

**ALASKA STATE LEGISLATURE**  
**HOUSE SPECIAL COMMITTEE ON WAYS AND MEANS**

February 3, 2006

9:02 a.m.

**MEMBERS PRESENT**

Representative Bruce Weyhrauch, Chair  
Representative Ralph Samuels  
Representative Paul Seaton  
Representative Peggy Wilson  
Representative Max Gruenberg

**MEMBERS ABSENT**

Representative Norman Rokeberg  
Representative Carl Moses

**OTHER LEGISLATORS PRESENT**

Representative Harry Crawford  
Representative Les Gara

**COMMITTEE CALENDAR**

HOUSE BILL NO. 63

"An Act relating to the oil and gas properties production (severance) tax as it applies to oil; establishing a minimum rate of tax for certain fields of five percent; providing for an adjustment to increase the tax collected when oil prices exceed \$20 per barrel and to reduce the tax collected when oil prices fall below \$16 per barrel; and providing for relief from the tax when the price per barrel is low or when the taxpayer demonstrates that a reduction in the tax is necessary to establish or reestablish production from an oil field or pool that would not otherwise be economically feasible."

- MOVED HB 63 OUT OF COMMITTEE

HOUSE BILL NO. 223

"An Act levying a tax on certain known resources of natural gas, conditionally repealing the levy of that tax, and authorizing a credit for payments of that tax against amounts due under the oil and gas properties production (severance) tax if requirements relating to the sale and delivery of the natural gas are met; and providing for an effective date."

- MOVED HB 223 OUT OF COMMITTEE

REPORT TO THE LEGISLATURE FROM ALASKA RETIREMENT MANAGEMENT BOARD

- HEARD

HOUSE BILL NO. 374

"An Act relating to establishment of a retirement benefit liability account in the Department of Revenue and redirecting deposit of annual dividends of the Alaska Housing Finance Corporation to that account; and providing for an effective date."

- BILL HEARING CANCELED

HOUSE BILL NO. 375

"An Act relating to the retirement benefit liability account and appropriations from that account; relating to deposits of certain income earned on money received as a result of State v. Amerada Hess, et al., 1JU-77-847 Civ. (Superior Court, First Judicial District); and providing for an effective date."

- BILL HEARING CANCELED

**PREVIOUS COMMITTEE ACTION**

BILL: HB 63

SHORT TITLE: OIL SEVERANCE TAX

SPONSOR(S): REPRESENTATIVE(S) GARA

01/12/05	(H)	READ THE FIRST TIME - REFERRALS
01/12/05	(H)	W&M, O&G, RES, FIN
03/18/05	(H)	W&M AT 8:30 AM CAPITOL 106
03/18/05	(H)	Heard & Held
03/18/05	(H)	MINUTE(W&M)
01/13/06	(H)	W&M AT 9:00 AM CAPITOL 106
01/13/06	(H)	Heard & Held
01/13/06	(H)	MINUTE(W&M)
02/01/06	(H)	W&M AT 9:00 AM CAPITOL 106
02/01/06	(H)	Heard & Held
02/01/06	(H)	MINUTE(W&M)
02/03/06	(H)	W&M AT 9:00 AM CAPITOL 106

BILL: HB 223

SHORT TITLE: NATURAL GAS PIPELINE INCENTIVE/ GAS TAX

SPONSOR(S): REPRESENTATIVE(S) CROFT

03/17/05	(H)	READ THE FIRST TIME - REFERRALS
03/17/05	(H)	W&M, O&G, RES
04/25/05	(H)	W&M AT 8:30 AM CAPITOL 106
04/25/05	(H)	Heard & Held
04/25/05	(H)	MINUTE(W&M)
01/11/06	(H)	W&M AT 9:00 AM CAPITOL 106
01/11/06	(H)	Heard & Held
01/11/06	(H)	MINUTE(W&M)
01/18/06	(H)	W&M AT 9:00 AM CAPITOL 106
01/18/06	(H)	Heard & Held
01/18/06	(H)	MINUTE(W&M)
01/25/06	(H)	W&M AT 9:00 AM CAPITOL 106
01/25/06	(H)	Heard & Held
01/25/06	(H)	MINUTE(W&M)
02/01/06	(H)	W&M AT 9:00 AM CAPITOL 106
02/01/06	(H)	Heard & Held
02/01/06	(H)	MINUTE(W&M)
02/03/06	(H)	W&M AT 9:00 AM CAPITOL 106

**WITNESS REGISTER**

LARRY SEMMENS, Board Member  
 Alaska Retirement Management Board (ARMB)  
 Kenai, Alaska

POSITION STATEMENT: Presented a report and answered questions regarding the ARMB's assessment and recommendations addressing the unfunded liability of the Public Employees' Retirement System (PERS) and the Teachers' Retirement System (TRS).

GARY BADER, Chief Investment Officer  
 Treasury Division  
 Department of Revenue (DOR)  
 Juneau, Alaska

POSITION STATEMENT: Answered questions regarding the ARMB's report on PERS/TRS.

**ACTION NARRATIVE**

**CHAIR BRUCE WEYHRAUCH** called the House Special Committee on Ways and Means meeting to order at 9:02:32 AM. Representatives Weyhrauch and Seaton were present at the call to order. Representatives Gruenberg, Samuels, and Wilson arrived as the meeting was in progress. Representatives Crawford and Gara were also in attendance.

HB 63-OIL SEVERANCE TAX

9:02:41 AM

CHAIR WEYHRAUCH announced that the first order of business would be HOUSE BILL NO. 63, "An Act relating to the oil and gas properties production (severance) tax as it applies to oil; establishing a minimum rate of tax for certain fields of five percent; providing for an adjustment to increase the tax collected when oil prices exceed \$20 per barrel and to reduce the tax collected when oil prices fall below \$16 per barrel; and providing for relief from the tax when the price per barrel is low or when the taxpayer demonstrates that a reduction in the tax is necessary to establish or reestablish production from an oil field or pool that would not otherwise be economically feasible."

CHAIR WEYHRAUCH, having determined there was no one wishing to testify, closed public testimony on HB 63, and announced that the committee would discuss it at the end of the meeting.

HB 223-NATURAL GAS PIPELINE INCENTIVE/ GAS TAX

9:03:52 AM

CHAIR WEYHRAUCH announced that the next order of business would be HOUSE BILL NO. 223, "An Act levying a tax on certain known resources of natural gas, conditionally repealing the levy of that tax, and authorizing a credit for payments of that tax against amounts due under the oil and gas properties production (severance) tax if requirements relating to the sale and delivery of the natural gas are met; and providing for an effective date."

CHAIR WEYHRAUCH, having determined there was no one wishing to testify, closed public testimony on HB 223, and announced that the committee would discuss it at the end of the meeting.

REPORT TO THE LEGISLATURE FROM ALASKA RETIREMENT MANAGEMENT BOARD

9:04:11 AM

CHAIR WEYHRAUCH announced that the next order of business would be a report to the legislature presented by a member of the Alaska Retirement Management Board (ARMB) addressing the unfunded liability of the Public Employees' Retirement System (PERS) and the Teachers' Retirement System (TRS).

9:04:44 AM

LARRY SEMMENS, Board Member, Alaska Retirement Management Board (ARMB), informed the committee that he is also the finance director for the City of Kenai. He then explained that SB 141 required the ARMB to present a report to the legislature within 120 days of the board's appointment and that the report was to address 5 key areas of assessment and recommendations. The first of these, he said, dealt with the board's preliminary assessment of the financial health of all public employee retirement plans and all teacher retirement plans. He clarified that the board's findings are preliminary because it does not have current actuarial information. The latest report available, he said, is dated June 30, 2004, and does not contain the impact of the new [defined contribution] plan established by SB 141. However, the report does show that the PERS and TRS systems are unfunded in the amount of \$5.7 billion, with PERS funded at 70 percent and TRS at 63 percent. He further explained that the employer rates needed to fund those systems over the next 25 years are 28 percent for PERS and 42 percent for TRS. However, the ARMB recently set the rates at 21.77 percent for PERS and 26 percent for TRS. He highlighted that the actuarial evaluation points out that the unfunded liability has grown since 2003. Although actuarial information for 2005 is not yet available, he said that the board expects the [unfunded] liability to grow because there has been no [significant] "investment earnings on \$5.7 billion" and the employers have not paid the full actuarially-required rates.

MR. SEMMENS addressed the second requirement of SB 141 - assessment of the actuarial services purchased by the board - and announced that the ARMB approved the hiring of Buck Consultants as the new actuary. He explained that Buck Consultants will replicate the 2004 actuarial valuations prepared by the former consultants, Mercer Human Resource Consulting. The new 2005 [actuarial] valuation [report] is to be delivered to the board at the March meeting.

MR. SEMMENS, regarding the third requirement requesting any additional legislative or administrative policies that might improve the financial health of the retirement plans, related that the ARMB recommended no enhancements to benefits for at least one year because "we" don't really have the ability to determine the actuarial impact of new benefits. Another recommendation by the board, he added, is to index the [beneficiary] health deductible in the new [defined

contribution] plan [commensurate with increases] in the [Consumer Price Index] ("CPI"), otherwise there could continue to be a situation like exists now in the current tiers. He explained that currently a \$100 deductible is a \$100 deductible forever. However, if those deductibles were indexed to the CPI, then the benefit that was intended could occur without being "stuck to the dollar value."

9:08:44 AM

MR. SEMMENS prefaced his explanation of the fourth requirement of SB 141, which requests short-term and long-term recommendations addressing the unfunded liability of retirement plans, by paraphrasing a section from page 7 of the ARMB report [original punctuation provided]:

It is clear that the under funding problems of the retirement systems did not occur overnight and it is also clear that there are no easy solutions to the under funding problem. The solution will not be painless because it will require the commitment of scarce resources that have competing demands. However, ignoring this problem will result in deferring the problem to future generations when solutions involving resource allocation may prove more painful than they are today. Alaska's defined benefit plans have a pension component that is set in statute with constitutional guarantees. Consequently, there is no immediate opportunity available to the board to change the pension liability. The health component of the defined benefit plans provide some opportunity for addressing the short fall to the extent that costs to provide that benefit can be managed.

9:09:58 AM

MR. SEMMENS then listed the short-term recommendations by the ARMB: to create a new health plan for new hires under the defined contribution plan; to implement preferred provider programs where possible; to continue promoting the use of generic drugs; to continue implementing cost-containment measures; and to [establish procedures] for the periodic review of the eligibility of retired dependents, which is projected to save up to \$16 million a year. The long-term recommendations, he highlighted, include consideration of: extending the payoff period of the liabilities where like a mortgage, more is paid ultimately with annual costs being less; requesting the state

make contributions to the systems since it is expected to have a large budget surplus this year and could reduce the burden on employers; and adopting a funding strategy that would set a limit on the rate of employer contributions - using a combination of the first two long-term strategies or one whereby the board recommends "nothing less than full funding." Further long-term recommendations are dependent upon the assessment findings by Buck Consultants expected in March 2006, and to be reviewed by the board later that same month, Mr. Semmens said. The board will continue assessing the fiscal, practical, and legal issues surrounding pension obligation bonds as a potential tool in reducing the unfunded, accrued liabilities of [PERS and TRS] employers.

MR. SEMMENS announced that the final requirement of the ARMB by SB 141 is to provide recommendations for legislative procedures regarding fiscal notes for new legislation [affecting the retirement plans]. He then informed the committee that because actuarial information is normally needed to assess the impact of new bills and because those actuarial calculations take time, the board recommends that any bills affecting the pension system be introduced early. He explained that there are additional requirements of SB 141, such as establishing a defined contribution plan and selecting investment options and managers, both of which are listed on page 10 of the ARMB report to the legislature. Also both will be monitored on an ongoing basis by the board, investment staff, and consultants. Furthermore, he said, SB 141 requires the board to determine the interest rate that will be credited to members' accounts that are established under the Health Reimbursement Arrangement Plan. The aforementioned rate will likely be related to long-term interest rates. In regard to ongoing work of the board, he noted that information needed to help the board define recommendations for solving the long-term funding problem has been requested from the actuary.

9:14:50 AM

REPRESENTATIVE WILSON, referring to one of the recommendations by the board, asked how "early on in the session" the board would suggest bills [pertaining to the pension system] be introduced.

MR. SEMMENS said that it depends upon what is being proposed. Legislation involving an extensive overhaul, he surmised, may result in the actuary requiring significantly more time to perform an analysis unlike other [bill proposals] requiring

little time. Initially, the board had discussed that these kinds of bills be introduced within 90 days of the session, he related. However, it became clear the board could not set this kind of parameter because the length of time is dependent upon each bill. "Generally speaking, it's better to get it in earlier if we want to analyze it actuarially," he concluded.

CHAIR WEYHRAUCH, regarding Mr. Semmens' earlier mention of fiscal notes, asked whether the board recommended these be submitted early as well.

MR. SEMMENS clarified that the bills should be submitted earlier to allow sufficient time for analysis and preparation of accurate fiscal notes.

CHAIR WEYHRAUCH, referring to page 11 in the ARMB report addressing the Office of Administrative Appeals, described the former appeals process by which PERS and TRS employees submit complaints regarding benefits and provide testimony followed by the state's argument and testimony, after which the board would deliberate and notify the employee of its decision with a written explanation. He opined that it was a great system for employees as opposed to a court process, which entails more time and expense. He asked Mr. Semmens how the Office of Administrative Appeals and the ARMB are going to deal with appeals and how might the process change.

MR. SEMMENS related his understanding that the ARMB is not a part of that process.

[9:18:25 AM](#)

GARY BADER, Chief Investment Officer, Treasury Division, Department of Revenue (DOR), expressed that it is his understanding as well that the ARMB is not involved with the grievance process. Those employees with grievances, he explained, first appeal to the administrator of the system and then, should they not be satisfied there, go to the Office of Administrative Appeals.

CHAIR WEYHRAUCH, referring to the section of the ARMB report in which it states that 18 appeals have been transmitted to the Office of Administrative Hearings (OAH) by the Division of Retirement and Benefits, expressed his belief that the [appeals process] has changed quite a bit. In fact, there seem to be a lot more procedures and delay associated with an employee's decision on his/her benefits than existed before.

MR. BADER speculated that in the past it was also difficult for an appellant to meet the scheduled timelines of the PERS or TRS board. In this case, it may be possible for appellants to receive a more expeditious hearing because the hearing officer might be able to travel to the location where the appellant resides.

9:20:01 AM

CHAIR WEYHRAUCH asked if it would be possible, with the knowledge that Buck Consulting would not be presenting its findings prior to the meeting in March, for the ARMB to present any updates to the legislature before then.

MR. BADER informed the committee that the ARMB has recently submitted questions and a number of scenarios to Buck Consultants suggesting the actuary review combinations of extending the amortization period, a cap on rates, and a contribution to the system. Although the board would hope to know results prior to the March meeting, it has not yet heard back from the consultants.

9:21:45 AM

CHAIR WEYHRAUCH noted that the ARMB will not present its long-term recommendations to the legislature until Buck Consultants provides its findings to the board, which will not occur until after a secondary actuary has provided its opinion on the first actuary's findings. Chair Weyhrauch asked if the second actuary has been hired.

MR. SEMMENS remarked that the committee is in the process of hiring a second actuary and is currently reviewing the one qualified proposal it has received.

CHAIR WEYHRAUCH opined that "this would be the best proposal to submit because you can sit and second guess."

MR. BADER added that there were other submissions, but they failed to meet the minimum qualifications. In response to a question by Chair Weyhrauch, he expressed his belief that the ARMB would submit any possible actionable information provided by Buck Consulting to the legislature, regardless of whether the board had obtained all the facts. He clarified that "the second actuary's job will be primarily to look at the assumptions that go into the work done by Buck [Consulting]."

[9:24:08 AM](#)

CHAIR WEYHRAUCH observed that there might be another problem to consider should, at the ARMB's recommendation, the legislature proceed in submitting bills affecting the health of the pension plans as early as possible because there is the possibility of a more conservative or prudent legislator being opposed to taking a position, or taking any action, until additional analysis is performed by the second actuary.

MR. BADER opined that it would be prudent to proceed even in the absence of knowing the total amount of under funding unless the legislature is contemplating paying off the entire indebtedness of the system.

[9:25:30 AM](#)

CHAIR WEYHRAUCH highlighted the current \$6 billion unfunded liability of the state retirement system and the current surplus the state could use to pay the unfunded liability. However, there has been no strong indication the surplus should be placed toward the payment of the unfunded liability, and therefore he inquired as to how that should be viewed.

MR. SEMMENS directed the committee's attention to page 7, section 2 of the report, and opined that "the board is in favor of the state making contributions to the system because there is little doubt that it would improve the unfunded status and reduce the rates the employers will have to pay in the future."

[9:26:41 AM](#)

CHAIR WEYHRAUCH replied that "the trick is in the number" that needs to be assigned [to address the unfunded liability]. The stronger the position the ARMB takes may translate into a stronger position the administration takes in potentially assigning a larger amount of money for the legislature to then assign. He asked Mr. Semmens whether the ARMB report is going to report a specific number on the amount of money to pay into the system to address the unfunded liability.

[9:27:13 AM](#)

MR. SEMMENS explained that he could only comment as a fiduciary would on behalf of the beneficiary, which is to say "the larger number the better," though "a practical number is obviously

going to be lower than that." In response to Chair Weyhrauch's observation that Mr. Semmens is in a unique position to both represent a community that has an unfunded liability as well as be a fiduciary member of the ARMB for the state, Mr. Semmens opined that [the state] should make an ongoing commitment to annually fund at a reasonable enough rate required of employers to ensure that services are not degraded. However, he said he was uncertain what the exact rate should be. The ARMB has asked the actuary to address this, he explained, by providing "different contribution rates stretched out over different amortization periods and what would the annual contribution rate have to be to sustain that rate."

[9:28:54 AM](#)

CHAIR WEYHRAUCH relayed that there is a fundamental structure problem in the state and asked Mr. Semmens whether the ARMB "is going to take a position on the need for some sort of recurring source of revenue to address this on a longer sustainable basis."

MR. SEMMENS replied that although this could be taken into consideration, it is the board's primary responsibility to "get money into the system." Therefore, limiting the tools available to municipalities or the state regarding from where the funds are acquired and how they are entered into the system is not desirable.

CHAIR WEYHRAUCH indicated that this could be an opportunity for the board to address the state's structural problem, which is that "we have no recurring source of revenue that can be sustained on a long-term basis except for the vagaries of the investment returns and the oil prices."

MR. SEMMENS said that although the board would discuss this and make suggestions, there is some reluctance to specify a certain source of income. In response to a question by Representative Wilson regarding whether there is an actuarial number that would make a difference, Mr. Semmens said that the actuary has been asked to inform the board of the impact of contributions on the consolidated rate in increments of \$100 million in order to measure the impact of these varying rates.

[9:31:46 AM](#)

CHAIR WEYHRAUCH expressed his appreciation of Mr. Semmens' position and said he recognizes that Mr. Semmens is "fighting

this battle all the time" while trying to balance debt obligations with other requirements of running a city and borough.

MR. SEMMENS opined that the board "will make a difference in the lives of Alaskans and the things the legislature is doing." He then expressed his thanks to the committee for the work it's doing in addressing the [unfunded liability of the state retirement system].

[9:32:38 AM](#)

REPRESENTATIVE GRUENBERG posited the question that if there is a constitutional right for beneficiaries under the system which prohibits diminishment of a beneficiary's ability to obtain a pension, would it not also imply "a legal right of the pension to have the contributions it's due from the state and the employers." "Don't they owe that money?" he asked.

MR. SEMMENS opined that as a Certified Public Accountant (CPA) he is qualified to say that contributions are legally required and that the ARMB sets the rate.

REPRESENTATIVE GRUENBERG suggested that this information be included in future ARMB reports and then asked Mr. Bader if he agrees with Mr. Semmens' opinion.

MR. BADER said that he is not sure he agrees and expressed his belief that the state has the requirement to provide the benefit. As far as the means to do so, the best option might be to fully fund, he commented.

REPRESENTATIVE GRUENBERG reflected that this brings up an interesting question as to "when does the duty arise as well as the method by which the payments must be made" and asked Mr. Bader if he was aware of any legal opinions on that subject. Upon hearing from Mr. Bader that he was not aware of any, Representative Gruenberg expressed his interest in learning whether there is indeed "a legal obligation, when does it arise, how can it be satisfied, and what is the extent of that obligation."

[9:35:47 AM](#)

CHAIR WEYHRAUCH referred to earlier testimony by Mr. Bader wherein he named three recommendations under consideration: extending the payoff period on the debt, adopting a limitation

on the required employer contribution, and requesting contributions to address the liabilities. Chair Weyhrauch opined that the payoff period and the employer contributions might possibly be dealt with administratively, however, "it's the payoff issue - and I can't emphasize this enough - the legislature and administration will probably put great weight on what [the ARMB] recommends, and so we look to [the board] for the appropriate number."

MR. SEMMENS said that the board will address this question.

HB 63-OIL SEVERANCE TAX

[9:36:52 AM](#)

CHAIR WEYHRAUCH announced that the committee would return its attention to HOUSE BILL NO. 63, "An Act relating to the oil and gas properties production (severance) tax as it applies to oil; establishing a minimum rate of tax for certain fields of five percent; providing for an adjustment to increase the tax collected when oil prices exceed \$20 per barrel and to reduce the tax collected when oil prices fall below \$16 per barrel; and providing for relief from the tax when the price per barrel is low or when the taxpayer demonstrates that a reduction in the tax is necessary to establish or reestablish production from an oil field or pool that would not otherwise be economically feasible."

[9:37:15 AM](#)

REPRESENTATIVE GRUENBERG moved to report HB 63 out of committee with individual recommendations and the accompanying fiscal note.

REPRESENTATIVE SAMUELS objected. He expressed his thanks to Representative Gara, his staff, Deborah Vogt, and others for their work on the bill, and opined that the subject of oil taxes does need to be discussed in the legislature. He explained, however, that the only reason he objected is due to the insufficient amount of world-class analysis available to help him form a decision. He noted that "85 percent of the state's revenue is at stake here," therefore "you need to know what the competition around the world is doing [on this topic]." He informed the committee that he does "hope the bill moves forward," but wanted to have his objections on the record. He concluded by expressing his view as to how important the oil and gas are to the future of this state.

REPRESENTATIVE GRUENBERG expressed his appreciation of the Representative Samuel's comments and indicated that this could be seen as a first step.

REPRESENTATIVE WILSON remarked on how significant this source of income is to the State of Alaska. However, she questioned what the ramifications would be [should this legislation pass]. She concluded that although she does not have sufficient information, she does have confidence in her colleagues to work further on this legislation as it moves through the other committees.

REPRESENTATIVE SEATON expressed that he, too, does not feel the committee has enough analysis before it to determine the right solution. However, he opined that the legislation would be heard by the House Resources Standing Committee where "the expertise has been generated." He specified that his "vote to move this on is saying that we know something is wrong with the [oil] tax structure, that we need to change it, and I'm willing to let the other committees work on the exact amount ...."

[9:41:29 AM](#)

A roll call vote was taken. Representatives Gruenberg, Seaton, Weyhrauch, and Wilson voted in favor of reporting HB 63 out of committee. Representative Samuels voted against it. Therefore, HB 63 was reported out of the House Special Committee on Ways and Means by a vote of 4-1.

HB 223-NATURAL GAS PIPELINE INCENTIVE/ GAS TAX

[9:42:14 AM](#)

CHAIR WEYHRAUCH announced that the committee would return its attention to HOUSE BILL NO. 223, "An Act levying a tax on certain known resources of natural gas, conditionally repealing the levy of that tax, and authorizing a credit for payments of that tax against amounts due under the oil and gas properties production (severance) tax if requirements relating to the sale and delivery of the natural gas are met; and providing for an effective date."

[9:42:22 AM](#)

REPRESENTATIVE GRUENBERG moved to report HB 223 out of committee with individual recommendations and the accompanying fiscal notes.

[9:42:26 AM](#)

REPRESENTATIVE SAMUELS objected for the purposes of discussion. He thanked the bill sponsors. He then related his belief that the legislative process was established by the founding fathers "so that despite all the rhetoric on both sides of the aisles, nothing ever really swings too far one way or another because it is so hard to get something through the process." He noted the difference between those issues that go through the legislative process where testimony and debate from experts and others bring "all points of view to the table," as opposed to ballot initiatives where the use of campaign funds can often [sway public opinion] and bypass the discussion process. He highlighted that whereas ConocoPhillips Alaska, Inc. sent representation to testify as to why the company economically opposed [HB 223], ExxonMobil Corporation and BP chose not to even enter the debate on this issue. He opined that "if the legislative process is going to move forward [without] the main victims' of this tax [willing] to sit up here and articulate [as to the economic effects] of this reserves tax ... then we've lost the key element of having the legislative process, [which] is to have all points of view come to the table." He opined that because the bill has a long way to go and he will have another opportunity to address it in the House Resources Standing Committee, [the bill] should move forward or there will be no further debate at committee hearings nor sufficient debate in the public arena as a ballot initiative.

[9:46:18 AM](#)

REPRESENTATIVE SAMUELS then removed his objection.

[9:46:21 AM](#)

REPRESENTATIVE GRUENBERG opined that the reason this bill is moving forward is because there is an initiative behind it and that if the legislature doesn't act, the public will act.

REPRESENTATIVE WILSON expressed her opinion that sometimes people vote on initiatives with insufficient facts and thus it's important that the [legislature] "scrounge up facts."

CHAIR WEYHRAUCH provided, for the public's information, that the House Special Committee on Ways and Means was established to explore methods to fund the state's fiscal gap, and therefore it's the purview of this committee to explore tax policy. He also identified the variety of other committees on which this committee's members are assigned to "provide the context for how we analyze and look at measures." He also expressed his appreciation of Representative Samuels' comments regarding the fact that "we bent over backwards to take public testimony on these measures and have had many ... meetings for that specific purpose."

[9:49:03 AM](#)

CHAIR WEYHRAUCH asked if there was any further objection. There being none, HB 223 was reported out of House Special Committee on Ways and Means.

[9:49:26 AM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the House Special Committee on Ways and Means meeting was adjourned at 9:49 a.m.