

HOUSE JOURNAL

ALASKA STATE LEGISLATURE

TWENTY-FOURTH LEGISLATURE - FIRST SESSION

Juneau, Alaska

Monday

February 14, 2005

Thirty-sixth Day

Pursuant to adjournment the House was called to order by Speaker Harris at 11:10 a.m.

Roll call showed 37 members present. Representatives Anderson, Kott, and McGuire had been previously excused from a call of the House today.

The invocation was offered by the Chaplain, the Reverend George Silides of Holy Trinity Episcopal Church. Representative Meyer moved and asked unanimous consent that the invocation be spread on the journal. There being no objection, it was so ordered.

O God, who created all peoples, I give You thanks for the wonderful diversity of races and cultures in this world. Enrich our lives by ever-widening circles of friendship, and help us to find our best humanity in how we treat those who differ most from us.

We give thanks for the beauty of earth, sky, and sea, for the richness of mountains and rivers. Give us wisdom and reverence so to use the resources of our land that no one may suffer from our abuse of them, and that generations yet to come may continue to enjoy their harvest.

I ask a blessing this day upon all who take counsel for the education of our children - a blessing upon our schools that they may be lively centers of sound learning, new discovery,

and the pursuit of wisdom. And grant to all who teach and all who learn respect for one another and joy in their work together.

I ask a blessing also today upon this house here gathered that as they take counsel for the renewal and mission of our state they may not only perceive what is right, but have also the courage, with grace, to pursue it.

And now, I give thanks and ask a blessing upon each of the families of these legislators who have given them as a gift to us that they might serve and all our people prosper. May this separation not create undue hardship or loneliness, and may all be reunited with joy at the session's end. Amen.

The Pledge of Allegiance was led by Representative Joule.

CERTIFICATION OF THE JOURNAL

Representative Coghill moved and asked unanimous consent that the journal for the 33rd, 34th, and 35th legislative days be approved as certified by the Chief Clerk. There being no objection, it was so ordered.

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Representative Guttenberg introduced Henry Braun, Guest Page, from Healy.

MESSAGES FROM THE SENATE

Messages dated February 9 and 10, 2005, were read stating the Senate has passed the following and they are transmitted for consideration:

FIRST READING AND REFERENCE OF SENATE RESOLUTIONS

SJR 2

SENATE JOINT RESOLUTION NO. 2 by the Senate Resources Committee:

Urging the United States Congress to pass legislation to open the coastal plain of the Arctic National Wildlife Refuge, Alaska, to oil and gas exploration, development, and production.

was read the first time and referred to the Resources Committee.

SJR 5

SENATE JOINT RESOLUTION NO. 5 by Senators Therriault and Ellis:

Urging the United States Congress to reauthorize the Methane Hydrate Research and Development Act.

was read the first time and referred to the House Special Committee on Oil & Gas and the Resources Committee.

**FIRST READING AND REFERENCE
OF SENATE BILLS**

SB 42

SENATE BILL NO. 42 by Senator Seekins, entitled:

"An Act extending the reporting date for and the termination date of the Task Force on Naturopathic Scope of Practice; and providing for an effective date."

was read the first time and referred to the Health, Education & Social Services and Finance Committees.

SB 62

SENATE BILL NO. 62 by the Senate Rules Committee by request of the Governor, entitled:

"An Act making a supplemental appropriation for increased operating costs of the division of elections; and providing for an effective date."

was read the first time and referred to the Finance Committee.

COMMUNICATIONS

Letters of disclosure, as required by AS 24.60, were published in House Journal Supplement No. 1 and House and Senate Joint Journal Supplement No. 2.

REPORTS OF SPECIAL COMMITTEES**HB 1**

The House Special Committee on Education has considered:

HOUSE BILL NO. 1

"An Act relating to the base student allocation used in the formula for state funding of public education; and providing for an effective date."

and recommends it be replaced with:

CS FOR HOUSE BILL NO. 1(EDU)
(same title)

The report was signed by Representative Neuman, Chair, with the following individual recommendations:

Do pass (2): Gatto, Neuman

No recommendation (5): Gara, Salmon, Wilson, Thomas, Lynn

The following fiscal note(s) apply to CSHB 1(EDU):

1. Fiscal, Dept. of Education & Early Development
2. Fiscal, Dept. of Education & Early Development

HB 1 was referred to the Health, Education & Social Services Committee.

HB 71

The House Special Committee on Ways & Means has considered:

HOUSE BILL NO. 71

"An Act relating to a credit for certain exploration expenses against oil and gas properties production taxes on oil and gas produced from a lease or property in the state; relating to the deadline for certain exploration expenditures used as credits against production tax on oil and gas produced from a lease or property in the Alaska Peninsula competitive oil and gas areawide lease sale area after July 1, 2004; and providing for an effective date."

and recommends it be replaced with:

CS FOR HOUSE BILL NO. 71(W&M)

"An Act relating to a credit for certain exploration expenses against oil and gas properties production taxes on oil and gas produced from a lease or property in the state; relating to the deadline for certain exploration expenditures used as credits against the production tax on oil and gas produced from a lease or property in the Alaska Peninsula competitive oil and gas areawide lease sale area after July 1, 2004; and providing for an effective date."

The report was signed by Representative Weyhrauch, Chair, with the following individual recommendations:

Do pass (3): Moses, Gruenberg, Weyhrauch

Amend (1): Wilson

The following fiscal note(s) apply to CSHB 71(W&M):

1. Indeterminate, Dept. of Natural Resources
2. Zero, Dept. of Revenue

HB 71 was referred to the House Special Committee on Oil & Gas.

INTRODUCTION OF CITATIONS

The following citations were introduced and referred to the Rules Committee for placement on the calendar:

Honoring - Staff Sergeant Kris Kennedy, Fort Wainwright Non-Commissioned Officer of the Year
By Representatives Ramras, Kelly, Coghill, Guttenberg; Senator Wilken

Honoring - Elizabeth Jayne, Junior Yukon Quest Sled Dog Race Winner
By Representative Salmon

Honoring - Rotary International's 100th Year Anniversary
By Senator Wilken

In Memoriam - Rubye "Ma" Talmadge
By Senator Davis

INTRODUCTION, FIRST READING, AND REFERENCE OF HOUSE RESOLUTIONS

HJR 9

HOUSE JOINT RESOLUTION NO. 9 by Representatives LeDoux, Gara, and Gruenberg:

Urging the United States Congress to honor the process and judgment of the federal courts in the case of the Exxon Valdez disaster and to refrain from enacting legislation that would affect the outcome of the courts' resolution of the case.

was read the first time and referred to the Resources and Judiciary Committees.

HJR 10

HOUSE JOINT RESOLUTION NO. 10 by the House Finance Committee:

Relating to a proposed reduction in the Federal Medical Assistance Percentage for Alaskans; and urging the United States Congress to take action to prevent the reduction.

was read the first time and referred to the Health, Education & Social Services and Finance Committees.

HJR 11

HOUSE JOINT RESOLUTION NO. 11 by the House Rules Committee by request of the Legislative Budget and Audit Committee by request:

Proposing amendments to the Constitution of the State of Alaska relating to and limiting appropriations from and inflation-proofing the Alaska permanent fund by establishing a percent of market value spending limit.

was read the first time and referred to the State Affairs, Judiciary, and Finance Committees.

**INTRODUCTION, FIRST READING, AND REFERENCE
OF HOUSE BILLS****HB 138**

HOUSE BILL NO. 138 by Representative Harris, entitled:

"An Act relating to club alcoholic beverage licenses."

was read the first time and referred to the Labor & Commerce and State Affairs Committees.

HB 139

HOUSE BILL NO. 139 by Representative Kerttula, entitled:

"An Act relating to the voting rights of felons; and providing for an effective date."

was read the first time and referred to the State Affairs and Judiciary Committees.

HB 140

HOUSE BILL NO. 140 by Representatives McGuire, Wilson, and Gara, entitled:

"An Act establishing a tuition waiver and voucher program for eligible students who were placed in foster care by the state; and providing for an effective date."

was read the first time and referred to the House Special Committee on Education and the Health, Education & Social Services and Finance Committees.

HB 141

HOUSE BILL NO. 141 by Representatives Crawford, Gara, and Elkins, entitled:

"An Act relating to sale, possession, and delivery of certain substances and precursors used in the unlawful manufacture of methamphetamine."

was read the first time and referred to the Judiciary and Finance Committees.

HB 142

HOUSE BILL NO. 142 by the House Rules Committee by request of the Governor, entitled:

"An Act relating to regulation of underground injection under the federal Safe Drinking Water Act; and providing for an effective date."

was read the first time and referred to the House Special Committee on Oil & Gas and the Resources and Finance Committees.

The following fiscal note(s) apply:

1. Zero, Dept. of Natural Resources
2. Fiscal, Dept. of Administration

The Governor's transmittal letter dated February 10, 2005, follows:

"Dear Speaker Harris:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the regulation of underground injection under the federal Safe Drinking Water Act. This bill would enable the Alaska Oil and Gas Conservation Commission (AOGCC) to regulate all underground injection wells used in the oil and gas industry, in

contrast to the current situation under which the AOGCC regulates most of these wells but the United States Environmental Protection Agency (EPA) regulates others.

Under the federal Safe Drinking Water Act of 1974, 42 U.S.C. 300f - 300j-26, the underground injection of waste or other fluids requires an EPA permit, unless the EPA has approved a state underground injection control program as meeting Safe Drinking Water Act standards. In 1986, the EPA approved Alaska's underground injection program for a subset of underground injection wells, known as Class II wells. Class II wells inject certain fluids related to the recovery and production of oil and natural gas. The AOGCC administers this program. However, the EPA continues to regulate other types of injection wells in Alaska, including Class I wells, which are used in the oil and gas industry to dispose of wastes that do not go into Class II wells. I believe that the time has come for authority over all underground injection relating to oil and gas operations to return to the state.

This action would have several benefits for the state and the industry. First, the AOGCC is generally able to respond more quickly to permit applications than is the EPA. Second, having a single, uniform process for regulating underground injection by the industry will improve efficiency and reduce confusion. Finally, there has been considerable uncertainty over, and considerable agency time and effort devoted to, the question of when a Class II well is appropriate for waste disposal and when a Class I well is required, and this question will likely become much less important with a single agency exercising authority over both classes of wells.

Under the bill that I am proposing, the AOGCC would have the authority to take all actions necessary to allow the state to acquire primary enforcement responsibility for Class I injection wells, in addition to continuing its current regulation of Class II wells. While the definition of Class I wells covers broad categories of industrial and municipal wastes in certain circumstances, in practice Class I wells in Alaska have been used only in the oil and gas industry, to accommodate wastes not allowed in Class II wells. There are currently 1,144 Class II wells (disposal and enhanced recovery) and seven Class I wells in the state.

This bill also provides for an immediate effective date.

I urge your prompt and favorable action on this measure.

Sincerely yours,
/s/
Frank H. Murkowski
Governor"

HB 143

HOUSE BILL NO. 143 by the House Special Committee on Ways and Means, entitled:

"An Act relating to the policy of the state regarding the source of funding used to cover a shortfall in general fund revenue."

was read the first time and referred to the House Special Committee on Ways & Means and the State Affairs and Finance Committees.

HB 144

HOUSE BILL NO. 144 by Representative Thomas, entitled:

"An Act authorizing an advisory vote on whether income of the Alaska permanent fund in the earnings reserve account should be used for a community dividend program."

was read the first time and referred to the State Affairs and Finance Committees.

HB 145

HOUSE BILL NO. 145 by Representatives Gardner and Gara, entitled:

"An Act making an appropriation for construction of an integrated science complex at the University of Alaska; and providing for an effective date."

was read the first time and referred to the House Special Committee on Education and the Health, Education & Social Services and Finance Committees.

HB 146

HOUSE BILL NO. 146 by Representative Kerttula, entitled:

"An Act relating to an extension for review and approval of revisions to the Alaska coastal management program; providing for an effective date by amending the effective date of sec. 45, ch. 24, SLA 2003; and providing for an effective date."

was read the first time and referred to the State Affairs and Resources Committees.

HB 147

HOUSE BILL NO. 147 by the House Rules Committee by request of the Governor, entitled:

"An Act relating to the regulation of insurance, insurance licensing, surplus lines, insurer deposits, motor vehicle service contracts, guaranteed automobile protection products, health discount plans, third-party administrators, self-funded multiple employer welfare arrangements, and self-funded governmental plans; and providing for an effective date."

was read the first time and referred to the Labor & Commerce and Finance Committees.

The following fiscal note(s) apply:

1. Fiscal, Dept. of Commerce, Community, & Economic Development

The Governor's transmittal letter dated February 11, 2005, follows:

"Dear Speaker Harris:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting an omnibus insurance bill.

The bill would make changes to certain insurance licensing provisions to provide more efficient licensing processes and to bring Alaska's law into greater conformity with other states' laws. It would make minor

changes to the surplus lines statutes to clean up language and to make reporting easier for alien insurers.

The bill also would make changes to the requirements for the administration of insurer deposits and would provide authorization for insurer deposits to be paid to the state insurance guaranty funds rather than becoming an asset of an insolvent insurer. Finally, the bill would give the Division of Insurance in the Department of Commerce, Community, and Economic Development the authority to regulate health discount plans, would clarify the state's regulation of guaranteed auto protection products and motor vehicle service contracts, and would provide for oversight of certain self-funded governmental plans.

A sectional analysis, describing the bill in more detail, is available from the division of insurance.

In sum, this omnibus insurance bill will make the regulation of insurance more efficient for the state, easier for industry, and at the same time give heightened protection to Alaska insurance consumers. I urge your prompt and favorable action on this measure.

Sincerely yours,
/s/
Frank H. Murkowski
Governor"

HB 148

HOUSE BILL NO. 148 by Representatives Kerttula, Croft, Gara, and Gruenberg, entitled:

"An Act relating to trafficking of persons."

was read the first time and referred to the Judiciary and Finance Committees.

HB 149

HOUSE BILL NO. 149 by Representatives Ramras and Wilson, entitled:

"An Act relating to further regulation of the sale, possession, and delivery of certain chemicals and precursors used in the manufacture of methamphetamine."

was read the first time and referred to the Judiciary and Finance Committees.

HB 150

HOUSE BILL NO. 150 by Representative Anderson, entitled:

"An Act requiring licensure of occupations relating to radiologic technology, radiation therapy, and nuclear medicine technology; and providing for an effective date."

was read the first time and referred to the Labor & Commerce, Judiciary, and Finance Committees.

HB 151

HOUSE BILL NO. 151 by the House Labor and Commerce Committee, entitled:

"An Act relating to provider responsibility for ocular postoperative care; and providing for an effective date."

was read the first time and referred to the Health, Education & Social Services and Labor & Commerce Committees.

CONSIDERATION OF THE DAILY CALENDAR

SECOND READING OF HOUSE RESOLUTIONS

HJR 6

The following was read the second time:

HOUSE JOINT RESOLUTION NO. 6

Relating to the labeling of fish products and processed food items containing fish to identify the country of origin and to distinguish between wild and farmed fish and fish products.

with the:	Journal Page
FSH RPT CS(FSH) NT 6DP	215
FN1: ZERO(DEC)	216
FN2: ZERO(DFG)	216
RES RPT CS(FSH) NT 7DP	282
FN1: ZERO(DEC)	283
FN2: ZERO(DFG)	283

Representative Coghill moved and asked unanimous consent that the following committee substitute be adopted in lieu of the original resolution:

CS FOR HOUSE JOINT RESOLUTION NO. 6(FSH)
 Relating to the labeling of fish and shellfish to identify the country of origin and to distinguish between wild and farmed fish and shellfish.

There being no objection, it was so ordered.

Representative Coghill moved and asked unanimous consent that CSHJR 6(FSH) be considered engrossed, advanced to third reading, and placed on final passage. There being no objection, it was so ordered.

CSHJR 6(FSH) was read the third time.

The question being: "Shall CSHJR 6(FSH) pass the House?" The roll was taken with the following result:

CSHJR 6(FSH)
 Third Reading
 Final Passage

YEAS: 37 NAYS: 0 EXCUSED: 3 ABSENT: 0

Yeas: Berkowitz, Chenault, Cissna, Coghill, Crawford, Croft, Dahlstrom, Elkins, Foster, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Harris, Hawker, Holm, Joule, Kapsner, Kelly, Kerttula, Kohring, LeDoux, Lynn, Meyer, Moses, Neuman, Olson, Ramras, Rokeberg, Salmon, Samuels, Seaton, Stoltze, Thomas, Weyhrauch, Wilson

Excused: Anderson, Kott, McGuire

And so, CSHJR 6(FSH) passed the House and was referred to the Chief Clerk for engrossment.

HCR 1

The following was read the second time:

HOUSE CONCURRENT RESOLUTION NO. 1

Relating to declaring March 2005 as Sobriety Awareness Month.

The Rules Committee submitted the following fiscal note:

1. Zero, House Rules Committee

The question being: "Shall HCR 1 pass the House?" The roll was taken with the following result:

HCR 1

Second Reading

Final Passage

YEAS: 37 NAYS: 0 EXCUSED: 3 ABSENT: 0

Yeas: Berkowitz, Chenault, Cissna, Coghill, Crawford, Croft, Dahlstrom, Elkins, Foster, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Harris, Hawker, Holm, Joule, Kapsner, Kelly, Kerttula, Kohring, LeDoux, Lynn, Meyer, Moses, Neuman, Olson, Ramras, Rokeberg, Salmon, Samuels, Seaton, Stoltze, Thomas, Weyhrauch, Wilson

Excused: Anderson, Kott, McGuire

And so, HCR 1 passed the House and was referred to the Chief Clerk for engrossment.

LEGISLATIVE CITATIONS

Representative Coghill moved and asked unanimous consent that the House approve the citations on the calendar. There being no objection, the following citations were approved and sent to enrolling:

Honoring - Elizabeth Wanamaker Peratrovich

By Senator Davis; Representatives Harris, Anderson, Berkowitz, Cissna, Coghill, Crawford, Croft, Dahlstrom, Gara, Gardner, Gruenberg, Guttenberg, Hawker, Holm, Joule, Kapsner, Kerttula, Kohring, McGuire, Meyer, Neuman, Olson, Samuels, Stoltze, Thomas, Weyhrauch, Wilson

Honoring - Women's History Month

By Senator Davis; Representatives Harris, Anderson, Berkowitz, Cissna, Coghill, Crawford, Croft, Dahlstrom, Gara, Gardner, Gruenberg, Guttenberg, Hawker, Holm, Joule, Kapsner, Kerttula, Kohring, Lynn, McGuire, Meyer, Neuman, Olson, Samuels, Stoltze, Thomas, Weyhrauch, Wilson

In Memoriam - Mark Jacobs, Jr., Gusteiheen

By Representatives Wilson, Kerttula, Thomas, Harris, Anderson, Berkowitz, Cissna, Coghill, Crawford, Croft, Dahlstrom, Foster, Gara, Gardner, Gruenberg, Guttenberg, Hawker, Holm, Joule, Kapsner, McGuire, Meyer, Neuman, Olson, Samuels, Stoltze, Weyhrauch; Senator Stedman

In Memoriam - Joseph O'Connell

By Representatives Gruenberg, Kott, Harris, Anderson, Berkowitz, Cissna, Coghill, Crawford, Croft, Dahlstrom, Foster, Gara, Gardner, Guttenberg, Hawker, Holm, Joule, Kapsner, Kerttula, McGuire, Meyer, Neuman, Olson, Samuels, Stoltze, Thomas, Weyhrauch, Wilson; Senator French

In Memoriam - Vincent R. "Bob" Mulcahy

By Senator Gary Stevens; Representatives LeDoux, Harris, Anderson, Berkowitz, Cissna, Coghill, Crawford, Croft, Dahlstrom, Foster, Gara, Gruenberg, Guttenberg, Hawker, Holm, Joule, Kapsner, Kerttula, McGuire, Meyer, Neuman, Olson, Samuels, Stoltze, Thomas, Weyhrauch, Wilson

UNFINISHED BUSINESS**HB 108**

The Speaker added a Finance Committee referral for the following:

HOUSE BILL NO. 108

"An Act relating to the regulation of water and sewer utilities of political subdivisions that are not in competition with other water and sewer utilities."

HB 108 is in the Labor & Commerce Committee.

HB 30

The House Special Committee on Education submitted a corrected committee substitute for their report (page 290). The following bill is being printed today:

CS FOR HOUSE BILL NO. 30(EDU)

"An Act making appropriations for K-12 education operating and school debt expenses; and providing for an effective date."

HB 30 is in the Health, Education & Social Services Committee.

HCR 1

Representatives Dahlstrom, Olson, Samuels, and Lynn added their names as cosponsors to:

HOUSE CONCURRENT RESOLUTION NO. 1

Relating to declaring March 2005 as Sobriety Awareness Month.

HJR 6

Representatives Dahlstrom, Hawker, Crawford, Rokeberg, and Berkowitz added their names as cosponsors to:

CS FOR HOUSE JOINT RESOLUTION NO. 6(FSH)

Relating to the labeling of fish and shellfish to identify the country of origin and to distinguish between wild and farmed fish and shellfish.

HB 42

Representatives Foster, Kelly, Holm, Chenault, Stoltze, Hawker, Croft, and Meyer added their names as cosponsors to:

HOUSE BILL NO. 42

"An Act naming the Joe Williams, Sr., Coastal Trail."

HB 109

Representative Joule added his name as cosponsor to:

HOUSE BILL NO. 109

"An Act relating to establishing a screening, tracking, and intervention program related to the hearing ability of newborns and infants; providing an exemption to licensure as an audiologist for certain persons performing hearing screening tests; relating to insurance coverage for newborn and infant hearing screening; and providing for an effective date."

HB 133

Representative Harris added his name as cosponsor to:

HOUSE BILL NO. 133

"An Act relating to regulations of the Local Boundary Commission to provide standards and procedures for municipal incorporation, reclassification, dissolution, and certain municipal boundary changes; and providing for an effective date."

HB 137

Representative Gara added his name as cosponsor to:

HOUSE BILL NO. 137

"An Act relating to absences to provide care for certain family members for purposes of permanent fund dividend eligibility; and providing for an effective date."

SJR 5

Representative Gara added his name as cross sponsor to:

SENATE JOINT RESOLUTION NO. 5

Urging the United States Congress to reauthorize the Methane Hydrate Research and Development Act.

SB 42

Representative Gruenberg added his name as cross sponsor to:

SENATE BILL NO. 42

"An Act extending the reporting date for and the termination date of the Task Force on Naturopathic Scope of Practice; and providing for an effective date."

ENGROSSMENT**HCR 1**

HCR 1 was engrossed, signed by the Speaker and Chief Clerk and transmitted to the Senate for consideration.

HJR 6

CSHJR 6(FSH) was engrossed, signed by the Speaker and Chief Clerk and transmitted to the Senate for consideration.

ANNOUNCEMENTS

House committee schedules are published daily under separate cover.

ADJOURNMENT

Representative Coghill moved and asked unanimous consent that the House adjourn until 10:00 a.m., February 16, 2005. There being no objection, the House adjourned at 12:01 p.m.

Suzi Lowell
Chief Clerk