no objection, it was so ordered.

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#HB 266

**HB 266-ELECTIONS & VOTER REGISTRATION**

LAURA GLAISER, director of the Division of Elections, read into the record:

In October 2002, President Bush signed the "Help America Vote Act," (HAVA) into law. HAVA is the result

of a bipartisan effort in Congress to make sweeping changes to federal election laws to improve the overall administration of elections, increase accessibility to those with disabilities, and also to prevent voter fraud.

Many changes required under HAVA do not require amending Alaska statute, but HB 266 includes those necessary to meet federal mandates. Changes recommended in the bill before you follow the intent of the federal law and do not place unnecessary burdens on the voter. It is imperative that these changes mandated by federal law are passed by the Legislature this year.

HB 266 also includes changes the division recommends. The division supports the language recommended in Senator Lincoln's SB 24, and it has been included in this bill with her permission. Other changes regarding returning identification/voter cards to other jurisdictions, reference to a "master list," and adding types of information that can be provided by the voter when registering in person are requested by the division in this bill.

The House State Affairs Committee removed the language suggested by the division changing the term "questioned ballots" to "provisional ballots." The federal law refers to "provisional voting," (which Alaskans refer to as "questioned voting") and the division originally recommended changing the references in statute to conform to the federal language.

The State Affairs Committee also restored references to the division sending voters letters regarding the status of their absentee, questioned, or partially counted ballot in addition to the "free access system" required in HAVA.

The House Finance Committee substitute removes perhaps the most significant change NOT mandated by the federal act. In the first two versions of the bill the division recommended replacing the terms "non partisan" and "undeclared" with the term "unaffiliated." As a result, there will be no changes to the current references to "non partisan" and "undeclared."

SENATOR JOHN COWDERY questioned what the difference would be for someone showing up at the polling booth.

MS. GLAISER replied there would be a difference for the voter

that initially registered to vote by mail and therefore didn't have to show identification. Those voters would have to verify their identification. The idea was to get at voter fraud and those voters who have registered to vote in person and have typically voted in person would see no change.

SENATOR COWDERY asked if not passing the bill would place the state in violation of federal law.

MS. GLAISER said that with passage of the Capital Budget, \$5 million federal dollars would be available to implement the law and another \$4.1 million would be available by the end of the year. It's highly likely those monies would be taken back and the state would be served if the legislation were to fail.

SENATOR COWDERY asked how the division would spend the money.

MS. GLAISER replied much of the money would be spent on touch screen polling and on updates to the voter database.

SENATOR LYMAN HOFFMAN asked why the division recommended the term "non partisan".

MS. GLAISER said the regional supervisors believe most voters don't know the difference between "non partisan" and "undeclared" and they thought that it would help the voter to use the one term and provide a definition.

The division defined "non partisan" as a person that doesn't affiliate with a particular party while an "undeclared" voter may have a particular party affiliation, but they don't want to declare that affiliation.

**SIDE B**  
**4:20 pm**

SENATOR COWDERY asked how "undeclared" would do in a closed primary.

MS. GLAISER replied they both have the same access to the ballot and that is why making them one code or term would not affect their access to the ballot.

SENATOR HOFFMAN noted they would still have to make a selection and couldn't cross over in a primary.

MS. GLAISER agreed that is correct under the current law.

CHAIR GARY STEVENS said the impact to the voter would be negligible if "unaffiliated" were selected as the term.

MS. GLAISER replied that would be correct as long as the understanding is that you are either in a party or you are unaffiliated.

SENATOR HOFFMAN remarked the voters that were frustrated in the last election would still be frustrated if this were to pass.

MS. GLAISER agreed. She then noted the House passed a zero fiscal note with the bill, which was incorrect. The correct fiscal note is dated 4/15/03 4:16 pm and it shows \$382,000 in federal receipts. Initially the fiscal note was zero because the monies were to have been shown in the Capital Budget. The minority members of the House State Affairs Committee asked the division to show that money. The analysis was the same and adopting the zero note with the bill was simply an error.

CHAIR GARY STEVENS asked for a motion to adopt the corrected fiscal note.

SENATOR COWDERY made a motion to remove the fiscal note dated 4/11/03 2:53 pm and adopt the fiscal note dated 4/15/03 4:16 pm. There was no objection.

SENATOR COWDERY made a motion to move CSHB 266(FIN) and attached fiscal notes from committee with individual recommendations. There being no objection, it was so ordered.

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#SJR 6

**SJR 6-CONST AM: 90 DAY LEGISLATIVE SESSION**

SENATOR GRETCHEN GUESS stated her contention that the Legislature could do the people's business in 90 days.

SARA NIELSEN, Staff to Representative Ralph Samuels, said the 1956 minutes show there was much debate regarding the length of a legislative session. Initially they decided not to limit themselves.

SENATOR JOHN COWDERY asked whether there was anything about the Uniform Rules in the 1956 minutes.

MS. NIELSEN said the minutes addressed the Uniform Rules and how they would conduct business. She opined that if the Constitution were changed the Uniform Rules would likely need to be changed as

well.

SENATOR COWDERY commented it would take teamwork to make this work.

SENATOR FRED DYSON asked what this would do to the balance of power between the legislative and executive branches.

MS. NIELSEN replied she has read no published articles on that particular aspect of the change.

SENATOR GUESS added there is no research in the area. She opined it would tip the balance.

SENATOR COWDERY asked what the benefit would be other than in the people's eyes.

SENATOR GUESS replied the ultimate advantage is when people believe their government is working better and more efficiently. There certainly would be a cost savings and citizen legislators are certainly preferable.

SENATOR COWDERY asked if the existing staff could handle a shorter session.

SENATOR GUESS said everyone would have a different opinion on that, but it's likely everyone would have to do more preparation before arriving in Juneau.

She added this is an idea that will take thought.

SENATOR HOFFMAN stated it is his belief that a shorter session would result in more special sessions, which would cause more disruption.

CHAIR GARY STEVENS said he couldn't imagine working any harder than he is currently. He isn't in favor of the legislation and believes the public would suffer.

SENATOR COWDERY stated he agrees with the concept, but the bill needs more work.

SENATOR DYSON made a motion to move SJR 6 from committee with individual recommendations.

SENATOR COWDERY objected.

CHAIR GARY STEVENS asked for a roll call vote. Senators Hoffman,

Dyson and Guess voted yea and Senator Cowdery and Chair Gary Stevens voted nay.

SJR 6 moved from committee.

#

#SB 183

**SB 183-MUNICIPAL ECON. DEVELOPMENT/TAXATION**

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

Current state law places a limitation on second-class boroughs with respect to expending funds designated for economic development purposes.

Presently, second-class boroughs may only use these funds on a non-areawide basis. This means the Fairbanks North Star Borough can only deploy these funds on projects located outside the city limits of Fairbanks and North Pole.

It is desirable for the borough to have the ability to utilize economic development funds on an areawide basis. In this way, worthy projects can be funded irrespective of their location-within, or without, municipal boundaries-so long as the project remains within the greater borough boundary. Such projects will benefit the entire borough community while physical location, whether within city boundaries or not, is considered immaterial to this greater good.

This legislation is proposed at the request of the Fairbanks North Star Borough as well as the Cities of Fairbanks and North Pole. In summary, it will facilitate the development of economically attractive projects throughout the entire Fairbanks North Star Borough without regard to internal municipal boundaries.

SENATOR JOHN COWDERY asked why there is a prohibition.

SENATOR SEEKINS didn't know, but the borough is trying to work around the current statute and work with the two cities.

SENATOR COWDERY asked if other states prohibit this.

SENATOR SEEKINS wasn't aware of any, but most states have counties.

CHAIR GARY STEVENS explained the foundation of the idea is to avoid duplication of powers.

SENATOR COWDERY asked if the borough had particular projects in mind.

SENATOR SEEKINS said no; the borough has had trouble developing a comprehensive economic development plan because of the impediments imposed by the boundaries.

CHAIR GARY STEVENS stated he has letters of support from both the city council and mayor of the City of Fairbanks and the mayor of the City of North Pole. This addresses his initial concern regarding whether the two cities were in agreement on the issue.

He asked for a motion to adopt the committee substitute (CS).

SENATOR COWDERY made a motion to adopt CSSB 183 \Q version for discussion purposes. There was no objection.

CHAIR GARY STEVENS asked if reference to population was still in the bill.

SENATOR SEEKINS replied it was not and he wasn't sure what the difficulty had been.

CHAIR GARY STEVENS noted the current version would affect every borough and every city in the state, not just Fairbanks.

SENATOR SEEKINS said their intent was to give the three communities in the Fairbanks North Star Borough the ability to work together.

CHAIR GARY STEVENS asked Mr. Bockhorst whether he read the current CS to include all the boroughs in the state or to apply to Fairbanks alone.

DAN BOCKHORST, Local Boundary Commission, advised he didn't have a copy of the version the committee was considering. The version he was reading considered the 80,000-population limit that would affect only the Fairbanks North Star Borough.

SENATOR SEEKINS explained the \Q version applies only to a borough that has entered into an agreement with a city located within the borough. It doesn't impede others; it simply allows those cities and boroughs that have an agreement to cooperate to do so. This makes it unnecessary to put a population base on to protect smaller boroughs or cities.

CHAIR GARY STEVENS said that means other boroughs could make use of this if they made a cooperative agreement with cities within the borough boundaries.

SENATOR SEEKINS agreed.

SENATOR GRETCHEN GUESS asked whether the Kenai Borough could enter into an agreement with Soldotna and use the funds in Soldotna without other cities within the borough having any input with regard to the use of the funds.

SENATOR SEEKINS said he thought they could.

DAVID LEONE, special assistant to the North Star Borough mayor, testified via teleconference in support of the CS \Q version.

SENATOR FRED DYSON made a motion to move CSSB 183(STA) and attached fiscal note from committee with individual recommendations. There being no objection, it was so ordered.

#

#SB 211

**SB 211-REGULATIONS: NOTICE AND DISTRIBUTION**

CRAIG TILLERY, with the Department of Law, testified via teleconference. He explained the bill relates to making notices for proposed regulations more readable. It is designed to improve public notice for changes to regulation and to reduce cost through elimination of unnecessary action, the use of the Internet and shortening notice periods. The full sectional analysis found in the bill file addresses four basic changes:

- Changes the requirements in the Administrative Procedure Act for publishing notice
- Makes notice distribution consistent across agencies
- Newspaper notices may be omitted for certain specialized subject areas in which Internet notification would be better suited
- Changes the requirements for distribution of the Administrative Code to local government units

CHAIR GARY STEVENS noted the savings aren't reflected in the fiscal note.

MR. TILLERY said there is a revised fiscal note indicating a \$258,000 savings and it's possible it wasn't sent to the committee.

CHAIR GARY STEVENS confirmed they hadn't received the revised note.

SENATOR LYMAN HOFFMAN pointed out that one copy of the AAC should be made available at no charge to cities that request one. The state would still realize a savings if copies weren't automatically sent to all communities.

**TAPE 03-29, SIDE A**  
**5:05 pm**

MR. TILLERY replied there are three ways to get copies. A community could go online and print a copy if Internet access were available, or a copy could be sent electronically, or a paper copy could be sent to the community. By making communities pay for copies they hope to give them the incentive to use the most efficient alternative.

SENATOR HOFFMAN said that wasn't his question.

MR. TILLERY replied he understood the question to ask why communities should pay.

SENATOR HOFFMAN restated his question and asked why not mail one free copy to communities that request one and eliminate the cost associated with automatic mailings to all communities. Additionally, he disagreed with charging for an electronic mailing. Charging communities for a copy of the code is promoting a lack of information and is not a desirable public policy direction.

MR. TILLERY replied this approach represents a savings to the state.

SENATOR HOFFMAN said he represents some 70 communities and this policy change would be a drastic mistake.

ROBERT PIERSON, Administrative Code coordinator in the Lieutenant Governor's Office, said they are working toward efficient online communication. He said it's the quarterly supplements that are sent to communities that they believe are frequently discarded, which is a waste of state funds. To date they have received no negative comments regarding the change, but they don't know how many of the clerks have read their email outlining the change.

The Administrative Code is currently online, but "it's not quite perfected yet." They would like to make improvements "so that it would be not necessarily official, but useful for 99 percent of any kind of consultation you would normally take on a day to day basis with the Administrative Code." When legal questions arise, a city clerk would consult a city attorney. They are continuing to offer the paper copies because there are a few places that don't have Internet access.

The contract for publishing the Administrative Code will expire at the end of 2003 and under current language the state would be required to buy about 170 paper copies of the quarterly supplements whether they extend the current contract or request proposals for a new one. They would like the increased flexibility to have a mix of options to negotiate with the current publisher and for future contracts.

SENATOR HOFFMAN said if they were really trying to increase accessibility he couldn't understand why there would be a charge for electronic copies. The proposed system would offer no incentive for moving away from a paper copy if the city was forced to pay for an electronic copy as well.

CHAIR GARY STEVENS asked for verification that the electronic copy would be available on a CD ROM and not via email.

MR. PIERSON said that was the case. The current cost for the four quarterly supplements is \$596 per year and he didn't know whether that would burden small communities or not.

CHAIR GARY STEVENS asked what the price would be for a CD ROM.

MR. PIERSON said that would be negotiated with the publishers. Currently there is a CD ROM available that has both the Administrative Code and the statutes. He pointed out that cities are now paying for copies of the statutes and he looks upon it as an historical accident that the state is still paying for code books.

SENATOR HOFFMAN pointed out it isn't necessary to put the information on a CD ROM. It could and should be freely available on the Internet.

MARK DAVIS, Director of Banking Securities and Corporations, testified the bill would impact his division by allowing for notices regarding proposed regulations to be made in a simplified manner. This is consistent in the trend in administrative law, which reduces publication costs and uses simplified notification methods to reach individuals that are interested in commenting on proposed regulations.

The proposed change in procedure would probably save the division \$7,800 a year and is already being used by the federal government and some states. Section 26 with regard to securities, and section 1 with respect to the revised Trust Act would be of particular impact to his division.

RANDY REUDRICH from the Alaska Oil and Gas Conservation Commission testified via teleconference to advise that the bill

would save the commission \$20,000 a year in publishing costs. Members of the industry exclusively attend the commission meetings and he does not believe that the public notices increase attendance.

SENATOR GRETCHEN GUESS asked Mr. Reudrich to clarify that the commission meetings weren't held exclusively for industry and that they weren't prohibitive of others attending.

MR. REUDRICH replied the industry, the media, and other interested parties who might attend have all given positive feedback regarding short term updates available electronically.

LINDA HALL, director of the Division of Insurance, testified that newspaper publications for public notices have been unsuccessful for the division. She said most of the regulations they promulgate are technical in nature and directed at those they regulate. The division currently regulates 12,000 registered insurance companies and just 11 are domiciled in Alaska; they have 2,500 resident licensees and over 12,000 non-resident licensees. This translates to only 16 percent of the licensed agents and one percent of the insurance companies actually having ready access to newspaper publications. She observed the act doesn't prohibit the division from delivering publications when the matter is in the public interest.

Last year the Division of Insurance spent \$9,700 for newspaper advertising and they estimate this change would save them \$7,300. They would continue to do targeted mailings because they are an effective way to get information out about upcoming hearings.

Although she hasn't been in the director position very long, she has attended almost every Division of Insurance hearing in the last ten years and can attest that they aren't widely attended by the public, which means the money spent on newspaper publications have not been effective.

CHAIR GARY STEVENS announced he would hold SB 211 in committee.  
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There being no further business to come before the committee, Chair Gary Stevens adjourned the meeting at 5:25 pm.