

**HOUSE JOURNAL**  
**ALASKA STATE LEGISLATURE**  
**TWENTY-FOURTH LEGISLATURE**  
**SECOND SPECIAL SESSION**

**Juneau, Alaska**

**Thursday**

**May 18, 2006**

**Ninth Day**

Pursuant to adjournment the House was called to order by Speaker Harris at 8:32 a.m.

The following members were present for the technical session: Representatives Harris, Berkowitz, Coghill, and Gara.

**MESSAGES FROM THE SENATE**

**HCR 46**

A message dated May 9, 2006, was received stating the Senate has passed:

HOUSE CONCURRENT RESOLUTION NO. 46  
Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, concerning Senate Bill No. 171, relating to the National Petroleum Reserve - Alaska special revenue fund.

HCR 46 was referred to the Chief Clerk for enrollment.

**HCR 50**

A message dated May 9, 2006, was received stating the Senate has passed:

**HOUSE CONCURRENT RESOLUTION NO. 50**

Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, concerning Senate Bill No. 289, relating to the payment of insurer examination expenses, to the regulation of managed care insurance plans, to actuarial opinions and supporting documentation for an insurer, to insurance firms, managing general agents, and third-party administrators, to eligibility of surplus lines insurers, to suitability of life and health insurance policies and annuity contracts, to unfair discrimination under a health insurance policy, to prompt payment of health care insurance claims, to required notice by an insurer, to individual deferred annuities, to direct payment to providers under a health insurance policy, to mental health benefits under a health care insurance plan, to the definitions of "title insurance limited producer" and of other terms used in the title regulating the practice of the business of insurance, and to small employer health insurance; repealing the Small Employer Health Reinsurance Association; and making conforming amendments.

HCR 50 was referred to the Chief Clerk for enrollment.

**HJR 36**

A message dated May 9, 2006, was received stating the Senate has passed:

**CS FOR HOUSE JOINT RESOLUTION NO. 36(HES)**

Urging the United States Congress to support the granting of official Observer Status to the Republic of China at the World Health Assembly Annual Conference to be held at Geneva, Switzerland, in May 2006.

CSHJR 36(HES) was referred to the Chief Clerk for enrollment.

**HB 133**

A message dated May 9, 2006, was received stating the Senate has passed:

CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 133(JUD) am

"An Act relating to incorporation of boroughs, to annexation by local action, and 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."

CSSSHB 133(JUD) am was referred to the Chief Clerk for enrollment.

**HB 257**

A message dated May 9, 2006, was received stating the Senate has passed:

CS FOR HOUSE BILL NO. 257(JUD)

"An Act relating to and extending the pilot program for state procurement and electronic commerce tools; and providing for an effective date."

with the following technical title change:

CS FOR HOUSE BILL NO. 257(JUD)(efd fld S)

"An Act relating to and extending the pilot program for state procurement and electronic commerce tools."

CSHB 257(JUD)(efd fld S) was referred to the Chief Clerk for enrollment.

**HB 266**

A message dated May 9, 2006, was received stating the Senate has passed:

CS FOR HOUSE BILL NO. 266(FIN)

"An Act relating to penalties for violation of vehicle weight limitations; prohibiting the use of a violation of a vehicle weight limitation for certain personal automobile insurance actions; amending Rule 43.6, Alaska Rules of Administration; and providing for an effective date."

CSHB 266(FIN) was referred to the Chief Clerk for enrollment.

**HB 300**

A message dated May 9, 2006, was received stating the Senate has passed:

CS FOR HOUSE BILL NO. 300(O&G)

"An Act relating to the qualifications of the member of the Alaska Oil and Gas Conservation Commission who need not be certified, trained, or experienced in either the field of petroleum engineering or the field of petroleum geology."

CSHB 300(O&G) was referred to the Chief Clerk for enrollment.

**HB 316**

A message dated May 9, 2006, was received stating the Senate has passed:

CS FOR HOUSE BILL NO. 316(JUD)

"An Act extending the termination date for the Board of Governors of the Alaska Bar Association; and providing for an effective date."

CSHB 316(JUD) was referred to the Chief Clerk for enrollment.

**HB 485**

A message dated May 9, 2006, was received stating the Senate has passed:

HOUSE BILL NO. 485 am

"An Act amending the State Personnel Act to place in the exempt service pharmacists and physicians employed in the Department of Health and Social Services or in the Department of Corrections; and providing for an effective date."

with the following technical title change:

HOUSE BILL NO. 485 am(efd fld S)

"An Act amending the State Personnel Act to place in the exempt service pharmacists and physicians employed in the Department

of Health and Social Services or in the Department of Corrections."

HB 485 am(efd fld S) was referred to the Chief Clerk for enrollment.

**SB 171**

A message dated May 9, 2006, was received stating the Senate has concurred in the House amendment to:

CS FOR SENATE BILL NO. 171(FIN)(efd fld)

"An Act amending the National Petroleum Reserve - Alaska special revenue fund; and establishing the Special Legislative Oil and Gas NPR-A Development Impact Review Committee and defining its powers and duties."

thus adopting:

HOUSE CS FOR CS FOR SENATE BILL NO. 171(CRA)

"An Act amending the National Petroleum Reserve - Alaska special revenue fund to require allocation and deposit to the Alaska permanent fund and the public school fund of amounts in the percentages that are prescribed by law of the money obtained by the state as semiannual payments of a share of National Petroleum Reserve - Alaska sales, rentals, bonuses, and royalties received by the federal government that have not been appropriated from the state's special revenue fund for grants to municipalities, to authorize pro rata reductions in those fund allocations and deposits if amounts are insufficient to make those deposits in full, and, as to amounts received by the state in excess of amounts appropriated for grants to municipalities, to identify a priority of authorization for appropriations to offset past deficiencies in allocations and deposits of those funds before appropriations to other state funds or for other purposes for which the state may use its share of these payments; and directing that appropriations from the fund made as grants for activities, services, and facilities shall be identified as capital appropriation items and that the amounts of each item shall be specified."

(HCR 46 - title change resolution)

**SB 231**

A message dated May 9, 2006, was received stating the Senate has concurred in the House amendment to CSSB 231(FIN) am, thus adopting:

HOUSE CS FOR CS FOR SENATE BILL NO. 231(FIN) am  
H(brf sup maj pfld H)

"An Act making appropriations, including capital appropriations, supplemental appropriations, reappropriations, and appropriations to capitalize funds; making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska, from the constitutional budget reserve fund; and providing for an effective date."

**SB 289**

A message dated May 9, 2006, was received stating the Senate has concurred in the House amendment to:

CS FOR SENATE BILL NO. 289(FIN)

"An Act relating to the payment of insurer examination expenses, to the regulation of managed care insurance plans, to actuarial opinions and supporting documentation for an insurer, to insurance firms, managing general agents, and third-party administrators, to eligibility of surplus lines insurers, to prompt payment of health care insurance claims, to required notice by an insurer, to individual deferred annuities, to mental health benefits under a health care insurance plan, to the definitions of 'title insurance limited producer' and of other terms used in the title regulating the practice of the business of insurance, and to small employer health insurance; repealing the Small Employer Health Reinsurance Association; making conforming amendments; and providing for an effective date."

thus adopting:

CS FOR SENATE BILL NO. 289(FIN) am H

"An Act relating to the payment of insurer examination expenses, to the regulation of managed care insurance plans, to actuarial opinions and supporting documentation for an insurer, to insurance firms, managing general agents, and third-party administrators, to eligibility of surplus lines insurers, to prompt

payment of health care insurance claims, to required notice by an insurer, to individual deferred annuities, to mental health benefits under a health care insurance plan, to the definitions of 'title insurance limited producer' and of other terms used in the title regulating the practice of the business of insurance, and to small employer health insurance; repealing the Small Employer Health Reinsurance Association; making conforming amendments; establishing a fund for the payment of Servicemembers' Group Life Insurance premiums and providing for the payment of Servicemembers' Group Life Insurance premiums; and providing for an effective date."

(HCR 50 - title change resolution)

**SB 251**

A message dated May 9, 2006, was received stating the Senate has failed to concur in the House amendment to SB 251, namely:

SENATE BILL NO. 251 am H

"An Act relating to immunization for meningitis of postsecondary students residing on campus and directing the Department of Military and Veterans' Affairs to seek additional funding to support tuition waivers and assistance."

**SB 305**

A message dated May 9, 2006, was received stating the Senate has failed to concur in the House amendment to CSSB 305(FIN) am, namely:

HOUSE CS FOR CS FOR SENATE BILL NO. 305(FIN) am H

"An Act repealing the oil production tax and the gas production tax and providing for a production tax on oil and gas; relating to the calculation of the gross value at the point of production of oil and gas and to the determination of the value of oil and gas for purposes of the production tax on oil and gas; providing for tax credits against the production tax on oil and gas; relating to the relationship of the production tax on oil and gas to other taxes, to the dates those tax payments and surcharges are due, to interest on

overpayments of the tax, and to the treatment of the tax in a producer's settlement with the royalty owners; relating to flared gas, and to oil and gas used in the operation of a lease or property under the production tax; relating to the prevailing value of oil and gas under the production tax; relating to surcharges on oil; relating to statements or other information required to be filed with or furnished to the Department of Revenue, to the penalty for failure to file certain reports for the tax, to the powers of the Department of Revenue, and to the disclosure of certain information required to be furnished to the Department of Revenue as applicable to the administration of the tax; relating to criminal penalties for violating conditions governing access to and use of confidential information relating to the tax, and to the deposit of tax money collected by the Department of Revenue; amending the definitions of 'gas,' 'oil,' and certain other terms for purposes of the production tax, and as the definition of the term 'gas' applies in the Alaska Stranded Gas Development Act, and adding further definitions; making conforming amendments; and providing for an effective date."

**HB 365**

A message dated May 9, 2006, was received stating the Senate has adopted the Conference Committee with limited powers of free conference report on CSHB 365(FIN) am(brf sup maj fld) and SCS CSHB 365(FIN)(brf sup maj fld S), with an attached memorandum dated May 9 from the Legislative Finance Division (page 3992) regarding a technical error in section 3, thus adopting:

**CONFERENCE CS FOR HOUSE BILL NO. 365(Corrected)**

"An Act making appropriations for the operating and loan program expenses of state government, for certain programs, and to capitalize funds; making appropriations for state aid to public schools, centralized correspondence study, and transportation of pupils; and providing for an effective date."

The House has adopted CCS HB 365(Corrected) (page 3991).

CCS HB 365(Corrected) was referred to the Chief Clerk for engrossment and enrollment.

**HB 366**

A message dated May 9, 2006, was received stating the Senate has adopted the Conference Committee with limited powers of free conference report on CSHB 366(FIN) and SCS CSHB 366(FIN), thus adopting:

## CONFERENCE CS FOR HOUSE BILL NO. 366

"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program; and providing for an effective date."

The House has adopted CCS HB 366 (page 3993).

CCS HB 366 was referred to the Chief Clerk for engrossment and enrollment.

**HB 414**

A message dated May 9, 2006, was received stating the Senate has adopted the Conference Committee with limited powers of free conference report on CSHB 414(RLS) am and SCS CSHB 414(JUD), thus adopting:

## CONFERENCE CS FOR HOUSE BILL NO. 414(Corrected)

"An Act relating to the interception of the private communications of a minor."

The House has adopted CCS HB 414(Corrected) (page 3990).

CCS HB 414(Corrected) was referred to the Chief Clerk for engrossment and enrollment.

**ENGROSSMENT****SB 305**

The following, which engrossment was waived (page 3938), was engrossed and returned to the Senate:

## HOUSE CS FOR CS FOR SENATE BILL NO. 305(FIN) am H

"An Act repealing the oil production tax and the gas production tax and providing for a production tax on oil and gas; relating to

the calculation of the gross value at the point of production of oil and gas and to the determination of the value of oil and gas for purposes of the production tax on oil and gas; providing for tax credits against the production tax on oil and gas; relating to the relationship of the production tax on oil and gas to other taxes, to the dates those tax payments and surcharges are due, to interest on overpayments of the tax, and to the treatment of the tax in a producer's settlement with the royalty owners; relating to flared gas, and to oil and gas used in the operation of a lease or property under the production tax; relating to the prevailing value of oil and gas under the production tax; relating to surcharges on oil; relating to statements or other information required to be filed with or furnished to the Department of Revenue, to the penalty for failure to file certain reports for the tax, to the powers of the Department of Revenue, and to the disclosure of certain information required to be furnished to the Department of Revenue as applicable to the administration of the tax; relating to criminal penalties for violating conditions governing access to and use of confidential information relating to the tax, and to the deposit of tax money collected by the Department of Revenue; amending the definitions of 'gas,' 'oil,' and certain other terms for purposes of the production tax, and as the definition of the term 'gas' applies in the Alaska Stranded Gas Development Act, and adding further definitions; making conforming amendments; and providing for an effective date."

#### **ENGROSSMENT AND ENROLLMENT**

##### **HB 365**

The following was engrossed and enrolled, signed by the Speaker and Chief Clerk, President and Secretary of the Senate, and the engrossed and enrolled copies were transmitted to the Office of the Governor at 12:15 p.m., May 15, 2006:

##### **CONFERENCE CS FOR HOUSE BILL NO. 365(Corrected)**

"An Act making appropriations for the operating and loan program expenses of state government, for certain programs, and to capitalize funds; making appropriations for state aid to public schools, centralized correspondence study, and transportation of pupils; and providing for an effective date."

The following memorandum, dated May 11, 2006, was received from Patty Rose, Enrolling Secretary, Division of Legal and Research Services:

"In accordance with Rule 43, Uniform Rules of the Alaska State Legislature, I am reporting the following manifest error in CCS HB 365(Corrected), which has been corrected in enrolling:

Page 68, line 4, following "of":

Insert "the""

### **HB 366**

The following was engrossed and enrolled, signed by the Speaker and Chief Clerk, President and Secretary of the Senate, and the engrossed and enrolled copies were transmitted to the Office of the Governor at 3:40 p.m., May 16, 2006:

#### **CONFERENCE CS FOR HOUSE BILL NO. 366**

"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program; and providing for an effective date."

Also transmitted was a copy of the following letter dated May 15, 2006, to John Pugh, Chair, Alaska Mental Health Trust Authority:

"Dear Mr. Pugh:

In accordance with AS 37.14.005(c), this letter describes changes made by the legislature to the Governor's amended state's comprehensive mental health program for FY07 as appropriated in CCS HB 366. The enclosed reports compare CCS HB 366 to the Governor's proposal rather than to the Authority's proposal because the Governor did not transmit the Authority's proposal to the Legislative Finance Division.

The legislature appropriated nearly \$8.6 million below the Governor's request in mental health total funds. Overall a net reduction consists of

a \$10,435.2 GF/MH and increase of \$1,860.4 in Alcohol and Drug Abuse Treatment and Prevention funds. Highlights include a fund source change increasing the Alcohol and Drug Abuse Treatment and Prevention and reducing general funds; no funding for the Substance Abuse Prevention initiative (approx. \$2.3 million) or the Youth Success Program (approx. \$5 million); additional reductions were directed toward Bring the Kids Home initiative of approximately \$1.3 million.

The legislature appropriated the Governor's capital request as transmitted, appropriating nearly \$14.9 million. Highlights include funding for Bring the Kids Home (approx. \$5 million); last installment of Alaska Psychiatric Institute asbestos abatement (approx. \$ 3 million); Transitional Housing for Substance Abuse (approx \$ 1.2 million); Mental Health Trust Land Development and Facilities Maintenance (nearly \$1 million); and Alaska Housing Finance Corporation Homeless Assistance Program (\$ 1 million).

We appreciate the good working relationship that has been established between the Trust and the legislature enabling us to address many issues in creative and efficient ways that would not otherwise be possible.

If you have additional questions, please contact Anna Kim of the Legislative Finance Division at 465-5410.

Sincerely,

/s/

Representative Mike Chenault  
Vice Chair

/s/

Senator Gary Wilken  
Chair

Enclosures"

Enclosed reports were transmitted to the Office of the Governor and they are on file in the Chief Clerk's office.

**ENROLLMENT****HCR 6**

The following was enrolled, signed by the Speaker and Chief Clerk, President and Secretary of the Senate, and the engrossed and enrolled copies were transmitted to the Office of the Governor at 3:45 p.m., May 17, 2006:

**HOUSE CONCURRENT RESOLUTION NO. 6 am S**

Relating to reestablishing the Alaska Information Infrastructure Policy Task Force.

**HCR 43**

The following was enrolled, signed by the Speaker and Chief Clerk, President and Secretary of the Senate, and the engrossed and enrolled copies were transmitted to the Office of the Governor at 3:45 p.m., May 17, 2006:

**HOUSE CONCURRENT RESOLUTION NO. 43**

Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, concerning Senate Bill No. 12, relating to the prohibition or elimination of financial relationships with persons that conduct business in countries that support or ignore slavery and trafficking in persons.

**HCR 44**

The following was enrolled, signed by the Speaker and Chief Clerk, President and Secretary of the Senate, and the engrossed and enrolled copies were transmitted to the Office of the Governor at 3:45 p.m., May 17, 2006:

**HOUSE CONCURRENT RESOLUTION NO. 44**

Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, concerning Senate Bill No. 261, relating to traffic safety corridors.

**HB 13**

The following was enrolled, signed by the Speaker and Chief Clerk, President and Secretary of the Senate, and the engrossed and enrolled

copies were transmitted to the Office of the Governor at 12:15 p.m., May 15, 2006:

SENATE CS FOR CS FOR HOUSE BILL NO. 13(FIN)

"An Act relating to reimbursement of municipal bonds for school construction; increasing the base student allocation used in the formula for state financing of public education; relating to the district cost factors for state funding of public education; relating to school improvement funding; and providing for an effective date."

The following memorandum, dated May 11, 2006, was received from Patty Rose, Enrolling Secretary, Division of Legal and Research Services:

"In accordance with Rule 43, Uniform Rules of the Alaska State Legislature, I am reporting the following manifest error in SCS CSHB 13(FIN), which has been corrected in enrolling:

Page 12, line 10:

Delete

"ALYESKA CENTRAL SCHOOL

1.000""

**HB 334**

The following was enrolled, signed by the Speaker and Chief Clerk, President and Secretary of the Senate, and the engrossed and enrolled copies were transmitted to the Office of the Governor at 3:45 p.m., May 17, 2006:

SENATE CS FOR CS FOR HOUSE BILL NO. 334(FIN)

"An Act relating to a mandatory exemption for certain residences owned by a religious organization, to an exemption from and deferral of municipal property taxes for certain types of deteriorated property, and to an optional deferral of municipal property taxes on certain primary residences owned and occupied by individuals with incomes at or below federal poverty guidelines for the state."

**HB 381**

The following was enrolled, signed by the Speaker and Chief Clerk, President and Secretary of the Senate, and the engrossed and enrolled copies were transmitted to the Office of the Governor at 12:15 p.m., May 15, 2006:

SENATE CS FOR CS FOR HOUSE BILL NO. 381(FIN) am S

"An Act relating to the financing of construction, major maintenance, and renovation of certain capital projects; authorizing the commissioner of revenue to sell the right to receive a portion of the anticipated revenue from a tobacco litigation settlement to the Northern Tobacco Securitization Corporation, and relating to that sale and the use of the revenue; authorizing the Northern Tobacco Securitization Corporation to issue bonds and use the proceeds to acquire the right to receive a portion of anticipated revenue from a tobacco litigation settlement and for other purposes, and relating to those bonds; and providing for an effective date."

The following memorandum, dated May 11, 2006, was received from Patty Rose, Enrolling Secretary, Division of Legal and Research Services:

"In accordance with Rule 43, Uniform Rules of the Alaska State Legislature, I am reporting the following manifest error in SCS CSHB 381(FIN) am S, which has been corrected in enrolling:

Page 6, line 6:

Delete "by (1)"

Insert "(1) by"

Page 6, lines 8 - 9:

Delete "by (2)"

Insert "(2) by""

**HB 439**

The following was enrolled, signed by the Speaker and Chief Clerk, President and Secretary of the Senate, and the engrossed and enrolled copies were transmitted to the Office of the Governor at 1:31 p.m., May 16, 2006:

CS FOR HOUSE BILL NO. 439(L&C) am

"An Act relating to authorizing the state to join with other states in entering into the Interstate Insurance Product Regulation Compact."

**ANNOUNCEMENTS**

House committee schedules are published daily under separate cover.

**ADJOURNMENT**

Representative Coghill moved and asked unanimous consent that the House adjourn until 2:00 p.m., May 22, 2006. There being no objection, the House adjourned at 8:34 a.m.

Suzi Lowell  
Chief Clerk