

ALASKA STATE LEGISLATURE
SENATE STATE AFFAIRS STANDING COMMITTEE

February 15, 2005

3:34 p.m.

MEMBERS PRESENT

Senator Gene Therriault, Chair
Senator Thomas Wagoner, Vice Chair
Senator Charlie Huggins
Senator Kim Elton

MEMBERS ABSENT

Senator Bettye Davis

COMMITTEE CALENDAR

SENATE BILL NO. 88

"An Act relating to the policy of the state regarding the source of funding used to cover a shortfall in general fund revenue."

HEARD AND HELD

SENATE CONCURRENT RESOLUTION NO. 2

Proclaiming 2005 as Rotary International Year.

MOVED SCR 2 OUT OF COMMITTEE

SENATE BILL NO. 72

"An Act relating to the authority to take oaths, affirmations, and acknowledgments in the state, to notarizations, to verifications, to acknowledgments, to fees for issuing certificates with the seal of the state affixed, and to notaries public; and providing for an effective date."

HEARD AND HELD

EXECUTIVE ORDER 113

Relating to the Telecommunications Information Council

HEARD AND HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 88

SHORT TITLE: POLICY ON GENERAL FUND REVENUE SHORTFALL

SPONSOR(s): SENATOR(s) WILKEN

02/02/05 (S) READ THE FIRST TIME - REFERRALS
02/02/05 (S) STA, FIN
02/15/05 (S) STA AT 3:30 PM BELTZ 211

BILL: SCR 2

SHORT TITLE: ROTARY INTERNATIONAL YEAR 2005

SPONSOR(s): SENATOR(s) STEVENS G

02/07/05 (S) READ THE FIRST TIME - REFERRALS
02/07/05 (S) STA
02/15/05 (S) STA AT 3:30 PM BELTZ 211

BILL: SB 72

SHORT TITLE: OATHS; NOTARIES PUBLIC; STATE SEAL

SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

01/21/05 (S) READ THE FIRST TIME - REFERRALS
01/21/05 (S) STA, L&C
02/15/05 (S) STA AT 3:30 PM BELTZ 211

BILL: EO 113

SHORT TITLE: Relating to TIC

No previous action to record

WITNESS REGISTER

Senator Gary Wilken
Alaska State Capitol
Juneau, AK 99801-1182

POSITION STATEMENT: Sponsor SB 88

Melanie Lesh
Staff to Senator Gary Stevens
Alaska State Capitol
Juneau, AK 99801-1182

POSITION STATEMENT: Introduced SCR 2

Craig Dahl
Assistant District Governor
Rotary District 501
Juneau, AK 99801

POSITION STATEMENT: Testified in support of SCR 2

Kevin Brooks
Deputy Commissioner

Department of Administration
PO Box 110200
Juneau, AK 99811-0200
POSITION STATEMENT: Introduced EO 113

Kevin Jardell
Legislative Director for Governor Murkowski
Alaska State Capitol
Juneau, AK 99801-1182
POSITION STATEMENT: Explained aspects of EO 113

Pam Varni
Executive Director
Legislative Affairs Agency
Alaska State Capitol
Juneau, AK 99801-1182
POSITION STATEMENT: Discussed conflicts associated with EO 113

Curtis Clothier
Data Processing Manager
Legislative Affairs Agency
Alaska State Capitol
Juneau, AK 99801-1182
POSITION STATEMENT: Discussed conflicts associated with EO 113

Annette Kreitzer
Chief of Staff to Lt. Governor Loren Leman
Alaska State Capitol
Juneau, AK 99801-1182
POSITION STATEMENT: Introduced SB 72

Scott Clark
Notary Commission Administrator
Alaska State Capitol
Juneau, AK 99801-1182
POSITION STATEMENT: Answered questions on SB 72

ACTION NARRATIVE

CHAIR GENE THERRIAULT called the Senate State Affairs Standing Committee meeting to order at [3:34:39 PM](#). Present were Senators Elton, Huggins, Wagoner, and Chair Therriault.

SB 88-POLICY ON GENERAL FUND REVENUE SHORTFALL

[3:34:39 PM](#)

CHAIR THERRIAULT announced the first order of business to come before the committee was SB 88. He asked Senator Wilken to come forward and give an overview.

[3:35:56 PM](#)

SENATOR GARY WILKEN, sponsor of SB 88, explained he would give a power point presentation that would include the historical view of the fiscal situation and a suggestion on how to fund revenue shortfalls. "There's no question in my mind... that we have a structural deficit in our general fund spending in this state."

The following highlights the presentation, "A Bridge to Development."

[3:37:16 PM](#)

Slide 2 - AS 37.07.010 provides procedures for covering projected shortfalls by appropriating equally from the Constitutional Budget Reserve and the Earnings Reserve Account.

[3:37:36 PM](#)

Slide 3 shows FY 06 Operating & Capital Budgets - \$7.6 billion

The budget is comprised of 33 percent federal funds, about 20 percent Permanent Fund spending, and 34 percent general fund spending, which is the "home of the fiscal gap." Historically, between 68 and 90 percent of general fund revenues have come from oil and gas tax revenues.

[3:38:57 PM](#)

Slide 4 shows a bar chart indicating, "General fund revenue can be less than general fund expenditures."

[3:40:13 PM](#)

Slide 5 shows the relationship between the price of oil per barrel and the unrestricted general fund revenue. If oil were at \$25 per barrel there is a fiscal gap in FY 06, but there would be a small surplus at \$50 per barrel.

[3:41:59 PM](#)

Slide 6 - In 1990 voters approved an amendment to Article IX to establish the Budget Reserve Fund (CBR) to fill a fiscal gap.

[3:42:36 PM](#)

Slide 7 indicates a chart from FY 94 - when the CBR was first tapped - to FY 05.

[3:43:48 PM](#)

Slide 8 indicates Alaska is a resource state.

[3:44:18 PM](#)

Slide 9 indicates a bridge is needed until potential future oil and gas revenues are developed.

[3:45:06 PM](#)

Slide 10 shows seven ways to bridge the gap. Using the earnings reserve from the Permanent Fund is the seventh way.

[3:46:06 PM](#)

Slide 11 shows why continuing to rely solely on the CBR isn't feasible.

[3:46:46 PM](#)

Slide 12 suggests splitting future fiscal gaps between the CBR and Permanent Fund earnings reserve - SB 88.

[3:47:13 PM](#)

Slide 14 asks whether we can use the Permanent Fund earnings reserve.

[3:47:58 PM](#)

Slide 15 indicates Alaska Permanent Fund history and projections spreadsheet.

[3:49:27 PM](#)

Slide 16 indicates that there is a difference between the Alaska Permanent Fund principal and the Earnings Reserve Account (ERA).

[3:51:06 PM](#)

Slide 17 indicates Alaska's Crown Jewels are the CBR and the ERA.

[3:53:03 PM](#)

Slide 18 addresses what would happen to a person's Permanent Fund check if the ERA were used.

[3:55:21 PM](#)

SENATOR KIM ELTON questioned whether the chart indicates the impact per check per year or the cumulative impact for years two and beyond.

SENATOR WILKEN said it's cumulative.

CHAIR THERRIAULT clarified that if \$250 million were withdrawn from the ERA for five years running, the cumulative impact would be \$30 total and not \$30 per year.

SENATOR WILKEN agreed.

[3:56:57 PM](#)

Slide 19 will be reworked given the previous discussion.

[3:57:35 PM](#)

Slide 20 compares alternative revenue sources.

[3:58:54 PM](#)

Slide 21 indicates the cumulative cost to a family of four over time.

[3:59:55 PM](#)

Slide 22 questions whether this helps the CBR.

[4:00:33 PM](#)

Slide 23 - SB 88 demands spending accountability.

[4:03:05 PM](#)

Slides 24 and 25 offer a summary.

4:04:44 PM

SENATOR WILKEN said he was available to answer questions.

4:04:55 PM

CHAIR THERRIAULT noted that Senator Elton had to step out for a sub-committee meeting.

He asked Senator Wilken whether the bill is necessary since the Legislature can access the ERA with a simple majority vote and the CBR with a three quarters vote.

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SENATOR WILKEN agreed that the policy could be ignored, but it's worthwhile talking about the future when times are good, he asserted.

CHAIR THERRIAULT commented that earlier today he was asked whether the Legislature was working on the fiscal issue and he referenced SB 88, the POMV, and other plans. He noted that SB 88 was initiated last year and he was curious what kind of questions Senator Wilken fielded in the interim.

SENATOR WILKEN replied he found the concept was surprisingly well received. Touching the ERA wasn't treated as the third rail issue as it had been previously.

4:10:42 PM

CHAIR THERRIAULT brought up unintended consequences and noted that although the three quarters vote on the CBR was a mechanism to keep spending down, it hasn't in fact worked that way. Have you thought about the potential downside, he asked

SENATOR WILKEN replied it depends on the stock market to a great extent. From a political standpoint he admitted he's never been a fan of the CBR. Just as the "Halford decision" changed the original concept of the CBR, the CBR changed the budget process. But, he remarked, the Minority are still players in the budget process because of the CBR.

CHAIR THERRIAULT said the issue of low oil prices and a bear stock market would constrain the money you have, but it would

self correct. "It's not like you would be able to get access to additional earnings that are not there," he said.

SENATOR WILKEN replied that could and did happen in 1999.

[4:15:06 PM](#)

CHAIR THERRIAULT noted the Permanent Fund has rebounded to over \$30 billion.

SENATOR WAGONER pointed out there isn't a loss until you sell, but the thing he doesn't like about SB 88 is it doesn't negate the ability of the Minority using the CBR to increase the expenditure on the budget each year. He said he would like to eliminate the CBR and never have to deal with the three-quarter vote.

SENATOR HUGGINS said he doesn't necessarily support the concept, but is pleased that the conversation is started. He said his primary concern is that over time the default might be an income tax.

SENATOR WILKEN said some characterize his proposal as a raid on the Permanent Fund, but he's ready to fight through that argument to focus on the earnings.

CHAIR THERRIAULT asked whether he had any additional information to highlight.

SENATOR WILKEN announced the new plan would be on his web site by the end of the week and he was willing to talk about it in any venue.

[4:20:54 PM](#)

CHAIR THERRIAULT announced he would hold SB 88 in committee.

CHAIR THERRIAULT called a short break.

SCR 2-ROTARY INTERNATIONAL YEAR 2005

[4:28:23 PM](#)

CHAIR THERRIAULT announced SCR 2 to be up for consideration.

MELANIE LESH, staff to bill sponsor, Senator Gary Stevens, explained the resolution proclaims 2005 as "Rotary International Year" and Mr. Dahl could speak to the resolution.

CRAIG DAHL, assistant district governor for Rotary district 5010, thanked members of the Senate for acknowledging 100 years of service by Rotary International. District 5010 has more than 2,600 members and includes Eastern Russia, the Yukon, and Alaska. It's the most unique district in the world and is used as a model for programs such as foundation fundraising and the youth exchange program.

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During the centennial year tremendous effort will go into a variety of projects that focus on youth and a variety of service programs. One highlight would be the joint effort with the Rasmussen Foundation to construct a teen center in Anchorage and another would be the Centennial Bridge in Whitehorse. Most community service projects target youth and the scholarships raised throughout the state target youth as well, he said.

He reiterated thanks for acknowledging 100 years of Rotary service.

SENATOR WAGONER asked Mr. Dahl to talk about Interact Clubs.

MR. DAHL explained that Interact Clubs at the high school level and Rotaract Clubs at the university level work with Rotary Clubs to learn about the "service above self" and community service concepts. The clubs prepare youths to become good Rotarians when they get older.

CHAIR THERRIAULT asked about the level of participation in Alaska.

MR. DAHL said Rotary is growing and the ideal that a group of professional adults are focused on community service is a strong bond and motivating tool. The spirit of living in Alaska typifies the spirit of Rotary, he said.

CHAIR THERRIAULT asked how many Alaskans participate in the exchange program.

MR. DAHL said the 35 clubs in Alaska are sending out 41 exchange students this year and basically for each student that is sent out, one student is brought in.

CHAIR THERRIAULT remarked youth exchange is a great part of Rotary.

SENATOR CHARLIE HUGGINS stated that the exchange program is a tremendous program for international relations.

MR. DAHL said it's very exciting to see over 100 students who have shared or are preparing to share an international experience.

CHAIR THERRIAULT questioned whether outbound students ever expressed concern about losing the PFD.

MR. DAHL said no.

CHAIR THERRIAULT stated he had no concerns regarding language in the resolution.

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SENATOR HUGGINS motioned to move SCR 2 from committee with individual recommendations and zero fiscal note. There being no objection, it was so ordered.

[4:39:27 PM](#)

EO 113 Relating to TICs

CHAIR GENE THERRIAULT asked Kevin Brooks to present EO 113.

[4:39:54 PM](#)

KEVIN BROOKS, deputy director, Department of Administration, stated that EO 113 would transfer TIC [Telecommunications Information Council] authorities that are in current statute to the Department of Administration. This is clean up action, he said. The TIC was established in the late 1980s so that government could address telecommunication issues in an orderly fashion.

The council is housed in the Office of the Governor and is comprised of the commissioner from each department, a legislator from each body, the president of the University of Alaska, and the executive director of the Legislative Affairs Agency. In the early years, the council met frequently but in recent years

meetings have become sporadic. The council evolved into an executive committee with individuals with an interest or expertise in telecommunications.

The administration has taken a proactive information technology (IT) approach and state agencies are now doing annual IT plans to identify human resources and other assets. A planning and review process exists with representatives from each department that is reviewed by the Office of the Governor and the Office of Management and Budget. Because these duties are currently performed in the Department of Administration, EO 113 would officially transfer the duties to reflect current practice.

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CHAIR THERRIAULT stated that there is legislative concern about the Legislature, as a separate branch of government, being included. Page 2, lines 25-28 contains the first reference to the Legislature and that continues throughout the bill, he said.

He asked Mr. Brooks to speak to the advisability of having the Legislature included and to explain why the Alaska Railroad Corporation and the Judicial Branch are specifically not included.

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MR. BROOKS said the EO simply restates the current statute. "We certainly have no intent here to try and usurp authority or dictate what's appropriate for the Legislative Branch in terms of IT." The relationship with Legislative Affairs Agency on IT issues is cordial and collaborative and the administration wouldn't be opposed to a bill that clearly states that the Legislative Branch isn't subject to Department of Administration (DOA) policies, but it would take legislation to clarify the point, he said.

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CHAIR THERRIAULT recapped then asked if they couldn't exclude the Legislature in the EO format.

MR. BROOKS said he thought that an EO simply transfers existing statute and it can't be changed in a substantive way. "It's not our desire to change a working relationship that currently exists, but it would take a separate bill to exclude the Legislature."

CHAIR THERRIAULT asked Kevin Jardell if the Legislature had to be included.

KEVIN JARDELL, legislative director for Governor Murkowski, said the EO is a constitutional authority of the governor that is an efficient way to transfer functions within the Executive Branch.

In reviewing the current statute they decided it was bureaucratic and unwieldy and the reason the council has met so infrequently in the last few years. Under the current TIC, the Legislature has one voting and two non-voting members. "Realistically, with a 17 member committee that hasn't met in four years, we didn't perceive the Legislature's power or authority diminishing since we don't actively use this process."

EO 113 recognizes the IT process that has been used the last two years, which is through the Department of Administration with consultation of Legislative Affairs Agency and other members. The Department of Law said excluding the Legislature wasn't possible because removing the Legislature would be a substantive change, which is outside the scope of an EO. That's why they followed current legislation and transferred the duties to DOA.

"We...had some questions as to why the Legislature would have put itself in in the first place. It seems to be a conflict of separation of powers there and we would certainly support the Legislature removing itself from that mandatory authority." Anything to encourage cooperation between the branches would be welcome, he said.

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CHAIR THERRIAULT asked about one quasi-independent corporation versus another.

MR. JARDELL said two years ago the administration began implementing a new enterprise-level IT plan. They tried to create similarities and use the same technologies whenever practical to gain efficiency with the state. The enterprise-level plan has been effective in choosing new technologies. Quasi-independent agencies are still in the Executive Branch so it makes sense to have discussions about cooperative use. Frequently the discussions lead to waivers from the enterprise plan, but the discussion is important to ensure that the people are receiving maximum benefit from the technology that was purchased.

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CHAIR THERRIAULT asked if they would leave the railroad out if they were starting over.

MR. JARDELL said he wouldn't suggest changing how the railroad is treated. The included agencies have been a part of the process and productive in the discussions.

4:50:27 PM

CHAIR THERRIAULT questioned whether they considered taking a legislative approach to accommodate the separation of powers.

MR. JARDELL said they decided the best policy was to move forward recognizing the system that is in place. The administration wasn't ready to suggest how the Legislature should or should not act. The Executive Branch is moving forward to address what they need and they are open to working with the Legislature if they elect to exclude themselves.

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CHAIR THERRIAULT said the Legislature has 60 days to disapprove an EO with an independent resolution. Another option is for the Legislature to introduce a separate piece of legislation to make the separation without the EO.

4:52:11 PM

MR. JARDELL agreed the Legislature could introduce legislation to change the methodology, but it would delay things. It would simply be an expenditure of resources to recognize the current process. The administration favors the EO as a more efficient method and if the Legislature introduces legislation to remove itself, the administration would support that action.

CHAIR THERRIAULT asked Pam Varni to come forward.

PAM VARNI, executive director of the Legislative Affairs Agency (LAA), advised she has been a TIC member since 1993. Although former Lieutenant Governor Fran Ulmer was an active chair, she wasn't aware of meetings since that time. She described the meetings as beneficial to the Legislature because they provided an opportunity to find out what the Executive Branch was doing and a venue to make LAA views known. The University of Alaska,

the Executive Branch and the Legislature also collaborated on video teleconferencing.

A number of years ago the Legislative Council standardized hardware and software for the Legislature. Shortly thereafter the TIC brought up the same subject to provide standardization and make it possible to exchange files between departments, the Executive Branch and the Legislature. At that time decisions were made that were beneficial in getting the branches to work together.

There's a separation of powers problem with EO 113 and "It would be interesting to find out whether our attorneys feel that this EO could be withdrawn and a new one inserted that would separate us out."

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The relationship with the Executive Branch has been good and there has been no difficulty collaborating on the statewide area network. None-the-less, they don't want to go to the Commissioner of Administration to get written approval to do things differently.

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She suggested adding a section so the commissioner of the Department of Administration would notify the director of the court system and the executive director of the Legislative Affairs Agency so they could stay abreast. "We have no problem with the TIC moving from the Office of the Governor to the Department of Administration, but we'd like to know what possible changes they would be making so that they keep us informed so that we have a chance to plan and to react to those changes."

MS. VARNI urged the Office of the Governor to withdraw the EO or the committee to disapprove the EO and introduce separate legislation making it clear that the Legislature is not under that umbrella.

[4:57:07 PM](#)

CHAIR THERRIAULT asked whether Legislative Legal advised that withdrawing the EO and resubmitting it would allow the latitude to make the separation or would separate legislation be necessary.

MS. VARNI said she hadn't had the conversation.

CHAIR THERRIAULT asked whether she feels the Legislature has a good handle on the direction it is headed with regard to IT and whether it is ready to go it alone through LAA. Also the Executive and Legislative Branches must collaborate so would the connection still be strong enough to maintain consistency.

MS. VARNI replied LAA currently has sufficient data processing staff to support the Legislature. Although autonomy is necessary, partnering with the Executive Branch for specific projects would still be desirable.

CHAIR THERRIAULT asked Mr. Clothier whether he needed to clarify anything.

[5:02:03 PM](#)

CURTIS CLOTHIER, data processing manager, Legislative Affairs Agency, explained that LAA still uses the state's wide area network for communication so legislative communication uses their wires. They have no problem with the Executive Branch and they work well with ETS [Enterprise Technical Services] however, future policies and procedures might change that. Separation of power is a concern, he concluded.

CHAIR THERRIAULT asked Mr. Jardell how it would be best to go forward.

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MR. JARDELL replied the administration believes it is best to recognize the EO, which is the current way of doing business in the Executive Branch. If changes need to be made, the legislative process is the way to do that, he said.

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This came to a head because the administration found that each department has its own regulations on dealing with requests for public information. The administration decided to create a statewide policy for clarity, but the Department of Law said they had to meet with the governor, every commissioner and LAA to write regulations for a consistent policy. They decided this was too unwieldy and it's within the Governor's authority to change the structure of the Executive Branch. "We see this as

just recognizing a very inefficient system and moving to the efficient system that we are currently utilizing. That does not preclude legislation from being introduced and moving forward."

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CHAIR THERRIAULT questioned whether there had been an overview on the House side and whether they expressed any particular desire regarding how to proceed.

MR. JARDELL said they were going to submit a committee bill to exclude the Legislature from the process.

CHAIR THERRIAULT remarked the legislation could be vetoed in which case the EO would go into effect and the Legislature would be under the administration. If they could agree on legislation, why wouldn't the administration repeal EO 113?

MR. JARDELL said there is no guarantee that something will get through both bodies and this is too important to chance a side rail.

[5:08:18 PM](#)

CHAIR THERRIAULT said no one is itching for a fight and he was simply looking for a common sense way to move forward.

There were no further questions.

CHAIR THERRIAULT announced he would set EO 113 aside.

[5:09:06 PM](#)

SB 72-OATHS; NOTARIES PUBLIC; STATE SEAL

SENATOR GENE THERRIAULT said the committee would hear SB 72 and although he didn't intend to take any action, he wanted the issue introduced.

ANNETTE KREITZER, chief of staff to Lt. Governor Loren Leman, asked members to look at the sheet comparing the current notary statute and the proposed changes. They vetted this with other notaries, insurance company lobbyists and with banks, she said.

With regard to qualifications, they propose: lowering the age to 18; making residency requirements the same as the general

residency statute; requiring the applicant to reside legally in the U.S. and not have been convicted or incarcerated for a felony within 10 years of the application.

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CHAIR THERRIAULT asked whether a person living abroad could notarize documents.

SCOTT CLARK, notary commission administrator, explained that notary commissions are restricted to a certain area so someone that wasn't physically in the state wouldn't qualify for an Alaskan notary commission. As proposed, the applicant must reside in the U.S. but wouldn't have to be a citizen.

CHAIR THERRIAULT remarked the stamp doesn't travel outside the state.

MR. CLARK agreed.

SENATOR CHARLIE HUGGINS asked whether military officer signatures would continue to be recognized as official.

MR. CLARK said current statute recognizes the authority of commissioned military officers and no change is proposed.

[5:13:23 PM](#)

MS. KREITZER said the commissions are separated into limited governmental notaries public, and notaries public. Notaries public have a four-year term while limited governmental notaries public have open-ended commissions that end when employment ends.

As proposed, the \$40 application fee would remain the same, but the fee for a Lieutenant Governor certificate would increase from \$2 to \$5.

With regard to a bond, a \$1,000 notary bond would be required of all applicants except the new limited governmental notary public and the Lieutenant Governor is required to keep those for two years.

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SENATOR WAGONER questioned the necessity of increasing the fee by \$3.

MS. KREITZER said the increase would bring an additional \$8,700 as reflected in the fiscal note.

MR. CLARK said the \$2 fee has been in effect since 1961. The certificates verify details about notarizations and are usually required for documents that go to foreign countries, he explained. The \$2 fee didn't cover the cost of the 3,000 ornate certificates prepared each year and the \$5 fee is fair. Many states charge between \$20 and \$25 for the same type certificate.

CHAIR THERRIAULT said these are clearly not the standard notarization that you get from the bank.

MR. CLARK said most of the public never sees or needs this type certificate.

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MS. KREITZER explained that with regard to commission types the limited governmental notaries public would include municipal and federal employees in addition to state employees. This makes it clear that the commissions may be held concurrently.

CHAIR THERRIAULT questioned whether limited commissions are limited to a specific job and/or specific transaction.

MS. KREITZER clarified that limited governmental notaries public have that title because they work for a governmental entity. They can do all the same notary actions as a notary public it simply signifies they work for a federal, state or municipal government and that they don't charge a fee.

[5:18:58 PM](#)

CHAIR THERRIAULT noted they don't charge a fee and then questioned whether they could notarize things for the general public.

MS. KREITZER said they could notarize things for the public, but typically people go elsewhere.

CHAIR THERRIAULT asked whether a limited governmental notary public working in a government office would have the power to decline offering private notary services.

MR. CLARK referenced page 10, lines 29-30 to clarify that a limited governmental notary public could perform notarial acts only in the conduct of official government business.

CHAIR THERRIAULT questioned whether that was a new restriction.

[5:20:38 PM](#)

MS. KREITZER said it is new and they repealed and readopted most of the statute. She said they examined the statute carefully, but were certainly open to suggestions

With regard to commission revocation, she explained that the Administrative Procedure Act is cumbersome so they propose that the Lieutenant Governor would have the ability to review complaints and dismiss them if found to be trivial.

They propose to move to a web based system, but don't want to expose private personal information. The public needs to know who and where notaries public are located and how to reach them, but they propose to keep e-mail addresses, fax numbers and other information private.

No changes were proposed for non-commissioned notaries.

SENATOR THOMAS WAGONER suggested the state not get to the point that notaries public all charge the maximum fee allowed under law.

MS. KREITZER assured members the Lieutenant Governor has no intention to go down that path.

She noted a proposed amendment that is designed to remove impediments to electronic notarization in the future. She asked members to review the draft amendment before the bill is heard again.

CHAIR THERRIAULT asked what constitutes electronic notarization because he's only familiar with traditional notarization.

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MR. CLARK explained the traditional aspect of notarization wouldn't change and electronic notarizations in the future would be held to the same high standards as current notarizations. That being said, he couldn't say what an electronic notarization would look like because no pilot project had been successful to

date. Digital signatures are common right now and successfully addressing the intra-country security issue is a work in progress.

CHAIR THERRIAULT questioned, "The current wording here removes impediments to move to that through regulatory changes?"

MS. KREITZER said they aren't looking for regulatory authority. It's simply preparing the way for a future Legislature to define what electronic notarization would look like. If you believe we're looking for regulatory authority we're open to amendment, she said.

[5:27:06 PM](#)

CHAIR THERRIAULT read the proposed amendment and interpreted it to give authority.

MS. KREITZER said her interpretation is that you can't adopt regulations where technology doesn't exist.

CHAIR THERRIAULT replied if the technology came into existence tomorrow they'd be pre-approved.

MS. KREITZER agreed it would be to the extent that the law would allow. She said she wouldn't mind withdrawing the regulations portion because the intent is to remove impediments.

CHAIR THERRIAULT said a future Legislature that wants to make that policy call would remove the impediments when appropriate.

There were no further questions.

[5:28:22 PM](#)

CHAIR THERRIAULT announced he would hold SB 72 in committee.

There being no further business to come before the committee, Chair Therriault adjourned the meeting at [5:28:37 PM](#)