

ALASKA STATE LEGISLATURE
SENATE STATE AFFAIRS STANDING COMMITTEE

March 19, 2008

9:35 a.m.

MEMBERS PRESENT

Senator Lesil McGuire, Chair
Senator Gary Stevens, Vice Chair
Senator Hollis French
Senator Lyda Green
Senator Con Bunde

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE BILL NO. 183

"An Act repealing the defined contribution retirement plans for teachers and for public employees; making conforming amendments; and providing for an effective date."

MOVED SB 183 OUT OF COMMITTEE

SENATE BILL NO. 259

"An Act repealing certain provisions relating to applications for medical assistance coverage; making certain provisions of ch. 96, SLA 2006, retroactive; providing for an effective date by repealing an effective date section in ch. 96, SLA 2006; providing for an effective date for certain sections of ch. 96, SLA 2006; and providing for an effective date."

MOVED SB 259 OUT OF COMMITTEE

SENATE BILL NO. 260

"An Act making corrective amendments to the Alaska Statutes as recommended by the revisor of statutes; and providing for an effective date."

MOVED CSSB 260(STA) OUT OF COMMITTEE

CS FOR HOUSE BILL NO. 88(FIN)

"An Act relating to televisions, monitors, portable computers, and similar devices in motor vehicles; relating to the definition of physical injury for the Alaska Uniform Vehicle Code; and providing for an effective date."

MOVED CSHB 88(FIN) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: SB 183

SHORT TITLE: REPEAL DEFINED CONTRIB RETIREMENT PLANS

SPONSOR(S): SENATOR(S) ELTON

05/16/07 (S) READ THE FIRST TIME - REFERRALS
05/16/07 (S) L&C, STA, JUD, FIN
01/29/08 (S) L&C AT 1:30 PM BELTZ 211
01/29/08 (S) Heard & Held
01/29/08 (S) MINUTE(L&C)
02/14/08 (S) L&C AT 1:30 PM BELTZ 211
02/14/08 (S) Moved SB 183 Out of Committee
02/14/08 (S) MINUTE(L&C)
02/15/08 (S) L&C RPT 2DP 1DNP 1NR
02/15/08 (S) DP: ELLIS, DAVIS
02/15/08 (S) DNP: BUNDE
02/15/08 (S) NR: HOFFMAN
03/18/08 (S) STA AT 9:00 AM BELTZ 211
03/18/08 (S) EFFECTIVE DATE: MEDICAL ASSISTANCE LAWS
03/19/08 (S) STA AT 9:30 AM BELTZ 211

BILL: SB 259

SHORT TITLE: EFFECTIVE DATE: MEDICAL ASSISTANCE LAWS

SPONSOR(S): RULES BY REQUEST OF LEGISLATIVE COUNCIL

02/04/08 (S) READ THE FIRST TIME - REFERRALS
02/04/08 (S) STA, FIN
03/18/08 (S) STA AT 9:00 AM BELTZ 211
03/18/08 (S) 2008 REVISOR'S BILL
03/19/08 (S) STA AT 9:30 AM BELTZ 211

BILL: SB 260

SHORT TITLE: 2008 REVISOR'S BILL

SPONSOR(S): RULES BY REQUEST OF LEGISLATIVE COUNCIL

02/04/08 (S) READ THE FIRST TIME - REFERRALS
02/04/08 (S) STA, FIN
03/18/08 (S) STA AT 9:00 AM BELTZ 211
03/18/08 (S) Bills Previously Heard/Scheduled
03/19/08 (S) STA AT 9:30 AM BELTZ 211

BILL: HB 88

SHORT TITLE: TVS AND MONITORS IN MOTOR VEHICLES

SPONSOR(S): REPRESENTATIVE(S) GATTO, GRUENBERG

01/16/07 (H) PREFILE RELEASED 1/12/07

01/16/07 (H) READ THE FIRST TIME - REFERRALS
01/16/07 (H) STA, JUD, FIN
01/29/07 (H) BILL REPRINTED 1/29/07
02/08/07 (H) STA AT 8:00 AM CAPITOL 106
02/08/07 (H) Scheduled But Not Heard
02/13/07 (H) STA AT 8:00 AM CAPITOL 106
02/13/07 (H) Heard & Held
02/13/07 (H) MINUTE(STA)
02/15/07 (H) STA AT 8:00 AM CAPITOL 106
02/15/07 (H) Heard & Held
02/15/07 (H) MINUTE(STA)
02/20/07 (H) STA AT 8:00 AM CAPITOL 106
02/20/07 (H) Moved CSHB 88(STA) Out of Committee
02/20/07 (H) MINUTE(STA)
02/21/07 (H) STA RPT CS(STA) NT 6DP 1NR
02/21/07 (H) DP: JOHNSON, JOHANSEN, ROSES,
GRUENBERG, DOLL, LYNN
02/21/07 (H) NR: COGHILL
02/28/07 (H) JUD AT 1:00 PM CAPITOL 120
02/28/07 (H) Moved CSHB 88(JUD) Out of Committee
02/28/07 (H) MINUTE(JUD)
03/01/07 (H) JUD RPT CS(JUD) NT 2DP 4NR
03/01/07 (H) DP: GRUENBERG, LYNN
03/01/07 (H) NR: COGHILL, DAHLSTROM, SAMUELS, RAMRAS
04/18/07 (H) FIN AT 1:30 PM HOUSE FINANCE 519
04/18/07 (H) <Bill Hearing Postponed to 4/20/07>
04/20/07 (H) FIN AT 1:30 PM HOUSE FINANCE 519
04/20/07 (H) Scheduled But Not Heard
04/23/07 (H) FIN AT 1:30 PM HOUSE FINANCE 519
04/23/07 (H) <Bill Hearing Postponed>
04/25/07 (H) FIN AT 1:30 PM HOUSE FINANCE 519
04/25/07 (H) Heard & Held
04/25/07 (H) MINUTE(FIN)
05/04/07 (H) FIN AT 8:30 AM HOUSE FINANCE 519
05/04/07 (H) Scheduled But Not Heard
05/05/07 (H) FIN RPT CS(FIN) NT 4DP 5NR
05/05/07 (H) DP: GARA, NELSON, FOSTER, CRAWFORD
05/05/07 (H) NR: KELLY, JOULE, HAWKER, STOLTZE,
MEYER
05/05/07 (H) FIN AT 9:00 AM HOUSE FINANCE 519
05/05/07 (H) Moved CSHB 88(FIN) Out of Committee
05/05/07 (H) MINUTE(FIN)
05/12/07 (H) TRANSMITTED TO (S)
05/12/07 (H) VERSION: CSHB 88(FIN)
05/12/07 (S) READ THE FIRST TIME - REFERRALS
05/12/07 (S) STA, JUD
03/13/08 (S) STA AT 9:00 AM BELTZ 211

03/13/08

(S)

Scheduled But Not Heard

WITNESS REGISTER

PAT LUBY, Advocacy Director

AARP Alaska

Anchorage AK

POSITION STATEMENT: Spoke in support of SB 183.

BARBARA RICH, President

Alaska Retired Educators Association

Juneau AK

POSITION STATEMENT: Spoke in support of SB 183.

JESSE KIEHL, Staff

to Senator Kim Elton

Alaska State Legislature

Juneau AK

POSITION STATEMENT: Answered questions about SB 183.

KATHRYN KURTZ, Assistant Revisor

Legal and Research Services Division

Alaska State Legislature

Juneau AK

POSITION STATEMENT: Presented SB 259.

PAM FINLEY, Revisor of Statutes

Legal and Research Services Division

Juneau AK

POSITION STATEMENT: Presented SB 260.

REPRESENTATIVE MAX GRUENBERG

Alaska State Legislature

Juneau AK

POSITION STATEMENT: Presented HB 88.

ACTION NARRATIVE

CHAIR LESIL MCGUIRE reconvened the Senate State Affairs Standing Committee meeting at [9:35:57 AM](#). It had been recessed to the call of the chair. Senators Bunde, Stevens, and McGuire were present at the call to order. Senators French and Green arrived soon thereafter.

SB 183-REPEAL DEFINED CONTRIB RETIREMENT PLANS

[9:36:21 AM](#)

CHAIR MCGUIRE announced the consideration of SB 183.

PAT LUBY, Advocacy Director, AARP Alaska, said financial security is the cornerstone of the American dream - you work hard and follow the rules and you'll be able to retire without financial worries. However, one quarter of [Alaska] retirees don't participate in social security. A person doesn't outlive social security. In the past it didn't matter so much that Alaska's public employees did not participate, because they had a defined benefit plan (DBP) that would last as long as they lived. Now, they have no DBP or social security. The American dream no longer exists for Alaska's newly hired public employees.

MR. LUBY said it is possible to make the defined contribution plan (DCP) work "as long as you don't live too long." But most people live into their mid 80s and many into their mid 90s. If a DCP is to work, people need to predict their life expectancy as well as their spouse's. They need to know if they will be healthy up until death or if they will need long-term care. Medicare doesn't pay for nursing homes or home care. A person will need to know if there will be inflation in health care and utility costs. Defined benefits and social security provide annual COLAs [cost of living allowances], but the DCP doesn't. The price of fuel oil and gasoline may go up. "You better have a crystal ball to make a defined contribution plan work." Many companies have switched to DCPs, but all who work in the private sector have social security that will last as long as they live. No matter how much is saved in a 401k or I.R.A., they will always have the defined benefits of social security. Alaska's public employees used to have the same financial security before SB 141 [of 2005], and no matter how long they lived or what bad luck was dealt them, they would not starve or end up on public assistance. AARP members rely on Alaska's public servants for police assistance, to teach their grandchildren, and to put out fires, and they don't want these honorable public servants to end up worrying about their health coverage and outliving their savings. They deserve better than that. He asked for support for SB 183. Give them the security they deserve, he said.

[9:39:09 AM](#)

SENATOR BUNDE asked if social security will exist in 50 years.

MR. LUBY said yes. It can pay complete benefits up until 2041. There will definitely be changes to the social security program, like was done in 1983. Everyone needs to share in the changes. Senator Lisa Murkowski expects changes after the next presidential election. Social security will be there; it is the

cornerstone for all of us in retirement. No one wants to see it go away. "We will tinker with it, but it will be there."

SENATOR BUNDE said a lot of young people he talks to think that social security won't be there. It has become a Ponzi scheme. It may be around but it will change, "and that's what we've done with state retirement." A constituent said the SBS state program is really a form of social security. That program may be around longer than social security.

[9:40:59 AM](#)

BARBARA RICH, President, Alaska Retired Educators Association, Juneau, said the association is the original retired teachers of Alaska, and it is not union. She said she listened to yesterday's testimony and spoke with many new teachers. Her group just gave a scholarship to a wonderful young, life-long Alaskan who really wants to teach in Alaska, but when she learned about Alaska's pension for new hires she decided to go to a state with good benefits. There are 13 to 15 states where workers do not have social security, but all have a very good defined benefit plan -- except Alaska. The other states provide their teachers with full social security and a defined benefit plan, and there are a few that have a hybrid plan. This is important, and students are looking at this. Senator Bunde said new teachers are only interested in a high salary, but that is not true - they are interested in the pension.

MS. RICH said that right after her husband retired he had a heart attack. He needed by-pass surgeries. "If we had not had the retirement plan that we have, my husband and I would have been wiped out completely - all of our savings, our house, and everything. There would have been nothing left for us." New teachers need to have something like she has. Alaska can afford to do that. If Alaska doesn't provide for them, it won't have decent people teaching its children. Alaska needs to get the best people to teach, not people who can't get a job anywhere else. Alaska will become a training ground. She won't be personally affected because she has her pension, as does Senator Bunde, but she is concerned for the young people.

[9:44:55 AM](#)

SENATOR BUNDE said he has an excerpt from the Pew Charitable Trust's article entitled *Mandate to Measure*. It said many workers are not looking for retirement, but they are looking for "flexibility, opportunity, and performance pay." There are different points of view. By an accident of birth he got [his benefit plan], but he didn't choose the date of his birth and so

he "had an opportunity to deal with what existed in Alaska at that time. Today is another day." Circumstances are different.

[9:45:57 AM](#)

SENATOR STEVENS said he agrees that Alaska needs well-paid teachers, and he would like to return to the days when Alaska paid them as high as any other state. He asked about the unfunded liability. It has to be paid by someone.

MS. RICH said to look at what caused the unfunded liability. One cause is the legislature. She lobbied heavily against the Early Retirement Incentive program. The only comment she heard was the same thing she heard from Senator Bunde yesterday: "We have a lot of teachers who don't want to be teaching, so we want to get rid of them." An early buyout is not the way to get rid of teachers. Even her middle school students could understand that it would hurt the system. "That was only one of the things that hurt it." The other one was lack of funding by communities. The market was part of it. This body has passed a bill to get things back in place. The fourth part [of the unfunded liability] deals with health, which Alaska can't control, but the state can start dealing with prescription drugs. "One thing we have to stop doing is cutting back Medicare - that's really hurting the senior population in Alaska." People who have older doctors who retire can't get another doctor. If the state works with Congress, "we can control a lot of this." Health is a national issue, and we need affordable health care for everyone. The PERS pension is funded over 100 percent, the TRS is funded 93 percent, and actuaries feel it is tremendous if one is 80 percent funded. "So our pension is very good ... and if we could get the health care taken care of..." The Tier II in TRS and the Tier III PERS is suppose to take care of that, but there hasn't been time to see if it does because people have not retired much out of those plans. Most retired people are Tier I.

SENATOR GREEN asked what was funded at 100 percent.

MS. RICH said the PERS retirement pension is over 100 percent - not counting health care. The TRS is 93 percent.

[9:49:54 AM](#)

SENATOR GREEN said that is news to her.

MS. RICH said she believes the figures come from the ARM [Alaska Retirement Management] board.

SENATOR GREEN said if that is the case Alaska wouldn't have the unfunded liability.

MS. RICH said there is the liability because of early retirement, and it wasn't funded the way it should be. Some districts did not pay their share. The state has to pay its share just like the public employees, "and they didn't in all cases." The early retirement and the health portions are why there is the unfunded liability.

SENATOR GREEN asked when the state didn't pay its share.

MS. RICH said a few years ago everyone thought the pension system was doing so well, and some districts did not pay their share.

SENATOR GREEN said that is not the state. The state has always paid, she assumed. There are unique characteristics about these plans that don't allow overfunding. There are things that don't allow preparation for the bad days.

[9:52:07 AM](#)

SENATOR BUNDE said many actuarial organizations say not to fund over 80 percent, because there will be pressure to increase benefits, which will spiral into problems. If the state is over 100 percent, it needs to be looked at.

CHAIR MCGUIRE said that during the Knowles administration, the ARM board wasn't presenting accurate information - they got their numbers from Mercer. "Then add to it the political equation of having to put into the budget the real numbers that it would cost to afford a system. And then to ask employees, who are then your voters, to contribute an amount that would also be reflective of reality, and you start seeing where things spiral." It isn't any one single thing, there is enough blame to go around.

SENATOR FRENCH said it comes down to the unfunded liability. This bill does not fix it or break it. "We've fixed it with a different mechanism, which is to contribute more money to that unfunded liability and to correct the past errors, whatever they were." With or without DBP, the unfunded liability exists and needs to be fixed. He firmly believes in going back to DBPs, and it can be funded in a way that doesn't cause any economic pain, any more pain than necessary, to provide for a stable retirement for public employees.

[9:54:47 AM](#)

SENATOR STEVENS said the question is how to avoid an unfunded liability.

SENATOR FRENCH said that is a perfect question, and the answer is to be ever vigilant. There are many jurisdictions that have avoided this problem by being proactive, conservative, questioning the assumptions, and staying on top of it.

CHAIR MCGUIRE said someone needs to sit down and reflect on Tier II and III. Perhaps it will be a carve-out for medical, a separate stipend, or a bare-bones plan. She is young and she knows that her friends are looking at retirement. Some young people might not care about it, but her generation is increasingly looking at retirement and how they will live with dignity and health in their final years. If it really were a choice between high pay and benefits, "I might even be willing to go down that path, but I don't see this state ever going to a merit-based system and I don't see ... us increasing teacher pay." Alaska has the worst of all scenarios - teachers are paid some of the lowest rates in the nation, the state is geographically challenged, especially with rural teachers and peace officers, and on top of that, the state won't give social security or a stable retirement. It makes it a real challenge to attract and retain good people in Alaska.

[9:57:02 AM](#)

SENATOR BUNDE said, "Where you stand on an issue often depends on where you sit." There is merit pay for teachers. He said he helped get it passed a couple of years ago. It was fought, tooth and claw, by NEA because they want to support common factors - if not mediocre ones. A number of schools took advantage of it and rewarded outstanding performance with additional pay. But for how to deal with the unfunded mandate, the state should do it as they currently are -- dipping into the general fund. One of the biggest frustrations that he hears from people in private enterprise is "you guys are using their money to fund state employees' retirement." If there is a DBP, the contribution from the employee has to go up enough so there is no unfunded mandate. He doesn't think that is politically achievable.

CHAIR MCGUIRE said there could be a discussion about it. She was frustrated that the debate and the repeal became such a political pressure cooker that a lot of details and potential corrections were lost in the mix. There might be a middle ground to pull back to. It would likely be higher contribution rates, but at the end of the day, the state needs to pay for state

functions. "Last I checked education is still in the constitution. It's still something that we want to publicly fund. We want an education to be accessible to all Alaskans irrespective of income and irrespective of where they live." The state has that commitment and it is different from what happens in the private sector. It is a constitutional commitment.

9:59:42 AM

SENATOR GREEN said the conversations during the construction of the new plans were about not being able to change a contract [with workers], and a new tier would need to be created. "Does this do that? Is it a Tier V and Tier IV?"

JESSE KIEHL, Staff to Senator Kim Elton, said the bill is prospective and will put new hires into the previous tier. Those who are in the DCP will get a choice of taking their DCP account and converting the funds, value for value, to the DBP system. The bill ensures that if they choose to change, it won't create any unfunded liability because it will be the lesser of their actual time of service or the actuarial value of their account balance. If he had a DCP for two years, had done staggeringly well in the market, and the actuarial value of his account balance was greater than his two years of service, he might only have a year and a half of value. That would be the credited service he would get with such a conversion. A new hire would be a Tier III hire, in effect, no matter what it might be called.

10:02:57 AM

MR. KIEHL noted information provided to the committee on normal costs. Normal cost is the percentage of pay that has to be put in the system this pay period for this pay period's worth of benefits. It is forward looking. "It's the prefunding that we do." The chart on accrued liability represents 2007 when the unfunded liability was valued at roughly \$7 billion between the two systems. The accrued liabilities of Tier I in PERS and TRS are about \$13 billion. For Tier II TRS and Tier III PERS it is about \$1.4 billion. Those are the tiers the bill will go back to and there are two thirds as many members as Tier I, and yet the total liability is one fifteenth. "We have never broken out assets by tiers, so I can't compare the unfunded liability of Tier I and Tier II of TRS." In essence, the change from Tier I to Tier II in TRS and the change from Tier I to Tier III for the PERS pretty much cover the unfunded liability issue. SB 141 did other things that assured the constant vigilance that Senator French suggested. It provided for a second actuary, mandatory experience studies, and that nobody ever pays less than the normal cost rate -- even if there is extra money. "Under SB 141,

nobody ever pays less than the normal cost rate of the benefits accrued, and this bill does nothing to change those things." All the safety valves are kept, while still going back to a benefit that gives retirement security.

[10:05:56 AM](#)

CHAIR MCGUIRE said that was excellent. There are a lot of myths about what the bill does. She asked if SB 183 will fix the problem with SB 141 and reconnect PERS to TRS for vesting.

MR. KIEHL said the problem is fixed for the person who is hired after SB 183 passes. If a person is in the DCP and chooses to convert, the problem is fixed. But the problem will not be fixed for those who choose not to convert.

[10:07:15 AM](#)

SENATOR FRENCH said this committee has had a good discussion, but there are huge financial implications that should be taken up by another committee. He moved to report SB 183 from committee with individual recommendations and attached fiscal note(s).

SENATOR BUNDE objected. Different people have different points of view. "Right up there with the frustration that state employees only work a 37.5-hour work week -- stipulating teachers work a lot more than that -- is the fact that the public is supporting a retirement plan that is vastly different than what the public would have access to prior to 141." What disturbs him is making people indentured servants, making workers stay in Alaska because it is financially important to them when they retire. They could be sour on their job, "but we're going to encourage them, force them almost, to stay here because of the retirement that they'll lose if they move." Chair McGuire is the only member that was born in Alaska and "the rest of us came from somewhere else." He cashed out his retirement in Washington to move to Alaska. He doesn't want to deny that opportunity to someone in Alaska. Those who grew up here would like to move to other parts of the world. He would not deny them that. Making people stay in Alaska so they can meet that ironic definition of sourdough -- sour on Alaska without enough dough to leave -- just doesn't make sense. If the DCP is repealed, it will drain the public treasury, and in a few years the state will be in a deficit. Once a retirement program is established, the state has to stick with it. The money would need to be paid with the corpus of the permanent fund. Bills are sometimes moved just out of courtesy, and it causes a mess on the floor. Sometimes those political mistakes pass into law.

[10:10:55 AM](#)

CHAIR MCGUIRE said her vote to move the bill will reflect the fact that it is a good idea. There is more work to be done. She prefers an option of a DCP and a DBP. Perhaps there are more places where the bill can be ratcheted down. In general, [SB] 141 went too far and the effects will be seen when it is too late. The state is seeing it already in its teachers. She made note of the front line folks that face fires to save our families and respond to those crimes in the middle of Alaska in the cold, dark winter nights. If we are going to attract and retain people to do these state functions, we need to be sure that they have a humane and adequate retirement.

[10:12:11 AM](#)

SENATOR STEVENS said the discussion has to continue. The bill may not make it through this session, but it is too early to kill it. He has serious concerns about the unfunded liability and the transferability of the TRS and PERS. This bill might resolve his concern. "I'm going to vote to move it ahead to the next committee, although I have very serious qualms about it."

A roll call vote was taken. Senators French, Stevens, and McGuire voted in favor of moving SB 183, and Senators Bunde and Green voted against it. Therefore SB 183 moved out of committee on a vote of 3:2.

SB 259-EFFECTIVE DATE: MEDICAL ASSISTANCE LAWS

CHAIR MCGUIRE announced the consideration of SB 259.

[10:13:44 AM](#)

KATHRYN KURTZ, Assistant Revisor, Legal and Research Services Division, said SB 259 is a special revisor's bill. In 2006 there was an effective date clause on an act that doesn't reflect reality. The date anticipated that one plan would be submitted and approved by the federal government, and that is not quite what happened. Provisions were submitted separately, and some were approved and some weren't. It creates uncertainty about the effective date of the provisions. This is a separate revisor's bill to clarify that, and it is presented separately because the retroactivity and effective date clause are a bit more complex than the issues dealt with in the regular revisor's bill.

CHAIR MCGUIRE said she had staff look it over to make sure there weren't any substantive changes.

SENATOR GREEN moved to report SB 259 from committee with individual recommendations and attached fiscal note(s). There being no objection, the motion carried.

SB 260-2008 REVISOR'S BILL

CHAIR MCGUIRE announced the consideration of SB 260.

[10:16:11 AM](#)

PAM FINLEY, Revisor of Statutes, Legal and Research Services Division, said there is an amendment to fix a mistake that was found after SB 260 went to legislative council.

SENATOR GREEN moved Amendment 1, labeled 25-LS1022\A.1, Finley, as follows:

Page 23, following line 7:

Insert a new bill section to read:

***Sec. 55.** AS47.30.550(e) is amended to read:

(e) In (a) and (b) of this section, "poverty area" means a census district in which at least 15 percent of the population, based upon the most recent census data [DATE], falls under 125 percent of the United States Department of Health and Human Services' Poverty Income Guidelines for Alaskans, as reported in the Federal Register."

Hearing no objection, Amendment 1 was adopted.

[10:17:11 AM](#)

SENATOR FRENCH asked for assurance that there is nothing in SB 260 that will hurt him.

MS. FINLEY said she hopes and believes there is nothing in the bill that will make "any of us" unhappy.

CHAIR MCGUIRE said these are technical changes to comport with federal language.

MS. FINLEY said one thing that is odd is the definition of fireworks. It referenced the ICC, which was abolished in 1995. "We had to come up with something different, and I kept trying to deal with that entire section, and I was referred to a man named "Griz" who is the pyrotechnic man in the state."

[10:18:40 AM](#)

SENATOR STEVENS said Griz is planning an Anchorage fireworks display for the statehood commission.

SENATOR GREEN moved to report SB 260, as amended, from committee with individual recommendations and attached fiscal note(s). There being no objection, CSSB 260(STA) passed out of committee.

HB 88-TVS AND MONITORS IN MOTOR VEHICLES

CHAIR MCGUIRE announced the consideration of HB 88. [Before the committee was CSHB 88(FIN).]

[10:21:46 AM](#)

REPRESENTATIVE MAX GRUENBERG, Alaska State Legislature, said HB 88 has passed the House three times, and it prohibits watching a visual display while driving. There was a fatal accident a few years ago because of this activity. The state should ban this type of thing. This is a no-brainer; no one should be watching a video while driving. However, there are people who don't have mature judgment, but "hopefully we do." Chair McGuire is personally familiar the family [in the accident]. HB 88 has been through many committees and has wide support.

[10:23:29 AM](#)

CHAIR MCGUIRE said perhaps there should be a law against poor judgment. If nothing else, the publicity surrounding this bill will enlighten someone. She doesn't know what brings a person to watch a movie and drive, but it may be generational.

SENATOR GREEN asked if this bill will really make a difference to someone who would do this and other goofy things such as drinking and driving. There is a segment of the population this won't mean anything to. It doesn't speak highly of Alaskans to tell them not to watch TV while they are driving.

REPRESENTATIVE GRUENBERG agreed. People who drive while they are intoxicated might not listen to laws until they are thrown in jail. The penalty is now simply an infraction, and the bill will raise it to a serious felony. It makes it negligent manslaughter if someone is killed.

[10:25:53 AM](#)

SENATOR FRENCH asked why cell phones and personal data assistants are exempt.

REPRESENTATIVE GRUENBERG said he couldn't get it through committees, and his cosponsor doesn't support it. He would like it expanded, but he wants to get this through.

SENATOR STEVENS said he doesn't understand why it says a front seat passenger watching a video display is not a violation. "It seems like it would be a distraction -- a front seat [passenger] watching an IPOD or some kind of video display. It seems like it would be a distraction to the driver."

CHAIR MCGUIRE said it happens by definition. The bill defines the unlawful act as the person who is driving and watching. If it is a passenger, the law doesn't apply.

SENATOR FRENCH noted that navigational displays are also exempt. Someone can look at a cell phone or a GPS.

[10:28:12 AM](#)

REPRESENTATIVE GRUENBERG said the GPS, yes. But a driver cannot watch a visual cell phone display. A person can talk on it; page 2, line 8, says that audio equipment is okay.

SENATOR FRENCH said his wife has a cell phone that shows a caller's image when it rings. Is that okay?

REPRESENTATIVE GRUENBERG said as long as she doesn't have an accident from looking at it. The problem arises if she is doing that and an accident results.

[10:29:41 AM](#)

SENATOR FRENCH noted that it is an A misdemeanor to drive a motor vehicle with a video monitor or other similar means of providing a visual display in full view of a driver while the vehicle is in motion. "That's an I-Phone with my picture on it."

REPRESENTATIVE GRUENBERG said he stands corrected.

CHAIR MCGUIRE said line 5 on page 2 specifically exempts cell phones or personal data assistants being used for verbal communication.

[10:30:43 AM](#)

SENATOR FRENCH said he will work on it in judiciary.

SENATOR GREEN asked if she would be in violation if she had a television in the front of her 1990 van.

REPRESENTATIVE GRUENBERG said, yes, if it can be seen by the driver while driving.

SENATOR GREEN asked, "Even if it's not on?"

REPRESENTATIVE GRUENBERG said not if it is equipped with a locking device that allows it to turn on when the vehicle is stopped or if it is only visible to passengers.

SENATOR FRENCH said if it is turned off, it is not a violation.

[10:32:16 AM](#)

CHAIR MCGUIRE said there are a lot of vans that have a DVD player for the children, but it would need to be viewed by the driver in a normal driving position to be prohibited.

SENATOR FRENCH moved to report CS for HB 88 from committee with individual recommendations and attached fiscal note(s). There being no objection, CSHB 88(FIN) moved out of committee.

There being no further business to come before the committee, Chair McGuire adjourned the meeting at [10:34:11 AM](#).