

MINUTES
SENATE FINANCE COMMITTEE
May 2, 2005
10:36 a.m.

CALL TO ORDER

Co-Chair Green convened the meeting at approximately [10:36:14 AM](#).

PRESENT

Senator Lyda Green, Co-Chair
Senator Gary Wilken, Co-Chair
Senator Fred Dyson
Senator Bert Stedman
Senator Lyman Hoffman
Senator Donny Olson

Also Attending: SENATOR RALPH SEEKINS; REPRESENTATIVE MIKE HAWKER; REPRESENTATIVE RALPH SAMUELS; REPRESENTATIVE VIC KOHRING; DOUG WOOLIVER, Administrative Attorney, Alaska Court System; BEN MULLINGAN, Staff to Representative Bill Stoltze; RANDY RUARGO, Assistant Attorney General, Civil Division (Juneau), Department of Law; KEVIN TABLER, Manager, Land/Government Affairs, Union Oil Company of California/Anchorage; BARBARA COTTING, Staff to Representative Jim Holm; CONRAD JACKSON, Staff to Representative Kurt Olson; GINGER BLAISDELL, Staff to Senator Lyda Green; HEATH HILLIARD, Staff to Representative Mike Kelly; MIKE TIBBLES, Deputy Commissioner, Department of Administration; MIKE PAWLOWSKI, Staff to Representative Kevin Meyer; IAN FISK, Staff to Representative Bill Thomas; SAM KITO, Chair, Legislative Liaison Committee for the Alaska Professional Design Council; HEATHER NOBREGA, Staff to Representative Norm Rokeberg; GREG WINEGAR, Director, Division of Investments, Department of Commerce, Community and Economic Development; KACI SCHRODER, Staff to Representative Bill Thomas

Attending via Teleconference: From Offnet Sites: TIM ROGERS, Alaska Municipal League; DUANE BANNOCK, Director, Division of Motor Vehicles, Department of Administration

SUMMARY INFORMATION

HB 249-ENHANCED 911 SURCHARGES

The Committee heard from the sponsor and the Alaska Municipal League. An amendment was considered, but failed to be adopted. The

bill reported from Committee.

HB 155-YOUTH COURTS AND CRIMINAL FINES

The Committee heard from the sponsor and the Alaska Court System. One amendment was adopted, and the bill was held in Committee.

HB 131-ACCESS DEVICE & I.D. DOCUMENT CRIMES

The Committee heard from the sponsor and the Department of Law. The bill reported from Committee.

HB 197-OIL SPILL EXEMPTIONS FOR GAS WELLS

The Committee heard from the sponsor and the industry. The bill reported from Committee.

HB 156-COMMISSION ON AGING

The Committee heard from the sponsor, adopted a committee substitute, and reported the bill from Committee.

HB 178-SPECIAL REQUEST LICENSE PLATES

The Committee heard from the sponsor and the Department of Administration. The bill was held in Committee.

SB 46-BUDGET: CAPITAL & OTHER/ BRF

The Committee reviewed a committee substitute and held the bill in Committee.

HB 91-INDECENT EXPOSURE TO MINORS

The Committee reported out the bill.

HB 35-EXTEND BD ARCHITECTS/ENGINEERS/SURVEYORS

The Committee reported out the bill, then rescinded that action. After hearing from the bill's sponsor and the industry, one amendment was adopted and the committee substitute was reported from Committee.

HB 75-HUNTING, FISHING, TRAPPING

The Committee heard from the sponsor and the Chair of the Senate Resources Committee. One amendment was adopted and the bill reported from Committee.

SB 24-REEMPLOYMENT OF RETIREES

The Committee heard from the Department of Administration, adopted one amendment and reported the bill from Committee.

HB 15-LIQUOR LIC: OUTDOOR REC. LODGE/BARS/PUBS

The Committee heard from the sponsor and reported the bill from Committee.

HB 19-PESTICIDE & BROADCAST CHEMICALS

The Committee heard from the sponsor and reported the bill from Committee.

HB 230-LOANS FOR COMMERCIAL FISHING TENDERS

The Committee heard from the sponsor and the Department of Commerce, Community and Economic Development. The bill reported from Committee.

HB 136-DRIVING UNDER INFLUENCE SENTENCING

The Committee heard from the bill's sponsor and reported the bill and a House Judiciary Letter from Intent from Committee.

HB 119-AK REGIONAL ECONOMIC ASSISTANCE PROGRAM

The Committee heard from the sponsor. One amendment was adopted and the bill reported from Committee.

[10:36:00 AM](#)

#hb249

CS FOR HOUSE BILL NO. 249(RLS)

"An Act relating to enhanced 911 systems and enhanced 911 surcharges imposed by a municipality, public municipal corporation, or village."

This was the first hearing for this bill in the Senate Finance Committee.

REPRESENTATIVE MIKE HAWKER, the bill's sponsor, noted that the Committee previously heard the Senate companion bill to this

legislation. The House version of the bill before the Committee included some technical changes such as changing "telecommunication" to "telephone" and "E 911" to "Enhanced 911". In addition, the maximum tax amount allowable without voter approval was increased from \$1.50 to \$2.00.

[10:37:57 AM](#)

TIM ROGERS, Alaska Municipal League, testified via teleconference from an offnet location in support of this bill. He would be available to answer questions.

[10:38:28 AM](#)

Co-Chair Green remarked that this matter has had considerable attention, and that the majority of the Committee's language recommendations pertinent to the Senate companion bill were incorporated into this House bill. The three changes in this version of the bill, as communicated by Representative Hawker, would be "a great improvement".

[10:38:54 AM](#)

Co-Chair Wilken stated that this legislation is a "big issue" to the Fairbanks North Star Borough and the City of Fairbanks. The \$2.00 maximum tax limit would not sufficiently cover the costs of the Enhanced 911 system in Fairbanks. Therefore, the City would be required to make internal adjustments.

Co-Chair Wilken stated that Fairbanks is primarily concerned with the fact that local voter approval would be required to increase the Enhanced 911 service assessment beyond the \$2.00 limit that would be specified in Statute. The concern is that the public might not support the need. A forthcoming amendment would change the manner through which the local Enhanced 911 surcharge could be managed by allowing the local assembly rather than the public to decide the issue.

Co-Chair Wilken informed the Committee that local assembly and mayoral elections are held every three years in Fairbanks. Campaigns for those seats could be intensive and expensive. The concern is that, even though the Enhanced 911 issue would be considered a worthy initiative, the issue would have to compete with the assembly and mayoral elections and "would be lost in the noise". It would be secondary to the focus on the candidate elections.

Amendment #1: This amendment deletes "surcharge amount is approved

by the voters of the enhanced 911 service area" in Sec. 2(a) page two lines 14 and 15 and replaces it with "municipality adopts a separate ordinance authorizing the increase".

Co-Chair Wilken moved for adoption of Amendment #1.

Co-Chair Wilken argued that the current language in the bill would shortchange the Enhanced 911 service. While the effort is to make the service more responsive and enhance public safety in the community, the opposite would be true. He opined that, were it put to a local vote, he, having used the service, would be one of a few who would vote for an increased Enhanced 911 surcharge. Nonetheless, while only one in ten people have used the service, it would be available for all ten.

Co-Chair Green objected to the amendment. A tax limitation in this regard has "long been in Statute", and the proposal to increase the current 50-cent tax limit to \$2.00 would quadruple the revenue to most large communities. It is interesting how the blame pertaining to this issue transitions from one entity to another: when the local phone utility, which has no control over the issue incorporates the Enhanced 911 surcharge into their subscribers' utility bills, the subscribers blame the utility; the utility would deflect that blame and explain that the charge was due to a city or borough decision; and the city would then deflect the criticism to the Legislature by intoning that the State allowed them to increase the charge. While she could accept the \$2.00 tax limit, any charge imposed over that amount in a local community should be approved by that community's voters.

[10:44:34 AM](#)

Senator Olson requested the sponsor's position of the amendment.

[10:44:41 AM](#)

Representative Hawker replied that he had previously considered this issue. His determination was that arguments for both positions are "equally sound". He understood the argument of allowing those most closely affected by the issue to vote in its regard as well as the concern that voters might not support increasing fees upon themselves for a public issue.

[10:45:36 AM](#)

Co-Chair Green commented on the neutrality of Representative Hawker's position.

[10:45:48 AM](#)

Senator Dyson, noting that he had served for six years on a local municipal assembly, spoke in support of the amendment. Traditionally, in a western representative democracy, people are elected to positions and charged with studying an issue and making a decision in its regard. He agreed with Co-Chair Wilken that the elected body could best make the decision regarding a local Enhanced 911 surcharge. His Senate district seat predecessor, Senator Sam Cotton, was heard to say in response to whether he would vote in support of the will of his constituents that, "most of the issues are very complicated and take a lot of study ... at the end of the day, I hope that I vote the way that you would have wanted to vote if you had had access to the information and the debate of the history of the issue like I have a chance to study." The hope is that the electorate would vote for mature and wise people who would make the right decision after they had had the time to study the issue and hear the debate.

[10:47:32 AM](#)

Co-Chair Green viewed Senator Dyson's position as being "kind of interesting", as he has been "a proponent of sound budgeting" and watchful of elected officials' efforts to increase spending. "This flies directly in the face of the tax cap that the City of Anchorage" and other communities have. This would be "a mechanism by which they can get around the tax limit, and that bothers me." Therefore, "we shouldn't be providing them an avenue in which to go around that tax cap."

Co-Chair Green observed that one of the problems with the Enhanced 911 system is that, were a poll taken, it would be determined that few people "know what that system consists of." Communicating the financial mechanics of the system to people would be a "huge education" effort, as attested by the discussions that transpired during Committee hearings. The language provided in this legislation would clearly define how this money could be utilized and would distinguish between "the needs verses the wants".

Co-Chair Green maintained her objection to Amendment #1.

[10:49:08 AM](#)

Senator Olson voiced concern that the amendment could make it easier for a municipality to increase the surcharge rate were funding short.

[10:49:27 AM](#)

Co-Chair Green agreed.

[10:49:30 AM](#)

Senator Dyson appreciated Co-Chair Green's comments about the "apparent hypocrisy" of his earlier position on the amendment. He has oftentimes encountered issues in conflict with his principles. He knew of many circumstances in which the Municipality of Anchorage Assembly has attempted to maneuver "around their tax cap rather than facing it honestly." He appreciated being "reminded" that this action might enable such action. Providing the ability "to end run their tax cap" would not be his desire. However, the significance of the issue and the principle of a representative government override that concern in this case.

A roll call was taken on the motion.

IN FAVOR: Senator Dyson and Co-Chair Wilken

OPPOSED: Senator Olson, Senator Hoffman, Senator Stedman, and Co-Chair Green

ABSENT: Senator Bunde

The motion FAILED (2-4-1)

The amendment FAILED to be adopted.

[10:51:06 AM](#)

Co-Chair Wilken offered a motion to report the bill from Committee with individual recommendations and accompanying fiscal note.

There being no objection, CS HB 249(RLS) was REPORTED from Committee with zero fiscal note #1 dated April 8, 2005 from the Department of Public Safety.

[10:51:16 AM](#)

AT EASE [10:51:59 AM](#) / [10:53:35 AM](#)

[10:53:36 AM](#)

#hb155

CS FOR HOUSE BILL NO. 155(JUD)

"An Act relating to funding for youth courts; and relating to

separately accounting for fines imposed on and collected from defendants."

This was the first hearing for this bill in the Senate Finance Committee.

REPRESENTATIVE RALPH SAMUELS, the bill's sponsor, read from his Sponsor Statement as follows.

HB 155 simply gives the Legislature the authority to appropriate up to 25% of the fines collected by the Alaska Court System to the youth courts. It is not stipulated that they must do so.

The youth courts help young offenders by intervening early to set them on the right track and work to deter them from becoming adult offenders.

The Anchorage Youth Court, which was established in 1989, is the oldest of the 14 youth court programs in the State. In the first two quarters of the current fiscal year, there have been 471 youth offenders referred to these programs, 397 adjudications, 8,833 hours of community service and \$7,502.00 in restitution ordered.

There are 14 youth courts operating statewide: Anchorage, Delta Junction, Fairbanks, Homer, Juneau, Kake, Kenai, Ketchikan, Kodiak, Kotzebue, Mat-Su, Nome, Sitka and Wrangell.

This bill simply provides an accounting mechanism through which to allow the Legislature to give the Youth Courts money.

"The actions of an offender being tried in a Youth Court are judged by his or her peers. It is a lot tougher to blow smoke if you are talking to your own age group."

Doug Wooliver, an attorney with the Alaska Court System, drafted Sections 3 and 4 to address some of the concerns the Court System had with their estimates and accounting of the money.

[10:56:05 AM](#)

Co-Chair Green asked where the revenues collected from fines are currently deposited.

[10:56:16 AM](#)

Representative Samuels clarified that the Alaska Youth Court is currently unable to receive funds. He deferred to the Mr. Wooliver with the Alaska Court System for further specifics.

[10:56:26 AM](#)

Co-Chair Green, noting that this legislation would not generate additional money; it could simply divert revenue to the Youth Court, asked for further information about where the funds are currently deposited.

[10:56:43 AM](#)

Representative Samuels responded that the funds are currently deposited to the General Fund. The bill would not stipulate where the Youth Court would be ranked in line for funding; it would simply implement an accounting mechanism through which money could be allocated to the Youth Court.

[10:57:04 AM](#)

Co-Chair Green asked whether AS 37.05.142, as specified in language in Section 1(g) page one, line five, was a general accounting reference.

(g) Fines imposed and collected under this section shall be separately accounted for under AS 37.05.142.

[10:57:26 AM](#)

DOUG WOOLIVER, Administrative Attorney, Alaska Court System, informed that AS 37.05.142 is a Statute "that directs an entity to separately account for specific types of money. In this case, it would direct the Court System to specifically identify fines collected under AS 12.55.035 as opposed to revenue collected from such things as other types of fines, court costs or forfeitures. The funds would therefore be "labeled" in the General Fund.

[10:58:07 AM](#)

Co-Chair Green recalled past Committee discussions and concerns in regards to fines that were collected but not provided to the harmed party. She was unsure whether this was the result of accounting procedures or a computer "glitch". She allowed that those issues might have involved different types of fines than those addressed in this legislation. Nonetheless, she asked what this legislation would change that would allow these funds to be made available for

appropriation.

[10:58:48 AM](#)

Mr. Wooliver stated that this legislation would not address the issue of the "disconnect" between the Alaska Court System and the Collections and Support Section of the Department of Law. This bill would specify that the fine money collected and accounted for directly by the Alaska Court System would be deposited into the general fund. That would be the dollar amount subject to this legislation. This would circumvent "the disconnect" that is occurring with the Department of Law collections division.

Co-Chair Green understood therefore that this legislation would "pre-authorize" one-quarter of the fine revenue collected by the Court System to be used to fund the Youth Court.

[10:59:37 AM](#)

Mr. Wooliver responded that this legislation would provide the authority through which the Legislature could do that.

Co-Chair Green pointed out that the bill's provisions specify that the Legislature "'may' appropriate" those funds.

[10:59:44 AM](#)

Co-Chair Green asked whether this action could occur absent this bill.

[10:59:50 AM](#)

Representative Samuels expressed the understanding that the Legislature could establish a procedure through which to appropriate funds "all at one time".

[11:00:06 AM](#)

Senator Stedman remarked "the operative provision here is 'may'". That word would indicate that the appropriation would not be mandatory. Continuing, he inquired as to how much 25-percent of the fines collected for the past three to five years would have amounted to.

[11:00:27 AM](#)

Mr. Wooliver reported that, over the past year, the Alaska Court System collected approximately \$3,500,000 in fines; this bill would

allow 25 percent of that amount to be available to the Youth Courts.

[11:00:50 AM](#)

Co-Chair Wilken voiced surprise at that amount, as the Department of Law fiscal note #1 indicates that \$1,200,000 was collected. 25-percent of that amount would equate to approximately \$324,800 being provided to the Youth Courts.

[11:01:10 AM](#)

Co-Chair Wilken understood from Representative Samuels' remarks that the Legislature could appropriate funds without this legislation. This bill would simply serve to establish the mechanism for the appropriation. Continuing, he expressed that the words "up to" 25-percent should be included in Sec. 2 page one line nine, as current wording would indicate the Legislature would be limited to either appropriating zero or 25-percent of the fines. While he is a "big supporter" of the Youth Court program, the concern would be that the Youth Court program would grow as a result of a year or years with good earnings; however the program would encounter trouble were their funding to diminish in years of low earnings. Therefore, the inclusion of the words "up to" would provide the Legislature "the discretion" to fund the program "at an appropriate level depending on what they are requesting".

Conceptual Amendment #1: This amendment inserts the words "up to" before the phrase "25 percent" in Sec. 2 page one line nine.

Co-Chair Wilken moved Conceptual Amendment #1.

There being no objection, Conceptual Amendment #1 was ADOPTED.

Co-Chair Green ordered the bill HELD in Committee.

AT EASE [11:04:14 AM](#) / [1:47:45 PM](#)

[1:47:48 PM](#)

#hb131

HOUSE BILL NO. 131

"An Act increasing the criminal classification of theft of an access device and of obtaining an access device or identification documents by fraudulent means; increasing the criminal classification for certain cases of fraudulent use of an access device; and providing for an effective date."

This was the first hearing for this bill in the Senate Finance Committee.

BEN MULLIGAN, Staff to Representative Bill Stoltze, the bill's sponsor, stated that the increase in access identity thief has become a nationwide concern. Alaska is second in the nation in the number of complaints per capital in regards to this issue. This bill would increase the criminal classification for this crime from a Class A misdemeanor to a Class C felony for the theft of an access device, the use of an access device, and the obtaining of an access device by fraudulent means.

[1:48:51 PM](#)

RANDY RURARO, Assistant Attorney General, Department of Law, informed the Committee that the Department of Law is in support of the bill.

[1:49:24 PM](#)

Co-Chair Green asked whether the definition of an access device is included in the bill.

[1:49:31 PM](#)

Mr. Mulligan stated that an access device is defined in State Statute AS 11.81.900 as follows.

An access device means a card, credit card, plate code, account number, Algorithm, or identification number including a social security number, electronic serial number or password that is capable of being used alone or in conjunction with another access device or identification document to obtain property or services that could be used to initiate a transfer of property.

[1:50:20 PM](#)

Co-Chair Green asked whether increased penalties for these crimes is occurring on a national level.

[1:50:28 PM](#)

Mr. Mulligan replied that numerous states have either lowered or eliminated the value level required for a felony charge relating to the property or services obtained as a result of this crime. The

fact that these crimes have increased more than 100 percent nationwide has led to such action.

[1:51:00 PM](#)

Co-Chair Wilken moved to report the bill from Committee with individual recommendations and accompanying fiscal notes.

There being no objection, HB 131 was REPORTED from Committee with zero fiscal note #1 dated February 25, 2005 from the Department of Corrections, zero fiscal note #2 dated February 22, 2005 from the Department of Law, zero fiscal note #3 dated February 22, 2005 from the Department of Public Safety, and indeterminate fiscal note #4 dated February 22, 2005 from the Department of Administration.

[1:51:18 PM](#)

#hb197

CS FOR HOUSE BILL NO. 197(RLS)

"An Act exempting certain natural gas exploration and production facilities from oil discharge prevention and contingency plans and proof of financial responsibility, and amending the powers and duties of the Alaska Oil and Gas Conservation Commission with respect to those plans; and providing for an effective date."

This was the first hearing for this bill in the Senate Finance Committee.

Co-Chair Green stated that this bill would address oil spill exemptions for gas wells.

REPRESENTATIVE VIC KOHRING, the bill's sponsor on behalf of the House Special Committee on Oil and Gas, explained that this legislation would exempt oil companies that are drilling strictly for gas from oil spill contingency plans. Current State law requires a company "that is drilling strictly for gas and is drilling in formations that contain only gas" to develop an oil spill contingency plan. The development of these plans is expensive and time consuming. It "would be logical to exempt gas drillers" from this requirement. The Oil and Gas Conservation Commission would be responsible for making the determination as to whether a formation contained oil. The company would be granted an exemption from the oil spill contingency plan requirement were the Commission to determine that the formation did not contain oil.

Representative Kohring stated that the bill is accompanied by a zero fiscal note from the Department of Environmental Conservation and is supported by the Governor Frank Murkowski Administration.

[1:53:18 PM](#)

Co-Chair Green asked when the oil spill contingency plan statute was enacted.

Representative Kohring replied that the oil spill contingency plan was enacted in HB 531 in the year 2003. This legislation would correct a drafting error that inadvertently included gas drillers with those that would be required to develop the oil spill contingency plan.

[1:53:59 PM](#)

Co-Chair Green remarked that some of the regulations relating to oil and gas drilling and development are "quite old". To that point, a distinction between oil and gas might not have been made.

[1:54:30 PM](#)

KEVIN TABLER, Manager, Land/Government Affairs, Union Oil Company of California/Anchorage requested that the Members support the House Rules Committee version of the bill, as it would "clean up" the unintended and inadvertent drafting error that was included in HB 531 when the definition of conventional and non-conventional gas wells was changed.

[1:55:41 PM](#)

Co-Chair Green understood that hearings on this bill had occurred in the House Committee on Oil and Gas bill, the House Finance Committee, the Senate Resources Committee and the Senate Rules Committee.

Representative Kohring affirmed

[1:56:06 PM](#)

Co-Chair Wilken moved to report the bill from Committee with individual recommendations and accompanying fiscal notes.

There being no objection, CS HB 197(RLS) was REPORTED from Committee with previous zero fiscal note #1 dated March 14, 2005 from the Department of Environmental Conservation.

[1:56:31 PM](#)

#hb156

CS FOR HOUSE BILL NO. 156(RLS) am
"An Act relating to the membership and duties of and quorum requirements for the Alaska Commission on Aging; and providing for an effective date."

This was the first hearing for this bill in the Senate Finance Committee.

[1:57:28 PM](#)

BARBARA COTTING, Staff to Representative Jim Holm, the bill's sponsor, informed the Committee that a new committee substitute has been distributed.

Co-Chair Wilken moved to adopt committee substitute Version 24-LS0615\S as the working document.

Co-Chair Green objected for an explanation.

Ms. Cotting expressed that during its committee referral process, this "simple little bill" has been amended numerous times. She reminded the Committee that the Alaska Commission on Aging was moved from the Department of Administration to the Department of Health and Social Services in the year 2003. That move resulted in the need for Statutory revisions. She voiced appreciation for Co-Chair Green's and others' input on the needed revisions that have occurred in accomplishing that task during the bill's committee process.

Ms. Cotting stated that the Version "S" committee substitute would eliminate the requirement that the Commissioner of the Department of Administration hold a seat on the commission, as that Department is no longer involved with the Commission: that seat would instead be reserved for a senior services provider. The committee substitute would also allow all eleven Commission members to vote. It would also eliminate sections that pertained to the Commission's responsibility of evaluating and awarding grant applications, as that function was no longer being performed. This would also serve to eliminate any appearance of a conflict of interest.

[NOTE: Co-Chair Wilken assumed Chair of the Committee.]

[1:58:43 PM](#)

Co-Chair Wilken asked whether there were any further questions or testimony in regards to the bill.

None were forthcoming.

[1:58:54 PM](#)

In response to a question from Senator Dyson, Co-Chair Wilken noted that further action on the bill must wait until Co-Chair Green, who had momentarily stepped away from the meeting, removed her objection to the adoption of the committee substitute.

AT EASE: 1:59:04 PM / 1:59:06 PM

Co-Chair Wilken ordered the bill HELD in Committee.

[1:59:29 PM](#)

#hb178

CS FOR HOUSE BILL NO. 178(STA) am
"An Act relating to special motor vehicle registration plates;
and providing for an effective date."

This was the first hearing for this bill in the Senate Finance Committee.

CONRAD JACKSON, Staff to Representative Kurt Olson, the bill's sponsor, stated that this legislation would allow, with a few exceptions, all license plates to be made available for use on all motor vehicles. Currently, the use of specialized or non-standard license plates is limited to passenger vehicles, motorcycles, non-commercial vans, pickup trucks, and motor homes. Use of these license plates is currently prohibited for commercial vehicles. Therefore, the end result of this bill would be to allow the use of non-standard plates on all vehicles. However, he noted that those applying for Veterans, Purple Heart, or Alaska National Guard plates would be required to meet specific qualifiers in order to display them.

Mr. Jackson noted that since there is a fee for non-standard plates, this expansion would increase revenue in the Division of Motor Vehicles (DMV), Department of Administration.

Mr. Jackson addressed the confusion that has accompanied the bill's fiscal notes by communicating that while the State Affairs

Committee's version of the bill had been adopted in the House of Representatives, the fiscal note accompanying the House Finance Committee's version of the bill had been inadvertently transmitted to the Senate. Therefore, he requested that the Committee adopt the State Affairs fiscal note.

[2:01:48 PM](#)

Co-Chair Wilken understood therefore that the Department of Administration \$5,000 fiscal note #1, dated March 18, 2005 would be the correct fiscal note.

Mr. Jackson affirmed.

[2:02:02 PM](#)

Senator Olson asked whether the fee structure for the non-standard license plates had been altered.

[2:02:16 PM](#)

Mr. Jackson replied that no change has occurred to the fee structure. This bill would simply serve to expand the usage of these plates.

[2:02:27 PM](#)

DUANE BANNOCK, Director, Division of Motor Vehicles, Department of Administration, testified via teleconference from an offnet location. He voiced appreciation for the efforts exerted by the bill's sponsor in this effort to increase "the greater use of vanity or personalized specialty license plates". This legislation is one component of the improvements the Department is attempting to implement at the DMV.

[2:03:27 PM](#)

Senator Hoffman asked whether the Department of Public Safety has a position on this bill.

[2:04:02 PM](#)

Mr. Jackson responded that the Director of the DMV has been in contact with the Department of Public Safety. No problem has been identified. The license plates simply provide the identification of the vehicle. Legibility of the license plate and other such issues are addressed in provisions addressing the basic construction of the plate.

[2:04:25 PM](#)

Senator Hoffman understood therefore that Department of Public Safety is not opposed to the bill.

[2:04:30 PM](#)

Mr. Jackson responded that he is unaware of any opposition. However, he deferred to Mr. Bannock.

[2:04:37 PM](#)

Senator Hoffman recalled that, in the past, when legislation allowing for increased diversification of plates was discussed, the Department of Public Safety had voiced reservations. Therefore he questioned whether their position had changed in that regard.

[NOTE: Co-Chair Green resumed Chair of the meeting.]

[2:04:59 PM](#)

Mr. Jackson clarified that this legislation would not add any plates to Statute it would merely make them available to a "wider range of vehicles".

AT EASE [2:05:20 PM](#) / [2:08:16 PM](#)

[2:08:19 PM](#)

Co-Chair Green requested that the fiscal note issue be further explained.

[2:08:22 PM](#)

Mr. Jackson clarified that the State Affairs Committee fiscal note, fiscal note #1, rather than the House Finance Committee fiscal note, fiscal note #2, should have accompanied the bill when it transmitted from the House to the Senate.

Co-Chair Green acknowledged.

[2:09:05 PM](#)

Co-Chair Green stated that a question has been raised in regards to Fiscal note #1, in that, in addition to the \$5,000 operating expenses, it reflects a capital expenditures expense of \$5,000. Therefore, she asked whether the total expense should be \$10,000

rather than the \$5,000 reflected in fiscal note #1.

[2:09:27 PM](#)

Mr. Jackson deferred to the Division of Motor Vehicles.

[2:09:32 PM](#)

Mr. Bannock, after consulting with Division staff, stated that the \$5,000 capital expense would be provided for from a separate fund account. Therefore, while the total expense would be \$10,000, only the \$5,000 operating expense would be required.

Co-Chair Green requested that clarification be sought in regards to whether \$10,000 should be the total amount reflected.

Mr. Bannock stated that while the first year's total expense would amount to \$10,000, the \$5,000 capital expense is not being requested. Only the operating expense is being requested.

[2:11:18 PM](#)

Co-Chair Green asked therefore whether the capital expense might be more correctly identified as Capital Improvement Project (CIP) receipts.

Co-Chair Green stated that the fiscal note issue should be further reviewed, as the desire would be to have correct information accompany the bill.

Mr. Bannock agreed that the fiscal note should be "perfect".

[2:11:42 PM](#)

The bill was HELD in Committee.

AT EASE [2:12:05 PM](#) / [2:12:22 PM](#)

#hb156

CS FOR HOUSE BILL NO. 156(RLS) am
"An Act relating to the membership and duties of and quorum requirements for the Alaska Commission on Aging; and providing for an effective date."

The bill was again before the Committee.

Co-Chair Green removed her earlier objection to the committee substitute. [See Time Stamp 1:56:31 PM.]

There being no further objection, the committee substitute was adopted.

Co-Chair Wilken moved to report the bill from Committee with individual recommendations and accompanying fiscal notes.

There being no objection, SCS CS HB 156(FIN) was REPORTED from Committee with previous zero fiscal note #1 dated February 23, 2005 from the Department of Health and Social Services.

AT EASE [2:13:11 PM](#) / [2:15:25 PM](#)

[2:15:30 PM](#)

#sb46

SENATE BILL NO. 46

"An Act making capital appropriations and appropriations to capitalize funds; and providing for an effective date."

This bill had previously been heard in the Senate Finance Committee.

GINGER BLAISDELL, Staff to Co-Chair Green, prefaced her remarks by stating that the committee substitute work draft, Version 24-GS1074\F, being explained would require additional amending to correct spelling and other errors. Requests from Legislators are continuing to be incorporated.

Ms. Blaisdell stated that the first 72 pages of Version "F" list "standard" capital budget projects, broken out by agency. Sec. 4, page 73 through page 88, would address the projects that are also included in SB 155-APPROP: SCHOOLS/UNIV/VIROLOGY LAB/MUSEUM. The introductory language in SB 46 specifies that were SB 155 to fail passage, the projects included in that bill would be funded by general funds (GF) rather than by the Permanent Fund Earnings Reserve Account as specified in SB 155. She pointed out that the lone difference between the language in SB 155 and that of Sec. 4 is that SB 155 has a "general appropriation of \$141,000,000 for school maintenance projects", whereas SB 46 identifies each project by school name.

[2:17:54 PM](#)

Co-Chair Green stated that that would account for the number of pages in the section. This detailed information would be helpful to Legislators.

[2:18:02 PM](#)

Ms. Blaisdell stated that the list includes each school that was identified on the Department of Education and Early Development's maintenance list. A few other school projects were also included.

Ms. Blaisdell noted that Sec. 6 on page 89 would address those projects that would be funded by the interest earnings of the Amerada Hess Fund in the Permanent Fund via the Alaska Capital Income Fund. There would be a few corrections to this list, as it had been developed from an older list version.

[2:18:42 PM](#)

Ms. Blaisdell commented that the majority of the projects in Sec. 6 were included in Governor Frank Murkowski's transportation initiatives and Roads to Resources endeavor.

[2:19:00 PM](#)

Ms. Blaisdell stated that Sec. 7 on page 89 contains "standard language" that is included in every capital bill. It would include such things as federal program receipts. This section would also include language pertaining to projects that were originally included in SB 97-SUPPLEMENTAL APPROPRIATIONS/CBR.

Ms. Blaisdell pointed out that the Alaska Gas Pipeline project is included in the bill on page 94. That project had been previously vetoed in the Fast Track Supplemental bill.

[2:20:05 PM](#)

Ms. Blaisdell continued that Reappropriations, which are listed by House District, are included in Sec. 36 beginning on page 104. Most of these were projects that were "highlighted" to Committee Members by the Department of Commerce, Community and Economic Development.

[2:20:39 PM](#)

Co-Chair Green conveyed that that is the traditional procedure for any money that has not been utilized.

[2:20:52 PM](#)

Ms. Blaisdell stated that a reappropriation could consist of any money that had been appropriated in an earlier fiscal year and is being reappropriated into a following fiscal year. The funds could be reappropriated to support an entirely different use. These funds could include such things as extended lapse dates or scope of project changes.

[2:21:09 PM](#)

Co-Chair Green communicated that the reappropriation projects would provide for projects "across the State and every district probably has something going ..." either at the request of the district or a department.

[2:21:24 PM](#)

Ms. Blaisdell mentioned that the projects prefaced by "House District are typically" advanced by the Department of Commerce, Community and Economic Development.

[2:21:39 PM](#)

Ms. Blaisdell communicated that a few projects that were included in the Supplemental Bill are provided for in the Appropriations sections of the bill.

[2:22:00 PM](#)

Ms. Blaisdell stated that the final pages of the bill contain contingency language to the effect of specifying that, were SB 155 to fail, money for the projects in that bill would be provided for through this bill. In other words, language in this bill would negate duplication of funding those projects specified in SB 155 were SB 155 to pass. Similar language is included in regards to the Amerada Hess Capital Income Fund projects.

[2:22:31 PM](#)

Ms. Blaisdell concluded her testimony by specifying that lapse dates and effective dates are included in the final sections of the bill.

[2:22:36 PM](#)

Co-Chair Green pointed out that, other than the inclusion of the Amerada Hess interest earning projects, this bill would be characterized as a typical capital budget bill in regards to its fund sources.

[2:22:53 PM](#)

Ms. Blaisdell concurred. Efforts were made to provide a fairly traditionally formatted bill. "Past precedence" was adhered to as much as possible.

[2:23:08 PM](#)

Co-Chair Green asked whether some of the items she had mentioned in her initial review of Version "F" had been altered.

[2:23:14 PM](#)

Ms. Blaisdell clarified that the contents of Version "F" have not been changed. The work draft does contain some typographical errors and incorrect numbers; corrections are being made and a corrected committee substitute would be provided.

[2:23:36 PM](#)

Co-Chair Green asked Members to communicate any corrections they might find to Ms. Blaisdell.

Ms. Blaisdell expressed that she had identified ten items requiring corrections. In addition, the Division of Legislative Finance is addressing changes relating to Legislators' requests.

[2:24:34 PM](#)

Senator Hoffman asked whether a capital budget total has been determined.

Co-Chair Green replied that a total has not yet been determined.

[2:24:45 PM](#)

Senator Dyson asked regarding language in Sec. 12, page 91, lines 12 and 13.

[2:25:28 PM](#)

Co-Chair Green responded that that language is standard in every piece of legislation pertaining to marine vessels; specifically it would allow for vessel retrofitting.

[2:26:07 PM](#)

Senator Dyson asked whether that language could be used as "a loophole".

[2:26:13 PM](#)

Co-Chair Green replied "absolutely".

[2:26:20 PM](#)

Ms. Blaisdell stated that the language in question typically pertains to Department of Public Safety and Department of Fish and Game vessels. She noted that "the average amount for the sale and resale" of those vessels is \$250,000 to \$300,000 per year.

[2:26:42 PM](#)

Senator Olson asked the reason that this loophole is not closed.

[2:26:52 PM](#)

Co-Chair Green responded that with a fleet, over the course of a year, it might be necessary to discard and/or sell parts. Some of the resulting income might be used to rehabilitate or refurbish another vessel, airplane, or helicopter in the fleet. This language is the traditional language in this regard. She stated that Senator Olson, being an airplane owner, would understand this.

[2:27:26 PM](#)

Senator Olson voiced being aware of the issue. However, his concern is that, as aircraft are sold and new ones bought, the situation builds on itself. This is evidenced by the request for a new hangar. That hangar would be filled, and then another hangar would be required. He disagreed with such progression.

Co-Chair Green asked whether the concern is in regards to the fact that increasing the number of aircraft in the fleet would require a hangar.

Senator Olson stated that his concern pertained to the Department of Public Safety request for a hangar that was in excess of \$6,000,000. That hangar would be filled and then another hangar would be requested. This cycle would continue to escalate.

Co-Chair Green asked whether Senator Olson had observed a request for a six million dollar hangar in this legislation.

Senator Olson responded that his concern is to "the mentality on

that absurd request".

[2:28:55 PM](#)

Co-Chair Green reiterated that the language in question is identical to that of previous bills. It would allow for the continuance of efforts. To that point, she stated that it would also support the efforts being exerted by the Governor Murkowski Administration in regards to reducing the number of aircraft and marine vessels in State operations. Some would argue that there is an insufficient number of aircraft and vessels in State service. Others would argue that there are too many.

[2:29:17 PM](#)

Co-Chair Green asked whether there were any other Committee questions or concerns. None were forthcoming.

Co-Chair Green reiterated that a new committee substitute is being developed.

[2:29:36 PM](#)

Ms. Blaisdell specified the timeframe in which Members could communicate any "technical corrections" to her. Members' amendments that might incur significant changes to the bill could be developed with the assistance of Members' own staff or with the Division of Legislative Legal and Research.

[2:30:11 PM](#)

The bill was HELD in Committee.

[2:30:27 PM](#)

#hb178

CS FOR HOUSE BILL NO. 178(STA) am
"An Act relating to special motor vehicle registration plates;
and providing for an effective date."

The bill was again before the Committee. [For previous Committee discussion, see Time Stamp 1:59:29 PM]

Co-Chair Green informed that a corrected fiscal note for the bill would be presented at the Committee's next scheduled hearing.

The bill was again HELD in Committee.

AT EASE [2:30:55 PM](#)

[NOTE: Due to technical difficulties, the portion of the meeting between Time Stamp 2:30:55 PM and 2:43:55 PM was not recorded. The minutes presented are from the Finance Committee Secretary's notes.]

#hb91

HOUSE BILL NO. 91 am
"An Act relating to indecent exposure."

This was the second hearing for this bill in the Senate Finance Committee.

Co-Chair Green noted that a mother of a child who had been a victim of indecent exposure had shared her angst with Co-Chair Green.

Co-Chair Wilken moved to report the bill from Committee with individual recommendations and accompanying fiscal notes.

There being no objection, HB 91 am was reported from Committee with three zero fiscal notes: fiscal note #1 dated March 21, 2005 from the Department of Administration; fiscal note #2 dated March 17, 2005 from the Alaska Court System; and fiscal note #3 dated March 22, 2005 from the Department of Law.

#hb35

SENATE CS FOR HOUSE BILL NO. 35(L&C)
"An Act extending the termination date of the State Board of Registration for Architects, Engineers, and Land Surveyors; extending the term of a temporary member of the State Board of Registration for Architects, Engineers, and Land Surveyors; and providing for an effective date."

This was the second hearing for this bill in the Senate Finance Committee.

[2:40:52 PM](#)

Co-Chair Wilken moved to report the bill from Committee with individual recommendations and accompanying fiscal notes.

There being no objection, SCS HB 35(L&C) was REPORTED from Committee with previous fiscal note #1 dated January 25, 2005 from the Department of Commerce, Community and Economic Development. While there would be zero fiscal impact in FY 06, there would be fiscal note beginning in FY 07.

[NOTE: This action was rescinded later in the hearing and a Finance Committee committee substitute was reported out. See Time Stamp 3:18:10 PM.]

[2:41:11 PM](#)

#hb75

SENATE CS FOR CS FOR HOUSE BILL NO. 75(RES)

"An Act relating to the powers and duties of the commissioner of fish and game, Board of Fisheries, and Board of Game in promoting and preserving fishing, hunting, and trapping in the state; and repealing the power and duty of the commissioner of fish and game to assist the United States Fish and Wildlife Service in the enforcement of federal laws regarding fish and game."

This was the second hearing for this bill in the Senate Finance Committee.

Co-Chair Green noted that the Senate Resources committee substitute before the Committee has a title change to that of the original bill.

AT EASE [2:43:27 PM](#) / [2:43:57 PM](#)

[NOTE: Audio Recording of the meeting resumed at this point.]

Senator Stedman asked regarding language in Sec. 4(a)(13), page seven line 23 as added by the Senate Resources Committee; specifically as to "how extensive" the heritage look-back might be, as he recalled a time when hunting eagles and sea lions was permissible.

(13) promoting hunting and trapping and preserving the heritage of hunting and trapping in the state.

Co-Chair Green pointed out that the activities that would be considered must be legal.

[2:45:04 PM](#)

Senator Olson, noting that the bill had been modeled after legislation adopted by the State of Michigan, asked whether consideration had been provided to the issues of Alaska's subsistence laws as well as to the Alaska National Interest Lands Conservation Act (ANILCA); specifically whether provisions in the bill were contrary to those issues.

Co-Chair Green assumed that that would not be the case. Efforts would be made to allow the bill's sponsor to testify in this regard.

[2:46:01 PM](#)

Senator Olson asked that the sponsor be allowed to respond.

Co-Chair Green ordered the bill SET ASIDE in order for the sponsor to provide testimony.

[NOTE: This bill is readdressed at Time Stamp 2:58:41 PM.]

[2:46:26 PM](#)

#sb24

CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 24(STA)
"An Act relating to reemployment of and benefits for retired teachers and public employees and to teachers or employees who participated in retirement incentive programs and are subsequently reemployed as a commissioner; and providing for an effective date."

This was the second hearing for this bill in the Senate Finance Committee.

Amendment #1: This amendment deletes all material in Sections 14 and 15 beginning on page seven line 13 through page eight line seven and inserts the following language.

Sec. 14. The uncodified law of the State of Alaska is amended by adding a new section to read:

APPLICABILITY OF SECS. 2, 4, AND 5 OF THIS ACT TO RETIRED TEACHERS MAKING AN ELECTION UNDER AS 14.25.043(b) OR (e) BEFORE JULY 1, 2005. (a) A retired teacher who was rehired and made an election under AS 14.25.043(b) or (e) before November 3, 2004, may continue to receive retirement benefits and medical benefits under AS 14.25.043(b) or (e) from July 1,

2005, through December 31, 2006, if that teacher continues to serve in the same position. However, on January 1, 2007, the period of reemployment to which the teacher's original election under AS 14.25.043(b) or (e) applied is considered terminated. If the teacher continues as an active teacher, that teacher may not continue to receive benefit payments while working as an active teacher unless the employer rehires the teacher under AS 14.25.043(b) or (e), as amended by secs. 4 and 5 of this Act, on or after January 1, 2007.

(b) A retired teacher who was rehired and made an election under AS 14.25.043(b) or (e) on or after November 3, 2004, may not continue to receive retirement benefits and medical benefits under AS 14.25.043(b) or (e) after June 30, 2005. On July 1, 2005, the period of reemployment to which the teacher's original election under AS 14.25.043(b) or (e) applied is considered terminated. If the teacher continues as an active teacher, that teacher may not continue to receive benefit payments while working as an active teacher unless the employer rehires the teacher under AS 14.25.043(b) or (e), as amended by secs. 4 and 5 of this Act, on or after July 1, 2005.

(c) This section does not apply to an employer who may be required to provide health and medical benefits under AS 14.25.043(b), as amended by sec. 4 of this Act, regardless of whether a teacher receives retirement medical benefits under this section.

Sec. 15. The uncodified law of the State of Alaska is amended by adding a new section to read:

APPLICABILITY OF SEC. 7 OF THIS ACT FOR RETIRED EMPLOYEES MAKING AN ELECTION UNDER AS 39.35.150(b) OR (e) BEFORE JULY 1, 2005. (a) A retired employee who was rehired and made an election under AS 39.35.150(b) or (e) before November 3, 2004, may continue to receive retirement benefits and medical benefits under AS 39.35.150(b) or (e) from July 1, 2005, through December 31, 2006, if that employee continues to serve in the same position. However, on January 1, 2007, the period of reemployment to which the employee's original election under AS 39.35.150(b) or (e) applied is considered terminated, and, as to that employee,

(1) AS 39.35.150(b), as amended by sec. 7 of this Act, or AS 39.35.150(e) applies; and

(2) if the employee continues as an active member, that employee may not continue to receive benefit payments unless the employer hires the employee as a result of the competitive hiring process required by the applicable subsection of AS 39.35.150(f), (g), and (h), added by sec. 8 of this Act, on or after January 1, 2007.

(b) A retired employee who was rehired and made an

election under AS 39.35.150(b) or (e) on or after November 3, 2004, may not continue to receive retirement benefits and medical benefits under AS 39.35.150(b) or (e) after June 30, 2005. On July 1, 2005, the period of reemployment to which the employee's original election under AS 39.35.150(b) or (e) applied is considered terminated, and, as to that employee,

(1) AS 39.35.150(b), as amended by sec. 7 of this Act, or AS 39.35.150(e) applies; and

(2) if the employee continues as an active member, that employee may not continue to receive benefit payments while an active member unless the employer hires the employee as a result of the competitive hiring process required by the applicable subsection of AS 39.35.150(f), (g), and (h), added by sec. 8 of this Act, on or after January 1, 2007.

(c) This section does not apply to an employer who may be required to provide health and medical benefits under AS 39.35.150(b), as amended by sec. 7 of this Act, regardless of whether a member receives retirement medical benefits under this section."

In addition, the amendment inserts a new bill section on page eight, following line 15 as follows.

Sec. 20. Sections 2, 4, 5, and 7 of this Act take effect July 1, 2005."

Furthermore, " sec. 19" is deleted in Sec. 20 page eight line 16 and replaced with "secs. 19 and 20".

Co-Chair Wilken moved Amendment #1.

Co-Chair Green objected for explanation.

MIKE TIBBLES, Deputy Commissioner, Department of Administration explained that the amendment would modify Sections 14 and 15 of the bill. Those sections would "establish three different groups of individuals that have three separate termination dates for the period going forward for their rehire." The previous committee substitute, Version 24-LS0211\X, "did not clearly identify those three different groups and did not clearly identify when their period of reemployment would be terminated". This amendment would clarify the issues pertinent to those three groups. The first group would consist of retired individuals rehired prior to November 3, 2004. That was the date upon which the Department had notified Public Employees Retirement System (PERS) and Teachers Retirement System (TRS) employers in the State that the program would terminate July 1, 2005.

Co-Chair Green asked for further discussion in regards to the notification date, as she understood that an earlier notice had been sent to PERS/TRS employers in September 2004.

Mr. Tibbles clarified that the Department's first notification had been provided in November 2004. However, he noted that the Department had received a Department of Law legal memorandum [copy not provided] previous to that.

Co-Chair Green ascertained therefore, that the Department of Law memorandum might have been received in September. However, the Department of Administration notification letter had been distributed in November.

Mr. Tibbles concurred.

[2:48:47 PM](#)

Co-Chair Green recapped the amendment discussion to this point.

Mr. Tibbles clarified that a retired rehiree hired prior to November 3, 2004, could continue to receive retirement and medical benefits from July 1, 2005 through December 31, 2006.

Co-Chair Green understood that that person would then be terminated.

Mr. Tibbles affirmed that as of December 31, 2006 "the period of employment for the purposes of the rehire program would be terminated".

Mr. Tibbles communicated that that person would then have the option to remain an employee and be subject to the status they held before the rehire program began: they would contribute to the system and accrue additional benefits for their retirement; however, their retirement benefits would be suspended. Or, they could terminate their employment and "continue to receive their retirement benefits".

Co-Chair Green asked regarding the terms of the second group of retired rehirees.

Mr. Tibbles explained that the second group of retired individuals would have been rehired after November 3, 2004.

Co-Chair Green understood that this groups' participation in the rehire program would be terminated on June 30, 2005. Thereafter, they could continue as an active employee but would be unable to

continue to receive retirement benefit payments unless they were rehired under AS 14.25.043(b).

[2:50:45 PM](#)

Mr. Tibbles stated that the period of re-employment for the second group of individuals would end on June 30, 2005.

Mr. Tibbles stated that the third group of rehired retirees would consist of those rehired after July 1, 2005. Those individuals would be required to apply for their position through the "sideboards" established in this bill. Those sideboards would include such things as requiring the employer to document that specific recruitment efforts had been made. In addition, the employer would be required to contribute to the unfunded liability for that employee at the same rate paid for all other employees and they would be required to provide active health care for those employees working full time.

[2:52:45 PM](#)

In response to a question from Co-Chair Green, Mr. Tibbles explained that TERS employees are addressed in Sec. 14 and PERS employees are addressed in Sec. 15 of the amendment. While the conditions in both sections mirror each other, there is a different set of recruitment standards for PERS employers.

Co-Chair Green asked the reason that PERS employees rehired prior to November 3, 2004 would continue to receive their retirement benefits until December 31, 2006.

Mr. Tibbles explained that, "those individuals were told in many cases that they could continue to receive their benefit for the period of their reemployment." That was a liability issue.

Co-Chair Green acknowledged.

[2:54:01 PM](#)

Co-Chair Wilken commented that while the concept of this bill is good; it is a confusing bill to understand, as attested by the fact that the Committee is continuing to struggle with the sequences of the dates. Therefore, he suggested that a visual timeline be developed that would specify the benchmark dates and other pertinent information. This would assist other Legislators in understanding the terms of the bill "as it marches ahead."

Co-Chair Green concurred.

Senator Stedman concluded that, as of January 1 2007, regardless of whether an individual were a PERS or TRS member, the rehire benefit program as currently defined, would end. At that point, any retired rehiree must be subject to the proposed "new screening process". Provisions in this bill would provide transition time to existing rehired retirees.

[2:55:53 PM](#)

Mr. Tibbles agreed.

Senator Stedman communicated that he had initially understood that the program would end earlier than currently proposed; however, he accepted the "compromise" that has been reached.

Co-Chair Green removed her objection to the Amendment.

There being no further objection, Amendment #1 was ADOPTED.

Co-Chair Wilken moved to report the bill, as amended, from Committee with individual recommendations and accompanying fiscal notes.

There being no objection CS SS SB 24(FIN) was REPORTED from Committee with new zero fiscal note dated March 2, 2005 from the Department of Administration.

[2:58:41 PM](#)

#hb75

SENATE CS FOR CS FOR HOUSE BILL NO. 75(RES)

"An Act relating to the powers and duties of the commissioner of fish and game, Board of Fisheries, and Board of Game in promoting and preserving fishing, hunting, and trapping in the state; and repealing the power and duty of the commissioner of fish and game to assist the United States Fish and Wildlife Service in the enforcement of federal laws regarding fish and game."

This bill was again before the Committee. [See Time Stamp 2:43:27 PM for the earlier Committee discussion on the bill.]

Senator Olson restated his earlier question regarding the affect the changes made in the Senate Resources committee substitute might have in regards to federal subsistence laws pertaining to the

Alaska National Interest Lands Conservation Act (ANILCA).

HEATH HILLIARD, Staff to Representative Mike Kelly, the bill's sponsor, responded that, although the bill's sponsor was amenable to the changes proposed in the Senate Resources Committee, such a question had not been raised. While he was uncertain as to the affect of the changes on the subsistence issue, his initial perspective would be that the changes would have very little impact.

[3:00:14 PM](#)

Senator Olson pointed out that the basis for his concern is the question regarding consumptive and non-consumptive use, as addressed in the April 4, 2005 Memorandum [copy on file] from George Utermohle, Legislative Council, Division of Legal and Research Services, Legislative Affairs Agency addressed to Representative Mike Kelly.

Mr. Hilliard responded that the "the main point with regard to the issue of consumptive and non-consumptive uses, is that Legislative Intent language was included to mirror the language found in the Alaska Constitution in regards to State resources. This is the result of conversations that occurred in previous committees of referral where user groups were concerned that the effort was "to prioritize consumptive uses over non-consumptive uses... our response to that" was that was not the intent. The bill packet contains several legal opinions state support the position that the bill would not prioritize either consumptive or non-consumptive use over each other.

Senator Olson acknowledged.

[3:01:07 PM](#)

Mr. Hilliard pointed out that the only change made in the Senate Resources committee substitute was the addition of language that repealed the power of the commissioner of the Department of Fish and Game to work with the United States Fish and Wildlife Service in the enforcement of federal laws regarding fish and game. The bill's sponsor was amenable to the addition of that language.

[3:02:05 PM](#)

Co-Chair Green recalled the Senate Resources Committee adding similar language to other pieces of legislation over the years. Another issue that has been addressed by that committee is the issue of Alaska State Troopers "enforcing what are not typically

State Trooper activities". The reasons for both these issues being addressed might have been the desire "not to subject State employees to the federal role. That is not their role ... their obligation" is to address matters on State land.

Mr. Hilliard clarified that the action conducted by the Senate Resources Committee would not "preclude the commissioner from participating, it simply removes that as a mandate from the powers and duties."

Co-Chair Green asked whether the State Constitution specifies the duties of each State department's commissioner.

Mr. Hilliard replied that State Statute, rather than the State's Constitution, outlines commissioners' responsibilities.

Co-Chair Green remarked that the Constitution includes the role of department rather than the responsibilities of the commissioner.

Mr. Hilliard agreed.

Senator Hoffman, commenting that Alaska Natives have the longest heritage of the activities addressed in this bill, inquired as to how the sponsor would "perceive" to promote hunting, fishing, and trapping and to preserve the heritage.

Mr. Hilliard responded that specific instructions in this regard are not outlined in the bill. While the Department of Fish and Game feels that they currently promote these activities, they have determined that the language provided in this bill would make their Statutory authority and requirement clearer. No specific ideas have been conveyed to the Department. The desire of the Legislation is to clarify that the heritage of hunting, fishing, and trapping should be promoted and preserved.

Co-Chair Green asked Senator Ralph Seekins, chair of the Senate Resources Committee, to comment in regards to the removal of the language in Sec. 2(a)(1) page two, lines five through eight that required the Commissioner of the Department of Fish and Game to assist the United States Fish and Wildlife service in the enforcement of federal laws and regulations pertaining to fish and game.

[3:06:15 PM](#)

SENATOR RALPH SEEKINS, Chair, Senate Resources Committee, explained that much focus was provided to State Statutes that specify that the State should not force the Department of Fish and Game, and,

the Department's Commissioner to assist the United States Fish and Wildlife Service. AS 16.05.050. The Powers and Duties of the Commissioner. states that "the Commissioner has...but not by way of limitation, the following powers..." The result of the change recommended by the Senate Resources Committee would be to eliminate the requirement that the Commissioner must assist the United States Fish and Wildlife Service in the enforcement of federal laws and regulations pertaining to fish and game.

[3:07:38 PM](#)

Senator Seekins concluded therefore that the elimination of Sec. 2 19(a)(1) would provide the Commissioner the option, rather than requiring him, to assist. The Statutory requirement that the Commissioner must assist would be removed.

In response to a question from Senator Hoffman, Senator Seekins reiterated that "the Commissioner has, 'but not by way of limitation' the following powers and duties". It would be "implied" that the Commissioner would have the option to assist. The requirement that the Commissioner assist would be removed.

Co-Chair Green expressed that the option would not be "enumerated in the listing".

Senator Hoffman questioned the inclusion of the language "repealing the power and duty of the commissioner of fish and game to assist the United States Fish and Wildlife Service in the enforcement of federal laws regarding fish and game." in the bill's title on page one beginning on line three.

[3:09:15 PM](#)

Senator Seekins voiced being unsure of the reason for the title change. The purpose of the Senate Resources Committee was "to simply repeal" Sec. 2(a)(1) and provide the option to assist.

Co-Chair Green asked whether Senator Seekins had offered the amendment to remove Sec. 2(a)(1).

Senator Seekins affirmed that he had offered the amendment.

Co-Chair Green asked whether there might be alternate language to that included in the title of the Senate Resources committee substitute.

Senator Seekins suggested replacing "repealing the power and" with "repealing the duty" in the bill's title page one, line three.

Senator Hoffman suggested that the language added to the original bill's title in regards to the commissioner be entirely removed.

Senator Seekins understood that a bill's title must reflect the content of the bill.

[3:11:10 PM](#)

Following a brief discussion with Co-Chair Green and Senator Hoffman, Senator Seekins ascertained that the original bill title would accommodate the changes made in the content of the bill.

Co-Chair Green asked for confirmation, that Senator Seekins would support reverting to the original bill title.

Senator Seekins affirmed.

Amendment # 1: This amendment restores the original title of the bill by eliminating the language "; and repealing the power and duty of the commissioner of fish and game to assist the United States Fish and Wildlife Service in the enforcement of federal laws regarding fish and game." as specified in the bill's title, page one lines three through five, The revised title would read as follows.

"An Act relating to the powers and duties of the commissioner of fish and game, Board of Fisheries, and Board of Game in promoting and preserving fishing, hunting and trapping in the state."

Senator Hoffman moved to adopt Amendment #1.

Co-Chair Green clarified that approval of the amendment would revert the bill's title back to the original language.

There being no objection, Amendment #1 was ADOPTED.

[3:13:03 PM](#)

Co-Chair Wilken moved to report the bill, as amended, from committee with personal recommendations and accompanying fiscal note.

There being no objection, SCS CS HB 75(FIN) was REPORTED from Committee with previous zero fiscal note #1 dated March 14, 2005 from the Department of Fish and Game.

[3:13:26 PM](#)

#hb15

CS FOR HOUSE BILL NO. 15(L&C) am
"An Act relating to outdoor recreation lodge alcoholic beverage licenses; relating to transfer of certain beverage dispensary licenses issued before June 6, 1985; and providing for an effective date."

This was the third hearing for this bill in the Senate Finance Committee.

MIKE PAWLOWSKI, Staff to Representative Kevin Meyer, the bill's sponsor, explained that this bill would establish liquor licenses for outdoor recreation lodges. A conceptual amendment, offered by Co-Chair Wilken, had been approved at the previous meeting in order to clarify that the business must be a licensed establishment.

Co-Chair Green agreed that that qualifier is important.

Mr. Pawlowski informed the Committee that the sponsor also agreed.

Co-Chair Wilken moved to report the bill, as amended, from committee with individual recommendations and accompanying fiscal notes.

There being no objection the bill, SCS CS HB 15(FIN) was REPORTED from Committee with two previous fiscal notes: zero fiscal note #1 dated January 24, 2005 from the Department of Fish and Game and zero fiscal note #2 dated January 24, 2005 from the Department of Public Safety.

[3:15:38 PM](#)

#hb19

CS FOR HOUSE BILL NO. 19(RES)
"An Act relating to pesticides and broadcast chemicals; and providing for an effective date."

This was the third hearing for this bill in the Senate Finance Committee.

MIKE PAWLOWSKI, Staff to Representative Kevin Meyer, the bill's sponsor, informed the Committee that a corrected Department of

Environmental Conservation fiscal note, dated April 28, 2005 had been distributed. While the amounts reflected in the fiscal note were not altered, clarifying changes were made in the Analysis section of the note in regards to the amounts of chemicals registered in the State. The fees generated from the program would replace the general fund obligation by the year 2007.

Co-Chair Wilken moved to report the bill from Committee with individual recommendations and accompanying fiscal note.

There being no objection, CS HB 19(FIN) was REPORTED from Committee with new \$221,600 fiscal note dated April 28, 2005 from the Department of Environmental Conservation.

[3:17:07 PM](#)

#hb230

HOUSE BILL NO. 230

"An Act authorizing the making of loans for upgrade of commercial fishing tender vessels and gear."

This was the second hearing for this bill in the Senate Finance Committee.

IAN FISK, Staff to Representative Bill Thomas, the bill's sponsor, asked that the bill be set aside awaiting the arrival of an additional testifier.

Co-Chair Green ordered the bill SET ASIDE.

[NOTE: This bill was readdressed later in the meeting. See Time Stamp 3:26:24 PM.]

[3:18:10 PM](#)

#hb35

SENATE CS FOR HOUSE BILL NO. 35(L&C)

"An Act extending the termination date of the State Board of Registration for Architects, Engineers, and Land Surveyors; extending the term of a temporary member of the State Board of Registration for Architects, Engineers, and Land Surveyors; and providing for an effective date."

This bill, which had been reported from Committee [See Time Stamp

2:40:07 PM], was again before the Committee.

AT EASE [3:19:12 PM](#) / [3:20:49 PM](#)

VIC KOHRING, the bill's sponsor, stated that this legislation would extend the Board of Registration for Architects, Engineers, and Land Surveyors until June 2009. The Division of Legislative Audit recommended this four-year extension.

Co-Chair Green informed the sponsor that the Committee, being unaware of a pending amendment, had reported out the bill.

Co-Chair Wilken moved to RESCIND the action of reporting the bill from Committee.

There being no objection, the action of REPORTING the bill from Committee was RESCINDED.

Co-Chair Green stated that the Labor & Commerce Committee (L&C) version of the bill was again before the Committee for consideration.

[3:22:00 PM](#)

SAM KITO, Chair, Legislative Liaison Committee for the Alaska Professional Design Council, informed the Committee that a forthcoming amendment would correct an inadvertent drafting omission in the L&C committee substitute. The proposed language would provide transition language pertaining to the temporary Landscape Architect Board Member position.

Conceptual Amendment #1: This amendment inserts a new section into the bill as follows.

Sec. 3. The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: TEMPORARY BOARD MEMBER. The term of office of a person holding a temporary position on the Board of Registration of Architects, Engineers, and Land Surveyors before July 1, 2005, expires June 30, 2005. The person is eligible for reappointment under sec. 2 of this Act. The temporary member may remain in the position until the governor names a new appointee or reappoints the temporary member.

Co-Chair Wilken moved to adopt Amendment #1.

There being no objection, Amendment #1 was ADOPTED.

Co-Chair Wilken moved to report the bill, as amended, from Committee with individual recommendations and accompanying fiscal note.

There being no objection, SCS HB 35(FIN) was REPORTED from Committee with previous fiscal note #1 dated January 25, 2005 from the Department of Commerce, Community and Economic Development. While there would be zero fiscal impact in FY 06, there would be fiscal note beginning in FY 07.

[3:24:18 PM](#)

#hb136

HOUSE BILL NO. 136

"An Act restricting the authority of a court to suspend execution of a sentence or grant probation in prosecutions for driving while under the influence and prosecutions for refusal to submit to a chemical test; and allowing a court to suspend up to 75 percent of the minimum fines required for driving while under the influence and for refusal to submit to a chemical test if the defendant successfully completes a court-ordered treatment program."

This was the second hearing for this bill in the Senate Finance Committee.

Co-Chair Green stated that the bill would allow a portion of the offender's fine to be "diverted" to pay for the costs of the offender's court ordered treatment program. It would also require the Court to adhere to a specified minimum sentence for the crimes addressed in the bill.

Co-Chair Green noted that a House Judiciary Committee Letter of Intent accompanied the bill.

HEATHER NOBREGA, Staff to Representative Norm Rokeberg, the bill's sponsor, communicated that the Letter of Intent had not been addressed during the previous discussion on the bill.

Co-Chair Green stated that the Letter of Intent should accompany the bill when it moved from Committee.

[3:25:34 PM](#)

Co-Chair Wilken moved to report the bill and the House Judiciary Letter of Intent from Committee with individual recommendations and

accompanying fiscal notes.

There being no objection, HB 136, accompanied by the House Judiciary Letter of Intent adopted April 12 2005, was REPORTED from Committee with zero fiscal note #1 dated March 21, 2005 from the Department of Corrections; zero fiscal note #2 dated March 17, 2005 from the Alaska Court System; zero fiscal note #3 dated March 18, 2005 from the Department of Public Safety; indeterminate fiscal note #4 dated March 21, 2005 from the Department of Administration; indeterminate fiscal note #5 dated March 20, 2005 from the Civil Division, Department of Law; and indeterminate fiscal note #6 dated March 20, 2005 from the Criminal Division, Department of Law.

[3:26:24 PM](#)

#hb230

HOUSE BILL NO. 230

"An Act authorizing the making of loans for upgrade of commercial fishing tender vessels and gear."

AT EASE [3:27:13 PM](#) / [3:27:15 PM](#)

The bill was again before the Committee.

Co-Chair Green stated that the bill had been held in order to allow the Department of Commerce, Community and Economic Development to address a concern voiced by Co-Chair Wilken.

Co-Chair Wilken restated his concern that the State, through its "quasi-private entity", the Commercial Fisheries Revolving Loan Fund (CFRLF) in the Department of Commerce, Community and Economic Development, might be competing with private enterprise.

[3:28:34 PM](#)

IAN FISK, Staff to Representative Bill Thomas, the bill's sponsor, communicated that the Commercial Fishing and Agricultural Bank (CFAB), which operates the CRFLF, was created to fill a void being experienced by a sector of the fishing industry. That void was a lack of financing options being available in the private sector. The goal of CFAB is to promote and enhance the quality of Alaska seafood.

[3:29:07 PM](#)

GREG WINEGAR, Director, Division of investments, Department of

Commerce, Community and Economic Development, explained that the clientele served by CFAB is "for the most part, different than those" who could receive financial assistance through the private sector". The program being offered has a lower interest rate than that offered by other financial entities because the State, supported by years of discussion with such entities as the Salmon Industry Task Force, has determined that "improving the quality" of the State's products is important. The rate being offered is "prime minus two"; the availability of this rate has encouraged fishermen to make improvements in their operations.

Senator Stedman noted that the majority of the financial institutions offer a rate of "prime plus something".

Co-Chair Wilken moved to report the bill from Committee with individual recommendations and accompanying fiscal notes.

There being no objection, HB 230 was REPORTED from Committee with previous zero fiscal note #1 dated March 25, 2005 from the Department of Commerce, Community and Economic Development.

[3:30:53 PM](#)

#hb119

CS FOR HOUSE BILL NO. 119(FIN)

"An Act extending the termination date of the Alaska regional economic assistance program; and providing for an effective date."

This was the second hearing for this bill in the Senate Finance Committee.

Co-Chair Green stated that this hearing was scheduled to address any continuing Committee concerns.

Co-Chair Wilken asked regarding the Alaska regional economic assistance program's proposed termination date; specifically whether the program could be subject to a three or four-year termination date rather than the five-year termination date specified in the bill.

KACI SCHRODER, Staff to Representative Bill Thomas, Co-Chair, House Community & Regional Affairs Committee, voiced that a shorter termination date would be acceptable.

Co-Chair Wilken asked for confirmation that a shorter timeframe had

been discussed and would be acceptable to the House Community & Regional Affairs Committee.

Ms. Schroder assured that a three-year termination date would be acceptable.

Conceptual Amendment #1: This amendment replaces the year "2010" with "2008" in Section 1, subsection Sec. 2 page one line six as follows.

Sec. 2 AS 44.33.895 is repealed July 1, 2008.

Co-Chair Wilken moved to adopt Amendment #1. The effect of this amendment would be to specify a three-year rather than a five-year termination date.

There being no objection, Conceptual Amendment #1 was ADOPTED.

Co-Chair Wilken moved to report the bill, as amended, from Committee with individual recommendations and accompanying fiscal notes.

There being no objection, SCS CS HB 119(FIN) was REPORTED from Committee with a new \$650,000 fiscal note dated May 4, 2005 from the Alaska Industrial Development & Export Authority, Department of Commerce, Community and Economic Development and new \$650,000 fiscal note dated May 4, 2005 from the Division of Community Advocacy, Department of Commerce, Community and Economic Development.

[3:33:20 PM](#)

RECESSED TO THE CALL OF THE CHAIR [3:33:55 PM](#): / [5:20:00 PM](#)

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ADJOURNMENT

Co-Chair Green adjourned the meeting at 05:20 PM.