# SENATE JOURNAL

# ALASKA STATE LEGISLATURE

### TWENTY-FOURTH LEGISLATURE

# FIRST SESSION

Juneau, Alaska

Monday

February 14, 2005

# Thirty-sixth Day

Pursuant to adjournment the Senate was called to order by President Stevens at 11:08 a.m.

The roll showed sixteen members present. Senators French, Hoffman were excused from a call of the Senate. Senators Guess, Therriault were absent.

Senator Gary Stevens moved and asked unanimous consent that Senator Guess be excused from a call of the Senate today and on February 16 and 18. Without objection, Senator Guess was excused.

The prayer was offered by the Chaplain, Pastor Tom Matthews of the Douglas Island Bible Church. Senator Olson moved and asked unanimous consent that the prayer be spread. Without objection, it was so ordered.

Respecting the various beliefs represented here today, I would ask you to join me in prayer.

Dear Lord: Today is the day nationwide that people are celebrating the wonders of love. Valentine's day reminds us of the beauty of both the giving and receiving of love. I thank You that You are the perfect example of love for us. Help us to love each other with the same sacrificial love You showed in giving us Your son, Jesus Christ.

Lord, we acknowledge Your sovereignty over the proceedings this day. You have placed each of these senators in the positions they hold, and we ask Your guidance for them in the difficult assessments of information and decisions to be made.

We really love this great state You have given us Lord. It is so full of the wonder and beauty of Your creation. Thank You for it. Bless it this day. Help it to prosper.

In all this we are careful to give You the glory.

I lift this prayer in Your most holy name,

Amen.

Senator Bunde led the Senate in the Pledge of Allegiance.

#### Certification

Senator Gary Stevens moved and asked unanimous consent that the journals for the thirty-second through thirty-fifth legislative days be approved as certified by the Secretary. Without objection, it was so ordered.

The presence of Senator Therriault was noted.

### **Communications**

Disclosure letters received in accordance with AS 24.60 will be published in Senate Journal Supplement No. 1 and House and Senate Joint Journal Supplement No. 2.

## **Standing Committee Reports**

# **SB 60**

The Finance Committee considered SENATE BILL NO. 60 "An Act extending the termination date of the Statewide Suicide Prevention Council; and providing for an effective date." Signing do pass: Senators Wilken, Green, Cochairs; Senators Olson, Stedman.

The following fiscal information was published today: Fiscal Note No. 2, Department of Health and Social Services

The bill was referred to the Rules Committee.

### **SB 73**

The Health, Education and Social Services Committee considered SENATE BILL NO. 73 "An Act relating to a lease-purchase agreement for the construction, equipping, and financing of a state virology laboratory in Fairbanks, on land provided by the University of Alaska, Fairbanks, to be operated by the Department of Health and Social Services; relating to the issuance of certificates of participation for the laboratory; relating to the use of certain investment income for certain construction and equipment costs for the laboratory; and providing for an effective date" and recommended it be replaced with

CS FOR SENATE BILL NO. 73(HES) "An Act relating to a lease-purchase agreement for the construction, equipping, and financing of a state virology laboratory in Fairbanks to be operated by the Department of Health and Social Services; relating to the issuance of certificates of participation for the laboratory; relating to the use of certain investment income for certain construction and equipment costs for the laboratory; and providing for an effective date."

Signing do pass: Senator Dyson, Chair; Senator Wilken. Signing no recommendation: Senators Elton, Olson.

The following previously published fiscal information applies:

Fiscal Note No. 1, Department of Revenue

Fiscal Note No. 2, Department of Health and Social Services

Fiscal Note No. 3, Department of Health and Social Services

The bill was referred to the Finance Committee.

#### **SB 75**

The Health, Education and Social Services Committee considered SENATE BILL NO. 75 "An Act relating to public health and public health emergencies and disasters; relating to duties of the public defender and office of public advocacy regarding public health matters; relating to certain claims for public health matters; making conforming amendments; and providing for an effective date" and recommended it be replaced with

### CS FOR SENATE BILL NO. 75(HES)

Signing do pass: Senator Dyson, Chair; Senators Elton, Wilken, Olson.

The following previously published fiscal information applies: Fiscal Note No. 1, zero, Department of Health and Social Services

The bill was referred to the State Affairs Committee.

#### **SB 84**

The Health, Education and Social Services Committee considered SENATE BILL NO. 84 "An Act relating to the confidentiality of investigations, court hearings, and public agency records and information in child-in-need-of-aid matters and certain child protection matters; relating to immunity regarding disclosure of information in child-in-need-of-aid matters and certain child protection matters; amending Rules 3 and 22, Alaska Child in Need of Aid Rules of Procedure; and providing for an effective date" and recommended it be replaced with

# CS FOR SENATE BILL NO. 84(HES)

Signing do pass: Senator Dyson, Chair; Senators Elton, Wilken, Green. Signing no recommendation: Senator Olson.

The following fiscal information was published today:

Fiscal Note No. 3, Department of Administration Fiscal Note No. 4, Department of Administration

The following previously published fiscal information applies:

Fiscal Note No. 1, Department of Law

Fiscal Note No. 2, Department of Health and Social Services

The bill was referred to the Judiciary Committee.

## SJR 1

The Judiciary Committee considered SENATE JOINT RESOLUTION NO. 1 Proposing amendments to the Constitution of the State of Alaska relating to an appropriation limit, and recommended it be replaced with

CS FOR SENATE JOINT RESOLUTION NO. 1(JUD)

Signing no recommendation: Senator Seekins, Chair; Senators French, Therriault, Huggins.

The following fiscal information was published today: Fiscal Note No. 1, Office of the Governor

The resolution was referred to the Finance Committee.

# Introduction and Reference of Senate Resolutions

### **SJR 7**

SENATE JOINT RESOLUTION NO. 7 BY SENATOR DYSON.

Proposing amendments to the Constitution of the State of Alaska relating to the office of attorney general.

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

### SJR8

SENATE JOINT RESOLUTION NO. 8 BY THE SENATE RULES COMMITTEE BY REQUEST OF THE LEGISLATIVE BUDGET AND AUDIT COMMITTEE,

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 and Reference of Senate Bills**

#### **SB 101**

SENATE BILL NO. 101 BY THE SENATE RULES COMMITTEE BY REQUEST OF THE LEGISLATIVE COUNCIL, entitled:

"An Act making corrective amendments to the Alaska Statutes as recommended by the revisor of statutes; and providing for an effective date."

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

#### **SB 102**

SENATE BILL NO. 102 BY SENATORS GARY STEVENS, Olson, entitled:

"An Act relating to district coastal management programs; and providing for an effective date."

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

#### **SB 103**

SENATE BILL NO. 103 BY THE SENATE 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 Resources and Finance Committees.

The following fiscal information was published today: Fiscal Note No. 1, Department of Administration

Fiscal Note No. 2, zero, Department of Natural Resources

Governor's transmittal letter dated February 10:

# Dear President Stevens:

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

#### **SB 104**

SENATE BILL NO. 104 BY SENATOR SEEKINS, entitled:

"An Act relating to the crime of misrepresenting permanent fund dividend eligibility; requiring the establishment of a permanent fund dividend fraud investigation unit in the Department of Revenue; and providing for an effective date."

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

### **SB 105**

SENATE BILL NO. 105 BY SENATOR SEEKINS, entitled:

"An Act relating to the retrospective application and applicability of the overtime compensation exemption for flight crew members; and providing for an effective date."

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

### **SB 106**

SENATE BILL NO. 106 BY SENATOR GUESS, 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.

#### **SB 107**

SENATE BILL NO. 107 BY SENATOR BUNDE, entitled:

"An Act relating to the export of fish taken in a sport fishery; and providing for an effective date."

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

#### **SB 108**

SENATE BILL NO. 108 BY THE SENATE 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 and Commerce and Finance Committees.

The following fiscal information was published today:
Fiscal Note No. 1, Department of Commerce, Community and
Economic Development

Governor's transmittal letter dated February 11:

Dear President Stevens:

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

#### Consideration of the Calendar

### Citations

Honoring – Elizabeth Wanamaker Peratrovich Senator(s) Davis, Ben Stevens, Bunde, Cowdery, Dyson, Ellis, Elton, French, Hoffman, Huggins, Kookesh, Olson, Seekins, Stedman, Gary Stevens, Therriault, Wagoner, Wilken

Honoring – Women's History Month Senator(s) Davis, Ben Stevens, Bunde, Cowdery, Dyson, Ellis, Elton, French, Green, Hoffman, Huggins, Kookesh, Olson, Seekins, Stedman, Gary Stevens, Therriault, Wagoner, Wilken

Senator Gary Stevens moved and asked unanimous consent that the citations be adopted. Without objection, the citations were adopted and referred to the Secretary for transmittal.

### **Announcements**

Announcements are at the end of the journal.

# Adjournment

Senator Gary Stevens moved and asked unanimous consent that the Senate stand in adjournment until 11:00 a.m., February 16, 2005. Without objection, the Senate adjourned at 11:28 a.m.

Kirsten Waid Secretary of the Senate

February 2005

#### Announcements

Americans with Disabilities Act Notice - Persons with disabilities who require special accommodation or alternative communication formats to access committee meetings may contact the appropriate committee office or the Legislative Information Office in their community. Reasonable advance notice is needed to accommodate the request. For further information, call the ADA Coordinator at 465-3854 Voice/465-4980 TDD.

# STANDING COMMITTEES

- + indicates teleconference
- = indicates bill previously heard/scheduled

# **COMMUNITY & REGIONAL AFFAIRS**

Feb 14	Monday	Senate Finance 532	1:30 PM
+	USCG/DEC SITUATION	ON REPORT & OVERVIEW	
	M/V SELENDANG AY	YU GROUNDING	
	USCG Admiral Jim Ols	son	
	DEC:Kurt Fredriksson,	Acting Commissioner	
Feb 16	Wednesday No Meeting Scheduled	Senate Finance 532	1:30 PM
Feb 18	Friday	Senate Finance 532	1:30 PM
+	Overview: Alaska Mun	icipal League	
	"Sustaining Strong Communities: City &		
	Borough Roles, Responsibilities & Issues"		

# **FINANCE**

Feb	14	Monday	Senate Finance 532	9:00 AM
+	SB 60	EXTEND SUICIDE PRE	EVENTION COUNCIL	
+	SB 97	SUPPLEMENTAL APPL	ROPRIATIONS/CBR	
+	SB 98	SUPPLEMENTAL APPL	ROPRIATIONS: FAST TRA	CK
Feb	15	Tuesday No Meeting Scheduled	Senate Finance 532	9:00 AM
Feb + += += +	SJR 6 SB 97	SUPPLEMENTAL APPL	ROPRIATIONS: FAST TRA	<b>9:00 AM</b> CK

# FINANCE (continued)

Feb 17	<b>Thursday</b> Time Change Joint w/(H) Finance	Senate Finance 532	10:00 AM
		ka Permanent Fund Board &	Advisors
Feb 18	Friday No Meeting Scheduled	Senate Finance 532	9:00 AM
	HEALTH, EDUCATION	N & SOCIAL SERVICES	
Feb 14 + SB 83 + SB 82 +		Butrovich 205 TS/CINA/DELINQUENCY CINTERVIEW/TRANSPORT Scheduled	
Feb 16 += SB 82 + SB 78 + SB 79 +	SENIOR CARE PROGR	LT DENTAL SERVICES	1:30 PM
Feb 18 +	Friday Bills Previously Heard/S	Butrovich 205 cheduled	1:30 PM
	JUDIO	CIARY	
Feb 15 +	Tuesday Overview of the Departm (Continued from 1/26/05 Testimony < Invitation	Meeting)	8:30 AM
Feb 16 +	Wednesday Overview of the Select C Legislative Ethics - Revi SCLE Opinion Dated Jan Testimony <invitation< td=""><td>ew of the nuary 7, 2005</td><td>8:30 AM</td></invitation<>	ew of the nuary 7, 2005	8:30 AM
Feb 17 +	Thursday Continuation of the 2/15 Meetings if Necessary Testimony < Invitation		8:30 AM

# LABOR & COMMERCE

Feb	15	Tuesday	Beltz 211	1:30 PM
+	SB 100			
+	HB 64			G
+	HB 47			S
+	SB 93	FISHING PERMIT AND VES		
=	SB 52	Bills Previously Heard/Schedu OCCUPATIONS/CORPORAT		ITIEC
_	SD 32	OCCUPATIONS/CORPORAT	HONS/DAINES/SECUT	CITIES
Feb	17	Thursday	Beltz 211	1:30 PM
100	, = ,	Bills Previously Heard/Schedu		10001111
		RESOURCE	S	
Eak	14	Manday	<b>Butrovich 205</b>	3:30 PM
rei	) 14	Monday No Meeting Scheduled	Dutrovicii 205	3:30 F M
		No Weeting Beneduled		
Feb	16	Wednesday	<b>Butrovich 205</b>	3:30 PM
+		Overview of Land and Water A	Access Rights	
		and Wrongs	-	
		By Tina Cunning, Special Assi	istant	
		Dept. Fish & Game		
		Testimony < Invitation Only	>	
Feb	18	Friday	Butrovich 205	3:30 PM
100	, 10	No Meeting Scheduled	Buttovich 203	0.001111
		STATE AFFA	IDC	
		STATE AFFA	IKS	
Feb	15	Tuesday	Beltz 211	3:30 PM
+	SB 88	POLICY ON GENERAL FUN		FALL
+	SB 72	OATHS; NOTARIES PUBLIC	C; STATE SEAL	
+	SCR 2	ROTARY INTERNATIONAL		
+		EO 113 - RELATING TO TIC		
		Bills Previously Heard/Schedu	led	
Fol	17	Thursday	Beltz 211	3:30 PM
+	SB 54			5.50 I M
	CD 07	CEAT DELTAMOLATION A	DDIMADA OFFENGE	

+ SB 87 SEAT BELT VIOLATION AS PRIMARY OFFENSE

+ SB 90 ALASKA TERRITORIAL GUARD DAY Bills Previously Heard/Scheduled

305

# TRANSPORTATION

Feb 15 += SB 40 += SB 85	<b>Tuesday</b> KUSKOKWIM PORT AUTH OFF-ROAD VEHICLE USE	-	1:30 PM 'AY
Feb 17 +	<b>Thursday</b> Bills Previously Heard/Sched	Butrovich 205	1:30 PM
Feb 26 +	Saturday W Knik Arm Bridge & Toll Aut Project, Presentation by the K Authority Overview and Updates on the Answer Session Following Pr 10:00 a.m 11:30 a.m.	Enik Arm Bridge and To Project with Question are resentation	sing Il

# FINANCE SUBCOMMITTEES

### ADMINISTRATION

Feb 15	<b>Tuesday</b> Overview	Beltz 211	12:00 PM	
	COMMERCE, COMM	UNITY & ECONOMIC DEV	7	
Feb 15	Tuesday Departmental & Budg	Senate Finance 532 get Overview	8:00 AM	
Feb 22	<b>Tuesday</b> Budget Detail	Senate Finance 532	8:00 AM	
Mar 01	Tuesday Budget Closeout	Senate Finance 532	8:00 AM	
	COR	RECTIONS		
Feb 15	<b>Tuesday</b> Commissioner's Depa	Senate Finance 532 rtment/Policy Overview	4:00 PM	
Feb 17	Thursday Budget Overview	Senate Finance 532	4:00 PM	

# FINANCE SUBCOMMITTEES (continued)

# **CORRECTIONS** (continued)

Mar 10	Thursday	Senate Finance 532	4:00 PM
	Budget Closeout		

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#### COURT SYSTEM

Feb 17	Thursday	Senate Finance 532	3:00 PM
	<b>.</b>		

**Budget Overview** 

Feb 24 Thursday Senate Finance 532 3:00 PM

Missions and Measures

and Follow-up Discussion from Previous Hearings

Mar 10 Thursday Senate Finance 532 3:00 PM

Budget Closeout

# **EDUCATION & EARLY DEVELOPMENT**

Feb 15 Tuesday Senate Finance 532 11:00 AM

Department Overview

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### ENVIRONMENTAL CONSERVATION

Feb 17 Thursday Senate Finance 532 8:00 AM

Organizational Chart & Structure

Position Counts/Proposed Increments and Decrements

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# **HEALTH & SOCIAL SERVICES**

Mar 01	Tuesday	Senate Finance 532	4:00 PM
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Commissioner's Department/Policy Overview

Mar 03 Thursday Senate Finance 532 4:00 PM

Department's Budget Overview

Mar 08 Tuesday Senate Finance 532 4:00 PM

Tentative Meeting

FINANCE SUBCOMMITTEES (continued)
HEALTH & SOCIAL SERVICES (continued)

Mar 10 Thursday Senate Finance 532 5:00 PM
Budget Closeout

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### LABOR & WORKFORCE DEVELOPMENT

Feb 17 Thursday Fahrenkamp 203 8:15 AM

FY 06 Budget Overview

Feb 24 Thursday Fahrenkamp 203 8:15 AM

Missions and Measures

## MILITARY AND VETERANS AFFAIRS

Feb 18 Friday Fahrenkamp 203 12:00 PM

-- Meeting Canceled --Overview

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### PUBLIC SAFETY

Feb 16 Wednesday Butrovich 205 5:30 PM
Overview

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# REVENUE

Feb 17 Thursday Senate Finance 532 1:30 PM

Departmental & Budget Overview

Feb 24 Thursday Senate Finance 532 1:30 PM

Budget Detail

Mar 03 Thursday Senate Finance 532 1:30 PM

Budget Closeout

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# FINANCE SUBCOMMITTEES (continued)

# TRANSPORTATION & PUBLIC FACILITIES

Feb 22	Tuesday	Senate Finance 532	4:00 PM
	Commissioner's D	epartment/Policy Overview	

4:00 PM

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**Thursday** Senate Finance 532 Budget Overview

Mar 10 Thursday Senate Finance 532 4:30 PM

Budget Closeout

Feb 24

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### JOINT COMMITTEES

### ARMED SERVICES COMMITTEE

Feb 15 Tuesday Senate Finance 532 9:00 AM

Briefings by General Chandler and General Christensen

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# NATUROPATHIC TASK FORCE

Feb 18 Friday Terry Miller 104 8:00 AM

Meeting of the Naturopathic Task Force
-- Testimony <Invitation Only> --

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## OTHER MEETINGS

# FISH CAUCUS

Feb 17 Thursday Butrovich 205 11:00 AM

Live Harvest of Salmon from Fish Traps

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## JOINT SESSION

Feb 23 Wednesday House Chamber 11:00 AM

State of the Judiciary

Chief Justice Alexander O. Bryner

Feb 24 Thursday House Chamber 11:00 AM

Address by U.S. Senator Ted Stevens

# **JOINT SESSION (continued)**

Mar 30 Wednesday House Chamber Address by U.S. Senator Lisa Murkowski

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# MISCELLANEOUS MEETINGS

Feb 17 Thursday Butrovich 205 12:00 PM

Presentation by Alaska Mobility Coalition Discussion of the Successes, Needs and Challenges of Community Transportation Systems