

SENATE FINANCE COMMITTEE
August 1, 2008
10:32 a.m.

CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at [10:32:08 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

Randall Ruaro, Special Assistant, Office of the Governor;
Senator Gary Stevens

PRESENT VIA TELECONFERENCE

None

SUMMARY

SB 4002 "An Act establishing the Alaska resource rebate program and relating to the program; and providing for an effective date."

SB 4002 was heard and HELD in Committee for further consideration.

[10:32:16 AM](#)

SENATE BILL NO. 4002

"An Act establishing the Alaska resource rebate program and relating to the program; and providing for an effective date."

Co-Chair Stedman stated that the meeting is a continuation of the hearing on SB 4002. The bill is a combination of Power Cost Equalization and a resource rebate program.

[10:34:31 AM](#)

RANDALL RUARO, SPECIAL ASSISTANT, OFFICE OF THE GOVERNOR, highlighted possible changes to the bill. He spoke to the issue regarding eligibility of certain veterans for the resource rebate. There are 376 veterans that do not apply for the PFD because their VA benefits would be reduced. Now those veterans would be able to apply for the rebate due to reworking of the bill. The Department of Law has drafted an amendment that would ensure that there were no problems with distributors charging excessive prices for heating oil. The criminal provisions in the bill have also been revisited and it was determined that existing language was sufficient.

Mr. Ruaro offered to continue to work on the bill.

Senator Elton introduced his parents.

[10:38:53 AM](#)

Senator Elton MOVED to ADOPT Amendment 1:

Page 4, line 26, following "residences.":
Insert "The amount of the resource rebate payment must include an amount to reimburse the sales tax that the individual paid for the oil for which the resource rebate payment is made, except that the amount of reimbursement included in the payment must be based on the sales tax rate in effect on the effective date of this section."

Co-Chair Stedman OBJECTED for discussion purposes.

Senator Elton explained a concern about the \$3.00 rebate on oil. The amendment would restrict the rebate on the sales tax component. It would prevent a municipality from raising the sales tax on residential fuel.

Senator Olson asked if there was an opinion by AML on the amendment. Senator Elton said no. He thought the situation was highly unlikely.

Co-Chair Stedman WITHDREW his OBJECTION. There being NO OBJECTION, it was so ordered.

[10:41:26 AM](#)

Senator Huggins MOVED to ADOPT Amendment 5:

Insert: "(c) Notwithstanding any contrary provision of law, an individual who did not apply for the 2008 permanent fund dividend and is eligible for veterans' benefits under 38 U.S.C 1315, 1513, 1521, and 1541-1542 may apply for an Alaska resource rebate payment for 2008. The veteran, or spouse or dependent of a living

or deceased veteran, must apply to the Department of Revenue no later than October 1, 2008 and demonstrate that the individual would have been eligible to receive a 2008 permanent fund dividend under AS 43.23, except for not having applied for the 2008 permanent fund dividend previously.

(d) The veteran, or spouse or dependent of a living or deceased veteran, who is denied or receives reduced payments or reduced health care benefits solely because the payment under this section received by the individual is counted as income is eligible for veterans' benefits under AS 47.25.120 - 47.25.300 (general relief assistance). Notwithstanding the limit in AS 47.25.130, the veteran, or spouse or dependent of a living or deceased veteran, is entitled to receive the same amount as the individual would have received under 38 U.S.C. 1315, 1513, 1521, and 1541 - 1542 and as a health care benefit as a result of being eligible under 38 U.S.C 1315, 1513, 1521, and 1541 - 1542, had a payment not been received under this section."

Co-Chair Stedman OBJECTED.

Senator Huggins requested that the number for Alaska veterans should say "plus or minus". He related that those eligible for veteran benefits normally would not be able to apply for the rebate without an offset. The amendment would correct that so there is no offset.

Senator Olson asked if the rebate could be garnished.

[10:43:49 AM](#)

Mr. Ruaro agreed with the explanation of Amendment 5. It allows those veterans to apply without a reduction in their benefits. The second half of the amendment holds them harmless, due to the reduction by the federal government.

Senator Thomas inquired if they would receive the resource rebate as a part of the permanent fund. Mr. Ruaro said that the amendment does not extend to the PFD and they would not receive a PFD. Senator Thomas summarized that they would receive the resource rebate and be held harmless. Mr. Ruaro said that is correct.

[10:45:58 AM](#)

Senator Elton suggested that many veterans are not going to know about this opportunity. He inquired if there was a way to communicate that information. Mr. Ruaro offered to obtain the information to indentify those veterans.

[10:46:59 AM](#)

Co-Chair Stedman WITHDREW his OBJECTION to Amendment 5.
There being NO OBJECTION, it was so ordered.

AT-EASE: [10:47:17 AM](#)

RECONVENE: [4:07:39 PM](#)

SB 4002 was heard and HELD in Committee for further
consideration.

ADJOURNMENT

The meeting was adjourned at 4:08 PM.