

**ALASKA STATE LEGISLATURE**  
**SENATE JUDICIARY STANDING COMMITTEE**

April 25, 2006

8:38 a.m.

**MEMBERS PRESENT**

Senator Ralph Seekins, Chair  
Senator Charlie Huggins, Vice Chair  
Senator Gene Therriault  
Senator Hollis French  
Senator Gretchen Guess

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

CS FOR HOUSE BILL NO. 308(JUD) am  
"An Act relating to false caller identification."  
MOVED CSHB 308(JUD) am OUT OF COMMITTEE

SENATE BILL NO. 307  
"An Act relating to a fee provided for in the rental agreement for late payment of rent under the Uniform Residential Landlord and Tenant Act."  
HEARD AND HELD

CS FOR HOUSE BILL NO. 442(JUD) am  
"An Act relating to the validity of advance health care directives, individual health care instructions, and do not resuscitate orders; relating to the revocation of advance health care directives; relating to do not resuscitate orders; relating to resuscitative measures; relating to the liability and discipline of health care providers, institutions, and facilities; relating to proceedings for judicial relief; relating to an individual's capacity for making health care decisions; and providing for an effective date."  
SCHEDULED BUT NOT HEARD

CS FOR HOUSE BILL NO. 439(L&C) am  
"An Act relating to authorizing the state to join with other states in entering into the Interstate Insurance Product Regulation Compact."  
MOVED CSHB 439(L&C) am OUT OF COMMITTEE

SENATE BILL NO. 316

"An Act amending the Alaska Stranded Gas Development Act to eliminate the opportunity for judicial review of the findings and determination of the commissioner of revenue on which are based legislative review for a proposed contract for payments in lieu of taxes and for the other purposes described in that Act; and providing for an effective date."

HEARD AND HELD

**PREVIOUS COMMITTEE ACTION**

BILL: HB 308

SHORT TITLE: CALLER ID HACKERS

SPONSOR(s): REPRESENTATIVE(s) LYNN

05/08/05	(H)	READ THE FIRST TIME - REFERRALS
05/08/05	(H)	JUD, FIN
03/22/06	(H)	JUD AT 1:00 PM CAPITOL 120
03/22/06	(H)	<Bill Hearing Postponed to 03/24/06>
03/24/06	(H)	JUD AT 1:00 PM CAPITOL 120
03/24/06	(H)	<Bill Hearing Postponed to 03/29/06>
03/29/06	(H)	JUD AT 1:00 PM CAPITOL 120
03/29/06	(H)	Moved CSHB 308(JUD) Out of Committee
03/29/06	(H)	MINUTE(JUD)
03/30/06	(H)	JUD RPT CS(JUD) 4DP 1NR
03/30/06	(H)	DP: COGHILL, ANDERSON, KOTT, MCGUIRE;
03/30/06	(H)	NR: GARA
04/11/06	(H)	FIN REFERRAL WAIVED
04/11/06	(H)	FIN AT 1:30 PM HOUSE FINANCE 519
04/11/06	(H)	<Bill Hearing Canceled>
04/18/06	(H)	TRANSMITTED TO (S)
04/18/06	(H)	VERSION: CSHB 308(JUD) AM
04/19/06	(S)	READ THE FIRST TIME - REFERRALS
04/19/06	(S)	JUD, FIN
04/25/06	(S)	JUD AT 8:30 AM BUTROVICH 205

BILL: SB 307

SHORT TITLE: LANDLORD REMEDIES; LATE FEE

SPONSOR(s): LABOR & COMMERCE

02/23/06	(S)	READ THE FIRST TIME - REFERRALS
02/23/06	(S)	L&C, JUD
03/09/06	(S)	L&C AT 1:30 PM BELTZ 211
03/09/06	(S)	Heard & Held
03/09/06	(S)	MINUTE(L&C)
03/16/06	(S)	L&C AT 1:30 PM BELTZ 211
03/16/06	(S)	Scheduled But Not Heard

03/28/06 (S) L&C AT 1:30 PM BELTZ 211  
 03/28/06 (S) Heard & Held  
 03/28/06 (S) MINUTE(L&C)  
 03/30/06 (S) L&C AT 1:30 PM BELTZ 211  
 03/30/06 (S) Moved SB 307 Out of Committee  
 03/30/06 (S) MINUTE(L&C)  
 03/31/06 (S) L&C RPT 2DP 1NR 2AM  
 03/31/06 (S) DP: BUNDE, STEVENS B  
 03/31/06 (S) NR: DAVIS  
 03/31/06 (S) AM: ELLIS, SEEKINS  
 04/19/06 (S) JUD AT 8:30 AM BUTROVICH 205  
 04/19/06 (S) Heard & Held  
 04/19/06 (S) MINUTE(JUD)  
 04/25/06 (S) JUD AT 8:30 AM BUTROVICH 205

BILL: HB 439

SHORT TITLE: INSURANCE PRODUCT REGULATION COMPACT

SPONSOR(S): REPRESENTATIVE(S) COGHILL

02/10/06 (H) READ THE FIRST TIME - REFERRALS  
 02/10/06 (H) L&C, JUD  
 03/01/06 (H) L&C AT 3:15 PM CAPITOL 17  
 03/01/06 (H) Moved CSHB 439(L&C) Out of Committee  
 03/01/06 (H) MINUTE(L&C)  
 03/03/06 (H) L&C RPT CS(L&C) NT 3DP 3NR  
 03/03/06 (H) DP: LYNN, ROKEBERG, KOTT;  
 03/03/06 (H) NR: CRAWFORD, LEDOUX, GUTTENBERG  
 03/22/06 (H) JUD AT 1:00 PM CAPITOL 120  
 03/22/06 (H) <Bill Hearing Postponed to 03/24/06>  
 03/24/06 (H) JUD AT 1:00 PM CAPITOL 120  
 03/24/06 (H) Scheduled But Not Heard  
 03/27/06 (H) JUD AT 1:00 PM CAPITOL 120  
 03/27/06 (H) Moved CSHB 439(L&C) Out of Committee  
 03/27/06 (H) MINUTE(JUD)  
 03/28/06 (H) JUD RPT CS(L&C) NT 4DP 2AM  
 03/28/06 (H) DP: COGHILL, ANDERSON, KOTT, MCGUIRE;  
 03/28/06 (H) AM: GARA, GRUENBERG  
 04/05/06 (H) TRANSMITTED TO (S)  
 04/05/06 (H) VERSION: CSHB 439(L&C) AM  
 04/07/06 (S) READ THE FIRST TIME - REFERRALS  
 04/07/06 (S) L&C, JUD  
 04/11/06 (S) L&C AT 1:30 PM BELTZ 211  
 04/11/06 (S) Heard & Held  
 04/11/06 (S) MINUTE(L&C)  
 04/20/06 (S) L&C AT 1:30 PM BELTZ 211  
 04/20/06 (S) Moved CSHB 439(L&C)am Out of Committee  
 04/20/06 (S) MINUTE(L&C)

04/21/06 (S) L&C RPT 3DP 1NR  
04/21/06 (S) DP: BUNDE, SEEKINS, STEVENS B  
04/21/06 (S) NR: DAVIS  
04/25/06 (S) JUD AT 8:30 AM BUTROVICH 205

BILL: SB 316

SHORT TITLE: COURT REVIEW OF STRANDED GAS DECISION  
SPONSOR(S): JUDICIARY

04/13/06 (S) READ THE FIRST TIME - REFERRALS  
04/13/06 (S) JUD  
04/19/06 (S) JUD AT 8:30 AM BUTROVICH 205  
04/19/06 (S) Heard & Held  
04/19/06 (S) MINUTE(JUD)  
04/20/06 (S) JUD AT 8:30 AM BUTROVICH 205  
04/20/06 (S) Heard & Held  
04/20/06 (S) MINUTE(JUD)  
04/21/06 (S) JUD AT 9:30 AM BUTROVICH 205  
04/21/06 (S) Heard & Held  
04/21/06 (S) MINUTE(JUD)  
04/22/06 (S) JUD AT 9:30 AM BUTROVICH 205  
04/22/06 (S) -- Continued from 04/20/06 --

**WITNESS REGISTER**

Representative Bob Lynn  
Alaska State Capitol  
Juneau, AK 99801-1182  
**POSITION STATEMENT:** Introduced HB 308

Dirk Moffatt, Legislative Aide  
Staff to Representative Bob Lynn  
Alaska State Capitol  
Juneau, AK 99801-1182  
**POSITION STATEMENT:** Commented on HB 308

Larry Ostrovsky, Assistant Attorney General  
Oil, Gas & Mining Section  
Department of Law  
PO Box 110300  
Juneau, AK 99811-0300  
**POSITION STATEMENT:** Answered questions regarding SB 316

Rynniva Moss, Legislative Aide  
Staff to Representative John Coghill  
Alaska State Capitol  
Juneau, AK 99801-1182

**POSITION STATEMENT:** Introduced HB 439

Linda Hall, Director  
Division of Insurance  
Department of Administration  
PO Box 110200  
Juneau, AK 99811-0200

**POSITION STATEMENT:** Commented on HB 439

Jane Alberts, Legislative Aide  
Staff to Senator Con Bunde  
Alaska State Capitol  
Juneau, AK 99801-1182

**POSITION STATEMENT:** Introduced SB 307

Ed Sniffen, Assistant Attorney General  
Department of Law  
PO Box 110300  
Juneau, AK 99811-0300

**POSITION STATEMENT:** Answered questions regarding SB 307

**ACTION NARRATIVE**

**CHAIR RALPH SEEKINS** called the Senate Judiciary Standing Committee meeting to order at [8:38:58 AM](#). Present were Senators Hollis French, Charlie Huggins and Chair Ralph Seekins.

**HB 308-CALLER ID HACKERS**

[8:39:52 AM](#)

CHAIR RALPH SEEKINS announced CSHB 308(JUD) am to be up for consideration.

REPRESENTATIVE BOB LYNN, bill sponsor, introduced the bill. He warned the committee that the telephone caller identification (ID) system is no longer to be trusted. Both private individuals and commercial "spoofers" can now cause false caller identification to be displayed on any caller ID screen.

The power to create serious mischief with caller ID spoofing technology is almost unlimited. It can facilitate fraud and be potentially dangerous. Scam artists who appear to be phoning from a reputable agency can defraud victims with ease. There is also potential for hoax emergency calls with false caller ID to law enforcement or the fire department.

Anyone with sufficient computer and telephonic skills can spoof telephone caller ID systems. In fact, an entire telephone spoofing industry has emerged and is growing daily. CSHB 308(JUD) am would make it a class B misdemeanor for any person who inserts false information into a caller ID system, except for legitimate reasons.

8:43:28 AM

SENATOR HOLLIS FRENCH asked whether there has been any spoofing done in Alaska.

REPRESENTATIVE LYNN said probably but he had no evidence of it.

SENATOR FRENCH asked Representative Lynn whether he checked with the Consumer Protection Agency and law enforcement agencies to see whether this is a problem in Alaska.

REPRESENTATIVE LYNN said no.

SENATOR FRENCH asked whether the attorney general or any law enforcement agency has contacted him regarding the issue.

REPRESENTATIVE LYNN said no.

DIRK MOFFATT, Staff to Representative Lynn, directed committee members to a letter of support in the bill packet from the Alaska Network for Domestic Violence and Sexual Assault. He said it was a new issue. Anyone can purchase what is called a "spoof card," phone into a call center, enter the phone number they want displayed on the caller ID, enter a name, and even select a change of voice. It takes no special skills to do so.

8:46:43 AM

SENATOR GRETCHEN GUESS joined the meeting.

SENATOR FRENCH asked whether a person wanting to protect their identity could still do so.

MR. MOFFATT said that option is available through the regular phone company service. The bill is trying to stop people from pretending to be an institution such as "Bank of America."

REPRESENTATIVE LYNN added that entering the false information would be the crime. Caller ID spoofing is very easy to do using voice-over technology.

SENATOR CHARLIE HUGGINS asked Mr. Moffatt how detectable the spoofing is.

MR. MOFFATT said it is very difficult to catch someone doing it.

[8:49:39 AM](#)

SENATOR HUGGINS asked whether it was easy to ensure that an innocent person was not charged with the crime.

REPRESENTATIVE LYNN responded that the call would not be emanating from an innocent person's phone. It would just appear that it was coming from someone else's phone. United States Congressman Tim Murphy was a victim of caller ID spoofing and is currently encouraging all fifty states to enact legislation of the same type.

CHAIR SEEKINS noted he uses a calling card to make long distance calls and the number displayed on the caller ID system is not the number from where he is calling. He asked whether that would be a violation of the law.

REPRESENTATIVE LYNN said he did not think so because in that situation there would be no intent to impersonate somebody.

[8:51:46 AM](#)

ROBERT DOUGLAS, Information Security Consultant, informed the committee of his background as a private investigator with experience in political corruption and international terrorism. He said he testified before the United States Congress on information security issues, such as obtaining phone records with deception, and caller ID spoofing. He testified in support of HB 308.

MR. DOUGLAS gave an example where a swat team was forced to shut down a neighborhood in New Jersey after receiving what seemed like a legitimate distress call. It was later determined to be a spoof. It is also possible to cause a call to appear as if it is coming from a person's home and with a little personal information, a "spoofer" is able to move money from one bank account to another.

[8:58:18 AM](#)

Senator Gene Therriault joined the meeting.

CHAIR SEEKINS closed public testimony.

SENATOR HUGGINS moved CSHB 308(JUD) am from committee with individual recommendations and attached fiscal notes. Hearing no objections, the motion carried.

**SB 316-COURT REVIEW OF STRANDED GAS DECISION**

[9:02:10 AM](#)

CHAIR RALPH SEEKINS announced SB 316 to be up for consideration.

SENATOR CHARLIE HUGGINS moved to adopt CSSB 316(JUD) version Y as the working document before the committee. Hearing no objections, the motion carried.

CHAIR SEEKINS reviewed the changes in the committee substitute (CS). The title has been changed. Section 1 makes it clear that the portions of the records and files of the Department of Revenue (DOR), Department of Natural Resources, (DNR), Department of Law (DOL), and any municipal advisory group established reflect, incorporate, or analyze information that is relevant to the development of the strategy of the commissioner are public records after the commissioner of the DOR gives public notice.

CHAIR SEEKINS advised committee members that he would give them time to review the CS and the committee would discuss the bill more the following day.

[9:06:15 AM](#)

SENATOR GENE THERRIAULT asked whether the process of a challenge to the findings and determination of the Legislature would be the same as a challenge to the commissioner's findings.

CHAIR SEEKINS deferred the question to a representative from the Department of Law.

SENATOR THERRIAULT reiterated his question for the witness.

LARRY OSTROVSKY, Assistant Attorney General, Oil, Gas & Mining Section, Department of Law (DOL), said he did not have enough time to review the CS and give an affirmative answer.

SENATOR THERRIAULT suggested the committee wait to ask questions.

SENATOR FRENCH informed Mr. Ostrovsky that his chief concern was whether or not the CS preserves every substantive right to challenge the finding.

CHAIR SEEKINS said his understanding was that the Legislature, by inserting itself into the procedure, was the final trigger point. It would be up to the Legislature to determine if the commissioner's findings support whether the contract would be in the best financial interest of the State of Alaska.

[9:10:58 AM](#)

CHAIR SEEKINS held SB 316 in committee.

At ease [9:11:13 AM](#)

**HB 439-INSURANCE PRODUCT REGULATION COMPACT**

[9:12:03 AM](#)

CHAIR RALPH SEEKINS announced CSHB 439(L&C) am to be up for consideration.

RYNNIEVA MOSS, Staff for Representative John Coghill, introduced the bill. The Interstate Insurance Product Regulation Act would culminate in the regulation of insurance, annuities, disability income, and long-term care products. Alaska would join twenty other states in creating a commission governed collectively by the states that would establish uniform standards for those products. Language was added on the House floor that would direct the director of the Division of Insurance to opt out of the commission if the standards adopted are less consumer protective than are currently in state law.

[9:14:58 AM](#)

LINDA HALL, Director, Division of Insurance, (DOI) said CSHB 439(JUD) am is a model act that was proposed by the National Association of Insurance Commissioners in response to a number of perceived needs, including a recognition that the population is becoming increasingly mobile and that insurance products are not state specific. Life insurance and annuities are products that people keep for a long time and are not like an automobile policy, which is state specific.

There is a move by certain portions of the insurance industry toward federal regulation but Ms. Hall stated that she is a strong supporter of state regulation. She said consumer protections are best done on a state-by-state basis where there is better access to the regulator.

The other particular need is "speed to market of products," she said. The basic structure of this particular compact is that it

would delegate to a commission the authority to develop uniform standards for products.

[9:16:55 AM](#)

Insurance companies could choose to file either in the state or file with the commission. Each state member would have a single vote and it would take a two-thirds majority of the commission to adopt the product standard. There are two ways to opt out of individual standards. Either the regulator could decide the standard is not appropriate or the Legislature could opt out of any standard they feel does not meet the needs of consumers. She said she believes the standards adopted by the commission would provide greater consumer protection.

CHAIR SEEKINS asked Mr. George whether he was in favor of the bill.

JOHN GEORGE, American Council of Life Insurers, expressed support of the bill.

CHAIR SEEKINS closed public testimony.

SENATOR CHARLIE HUGGINS moved CSHB 439(L&C) am from committee with individual recommendations and attached fiscal notes. Hearing no objections, the motion carried.

**SB 307-LANDLORD REMEDIES; LATE FEE**

[9:21:00 AM](#)

CHAIR RALPH SEEKINS announced SB 307 to be up for consideration.

SENATOR CHARLIE HUGGINS moved version G as the working document before the committee. Hearing no objections, the motion carried.

JANE ALBERTS, Staff to Senator Con Bunde, introduced the bill and said Senator Bunde has offered the bill by request of landlords who deal with large numbers of tenants. Landlords feel that a court ruling in 2002 changed how they collect rent and late fees and they are concerned over the issue.

The bill would allow landlords to send out one notice to warn tenants of the rent and the accompanying late fees. The committee substitute (CS) addresses a concern heard last week in the Senate Judiciary Standing Committee and Ed Sniffen would discuss that concern.

[9:23:21 AM](#)

ED SNIFFEN, Assistant Attorney General, Department of Law (DOL), said he reviewed the CS and in order to address Senator French's concern that landlords would be allowed to "shoehorn other fees into a streamlined process." He said the best option to solve that would require a total re-write of the Landlord-Tenant Act. The CS puts a ten percent cap on the amount that a landlord could charge for a late fee.

[9:25:32 AM](#)

SENATOR GRETCHEN GUESS asked Mr. Sniffen whether it was still the situation that somebody could get evicted solely on the basis of not paying the late fee.

MR. SNIFFEN indicated that was true.

SENATOR GUESS asked whether the statutes addressed the point of when rent is late.

MR. SNIFFEN replied that is normally stated in the rental contract.

[9:27:15 AM](#)

SENATOR HOLLIS FRENCH asked Mr. Sniffen whether there were rules and regulations in respect to late fees in other transactions, such as car loans.

MR. SNIFFEN reported that in the mortgage-lending arena there are federal regulations that control the lending process. Federal statute and other usury laws impose some limitations. He said when a person fails to pay the mortgage there is a process that takes up to 60 days before that person would lose the house but the eviction remedy is more serious and treated differently in statute.

[9:29:37 AM](#)

CHAIR SEEKINS held SB 307 in committee.

There being no further business to come before the committee, Chair Seekins adjourned the meeting at [9:29:54 AM](#).