

HOUSE FINANCE COMMITTEE
April 4, 2006
9:10 a.m.

CALL TO ORDER

Co-Chair Meyer called the House Finance Committee meeting to order at [9:10:54 AM](#).

MEMBERS PRESENT

Representative Mike Chenault, Co-Chair
Representative Kevin Meyer, Co-Chair
Representative Richard Foster
Representative Mike Hawker
Representative Jim Holm
Representative Reggie Joule
Representative Mike Kelly
Representative Beth Kerttula
Representative Carl Moses
Representative Bruce Weyhrauch

MEMBERS ABSENT

Representative Bill Stoltze, Vice-Chair

ALSO PRESENT

Senator Con Bunde; Representative Mark Neuman; Senator Gretchen Guess; Heath Hilyard, Staff, Representative Tom Anderson; Dean Guaneli, Chief Assistant Attorney General, Department of Law; Ian Fisk, Staff, Representative Bill Thomas; Representative John Coghill; Karen Lidster, Staff, Representative John Coghill

PRESENT VIA TELECONFERENCE

Michael Catsi, Executive Director, Skagway Development Center, Skagway; Duane Bannock, Director, Division of Motor Vehicles, Department of Administration

SUMMARY

CSSB 218 (FIN)

"An Act relating to sex offenders and child kidnappers; relating to reporting of sex offenders and child kidnappers; relating to periodic polygraph examinations for sex offenders released on probation or parole; relating to sexual abuse of a minor; relating to the definitions of 'aggravated sex offense' and 'child kidnapping'; relating to penalties for failure to report child abuse or neglect; relating to sentencing for sex

offenders and habitual criminals; and providing for an effective date."

HCS CSSB 218 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with a new fiscal note by the Department of Corrections, a new zero note by the Department of Public Safety, zero note #1 by the Department of Public Safety, indeterminate note #4 by the Department of Law, indeterminate note #5 by the Court System, indeterminate note #6 by the Department of Administration, indeterminate note #7 by the Department of Corrections, and fiscal note #8 by the Department of Corrections.

HB 384 "An Act relating to fines and offenses; amending Rule 8(b), Alaska District Court Rules of Criminal Procedure; and providing for an effective date."

CSHB 384 (JUD) was REPORTED out of Committee with a "no recommendation" and with a new indeterminate fiscal note by the Office of the Governor.

HB 419 "An Act repealing the Board of Storage Tank Assistance, the underground storage tank revolving loan fund, and the tank cleanup loan program; repealing certain reporting requirements relating to underground petroleum storage tank systems; making conforming amendments; and providing for an effective date."

HB 419 was REPORTED out of Committee with a "do pass" recommendation and with zero fiscal note #1 by the Department of Environmental Conservation.

HB 403 "An Act relating to registration and operation of neighborhood electric vehicles."

HB 403 was heard and HELD in Committee for further consideration.

[9:11:07 AM](#)

CS FOR SENATE BILL NO. 218(FIN)

"An Act relating to sex offenders and child kidnappers; relating to reporting of sex offenders and child kidnappers; relating to periodic polygraph examinations for sex offenders released on probation or parole; relating to sexual abuse of a minor; relating to the definitions of 'aggravated sex offense' and 'child kidnapping'; relating to penalties for failure to report child abuse or neglect; relating to sentencing

for sex offenders and habitual criminals; and providing for an effective date."

SENATOR CON BUNDE, related that the only change since the last hearing of the bill is that two more offenders have moved to Alaska, one from Canada, and another came to join the state troopers. He stressed that it is time to stop Alaska from being the sexual predator magnet of America.

REPRESENTATIVE MARK NEUMAN, pointed out the costs to society by these offenders, and the costs to the state for rehabilitation programs for the victims equaling about \$45 million. He spoke about the idea that these offenders often commit other crimes. Putting sex offenders away for a longer period of time, means taking criminals off the streets.

Representative Hawker MOVED to ADOPT Amendment 11, which reads as follows:

Page 1, lines 1 - 2:

Delete "relating to reporting of sex offenders and child kidnappers;"

Page 3, lines 10 -23

Delete all material.

Renumber the following bill sections accordingly.

Page 10, line 28:

Delete "Sections 1 - 3, 5 - 8, and 12"

Insert "Sections 1 - 2, 4 - 7, and 11"

Page 10, line 30

Delete "secs. 5 and 7"

Insert "secs. 4 and 6"

Page 10, line 31:

Delete "Sections 4 and 11"

Insert "Sections 3 and 10"

Page 11, line 2:

Delete "Sections 4 and 11"

Insert "Sections 3 and 10"

Page 11, line 3:

Delete "sec. 15"

Insert "sec. 14"

Co-Chair Meyer OBJECTED for discussion purposes.

[9:15:24 AM](#)

Representative Hawker explained that the amendment would allow for prosecution for those who would shelter a sex offender. It is an important issue and is not a part of the original bill. It would delete Section 3 of the bill, which is not clearly written. That section could be addressed later as separate legislation.

Representative Kerttula agreed with Representative Hawker. She noted that the intent of the bill is for people to report where sex offenders are, but the bill is not clear on this area, nor is it integral to the bill.

SENATOR GRETCHEN GUESS stated no objection to withdrawing Section 3 from the bill.

Co-Chair Meyer WITHDREW his objection. There being NO further OBJECTION, Amendment 11 was adopted.

Representative Hawker WITHDREW Amendments 12 and 13.

[9:19:34 AM](#)

Co-Chair Meyer listed the fiscal notes accompanying the bill: new fiscal note by the Department of Corrections, a new zero note by the Department of Public Safety, zero note #1 by the Department of Public Safety, indeterminate note #4 by the Department of Law, indeterminate note #5 by the Court System, indeterminate note #6 by the Department of Administration, indeterminate note #7 by the Department of Corrections, and fiscal note #8 by the Department of Corrections.

Co-Chair Chenault commented that even though the program would cost money, it would be wrong not to approve this bill. He emphasized that these offenders need to be put away. He stated that he was going to offer an amendment adding the death penalty to the bill. He shared a personal experience involving a child who was kidnapped. He stated strong support for the bill.

[9:23:37 AM](#)

Representative Kelly related that the bill attempts to place Alaska on a "do not go there" list and will result in a reduction of costs in the end. It raises the bar and says Alaska means business. He stated strong support for the bill.

[9:25:16 AM](#)

Representative Hawker noted a concern when operation costs for the state are increased. He spoke in support of the intent of the bill and of the investment in the court system to support it. He agreed with Representative Kelly that the

bill would create a deterrent. He stated that it is an investment he is willing to make.

Representative Holm voiced concern about fiscal note #8. He opined that rehabilitation is rare and incarceration is a better solution. He suggested that less money be spent on counseling programs.

[9:29:10 AM](#)

Senator Guess shared that this is a "best practices" situation. Polygraphs are used to try to stop offenders before they offend. The probation section of the bill allows for the correction system to rein in those who break conditions of probation. Second and third degree assaults have stronger sentences. She agreed that it is not a cure-all, but right now it is best practices.

Senator Bunde described a typical offender and stated that the polygraph is a good tool to have. He gave an example of an offender who was exposed by a polygraph.

Representative Hawker asked if it was an Alaskan. Senator Bunde replied that it was.

[9:32:43 AM](#)

Representative Foster MOVED to REPORT SB 218 out of Committee with an accompanying title change resolution and with individual recommendations and the accompanying fiscal notes. There being NO OBJECTION, it was so ordered.

HCS CSSB 218 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with a new fiscal note by the Department of Corrections, a new zero note by the Department of Public Safety, zero note #1 by the Department of Public Safety, indeterminate note #4 by the Department of Law, indeterminate note #5 by the Court System, indeterminate note #6 by the Department of Administration, indeterminate note #7 by the Department of Corrections, and fiscal note #8 by the Department of Corrections.

[9:35:10 AM](#)

HOUSE BILL NO. 384

"An Act relating to fines and offenses; amending Rule 8(b), Alaska District Court Rules of Criminal Procedure; and providing for an effective date."

Heath Hilyard, Staff, Representative Tom Anderson, explained that CSHB 384 (JUD), Version I, is before the committee today. The bill amends the fines and fee structure for a number of criminal statutes. It was brought to the sponsor

by the Department of Public Safety. The Department of Fish and Game also was interested in including appropriate references to fines for misdemeanors. It was important to draft the bill to address both. He noted that there were two changes made by the Judiciary Committee to two sections in the original bill that referred to fines and fees with regard to violations by orders by the Labor Relations Board. He spoke of confusion by the Department of Labor and the Board, which resulted in those sections being removed. The title was also tightened.

Co-Chair Meyer pointed out that there are no fiscal impact notes. Mr. Hilyard deferred to the departments to answer that question.

[9:38:46 AM](#)

Representative Hawker asked about a section that is no longer in statute. Mr. Hilyard offered to amend the bill to deal with that section, but said he would leave it in for now.

Representative Hawker asked if the death penalty would be within the scope of the single subject rule. Mr. Hilyard said he could not say.

[9:41:19 AM](#)

Representative Weyhrauch asked if those who are charged for crimes prior to the effective date in this bill are subject to penalties in the bill or to penalties in the law in effect before July 2006.

DEAN GUANELI, CHIEF ASSISTANT ATTORNEY GENERAL, DEPARTMENT OF LAW, answered that they would be subject to the existing penalties, before the effective date of the Act. Representative Weyhrauch asked if it would apply even if they have only been charged and not convicted. Mr. Guaneli replied that is correct.

Representative Hawker asked if something in a felony class would fit within the subject of this bill with a change of title. Mr. Guaneli replied that a single subject of fines certainly describes the bill as a whole. He thought if the penalty were limited to fines, a felony would fit.

Representative Hawker asked about previous testimony on SB 218 and a situation where a penalty is increased within the child abuse statutes and is now greater than the penalty for Murder II. He wondered if the bill would be a vehicle to correct that imbalance by raising the penalty on Murder II. Mr. Guaneli responded that Alaska Courts give the legislature broad authority to include, within bills, matters that fit within fairly broad subjects. He addressed

the single subject of the bill. He stated if that new language were to be included, it would read "fines and criminal penalties", which would be sufficiently broad and be upheld by the courts. A clear title such as in this bill would not be a problem for the courts.

[9:45:43 AM](#)

Representative Holm took issue with the statement that the court system gives the legislature authority. He maintained that the legislature has its own constitutionally mandated authority.

Co-Chair Meyer asked Mr. Guaneli to address the fiscal notes. Mr. Guaneli responded that the fiscal notes are all fines imposed by the court system upon conviction of some offense. Many are infractions for violations or misdemeanor offenses. These are fines imposed by the court system that ordinarily go into the general fund and no particular agency receives them. The Department of Fish and Game has some authority to receive funds from fines, subject to legislative appropriation. The fiscal notes are accurate and the money does not go to the departments.

Representative Hawker noted that he does not see an indication that there would be a change in state revenues due to these fines. He suggested that the revenues be indeterminate rather than zero. Mr. Guaneli said he could not argue with that. He agreed that there might be an increase in the general fund.

Co-Chair Meyer agreed that it would be more accurate to have indeterminate notes.

[9:50:28 AM](#)

Co-Chair Meyer asked if Representative Hawker was referring earlier to another bill's passage, HB 380. Representative Hawker reiterated that if HB 380 passes, Section 3 would no longer be in effect.

Representative Hawker MOVED to CHANGE the fiscal notes, as appropriate, to indeterminate notes. There being NO OBJECTION, it was so ordered.

[9:52:02 AM](#)

Representative Foster MOVED to REPORT CSHB 384 out of Committee with individual recommendations and with the accompanying indeterminate fiscal note. There being NO OBJECTION, it was so ordered.

CSHB 384 (JUD) was REPORTED out of Committee with a "no recommendation" and with a new indeterminate fiscal note by the Office of the Governor.

[9:53:06 AM](#)

HOUSE BILL NO. 419

"An Act repealing the Board of Storage Tank Assistance, the underground storage tank revolving loan fund, and the tank cleanup loan program; repealing certain reporting requirements relating to underground petroleum storage tank systems; making conforming amendments; and providing for an effective date."

KAREN LIDSTER, STAFF, REPRESENTATIVE JOHN COGHILL, related that over the interim, Representative Coghill sent out a memo asking any department to determine if they had statutes or regulations that were no longer necessary. The Department of Environmental Conservation brought forward a request to repeal the Board of Storage Tank Assistance and the accompanying loan program. The sponsor statement provides the history of that program. The Board was created in 1990 by HB 220 to oversee the grant that was also created. In 1999, the Storage Tank Assistance Fund was converted to an Underground Storage Tank Revolving Loan Fund. Since that time there have been no applications for loans. HB 419 will modify the end date for the Board in order to be consistent with the end date for formal termination of the loan program. The sunset date was June 30, 2007. HB 419 also lifts out the statutes that relate to the Board, the reporting, the regulations, fees, the program, definitions, administrative codes, and the orderly completion of the board's obligation, and renumbering instructions related to those statutes that will be repealed.

Representative Holm asked if there is a loan fund amount that is being recaptured.

LAURA BEASON, ADMINISTRATION MANAGER, DIVISION OF INFORMATION AND ADMINISTRATIVE SERVICES, DEPARTMENT OF ENVIRONMENTAL CONSERVATION, responded that there is zero available fund balance in the loan.

[9:57:35 AM](#)

Representative Weyhrauch asked what happens if someone needs assistance.

REPRESENTATIVE JOHN COGHILL replied that the loan program would go away, but DEC would still deal with underground storage tanks. They still have a fee for registering

underground storage tanks. There has not been any use of this fund for many years.

[9:59:09 AM](#)

Representative Foster recalled that he voted for the HB 220 in 1999. He MOVED to REPORT HB 419 out of committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

HB 419 was REPORTED out of Committee with a "do pass" recommendation and with zero fiscal note #1 by the Department of Environmental Conservation.

[10:00:35 AM](#)

HOUSE BILL NO. 403

"An Act relating to registration and operation of neighborhood electric vehicles."

Representative Foster MOVED to ADOPT the work draft for HB 403, labeled 24-LS1229\I, Mischel/Luckhaupt, 3/31/06. There being NO OBJECTION, it was so ordered.

IAN FISK, STAFF, REPRESENTATIVE BILL THOMAS, related that the bill is about low-speed vehicles. He explained that HB 403 was amended in the House State Affairs Committee to eliminate all references to electric vehicles in order to conform to federal law. Mr. Fisk referred to a handout that describes the vehicle (copy on file.) These vehicles are not golf carts. It is defined in federal law that they must have four wheels and be capable of a minimum speed of 20 mph, and a top speed of 25 mph. The National Highway Transportation Safety Administration requires equipment such as taillights, break lights, headlights, automotive quality windshield, turn signals, mirrors, parking breaks, and they must meet testing requirements. The federal regulations for these vehicles were developed in 1998 and they are now legal in 36 states. They offer fuel efficiency and zero emissions and are popular in retirement communities. DMV would like the authority, which this bill provides, to regulate this class of vehicle.

Co-Chair Meyer asked about speed limitations. Mr. Fisk related that they can go no more than 25 mph. They cannot be used on a road where the posted speed limit is 35 mph or faster. They are limited to neighborhood roads, but permitted to cross roads with higher speed limits. Co-Chair Meyer asked how they operate in snow and ice. Mr. Fisk said he does not know.

[10:05:10 AM](#)

Co-Chair Meyer stated that he tested electric vehicles in Fairbanks and they have limited experience in northern climates. He expressed support for this legislation.

Representative Holm asked about the occasional use provision. Farm equipment can go on highways for occasional use. There are roads with varying speed limits. Under this law these vehicles could not be used on them. Mr. Fisk said that is correct. Representative Holm spoke of limited roads available for these vehicles in his neighborhood. He noted a provision that allows a municipality to modify the bill.

[10:08:29 AM](#)

Co-Chair Chenault pointed out that they do not require a valid driver's license. Mr. Fisk said that is corrected in Section 5 of the bill, subject to all laws.

Co-Chair Chenault asked if there are any specific communities where these can be used. Mr. Fisk responded that Skagway has requested the use of this type of vehicle.

Representative Weyhrauch pointed out that the word "electric" does not appear anywhere in the bill. Mr. Fisk said that federal regulation terms them "low-speed vehicles". Representative Weyhrauch wondered why, in subsection (e) on page 1, the wording "or by this state" is needed. Fisk said that was not caught in previous hearings.

[10:12:22 AM](#)

Representative Kelly asked about line 13-14 on page 3, "may further restrict". He wondered if a community could allow for less restriction. Mr. Fisk responded that a community could not supersede the maximum speed limit of 35 mph. They could restrict where they can be used. He suggested using "modify" instead of "restrict". He asked what would prevent these vehicles from being used now. Mr. Fisk said DMV wants to clearly allow this new category of car. Representative Kelly noted that a reason for not including the word "electric" is because there are many power types. He asked what is stopping people from using this car now. Mr. Fisk deferred to Mr. Bannock at DMV.

[10:14:58 AM](#)

Representative Hawker related that this bill, as it is constructed, would empower municipalities to regulate these vehicles. He wondered if the sponsor had contemplated making the municipalities "opt in". Mr. Fisk replied that the opposite approach was taken. Representative Hawker stated that he preferred to let decisions be made locally, rather than state mandated. He asked the sponsor to consider that idea.

Representative Hawker suggested that in Section 1, "or" should be "and".

Representative Hawker suggested adding a subparagraph (e) to AS 28.10.041, grounds for refusing registration, and a list of many reasons why registration could be refused. He provided examples such as: the application contains a false statement, the applicant does not give the information, the applicant is not entitled to the issuance of a certificate of title, and the vehicle is determined to be mechanically unsafe. Also added would be a blanket statement that DMV may not refuse to register a low-speed vehicle that meets the requirements of a passenger vehicle, the safety and equipment requirements of a passenger vehicle, and it has to meet federal motor vehicle safety standards. He suggested that these requirements would override the rest of the prohibitions. Mr. Fisk responded that there are federal safety elements in the statute. He said that the sponsor would have no problem changing "or" to "and".

[10:19:35 AM](#)

Representative Hawker concurred that safety is considered in the bill, but not the other elements.

MICHAEL CATSI, EXECUTIVE DIRECTOR, SKAGWAY DEVELOPMENT CENTER, SKAGWAY, emphasized that these vehicles provide an alternative transportation that is cheaper for short runs. He requested the opportunity for people to own these vehicles. They go 25 miles on a single charge and have easy maintenance. Each municipality should be allowed to decide on restrictions, but not ban them outright.

[10:23:35 AM](#)

DUANE BANNOCK, DIRECTOR, DIVISION OF MOTOR VEHICLES (DMV), DEPARTMENT OF ADMINISTRATION, testified that DMV supports the addition of Neighborhood Electric Vehicle (NEV's) or low-speed vehicle (LSV's), a different class of vehicle. There is language in the Manufacturer's Statement of Origin (MSO) that gives direction to DMV and states conformity to federal regulation. NEV's have an MSO that states that this low-speed vehicle conforms to federal regulation under Title 49. He explained the title process. He addressed Section 3.

[10:27:23 AM](#)

Representative Kelly summarized that Alaskans are currently prevented from driving these vehicles. He asked if other states license these vehicles as passenger vehicles. Mr. Bannock replied that only one state does not have specific language regarding them.

Representative Weyhrauch spoke to the issue of conforming to federal standards. He noted that Representative Hawker's concern was about state supremacy. He asked for clarification of line 6 on page 1.

Mr. Bannock said Section 1 is not DMV's. He opined that issues of safety are addressed in the federal definition of low-speed vehicle. Representative Weyhrauch summarized that it is complying with federal standards. Mr. Bannock said yes. Representative Weyhrauch asked if the wording should say "by federal motor vehicle safety standards". Mr. Bannock agreed.

[10:30:30 AM](#)

Representative Weyhrauch asked if the vehicle should be limited to "electric" motor vehicle. Mr. Bannock suggested that "electric" be struck because the name is not appropriate. "Other powered" vehicles are available.

Representative Weyhrauch asked if it is the sponsor's intent to limit it to electric vehicle. Mr. Fisk said no.

Mr. Bannock said that there are other vehicles that are electric, such as hybrids, which are not low-speed vehicles.

[10:32:40 AM](#)

Representative Hawker asked about the definition of a low-speed vehicle and the 4-wheel restriction. Mr. Bannock agreed that there are other-wheeled vehicles and they would not meet the definition of a low speed vehicle.

Co-Chair Meyer suggested that a new CS be written to include today's suggestions.

HB 403 was heard and held in Committee for further consideration.

ADJOURNMENT

The meeting was adjourned at 10:35 AM.