

**SENATE JOURNAL**  
**ALASKA STATE LEGISLATURE**  
**TWENTY-FOURTH LEGISLATURE**  
**FIRST SESSION**

**Juneau, Alaska**

**Wednesday**

**March 23, 2005**

**Seventy-third Day**

Pursuant to adjournment the Senate was called to order by President Stevens at 11:19 a.m.

The roll showed eighteen members present. Senators Ellis, Elton were excused from a call of the Senate.

The prayer was offered by the Chaplain, John Symons of the Juneau Unitarian Universalist Fellowship. Senator Hoffman moved and asked unanimous consent that the prayer be spread. Without objection, it was so ordered.

Today we ask the spirit and higher power that is greater than all of us to help you during your deliberations.

We ask for help:

To promote the inherent worth and dignity of every person;

To accept that justice, equality and compassion is a foundation for the promotion, negotiations and passage of bills and regulations;

To accept each other, and your public without prejudice.

We ask for help:

That during all deliberations there is a free and responsible search for truth and meaning;

That there is an honest and truthful democratic process in the achievement of the public's objectives. You are our elected servants.

That we, as a State and ultimately a world community, promote "peace, liberty and justice" for all;

And lastly, that you have respect for the interdependent web of all existence of which we are a part.

Senator Kookesh led the Senate in the Pledge of Allegiance.

### **Certification**

Senator Gary Stevens moved and asked unanimous consent that the journal for the seventy-second legislative day be approved as certified by the Secretary. Without objection, it was so ordered.

### **Messages from the Governor**

#### **SB 56**

Message dated and received March 22 was read, stating the Governor signed the following bill and transmitted the engrossed and enrolled copies to the Lieutenant Governor's Office for permanent filing:

CONFERENCE CS FOR SENATE BILL NO. 56  
"An Act relating to criminal law and procedure, criminal sentences, and probation and parole; and providing for an effective date."

Chapter 2, SLA 2005  
Effective Date: 3/23/2005

#### **SB 14**

Message dated and received March 22 was read, stating the Governor signed the following bill and transmitted the engrossed and enrolled copies to the Lieutenant Governor's Office for permanent filing:

HOUSE CS FOR SENATE BILL NO. 14(STA) "An Act relating to municipal initiative and referendum elections."

Chapter 3, SLA 2005  
Effective Date: 6/20/2005

### **Messages from the House**

#### **SB 98**

Message dated March 22 was read, stating the Speaker granted limited powers of free conference to the House conferees considering HOUSE CS FOR CS FOR SENATE BILL NO. 98(FIN) am H and CS FOR SENATE BILL NO. 98(FIN) am "An Act making supplemental appropriations, capital appropriations, and other appropriations; amending appropriations; making 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" on the specific points requested.

President Stevens granted limited powers of free conference to the Senate conferees March 22 (page 658).

Message dated March 22 was read, stating the House passed and transmitted for consideration:

### **First Reading and Reference of House Bills**

#### **HB 108**

CS FOR HOUSE BILL NO. 108(FIN) am BY THE HOUSE FINANCE COMMITTEE, entitled:

"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; and providing for an effective date."

was read the first time and referred to the Community and Regional Affairs, Labor and Commerce and Finance Committees.

**Standing Committee Reports****HB 90**

The State Affairs Committee considered HOUSE BILL NO. 90 "An Act requiring warrants drawn by the Department of Administration against the state treasury to be negotiable instruments." Signing do pass: Senator Therriault, Chair; Senators Elton, Wagoner, Huggins, Davis.

The following previously published fiscal information applies:

Fiscal Note No. 1, zero, Department of Administration

The bill was referred to the Rules Committee.

**HB 97**

The State Affairs Committee considered CS FOR HOUSE BILL NO. 97(FIN) "An Act relating to the authority to take oaths, affirmations, and acknowledgments in the state, to notarizations, to verifications, to acknowledgments, to fees for issuing certificates with the seal of the state affixed, and to notaries public; and providing for an effective date" and recommended it be replaced with

SENATE CS FOR CS FOR HOUSE BILL NO.  
97(STA)

Signing no recommendation: Senator Therriault, Chair; Senators Elton, Wagoner, Huggins, Davis.

The following previously published fiscal information applies:

Fiscal Note No. 1, Office of the Governor

The bill was referred to the Finance Committee.

**SJR 14**

The State Affairs Committee considered SENATE JOINT RESOLUTION NO. 14 Urging the United States Congress to amend the tax code to permanently repeal the federal estate and generation-skipping transfer tax. Signing do pass: Senator Therriault, Chair; Senators Huggins, Davis. Signing no recommendation: Senators Elton, Wagoner.

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

The resolution was referred to the Finance Committee.

**Special Committee Reports**

**SB 98**

The following report was received and distributed at 12:46 p.m.,  
March 22, 2005:

March 22, 2005

Mr. President:  
Mr. Speaker:

The CONFERENCE COMMITTEE with limited powers of free conference considered CS FOR SENATE BILL NO. 98(FIN) am and HOUSE CS FOR CS FOR SENATE BILL NO. 98(FIN) am H and recommends

CONFERENCE CS FOR SENATE BILL NO. 98 "An Act making supplemental appropriations, capital appropriations, and other appropriations; amending appropriations; making 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."

be adopted.

Signing the report: Senator Wilken, Chair, Senators Green; Hoffman; Representative Chenault, Chair, Representatives Meyer, Croft.

Senator Gary Stevens moved that the Senate adopt the Conference Committee Report on CONFERENCE CS FOR SENATE BILL NO. 98.

The question being: "Shall the Senate adopt the Conference Committee Report on CONFERENCE CS FOR SENATE BILL NO. 98 "An Act making supplemental appropriations, capital appropriations, and other appropriations; amending appropriations; making 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"?" The roll was taken with the following result:

CCS SB 98  
Adopt Conference Committee Report?  
Effective Dates

**YEAS: 16 NAYS: 2 EXCUSED: 2 ABSENT: 0**

Yea: Bunde, Cowdery, Dyson, Green, Guess, Hoffman, Huggins, Kookesh, Olson, Seekins, Stedman, Stevens B, Stevens G, Therriault, Wagoner, Wilken

Nay: Davis, French

Excused: Ellis, Elton

and so, the report was adopted.

Senator Gary Stevens moved and asked unanimous consent that the vote on the adoption of the conference committee report be considered the vote on the effective date clauses. Without objection, it was so ordered.

Senator Gary Stevens moved and asked unanimous consent that the vote on the adoption of the conference committee report be considered the vote on the adoption of the constitutional budget reserve fund section. Senator Hoffman objected.

The question being: "Shall the constitutional budget reserve fund section (Article IX, Section 17(c) Constitution of the State of Alaska) be adopted?" The roll was taken with the following result:

CCS SB 98

Adopt Budget Reserve Fund Section?

**YEAS: 18 NAYS: 0 EXCUSED: 2 ABSENT: 0**

Yea: Bunde, Cowdery, Davis, Dyson, French, Green, Guess, Hoffman, Huggins, Kookesh, Olson, Seekins, Stedman, Stevens B, Stevens G, Therriault, Wagoner, Wilken

Excused: Ellis, Elton

and so, the constitutional budget reserve fund section was adopted, and the bill was referred to the Secretary for engrossment and enrollment.

### **Introduction and Reference of Senate Bills**

#### **SB 151**

SENATE BILL NO. 151 BY THE SENATE RULES COMMITTEE  
BY REQUEST OF THE GOVERNOR, entitled:

"An Act excepting from the Alaska Net Income Tax Act the federal deduction regarding income attributable to certain domestic production activities; and providing for an effective date."

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

The following fiscal information was published today:

Fiscal Note No. 1, indeterminate, Department of Revenue

Governor's transmittal letter dated March 22:

Dear President Stevens:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill excepting from the Alaska Net Income Tax Act the federal deduction regarding income attributable to certain domestic production activities.

Last year Congress passed legislation (American Jobs Creation Act of 2004) that created a new federal tax deduction for corporations regarding income attributable to certain domestic production activities. Alaska tax law automatically adopts such federal tax deductions unless the Legislature explicitly excepts to them (AS 43.20.021(a)). Because of Alaska's unique reliance on natural resource development, this particular deduction will have major impacts on the state's revenue flow. The Department of Revenue estimates that this federal tax deduction could cut \$100 million from state corporate income tax revenue over the next decade.

With the passage of this legislation, Alaska's corporate income tax structure will stay the same as it is under the current regime. This will provide continued stability and tax certainty to corporations operating in the State of Alaska.

Several other states also have introduced legislation to "de-couple" their tax code from this new federal provision, including Montana, New Jersey, Maryland, North Dakota and West Virginia. Massachusetts has enacted such legislation.

I urge your prompt and favorable action on this measure.

Sincerely yours,

/s/

Frank H. Murkowski  
Governor

### **Consideration of the Calendar**

#### **Citations**

Honoring – Juneau "Downtown" Rotary Club, 70<sup>th</sup> Year Anniversary  
Representative(s) Weyhrauch, Kerttula  
Senator(s) Elton, Ben Stevens, Bunde, Cowdery, Davis, Dyson, Ellis, Green, Guess, Hoffman, Huggins, Kookesh, Olson, Seekins, Stedman, Gary Stevens, Therriault, Wagoner, Wilken

Honoring – Robert “Bob” Adkins

Representative(s) Harris

Senator(s) Therriault, Ben Stevens, Bunde, Cowdery, Davis, Dyson, Ellis, Elton, Green, Guess, Hoffman, Huggins, Kookesh, Olson, Seekins, Stedman, Gary Stevens, Wagoner, Wilken

In Memoriam – Knute Johnson

Representative(s) Thomas

Senator(s) Kookesh, Ben Stevens, Bunde, Cowdery, Davis, Dyson, Ellis, Elton, Green, Guess, Hoffman, Huggins, Olson, Seekins, Stedman, Gary Stevens, Therriault, Wagoner, Wilken

In Memoriam – Robert G. Boko

Representative(s) Holm, Coghill, Salmon

Senator(s) Wilken, Ben Stevens, Bunde, Cowdery, Davis, Dyson, Ellis, Elton, French, Green, Guess, Hoffman, Huggins, Kookesh, Olson, Seekins, Stedman, Gary Stevens, Therriault, Wagoner

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.

### **Unfinished Business**

Senator Dyson moved and asked unanimous consent to be excused from a call of the Senate from afternoon plane time, March 29 to afternoon plane time, March 31 and from evening plane time, April 6 to April 10. Without objection, Senator Dyson was excused.

Senator French moved and asked unanimous consent to be excused from a call of the Senate to morning plane time on March 29. Without objection, Senator French was excused.

Senator Kookesh moved and asked unanimous consent to be excused from a call of the Senate from evening plane time, March 28 to evening plane time, March 30. Without objection, Senator Kookesh was excused.

Senator Olson moved and asked unanimous consent to be excused from a call of the Senate on March 24. Without objection, Senator Olson was excused.

**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 10:00 a.m., March 24, 2005. Without objection, the Senate adjourned at 11:42 a.m.

Kirsten Waid  
Secretary of the Senate

March 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**

<b>Mar 23</b>	<b>Wednesday</b>	<b>Beltz 211</b>	<b>1:30 PM</b>
	-- Meeting Canceled --		
	Bills Previously Heard/Scheduled		
<b>Mar 25</b>	<b>Friday</b>	<b>Beltz 211</b>	<b>1:30 PM</b>
	No Meeting Scheduled		

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**FINANCE**

<b>Mar 23</b>	<b>Wednesday</b>	<b>Senate Finance 532</b>	<b>9:00 AM</b>
+= SB 46	APPROP: CAPITAL BUDGET		
	Natural Resources, Public Safety, Revenue		
+	Bills Previously Heard/Scheduled		
<b>Mar 24</b>	<b>Thursday</b>	<b>Senate Finance 532</b>	<b>9:00 AM</b>
	No Meeting Scheduled		
<b>Mar 25</b>	<b>Friday</b>	<b>Senate Finance 532</b>	<b>9:00 AM</b>
	No Meeting Scheduled		

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## HEALTH, EDUCATION & SOCIAL SERVICES

**Mar 23**      **Wednesday**      **Butrovich 205**      **1:30 PM**  
-- Time Changed from 2 pm to 1:30 pm --  
+= SB 74      CRIMES INVOLVING MARIJUANA/OTHER DRUGS  
+      Bills Previously Heard/Scheduled

**Mar 25**      **Friday**      **Butrovich 205**      **1:30 PM**  
No Meeting Scheduled

## JUDICIARY

**Mar 23**      **Wednesday**      **Butrovich 205**      **8:30 AM**

+ SB 126 AQUATIC FARMING  
+ SB 129 WRONGFUL FILING OF LIS PENDENS  
+ Bills Previously Heard/Scheduled

**Mar 24 Thursday Butrovich 205 8:30 AM**  
+ SJR 12 URGE CONFIRM US SUPREME COURT NOMINEES  
+ Bills Previously Heard/Scheduled

## LABOR & COMMERCE

**Mar 24**      **Thursday**      **Beltz 211**      **2:00 PM**

-- Time Change --

+ = SB 2 LIEN REQUIREMENTS  
Bills Previously Heard/Scheduled  
Including But Not Limited to:

= SB 130 WORKERS' COMPENSATION  
= SB 140 BAN INTERNET SPYWARE

## RESOURCES

**Mar 23      Wednesday                      Butrovich 205              3:30 PM**  
-- Meeting Canceled --  
Bills Previously Heard/Scheduled  
+= SB 113 GULF OF ALASKA GROUNDFISH FISHERY  
-- Testimony <Invitation Only> --

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**RESOURCES (continued)**

<b>Mar 25</b>	<b>Friday</b>	<b>Butrovich 205</b>	<b>3:30 PM</b>
	No Meeting Scheduled		
<b>Mar 28</b>	<b>Monday</b>	<b>Butrovich 205</b>	<b>3:30 PM</b>
	No Meeting Scheduled		
<b>Mar 30</b>	<b>Wednesday</b>	<b>Senate Finance 532</b>	<b>2:30 PM</b>
	Joint w/(H) Resources		
	Nenana Basin Gas & Oil Project		
	<Please Note Time & Location>		
<b>Apr 01</b>	<b>Friday</b>	<b>Butrovich 205</b>	<b>3:30 PM</b>
	-- Meeting Canceled --		
+= SB 113	GULF OF ALASKA GROUNDFISH FISHERY		
	-- Testimony <Invitation Only> --		

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**STATE AFFAIRS**

<b>Mar 24</b>	<b>Thursday</b>	<b>Beltz 211</b>	<b>3:30 PM</b>
	No Meeting Scheduled		

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**TRANSPORTATION**

<b>Mar 24</b>	<b>Thursday</b>	<b>Butrovich 205</b>	<b>1:30 PM</b>
	No Meeting Scheduled		
<b>Apr 05</b>	<b>Tuesday</b>	<b>Butrovich 205</b>	<b>1:30 PM</b>
+	Joint w/(H) Transportation		
	Port of Tacoma - Briefing		
	Federal Aviation Administration		
	Weather Camera Program - Briefing		

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## JOINT COMMITTEES

## LEGISLATIVE BUDGET & AUDIT

**Mar 30**      **Wednesday**      **House Finance 519**      **5:00 PM**  
+      Executive Session  
+      Other Committee Business  
-- Testimony <Invitation Only> --

## OTHER MEETINGS

## JOINT LEGISLATIVE HEALTH CAUCUS

**Mar 23      Wednesday      Butrovich 205      12:00 PM**  
"911: It's Your Life! "Inner Workings  
of Emergency Medical Services

## JOINT SESSION

**Mar 30      Wednesday      House Chamber      11:00 AM**  
Address by U.S. Senator Lisa Murkowski