

SENATE FINANCE COMMITTEE
April 12, 2008
9:39 a.m.

CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at [9:39:47 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

Representative Nancy Dahlstrom; Kelly Goode, Staff, Representative Dahlstrom; Ted Leonard, Deputy Commissioner, Department Of Commerce, Community And Economic Development; Darwin Peterson, Staff, Senator Stedman Representative Harry Crawford; Jennifer Stickler, Licensing Chief, Division of Corporations, Businesses and Professional Licensing, Department of Commence;

PRESENT VIA TELECONFERENCE

SUMMARY

CS HJR 2(FIN)

Proposing an amendment to the Constitution of the State of Alaska requiring an affirmative vote of the people before any form of gambling for profit may be authorized in Alaska and setting other requirements.

CS HJR 2 (FIN) was HEARD and HELD in Committee for further consideration.

CS HB 44(FIN)

An Act relating to information from veterans on the permanent fund dividend application form.

CSHB 44 (FIN) was REPORTED out of Committee with "do pass" recommendation and accompanying zero notes from the Department of Military and Veterans Affairs and the House Finance Committee.

CS HB 111(FIN)

"An Act decreasing the fee for a business license; relating to a civil fine for not having a current business license, to business license penalties under certain laws relating to financial institutions, occupational licensing, employment agencies, and taxation, and to the duration of certain business licenses; and providing for an effective date."

SCS CSHB 111 (FIN) was REPORTED out of Committee with a "do pass" recommendation and accompanying new fiscal notes from the Department of Commerce, Community and Economic Development.

[9:39:53 AM](#)

CS FOR HOUSE JOINT RESOLUTION NO. 2(FIN)

Proposing an amendment to the Constitution of the State of Alaska requiring an affirmative vote of the people before any form of gambling for profit may be authorized in Alaska and setting other requirements.

[9:40:00 AM](#)

AT EASE: [9:40:03 AM](#)

RECONVENED: [9:40:19 AM](#)

REPRESENTATIVE NANCY DAHLSTROM presented an overview of the house joint resolution. She explained that this bill would create a constitutional amendment that places the question for permitting for-profit gaming in Alaska on the general election ballot. The resolution states that in order for there to be for-profit gaming in Alaska their must be an affirmative majority by the state voters. In addition, the local communities must then approve, by a majority, gaming in their area. The local vote requirement was added in the House to assure balance for smaller communities.

[9:42:48 AM](#)

Senator Dyson questioned how this would affect gambling on Native Alaskan lands.

Representative Dahlstrom reported that she is not sure as this is not yet resolved.

[9:43:32 AM](#)

Senator Olson inquired how this would affect non-profit gaming in Alaska.

Representative Dahlstrom reported this bill would not affect any gaming activity already in law.

Co-Chair Stedman asked what would be the affect on Annette Island, the only native reservation in Alaska.

Representative Dahlstrom advised that Annette Island is a part of Alaska and the community would need to abide by the same regulations as the rest of the state. If the residents wished to have gaming in their area, it would have to be by majority vote of the community.

Co-Chair Stedman pointed out that Annette Island is treated differently by other Alaska departments, such as fish and game laws. He wondered if there had been any research on the special status of Annette Island in regard to gaming.

Representative Dahlstrom responded she could not comment on the policy for Annette Island.

[9:45:09 AM](#)

Senator Elton asked if the state or municipal vote would occur first.

Representative Dahlstrom reported that the state elections would happen first.

Senator Elton expressed that some pull-tabs are on behalf of non-profits. He questioned if the businesses that ran these non-profit pull-tabs were considered for-profit organizations would they be prohibited from conducting this service without a vote by the people.

Representative Dahlstrom specified that pull-tabs are legal in the state and nothing in existing state law would change.

[9:46:29 AM](#)

Senator Elton asked how a new pull-tab seller would be treated.

Representative Dahlstrom repeated that this would not change those gaming businesses already allowed by state law.

[9:47:20 AM](#)

Senator Thomas questioned where in the bill it states the continuation of those gaming activities already allowed by state law.

[9:48:13 AM](#)

KELLY GOODE, STAFF, REPRESENTATIVE DALSTROM answered Senator Thomas's question by indicating Section 2 (b), page 2, states:

(b) This section does not prohibit or restrict any form of gaming lawfully conducted under Alaska law on the date of the ratification of this section by the people of Alaska, nor does this section affect the authority of the legislature to authorize or regulate nonprofit gaming by organized boroughs and cities or by nonprofit organizations.

AT EASE: [9:49:46 AM](#)

RECONVENED: [9:53:02 AM](#)

[9:53:45 AM](#)

Ms. Goode explained that the difference between the Judiciary and Finance version of the bills was that if the state election votes affirmatively, then the local communities would get a chance to vote on allowing gaming in their community.

[9:54:54 AM](#)

Senator Elton asked what happens when both a borough and a city is involved.

[9:55:41 AM](#)

Ms. Good replied it would depend on where the gaming occurs. If the gaming was to be held within the city, then the vote would be there; if outside the city but within the borough, then the borough would vote.

[9:56:27 AM](#)

Ms. Goode remarked that the House Finance Committee wanted to ensure this was a two-tier system with both state and local voting.

Senator Elton acknowledged he is not a supporter of legalized gambling and the back-up material relates the negative impacts on families.

Co-Chair Stedman noted that this new resolution has just been seen by the Committee and there has not been enough time to thoroughly consider the resolution.

[9:58:38 AM](#)

Senator Olson suggested that since there would be a state-wide election first, all Alaskans would have an influence if gambling would be allowed.

Senator Elton recounted that the state can authorize gambling but the communities need to feel comfortable.

[9:59:05 AM](#)

Co-Chair Hoffman stressed that this was actually a three-tier system. First there would be the vote to amend the Alaska Constitution, followed by a state-wide vote then the vote on the municipal level. He believed the voters of Alaska should decide whether they wanted gambling in the state. If the voters approve gambling then in order for it to be implemented, Alaskans would vote on the local level. If the voters vote against gambling in the state then this should be a clear message that gambling is not wanted.

[10:00:52 AM](#)

Ms. Goode replied that the House felt that some larger communities could determine the outcome by their larger populations which initiated the addition of the local community vote.

[10:01:57 AM](#)

REPRESENTATIVE HARRY CRAWFORD indicated that it was the sponsor's intention to have a statewide vote to settle the question about gambling. As it moved through committees it evolved to also getting a vote in local communities and the sponsor's were fine with this idea.

[10:02:55 AM](#)

Senator Huggins inquired if this would have an effect on cruise ship industry.

Representative Crawford replied that there will not be any effect if they stay in outside waters.

[10:03:32 AM](#)

Co-Chair Stedman reviewed the fiscal note.

Senator Thomas requested more information on the cruise ship tax.

CS HJR 2 (FIN) was HEARD and HELD in Committee for further consideration.

AT EASE: [10:05:34 AM](#)
RECONVENED: [11:17:42 AM](#)

CS FOR HOUSE BILL NO. 111(FIN)

"An Act decreasing the fee for a business license; relating to a civil fine for not having a current business license, to business license penalties under certain laws relating to financial institutions, occupational licensing, employment agencies, and taxation, and to the duration of certain business licenses; and providing for an effective date."

[11:17:50 AM](#)

Co-Chair Stedman cited this was a first hearing for the bill with the intent of listening to public testimony and reporting the will of the Committee.

[11:18:21 AM](#)

TED LEONARD, DEPUTY COMMISSIONER, DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT presented an overview of the bill. He noted the bill proposed three important functions: decrease the annual license fee from \$100 to \$50, set a standard civil, not criminal, fine for not having a business license to \$300, and allow the department in the future to issue a professional and business license at the same time so that they would expire at the same time.

[11:19:49 AM](#)

Co-Chair Stedman MOVED to ADOPT Amendment #1.

Page 3, lines 4-10:

Delete "[, EXCEPT THAT THE FEE IS \$50 IF
(1)THE BUSINESS IS A SOLE PROPRIETORSHIP; AND
(2) THE SOLE PROPRIETOR IS 65 YEARS OF AGE OR OLDER
WHEN THE SOLE PROPRIETOR APPLIES FOR THE LICENSE OR
WILL REACH 65 YEARS OF AGE AT ANY TIME DURING THE YEAR
FOR WHICH THE LICENSE IS ISSUED]"

Insert ", except that the fee is \$25 [\$50] if
(1) the business is a sole proprietorship; and
(2) the sole proprietor is 65 years of age or older
when the sole proprietor applies for the
license or will reach 65 years of age at any
time during the year for which the license is
issues"

Page 3, line 14:

Delete "2208"
Insert "2009"

Page 3, line 15:
Delete "2008 and 2009"
Insert "2009 and 2010"

Page 3, line 16:
Delete "2008"
Insert "2009"

Page 3, line 17, following "\$200":
Insert", and a person who is required under AS
43.70.030, as that section exists before October 1, 2009, to
pay \$50 a year for the license may pay \$75 for a two-year
license instead of \$100.

Page 3, line 18:
Delete "2008"
Insert "2009"

Co-Chair Stedman OBJECTED for discussion.

[11:20:23 AM](#)

DARWIN PETERSON, STAFF, SENATOR STEDMAN explained that
Amendment #1 provides a fifty percent business license
reduction for senior citizens who are sole proprietors of a
business. It also moves the year forward by one year.

Co-Chair Stedman MOVED a Conceptual Amendment to the
Amendment.

Co-Chair Stedman OBJECTED for discussion.

Mr. Peterson referred to page 2, lines 3-6 explaining this
was transition language inserted into the amendment to
comply to earlier transition language by the Governor but
after a discussion with the department, the Chairman decided
to delete lines 3-6.

Co-Chair Stedman WITHDREW his OBJECTION.

Senator Olson inquired if the addition of lines 14-23 that
change the dates would still comply with the business and
professional licenses expiring at the same time.

Mr. Leonard responded that it should not affect it.

[11:23:01 AM](#)

Co-Chair Hoffman requested being listed as a co-sponsor to
the bill.

Co-Chair Stedman WITHDREW his OBJECTION. There being No
further OBJECTION, Amendment # 1 was adopted.

[11:23:40 AM](#)

Co-Chair Stedman MOVED to ADOPT Conceptual Amendment #2 that deletes Section 9, lines 11-17. There being NO OBJECTION Conceptual Amendment #2 was adopted.

[11:25:33 AM](#)

Senator Elton requested a bill history.

AT EASE: [11:25:54 AM](#)

RECONVENED: [11:26:27 AM](#)

[11:27:59 AM](#)

Co-Chair Stedman inquired who would have access to business license database.

Mr. Leonard replied this would be public information for those who request it.

[11:28:57 AM](#)

JENNIFER STICKLER, LICENSING CHIEF, DIVISION OF CORPORATIONS, BUSINESSES AND PROFESSIONAL LICENSING, DEPARTMENT OF COMMENCE replied that the division is mandated to make a list of licensees available to the public. This information can be provided in several ways, including searching the department web site or requesting a complete copy of database on a CD.

Senator Elton speculated if he made a request for addresses could they be put on mailing labels.

Ms. Stickler replied that mailing labels with addresses could be provided for a charge.

[11:30:38 AM](#)

Co-Chair Hoffman MOVED to REPORT SCS CSHB 111 (FIN) out of Committee with individual recommendations and accompanying fiscal notes.

SCS CSHB 11 (FIN) was REPORTED out of Committee with a "do pass" recommendation and accompanying new fiscal notes from the Department of Commerce, Community and Economic Development.

AT EASE: [11:31:03 AM](#)

RECONVENED: [3:36:38 PM](#)

CS FOR HOUSE BILL NO. 44(FIN)

An Act relating to information from veterans on the permanent fund dividend application form.

Senator Hoffman MOVED to REPORT CSHB 44 (FIN) out of Committee with individual recommendations and attached fiscal notes. There being NO OBJECTION, it was so ordered.

CSHB 44 (FIN) REPORTED out of Committee with a "do pass" recommendation and accompanying zero fiscal notes from the Department of Military and Veterans Affairs and the House Finance Committee.

AT EASE: [3:37:25 PM](#)

RECONVENED: [7:54:35 PM](#)

ADJOURNMENT

The meeting was adjourned at 7:54 PM