

SENATE FINANCE COMMITTEE  
March 29, 2008  
10:09 a.m.

CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at [10:09:49 AM](#).

MEMBERS PRESENT

Senator Lyman Hoffman, Co-Chair  
Senator Bert Stedman, Co-Chair  
Senator Charlie Huggins, Vice-Chair  
Senator Kim Elton  
Senator Donny Olson  
Senator Joe Thomas  
Senator Fred Dyson

MEMBERS ABSENT

None

ALSO PRESENT

Derek Miller, Staff, Representative Mike Kelly; Eddy Jeans, Director, Education Support Services, Department of Education and Early Development; Representative Kevin Meyer, Sponsor; Mike Pawlowski, Staff, Representative Kevin Meyer; Narda Butler, Douglas; Rodney Hebert, Tanana; Whitney Brewster, Director, Division of Motor Vehicles; Representative Jay Ramras, Sponsor; Jane Pierson, Staff, Representative Jay Ramras; Representative Mary Nelson, Sponsor; Del Conrad, CEO, Rural Alaska Fuel Services (RAFS)

PRESENT VIA TELECONFERENCE

Dan Bockhorst, Manager, Ketchikan Gateway Borough; Julie Clements, Director of State Legislative Affairs, MADD; Dale Fox, President, CEO, CHARR; Diane Casto, Section Manager, Prevention and Early Intervention Section, Division of Behavior Health, Department of Health and Social Services; Dale Fox, President, CHARR; Sarah Fisher-Goad, Deputy Director of Operations, Alaska Energy Authority, Department of Commerce, Community and Economic Development

SUMMARY

SCS CSHB 233(L&C)

"An Act relating to giving notice of unclaimed net margin distributions made by electric and telephone cooperatives."

SCS CSHB 233 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with fiscal

note #2 by the Department of Commerce, Community and Economic Development.

HB 373 "An Act extending specified public school bond debt reimbursement; and providing for an effective date."

SCS HB 373 (FIN) was HEARD and HELD in Committee for further consideration.

SCS CSHB 19(JUD)

"An Act relating to ignition interlock devices; to limited driver's license privileges; and to ignition interlock limited driver's license privileges."

SCS CSHB 19 (JUD) was HEARD and HELD in Committee for further consideration.

CSHB 75(STA)

"An Act relating to driver's licenses and to alcohol and drug awareness and safety testing."

CSHB 75(STA) was heard and HELD in Committee for further consideration.

CSHB 338(FIN)

"An Act relating to the bulk fuel bridge loan fund and program, power project fund, and the bulk fuel revolving loan fund; authorizing the Alaska Energy Authority to borrow money from the power project fund for the bulk fuel revolving loan fund and to repay money borrowed; and providing for an effective date."

CSHB 338 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with zero fiscal note #1 by the Department of Commerce, Community and Economic Development, and with fiscal note #2 by the Department of Commerce, Community and Economic Development.

[10:10:11 AM](#)

SENATE CS FOR CS FOR HOUSE BILL NO. 233(L&C)

"An Act relating to giving notice of unclaimed net margin distributions made by electric and telephone cooperatives."

DEREK MILLER, STAFF, REPRESENTATIVE MIKE KELLY, provided a brief overview of SCS CSHB 233. He explained that the provision would allow utility cooperatives to use the internet to inform members of any capital credit due.

[10:13:05 AM](#)

In response to Senator Dyson, Mr. Miller said he contacted the director of the Permanent Fund Dividend Division and was informed that the Division could not provide the address lists to the electric utilities.

Senator Dyson reported that his staff uses the Alaska Voters List.

[10:15:06 AM](#)

Senator Dyson offered a conceptual amendment on page 1, line 12, to allow the use of the Alaska's Voter list to locate persons owed a refund.

Co-Chair Stedman OBJECTED for purposes of discussion. He restated the conceptual amendment.

Co-Chair Stedman WITHDREW his OBJECTION. There being NO further OBJECTION, the conceptual amendment was adopted.

[10:16:16 AM](#)

Co-Chair Hoffman MOVED to REPORT SCS CSHB 233 (FIN) out of Committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

SCS CSHB 233 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with fiscal note #2 by the Department of Commerce, Community and Economic Development.

[10:17:16 AM](#)

HOUSE BILL NO. 373

"An Act extending specified public school bond debt reimbursement; and providing for an effective date."

Co-Chair Hoffman MOVED to ADOPT SCS HB 373, labeled 25-LS13040/C, Mischel, 3/24/08, as the working document.

Co-Chair Stedman OBJECTED for purposes of discussion.

[10:18:07 AM](#)

EDDY JEANS, DIRECTOR, EDUCATION SUPPORT SERVICES, DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT, explained that the Committee Substitute for HB 373 amends AS 14.11.008(b), the participating share for school districts to address major maintenance and school construction programs. He informed the committee that the table was set into statute in 1993.

Since then, property values have increased around the state. The Alaska Municipal League requested that the state update the table to reflect increases in property values.

Co-Chair Stedman WITHDREW his OBJECTION.

There being NO further OBJECTION, 25-LS13040/C was adopted.

[10:21:02 AM](#)

REPRESENTATIVE KEVIN MEYER, SPONSOR, explained that HB 373 extends the sunset of the current school bond debt reimbursement program from November 2008, to November 30, 2010. Projects on the Department of Education and Early Development approved list would still be reimbursed at 70 percent; other projects would be reimbursed at 60 percent. The State of Alaska's school bond debt reimbursement program is an important partnership between communities and the state, where each shares a portion of the cost of school construction. He underlined that without this assistance many municipalities would not be able to afford school construction costs.

Co-Chair Hoffman felt there should be a long-term solution for what the provision addresses. He emphasized the importance of urban and rural schools being funded on an equitable basis.

Representative Meyer agreed with Co-Chair Hoffman.

[10:24:33 AM](#)

DAN BOCKHORST, MANAGER, KETCHIKAN GATEWAY BOROUGH testified via teleconference in support of the bill. He noted that when the current law was enacted in 1993, it reflected a rational public policy choice that municipal school districts with greater fiscal resources should pay a higher share of local major maintenance costs. He explained that, since then, inflation has increased at 42 percent over the past 15 years, and the decline in student enrollment has increased significantly. Due to these factors, both urban and rural districts have suffered unintended consequences.

Mr. Bockhorst provided an example: Kluwock has had a six-fold increase in its major maintenance cost share over the past 15 years. Initially, Kluwock paid 5 percent of major maintenance costs. Currently, the local share is at 30 percent. For the past 14 years Ketchikan has had to shoulder the same 30 percent share that Kluwock now faces. Ketchikan will still pay major maintenance costs unless the CS is passed. The increase facing Ketchikan is not due to an increase in its tax base, it is due to the decline in student enrollment - more that 16 percent since 1993. If moderate relief is granted through the CS, local governments

will continue to shoulder a substantial burden: Ketchikan will still pay \$3 million as its share of major maintenance costs in the upcoming year. Without the CS, the figure will increase by \$500,000.

Mr. Bockhurst urged support of the CS in order to provide needed relief to both urban and rural districts throughout Alaska.

[10:28:00 AM](#)

Co-Chair Hoffman asked Mr. Jeans to convey the urgency of passing the legislation this year. Mr. Jeans explained that the law is to sunset in November of 2008. If the sunset is not extended now, then the legislature would not be able to address the issue until the next session in January.

Co-Chair Hoffman asked what the impact to school districts would be, in terms of construction planning and budgeting, if the legislation were not passed this session. He further queried if any school districts had expressed the need for passage of the bill due to plans to move forward with specific bond issues. Mr. Jeans reported that the only district that had contacted him regarding the sunset of the bill was the Juneau School District. He elaborated that the Juneau School District intends to take projects before voters this year. If the legislation is not passed the district would have waited a year.

[10:30:31 AM](#)

In response to Senator Dyson, Mr. Jeans said the reference made by Mr. Brockhurst has to do with the participating share under the grant program. Currently, Klawock has participating shares at 30 percent. With the enactment of the CS, the participating share would drop to 10 percent. This has to do with the property value per child.

Senator Dyson asked how many other communities would qualify at 10 percent. Mr. Jeans clarified that Klawock is the only community whose share decreases to 10 percent.

Senator Huggins asked if any communities would see a participating share increase. Mr. Jeans responded that under the CS the share would only decrease. He further clarified that the CS does not change current law for the debt reimbursement program, it only extends it for two years.

Co-Chair Stedman noted that the enrollment decline is a significant factor when addressing funding for schools.

[10:33:25 AM](#)

In response to Senator Dyson, Representative Meyer said it is always assumed there will be a state match. The current law carries through to November 2008. Bonds passed in April will be covered under the CS. He also responded to an earlier question regarding the effects of waiting a year to pass legislation. If action on the provision is postponed, it will have an effect on the Anchorage election next year, but has no effect this year.

[10:34:03 AM](#)

Co-Chair Hoffman commented that if the CS were to pass, there would be plenty of time before the voting cycle.

Senator Dyson felt that if the bill passed in this session, it would substantiate the state commitment to reimburse school districts. He maintained that with the uncertain stability of high oil prices, he supports a two or three year sunset.

SCS HB 373(FIN) was HEARD and HELD in Committee for further consideration.

#hb19

SENATE CS FOR CS FOR HOUSE BILL NO. 19(JUD)

"An Act relating to ignition interlock devices; to limited driver's license privileges; and to ignition interlock limited driver's license privileges."

[10:36:39 AM](#)

REPRESENTATIVE KEVIN MEYER, SPONSOR, provided an overview of SCS CSHB 19(JUD), which provides for an ignition interlock device for a person who has received a DUI. He detailed the penalties involved with receiving a DUI. He pointed out the potential failings of a limited driver's license. The intent of the bill is to ensure a sober driver.

Representative Meyer noted that the Senate Judiciary Committee amended the bill to extend the interlock program through the probationary period of the offender. He supported the change noting it was a deterrent to repeat offenses. Similar programs implemented in other states have resulted in an up to 80 percent reduction of repeat offenses. He informed the Committee that in Alaska about 5000 DUI's are issued every year, with one-third being repeat offenders.

[10:41:07 AM](#)

Co-Chair Stedman expressed concern regarding the cost of the interlock device and offenders not having funds to purchase the device.

Representative Meyer acknowledged the expense and informed the Committee that the court can waive the DUI fine in lieu of purchase of the interlock device.

Senator Elton questioned Section 2, which states that the courts can't enforce a municipal ordinance without a provision imposing ignition interlock devices. He wondered if an unintended consequence might be that the municipalities would let the Department of Law prosecute under state statutes rather than under municipal ordinances. If this were to occur there would be a fiscal note from the Department of Law to reflect the cost.

[10:44:06 AM](#)

MIKE PAWLOWSKI, STAFF, REPRESENTATIVE KEVIN MEYER, explained that though the state had passed ignition interlock devices for high BAC drivers, it was never recommended that the municipality pass an ordinance. Section 2 came into the bill from the Senate Judiciary Committee in the interest of consistency in statute regarding traffic offenses. He indicated that he would talk with the Department of Law regarding the issue and report back to the Committee.

[10:45:00 AM](#)

Senator Dyson asked about someone who "knowingly" loans a car to someone who is court ordered to have the interlock device.

Co-Chair Meyer understood that if a person knowingly allowed a person who had been convicted of a DUI to drive their car, the owner of the car is at fault.

Senator Dyson asked if a person convicted of a DUI gets a mark on their driver's license. Representative Meyer confirmed that they would.

Senator Dyson questioned the sections regarding the forfeiture of a vehicle.

[10:48:08 AM](#)

Co-Chair Stedman noted that the bill is in its first hearing and there will be an opportunity for members to get questions and concerns answered by the sponsor.

Senator Elton asked why the bill would only apply in certain communities and opined that if the issue is a matter of public safety, it should apply to all communities. Representative Meyer said it would be the intent to apply the interlock device requirement statewide. He explained that changes were made in Senate Judiciary making exceptions

for those areas that aren't required to have insurance. He added that vendors are willing and able to install the interlock device to any car, anywhere, throughout the state.

[10:49:53 AM](#)

Mr. Pawlowski said he would provide the list of communities published by the Department under AS 28.22.011(b) referenced in Section 7.

Senator Thomas noted the potential loophole between what the court orders and how the Division of Motor Vehicles responds, in terms of returning the license to the offender. They may fulfill the requirements of the court order, but then there may be a problem of getting the license back.

[10:51:21 AM](#)

Co-Chair Stedman listed the fiscal notes: a zero note from the Department of Transportation and Public Facilities, an indeterminate note from the Department of Corrections, and a note from DMV for \$76,000 for one new position.

[10:53:03 AM](#)

JULIE CLEMENTS, DIRECTOR OF STATE LEGISLATIVE AFFAIRS, MADD testified via teleconference in support of SCS CS HB 19. The goal for MADD is to have ignition interlock devices stipulated in law for convicted offenders. The organization would ultimately like a mandate for anyone convicted of a DUI with a .08 BAC or higher to be required to use an ignition interlock device. She listed studies to back up MADD's view.

[10:57:50 AM](#)

DALE FOX, PRESIDENT, CEO, CHARR testified via teleconference in support of SCS CS HB 19. He related that 65 percent of highway fatalities are committed by those with 1.5 blood alcohol and above, and by those who have committed multiple DUI's. He suggested one small change to the bill: to have the hardcore, repeat offenders be required to use the ignition interlock device. He thought that first timers should be excluded from the provision.

[11:00:17 AM](#)

NARDA BUTLER, DOUGLAS, explained that there is a significant amount of data that proves the effectiveness of the devices. She purported that the bill is not about punitive sanctions, but rather an issue of public safety. She outlined specific changes and suggested removal of the words "during probation". She questioned if the bill would address the population of individuals most recently convicted of driving

with a license revoked or suspended subsequent to a DUI. She suggested a performance-based exit and to include felons.

[11:07:33 AM](#)

RODNEY HEBERT, TANANA, testified that the bill only covers misdemeanors, not felons, and felt that felons should be included in the bill.

[11:13:23 AM](#)

WHITNEY BREWSTER, DIRECTOR, DIVISION OF MOTOR VEHICLES, stated that DMV does support the bill. She addressed Senator Thomas's question and said there will be no change in the coordination between the courts and DMV due to this bill.

[11:15:18 AM](#)

Senator Huggins voiced concern with Section 7. He question what would happen if an offender moved to another community that was not on the list.

Ms. Brewster said that the Department is in favor of the application on a statewide basis. She thought that a person who moved to an area where the device was not required would not have to comply.

Co-Chair Meyer made closing comments saying he would provide answers to questions asked by the Committee.

Senator Elton noted the suggestion to provide for the extension of the use of an interlock device if someone attempts to drive drunk before the end of their probation.

SCS CSHB 19 (JUD) was HEARD and HELD in Committee for further consideration.

[11:18:53 AM](#)

#hb75

CS FOR HOUSE BILL NO. 75(STA)

"An Act relating to driver's licenses and to alcohol and drug awareness and safety testing."

REPRESENTATIVE JAY RAMRAS, SPONSOR, presented the bill. He shared personal experience in the hospitality industry and his concern about drunk drivers. He related the current process of awarding a driver's license to young people. He outlined DMV's testing procedure at different ages. When a driver turns 21 there is no further testing. He maintained that three groups would benefit by the passage of the bill:

the hospitality industry, young people between 21-25 with a minor's driver's license, and average citizens.

Representative Ramras explained that the bill would draw a much brighter line between minors and adults and stop the issue of "leakage". It would also educate those who are of the drinking age by developing an eight question test with the object of bringing awareness of alcohol safety and laws prior to receiving an adult Alaska driver's license.

[11:31:41 AM](#)

Co-Chair Stedman asked if the penalties for serving a minor alcohol were substantial.

Representative Ramras defined the penalties for those who serve a minor. The first offense is a class A misdemeanor; the second offense is a class C felony. He maintained that HB 75 would provide a remedy to draw a brighter line between minors and adults. It calls for the automatic expiration of a driver's license when a person turns 21 and helps combat the issue of minors consuming alcohol.

[11:35:50 AM](#)

Co-Chair Stedman clarified that a portion of the bill would require a person to update their license when they turn 21. They would have an opportunity to have the questions on the test repeated until they successfully pass the test.

Representative Ramras agree that that would be the legislative intent. He emphasized the need for the alcohol education portion of the bill.

[11:37:13 AM](#)

Senator Elton referred to Section 1 and noted that the provision only applies to Alaskans who hold under 21 licenses.

Representative Ramras agreed. He noted that the original intent was to have all Alaskans take the test. That element of the bill was deleted.

Senator Elton voiced concern that the standard would apply to a 21-year-old Alaskan, but not to a 21-year-old who moved to Alaska with a minor's driver's license.

[11:39:48 AM](#)

Senator Huggins asked how military people are dealt with in the bill.

JANE PIERSON, STAFF, REPRESENTATIVE JAY RAMRAS, explained that military are covered under AAC exemptions.

Senator Huggins wondered how other driving impairment drugs are handled.

[11:41:17 AM](#)

Representative Ramras referred to page 1, line 10, which says, "relating to alcohol, drugs, and driving". He added that it is also covered in the Driver's Manual and as part of the test. Senator Huggins noted that the test only addresses alcohol.

Representative Ramras said it is the intent that the test would address all drugs and alcohol. He said he was amenable to amendments to the bill. He explained that all persons could not be included and the focus should be on educating young adults.

Co-Chair Stedman noted two fiscal notes: a zero fiscal note from the Department of Health and Social Services, and a fiscal note for \$30,000 from the Department of Administration - DMV.

[11:44:06 AM](#)

DIANE CASTO, SECTION MANAGER, PREVENTION AND EARLY INTERVENTION SECTION, DIVISION OF BEHAVIOR HEALTH, DEPARTMENT OF HEALTH AND SOCIAL SERVICES, testified via teleconference in support of HB 75. The bill addresses a critical issue - reducing underage access and consumption of alcohol and promoting responsible consumption upon reaching 21. HB 75 is in line with the state plan and with nationwide best practices. She agreed with the multi-strategy approach toward reducing underage drinking, especially education.

[11:47:22 AM](#)

DALE FOX, PRESIDENT, CABARET, HOTEL, RESTAURANT, AND RETAILER'S ASSOCIATION (CHARR) testified via teleconference in strong support of Section 2 of the bill, which makes it easier for the hospitality industry. It assists in developing the bright line which helps people in the industry make the right call. Mr. Fox concluded that CHARR is neutral on Section 1, but supports the overall bill.

[11:49:06 AM](#)

WHITNEY BREWSTER, DIRECTOR, DIVISION OF MOTOR VEHICLES, DEPARTMENT OF ADMINISTRATION, said that DMV supports HB 75. DMV would develop a test with the help of others, such as Behavioral Health, with eight questions that would address

alcohol and drug awareness. The test would be statewide and could be retaken until the individual passes it. She reported that there is an exception policy in place which would address Senator Huggins's concern about military personnel, as well as those away at school.

[11:50:17 AM](#)

Senator Elton asked if this is a one-time cost. Ms. Brewster said that it is a one-time cost for a programming change to allow for an expiration date. The second part of the fiscal note is for loading the test onto the machines. She reported that DMV does not anticipate on-going costs.

Senator Elton asked if the test is graded by the machine. Ms. Brewster replied that it is electronic.

Senator Olson asked what types of provisions are made for rural students. He noted that the DMV is closed in Nome. Ms. Brewster reported that the Nome office is now filled. She understood that the bill would not prohibit someone from coming in before their 21<sup>st</sup> birthday to take the exam.

[11:53:02 AM](#)

Representative Ramras noted that the payment fee for a new license would pay for the program. He concluded that this bill is an excellent strategy for combating the problem of drinking and driving.

CSHB 75(STA) was heard and HELD in Committee for further consideration.

AT EASE: [11:54:13 AM](#)

RESUME: [12:08:25 PM](#)

#hb338

CS FOR HOUSE BILL NO. 338(FIN)

"An Act relating to the bulk fuel bridge loan fund and program, power project fund, and the bulk fuel revolving loan fund; authorizing the Alaska Energy Authority to borrow money from the power project fund for the bulk fuel revolving loan fund and to repay money borrowed; and

REPRESENTATIVE MARY NELSON, SPONSOR, related that the bill was an idea brought forth by the Alaska Energy Authority (AEA). She reported that old statutes needed updating. The primary idea in the bill is in Section 2, which authorizes AEA to make loans from the Power Project Fund (PPF) to the Bulk Fuel Revolving Loan Fund (BFRLF). Presently, there is a lot of pressure on AEA due to the high price of fuel to

provide more loans from BFRLF. The bill would limit the amount AEA could borrow from PPF to the BFRLF to the lesser of \$2 million, or 10 percent of the PPF cash balance on June 30 of the preceding fiscal year. It provides that AEA can not borrow from PPF if the cash balance of PPF is less than 5 million.

Representative Nelson reported that the bill also deleted references to nonprofit marketing cooperatives as potential borrowers and deletes PPF loan provisions for potable water supply projects.

Representative Nelson related that Section 3 provides that power projects are subject to the same limitations on interest and other restrictions as are loans for power projects. Section 1 establishes the BFRLF as statutorily able to make loans to communities. It is a separate loan program established in 2004 by the Denali Commission, especially for communities that are struggling administratively. She explained the problems surrounding statutory authority and third party contract relationships.

Representative Nelson reported on the successes of the BFRLF.

[12:14:21 PM](#)

SARAH FISHER-GOAD, DEPUTY DIRECTOR OF OPERATIONS, ALASKA ENERGY AUTHORITY, DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT testified via teleconference that HB 338 authorizes AEA to make loans from PPF to BFRLF. She related that the BFRLF provides communities of 2,000 or less a financing source to purchase an annual supply of fuel. AEA currently only commits to loans based on the cash available and does not consider loans receivable prior to committing a loan. HB 338 would provide a backstop source of funds to allow AEA to better meet the needs of the borrowers.

Ms. Fisher-Goad reported that two years ago there was a delay in committing funds until loan repayments - the actual cash - was received by AEA. This made it difficult to be able to provide the commitments for borrowers to plan for fuel delivery. HB 338 does limit the lending ability by restricting the amount based upon the June 30 cash balance of PPF and is limited by the lesser of \$2 million or 10 percent. On 2/29 the cash balance in the PPF was \$10.8 million. If the bill were in effect today there would be a little over \$1 million as a backstop funding source. If PPF falls below \$5 million, AEA would suspend the borrowing capability.

Ms. Fisher-Goad reported on housekeeping measures in the bill.

[12:16:36 PM](#)

Senator Huggins asked if the bill increases risk to AEA. Ms. Fisher-Goad said she believed it was risk neutral. The loans are short term and the delinquency rate is very low.

[12:17:24 PM](#)

DEL CONRAD, CEO, RURAL ALASKA FUEL SERVICES (RAFS), said that since the inception of the BFRLF in 2004, about 12 communities were unable to fund their fuel purchases due to an increase in fuel costs. The Department of Commerce, Community and Economic Development contracted out to manage the loans and work with the communities. The Rural Alaska Fuel Services purchases fuel on behalf of the community. If the loan is paid back on a timely basis, the money is loaned for three years interest free. In addition, RAFS goes to out to the communities to review the books, establish pricing, and build budgets. He described how he sets up the programs.

Mr. Conrad reported that RAFS has made loans to 26 communities throughout rural Alaska in the last four years for a total of \$6.5 million. He described the successes of the program and the fund sources.

[12:23:25 PM](#)

Senator Olson MOVED to ADOPT Amendment 1:

Insert new Section 4 that amends AS 42.45.250(e)(1) to read:

"(1) may not exceed \$500,000 [\$400,000], or, if the borrower is a cooperative corporation organized under AS 10.15 or an electric cooperative organized under AS 10.25 and uses the loan to purchase bulk fuel on behalf of more than one community, may not exceed the lesser of \$500,000 [\$400,000] multiplied by the number of communities on whose behalf the bulk fuel is to be purchased, \$1,800,000 [\$1,500,000].

Senator Olson explained that the amendment would increase the loan limits for the Bulk Fuel Revolving Loan Fund to better match the increased cost of fuel.

Co-Chair Stedman OBJECTED.

Senator Olson noted the current loan has been inadequate in some communities. He spoke of high transportation costs. He added that the Department is in support of the amendment.

[12:25:31 PM](#)

Ms. Fisher-Goad confirmed that the Department is in support of the amendment. It aligns the long-existing BFRLF with the proposed limit for the Bridge Loan program. She addressed the increased demand for loans.

Co-Chair Stedman WITHDREW his OBJECTION.

There being NO OBJECTION, Amendment 1 was adopted.

Representative Nelson worried about communities that would need more monetary support.

[12:27:07 PM](#)

Mr. Conrad noted requests for three loans for \$500,000 through the Bridge Loan program. He voiced concern that if communities are short funded, then it will create a case of flying in fuel in February with a significant increase in cost. He predicted that it is unlikely that there will be requests for loans in the \$750,000 range in the next year, but for the communities in that situation, there is significant cost if fuel needs to be flown in.

Representative Nelson said the cost gets passed on to the consumer at \$11 or \$12 per gallon when fuel is flown in.

[12:29:12 PM](#)

Co-Chair Hoffman MOVED to REPORT CSHB 338 (FIN), as amended, from Committee with individual recommendations and the accompanying fiscal notes. There being NO OBJECTION, it was so ordered.

CSHB 338 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with zero fiscal note #1 by the Department of Commerce, Community and Economic Development, and with fiscal note #2 by the Department of Commerce, Community and Economic Development.

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ADJOURNMENT

The meeting was adjourned at 12:30 PM.