

HOUSE FINANCE COMMITTEE
February 16, 2010
1:36 p.m.

1:36:40 PM

CALL TO ORDER

Co-Chair Stoltze called the House Finance Committee meeting to order at 1:36 p.m.

MEMBERS PRESENT

Representative Mike Hawker, Co-Chair
Representative Bill Stoltze, Co-Chair
Representative Bill Thomas Jr., Vice-Chair
Representative Allan Austerman
Representative Mike Doogan
Representative Anna Fairclough
Representative Neal Foster
Representative Les Gara
Representative Reggie Joule
Representative Mike Kelly
Representative Woodie Salmon

MEMBERS ABSENT

None.

ALSO PRESENT

Representative Mike Chenault; Carlton R. Smith; Laraine L. Derr; Laura Achee, Director of Communications, Alaska Permanent Fund Corporation;

PRESENT VIA TELECONFERENCE

Mary Jane Michael;

SUMMARY

Alaska Mental Health Trust Authority Board of Trustees Confirmation Hearing:

Laraine L. Derr, Mary Jane Michael, and Carlton R. Smith were confirmed.

HB 312 ADVISORY VOTE ON IN-STATE GAS PIPELINE

HB 312 was HEARD and HELD in Committee for further consideration.

HB 319 FIREARMS

CSHB 319 (JUD), 26-LS1273\S, was REPORTED out of committee with a "do pass" recommendation and with a new zero fiscal note by the Department of Public Safety and a previously published fiscal impact note: FN1 (LAW).

[1:37:47 PM](#)

^Alaska Mental Health Trust Authority Board of Trustees Confirmation Hearing:

[1:37:49 PM](#)

CARLTON R. SMITH, presented the committee with an overview of his qualifications for the position. He shared that he was from Haines, Alaska, and had spent the last 25 years working in commercial real estate, primarily in Anchorage and Juneau. He served on the Department of Community and Regional Affairs for four years and worked as the CEO and director of two native corporations.

Co-Chair Hawker asked what had attracted him to the position. Mr. Smith replied that one of his immediate family members had been a beneficiary of the trust. He declared that he had admired the organization and its initiatives. He thought that he could contribute to the bright and collaborative organizational model of the trust.

Vice-Chair Thomas wondered about the proposed land swap of old growth timber in the Tongass National Forest. He worried that, because the timber industry was struggling, the issue could agitate mental health issues. He asked if Mr. Smith would support a land exchange that put the old growth back into wilderness and pursued second growth timber. Mr. Smith replied that he had not studied the dynamics of the proposed exchange. He said that his background with timber was limited to his experience as an officer of Sealaska Timber. He said he would examine the issue, but his role as a trustee would not involve managing the Tongass. Vice-Chair Thomas expressed concern for the limited amount of timber left in the state and discouraged going into a land exchange.

[1:42:00 PM](#)

Vice-Chair Thomas recommended Mr. Smith's confirmation.

Representative Fairclough wondered if a conflict of interest existed due to Mr. Smith's work with other groups in the past. Mr. Smith replied that anyone who had done any worthwhile work in the state would have potential conflicts of interest; on any board. He felt that any potential conflicts could be managed.

[1:45:02 PM](#)

Co-Chair Stoltze introduced Laraine L. Derr as the next applicant.

[1:45:09 PM](#)

Representative Fairclough advocated for the confirmation of Mary Jane Michael.

[1:46:02 PM](#)

Co-Chair Hawker added that Ms. Derr and Ms. Michael were both current Mental Health Trustee Board members and that these were reappointments. Ms. Derr had been Vice-Chair and Finance Chair of the trust. He offered the endorsement of both candidates.

[1:46:33 PM](#)

Co-Chair Stoltze echoed the endorsement.

Representative Gara thought that a technical problem with the teleconference was keeping the candidates from communication with the committee.

Representative Kelly spoke in favor of the confirmation of Ms. Derr.

Co-Chair Hawker MOVED that the committee forward the following three names for confirmation to the Alaska Mental Health Trust Authority Board of Trustees:

Laraine L. Derr
Mary Jane Michael
Carlton R. Smith

There being no OBJECTION it was so ordered.

[1:48:50 PM](#)

#hb312

HOUSE BILL NO. 312

"An Act authorizing an advisory vote on use of Alaska permanent fund earnings for an in-state natural gas pipeline; and providing for an effective date."

REPRESENTATIVE MIKE CHENAULT, discussed the intention of the legislation. The bill would put up for an advisory vote from the public the question of using the permanent fund earnings, after dividends were paid and the fund was fully

inflation proof, to offset the cost of an in-state natural gas pipeline. Holding an advisory vote would be informative for the creation of a financing plan for state participation in an in-state line. He felt that the issue was timely and that the legislature should be exploring energy options. He believed that using the permanent fund earnings was a viable option. The bill was drafted to ensure that dividends would be paid out and that the permanent fund continued to be inflation proof, prior to using the earnings.

[1:51:20 PM](#)

Representative Chenault believed that it was important that state be directly involved in the construction of a gas pipeline. He asserted that the gasline would create jobs, provide a long term source of energy, and create economic opportunity.

Co-Chair Hawker communicated that existing statute stated that the payout of dividends may not exceed more than half of the earnings reserve. He expressed concern that, by using the other half of the reserve to fund the gasline, the state would not have enough to pay out dividends the following year. He thought that the consequences of using the reserve should be made clear to the public.

[1:55:01 PM](#)

Representative Chenault admitted that he was not familiar with the methodology used to calculate the dividend amount. He maintained that the question needed to be addressed and that the conversation concerning using the reserve to fund the pipeline was necessary. He thought that a well crafted question should be put the people. Alternatively, a bond could be an option.

[1:56:11 PM](#)

Co-Chair Hawker understood that the intent was to gage the receptivity of the public. He thought the question should state: In addition to permanent fund dividends and inflation proofing; should a portion of the permanent fund earnings be used for the development of an in-state gas pipeline.

[1:57:36 PM](#)

Representative Chenault agreed that the question should be crafted skillfully, in order to convey to the public the intention that the funds would be used to support a gasline. He strongly believed that the state has been idle concerning the issue and should be ready to be proactive in creating energy generating projects across the state. He related that an in-state gasline would create jobs and create an economic future for Alaska. He hoped the committee would assist in

drafting language of the question that needed to be presented.

[1:59:33 PM](#)

Co-Chair Hawker thought that it would be a good diagnostic question to ask the public, and that a statewide vote would be informational. He relayed that a similar question could be found in his spring 2009 legislative district survey.

Representative Fairclough wondered if the state would help to maintain gasline running into Canada, or only line running from Alaska to the Canadian border.

[2:02:19 PM](#)

Representative Chenault replied that the plan had been to build an in-state gas pipeline to tidewater. He considered the state's fiduciary involvement in the construction of the gasline an investment. If a line were to be built through Canada, the funds could be used to lower tariffs for in-state gas usage.

[2:03:19 PM](#)

Representative Fairclough though that the public should be aware of the flexibility in the language of the bill that allowed the legislature to make the decision about the state's level of involvement. She believed that the project would ultimately be driven by the private sector, but that the state may need to offer incentives in order to move the gasline forward.

Representative Salmon pondered where the money would come from. He wondered if the formula that calculated the permanent fund would need to change. Representative Chenault replied that occasionally, excess earnings were available from the earnings reserve, and those funds would be available to fund the project. Representative Salmon wondered if the funds taken from the earnings reserve would be deposited immediately into an account for the sole purpose of the funding the project. Representative Chenault replied that that would be the next step, if the public majority approves. He emphasized that the bill was an option, similar to other plausible bonding options, if the project was to move forward, and a capital need was created, the state could chose then whether or not to invest.

[2:06:55 PM](#)

Representative Austerman thought that ambiguity as to where the gasline was going to go in the state would be removed by including "tidewater" in the language. He addressed the \$178,000 million the state had spent on pipeline studies. He

felt that the state should have a voice in the process to assure a return on the investment. He questioned the use of the earnings reserve. He thought that the permanent fund could be used as an asset that covered a bonding issue, and allowed the state to build the gasline independently. A tariff could be charged, which would reimburse state expenditures back into the permanent fund.

Co-Chair Stoltze informed the committee that during the HB 44 floor debate of 2009, a floor amendment by Representative Doogan removed the reference to authorize the permanent fund to make in-state energy investments. Concerns had been discussed about the legislature directing investment policy.

[2:10:05 PM](#)

Representative Chenault believed the \$178,000 was the total amount spent over several years on all gas projects, the majority of which went to the Canadian pipeline project.

[2:10:46 PM](#)

Representative Austerman requested documentation of the amount spent to date on the gasline. He recalled the way members of the committee had voted on HB 44, but thought that public perspective could provide a different perspective.

Representative Gara asked if a representative from the Alaska Permanent Fund Corporation (APFC) would be available to provide an analysis of the potential impact on the fund. Co-Chair Stoltze replied yes. Representative Gara wondered if the formula used to determine the dividend incorporated the amount in the earnings reserve. Representative Chenault responded that the dividend could be affected.

Representative Gara said that Harry Noah, In-state Gasline Project Manager, had told the committee that the cheapest gas would come from a big pipeline. Likewise, a smaller in-state line would deliver more expensive gas. He thought that the state should opt for the gasline that produced cheaper gas.

[2:13:35 PM](#)

Representative Chenault agreed that a bigger line, pushing a bigger volume, would be less expensive than a small line pushing a small volume. He felt that the crux of the issue was; was it going to take communities along the rail belt losing the energy to heat their homes before the state decided that the wait for in-state gas was over.

Representative Gara requested information from experts on the gasline issue before the legislation moved out of

committee. Co-Chair Stoltze thought that gasline experts had been informed of the meeting. Representative Gara felt that the issue was of great cost to the state. He felt the experts should be present when the decision was made. Co-Chair Stoltze opined that there were no representatives from the Department of Administration present at the meeting. Representative Gara expressed concern that gas prices would be higher while the state waited for the big line to be built, and consumers may end up being locked in to high gas prices for the next 20 years, all before determining that gas could possibly come from a lower priced project.

[2:16:47 PM](#)

Representative Chenault replied that there were many unknowns. He added that for years legislators had worked on incentives for a Cook Inlet gasline. The Department of Natural Resources study reported 1.8 trillion cubic feet of gas left. He believed that the majority of the easy gas was gone from Cook Inlet. An issue out of the control of the state was the critical habitat for the Beluga Whale. Bonding authority was being written into legislation and discussed, tax credits had been worked on and passed, and storage issues had been addressed to ensure that the rail belt had a supply of gas. All energy opportunities needed to be examined in order to decide which project would go forward. He reiterated that the goal was economic development and long term sustainability.

[2:20:41 PM](#)

Co-Chair Hawker reminded that the legislation called for an advisory vote in order to gauge the public climate. He warned that it had had become a question of more expensive gas or no gas, and that the urgency was growing.

Representative Kelly said that the state could have 10 billion in the bank by the end of 2010. A choice that needed to be made was where to spend the money. He asserted that the money should not be used to expand the state operating budget.

[2:23:47 PM](#)

Representative Kelly continued that the state had located the gas and now the line should be built. He stated that the funds should be used to build an in-state gasline while simultaneously taking care of infrastructure needs throughout the state.

Representative Fairclough supported that process of asking the questions, but thought that ultimately, the ability to negotiate contracts could be reduced by the competition in the free market.

[2:27:42 PM](#)

Representative Chenault voiced his support for the free market. He communicated his hope that a private company would approach the state to build and pay for the gasline. The state would be responsible in the end to pay the tariff costs to ship the gas. The big line could be the state's best opportunity. He did not think that examining in-state gas needs had an effect on a big line. The big line was already guaranteed to provide off-takes for in-state gas usage. If the state chose to build a bigger line it runs the risk of incurring treble damages in the AGIA process. He did not think that it would be prudent to slow the big line process down, but that the residents of Alaska needed to be aware of other options for natural gas should the big line project shut down. An advisory vote was the necessary informative step needed to inform the legislature of the will of the people. He emphasized that the State of Alaska should provide the permits and the right of ways, and then get out of the way, and let the private sector build the gasline.

[2:31:17 PM](#)

Representative Gara thought that initially investing in a big line could be an option.

Representative Chenault agreed that many options were available to the state. Perhaps, if the state invested in 20 percent of the project, it would become more feasible.

[2:34:09 PM](#)

Representative Gara agreed that the state should not make a financial commitment yet. He felt that more would be revealed within the next few years that would aid the state making the decision. Representative Chenault maintained that the state needed to be ready to move on the issue when necessary.

Vice-Chair Thomas felt that voters outside of the rail belt would need incentive to vote "yes" on the project. He feared a divide between urban and rural communities.

Representative Chenault agreed that that was a concern. But, in the long term, what projects were out there that would provide for the Alaskan economy. What could a pipeline do/// He spoke of things provided to rural Alaska. Rural Alaska would benefit from an in-state gasline.

[2:37:26 PM](#)

Vice-Chair Thomas wondered what would happen when the gas runs out.

Representative Kelly stated that where there's a will there's a way. He said the Anchorage to Fairbanks line was obvious. The determination need to be made as to which way to go after that. TransCanada had laid out options. He hoped that the committee could restate the question. Where does the money come from. If the right questions are not asked the answers are meaningless.

[2:40:40 PM](#)

Representative Chenault said he was open to options and discussion concerning re-crafting the question. He maintained that he was concerned for providing a future of economic and resource security in the state.

[2:42:01 PM](#)

Representative Fairclough felt that the \$10 billion thought to be in savings was actually owed to the retirement system.

[2:44:33 PM](#)

LAURA ACHEE, DIRECTOR OF COMMUNICATIONS, ALASKA PERMANENT FUND CORPORATION, testified that the calculation of the dividend would not be affected. The most immediate effect would be the 50 percent test that limited the dividend payment to no more that 50 percent of the balance of the earnings reserve. Paying out in one year from the earning reserve could limit a future dividend payment. She stated that anytime the use of earnings outside of the dividend was discussed there would be a small impact on the dividend.

Representative Austerman wondered if using the PFD to build the pipeline, and reimbursing the fund through the charging of a tariff, was plausible. Ms. Achee replied that the board of trustees was free to invest the PFD in anything that met the requirements for risk return and diversification. Funding the entire pipeline could compromise the statutory requirement of maintaining a diverse portfolio.

Representative Austerman asked if an answer in reference to investing in the pipeline could be obtained. Ms. Achee replied that as with any project, before the board of trustees would need to see a comprehensive project plan.

[2:47:52 PM](#)

Representative Fairclough asked about the recent asset losses due to the weak economy. She asked how the losses would affect individual PFDs. Ms. Achee said that FY09 was the first time there had been more losses than gains.

Representative Fairclough asked how the proposal to invest in a pipeline would affect the state's ability to pay out dividends. Ms. Achee replied that if the fund experienced statutory net losses due to legislature choosing to spend earnings from the earnings reserve for the pipeline, there was a possibility that dividends might not be paid out. She stressed that in any year, anything could happen. In 2003 the earnings reserve was taken, by legislative action, down to \$100 million, and everything else was swept into principal. The next year the corporation paid the dividend and inflation proofed, and still had \$800 million in the earnings reserve. She concluded that it was difficult to tell what would happen from year-to-year, but it could be said with certainty that if the balance was zero there would be no way to pay out anything at all.

[2:51:17 PM](#)

Co-Chair Stoltze asked about public corporation failures that have been linked to legislative activity. He wondered if the board was concerned about bringing the legislature into investment decisions.

Ms. Achee replied that the legislature set the statute by which the board invests and the board would do as the legislature wished.

Co-Chair Hawker noted that in recent history the board has let their opinion be known as to what legislation should be passed. Ms. Achee agreed that the board had been active in the past to that end.

Representative Gara understood only 50 percent of the earnings reserve could be used to pay out dividends. He asked how much would need to be in the earnings reserve to pay out a \$1500 dividend. Ms. Achee said she would need time crunch the numbers. She said that a \$1200 dividend was anticipated in 2010.

Representative Gara believed that if a substantial amount of money from the earnings reserve was spent for the pipeline dividend payout would be affected.

Ms. Achee noted that in the 1980s the fund was significantly smaller than it was now. In 1989 the fund was only at \$10 billion, yielding dividend of \$200-\$300 per person. She did not feel that the ending reserve balances of the 1980s were comparable to present day balances. She reiterated that any time money was taken out of the earnings reserve the next year's dividend was potentially at risk.

[2:56:22 PM](#)

Ms. Achee said that the dividend was calculated off of the entire earnings of the corpus and the earnings reserve. Statutory net income was used and not the rate of return. Statutory net income consisted of; the cash received from rent on the properties the fund owned, dividends from the stocks owned by the fund, interest from bond, and any net gains from the sale of assets.

Representative Gara asked if the amount of money in the earnings reserve were reduced, would that impact the amount of money used to calculate the 5 year average for the dividend. Ms. Achee said yes. Earnings in the earnings reserve contribute toward the dividend calculation, but the earnings that go into the dividend are not the same as the performance earnings that go into the fund.

[2:59:14 PM](#)

Representative Austerman asked to be involved in further examination of the bill outside of committee.

~Merrick Peirce, Self, spoke in opposition of HB 312. He expressed concern that the project proposed for funding was nebulous. He stated that in 2002 the voters voted for the all Alaska gasline from the North Slope to Valdez. He felt that if the legislature had funded the law passed by the voters the state would now have a gasline. He felt that the voice of the voters had not been represented in the discussion.

[3:04:01 PM](#)

Co-Chair Stoltze closed public testimony.

Co-Chair Stoltze appointed Representative Kelly, Representative Hawker, and Representative Foster to craft potential language for discussion by the committee.

Representative Kelly hoped that a resource would be provided to aid in the drafting of the language. Co-Chair Stoltze said that the needs of the drafters would be answered.

HB 312 was HEARD and HELD in Committee for further consideration.

[3:05:47 PM](#)

Co-Chair Stoltze

#hb319

HOUSE BILL NO. 319

"An Act relating to firearms."

REPRESENTATIVE MIKE HAWKER, SPONSOR, began his testimony. He said that the bill contained some clarification to existing concealed carry laws. Several years ago the state adopted the Vermont carry system, which stated that an individual was not required to have a state issued permit on order to carry a concealed firearm. However, the concealed carry permit statutes were retained so that people who chose to procure a concealed carry permit could do so. The advantage was that the concealed carry permits were valid from state-to state.

[3:09:05 PM](#)

Co-Chair Hawker cited Section 1, Sub-section (e), which stated:

The department shall mail the permittee a notice of expiration by first class mail at least 90 days before expiration of the permit.

Co-Chair Hawker added that the permits were valid for 5 years when issued. The next change could be found in Section 2, Sub-section (4):

represent or display an expired permit as if the permit were valid, unless the holder has submitted a complete, timely renewal from under AS 18.65.725 and the renewal process has been delayed due to circumstances not under the control of the applicant; **this paragraph does not require a holder to return or surrender a permit upon its expiration, nor may the department require a holder to return or surrender a permit upon its expiration.**

Co-Chair Hawker continued to the third change, which speaks to the issue of invalidating a permit because the person has left the states jurisdiction. He felt that once the permit had been authorized it should remain valid even if the permittee leaves the state.

[3:13:39 PM](#)

Representative Austerman pointed out to the committee that the language in Section 1 Sub-section (f) stated that the permittee does not become ineligible to hold a permit when "ceasing" to be a resident of the state. He wondered if there were other states that accepted Alaskan gun permits, and would an individual be able to use it in another state. Co-Chair Hawker replied that the reciprocity was and would remain recognized by other states regardless of where one resides, provided that permit was valid.

[3:16:44 PM](#)

Co-Chair Hawker stated that Section 3 proposed a duty upon local law enforcement agencies across the state. The duty was to execute a request, an application that a citizen brings forward, to receive and take possession of a firearm that was registered under National Firearms Act of 1934. This was how an individual was able to legally possess; a short barreled shot gun, a short barreled rifle, and fully automatic firearms. The firearms were legal in most states and prevalent in Alaska. Due the dangerous nature of the firearms, the federal government had a restrictive process regarding who may possess them. In order to possess the particular firearms an individual must go through the process for applying to the Bureau of Alcohol, Tobacco, and Firearms and Explosives on Form 4, "The Application for a Tax Paid Transfer and Registration of a Firearm"(copy on file). The form required identification of the individual, description of the firearm and who was transferring the item, as well as local law enforcement certification. The form must be accompanied by 2 sets of the applicant's fingerprints and 2 photographs, which are used to expedite a complete background check by the Federal Bureau of Investigation.

[3:19:48 PM](#)

Co-Chair Hawker shared that one of the requirements of the application process exists in federal regulation. One of the requirements that had been added to the application process was that the individual who wishes to take possession of a firearm must first go to the local chief law enforcement officer, who will sign the certification as part of the application process. The certification was "negative assurance" from the chief law enforcement officer, which translates into; "I have no information that the transferee will use the firearm or device described on this application for other than lawful purposes. Or that possession would place the transferee in violation of state or local law."

[3:22:28 PM](#)

Co-Chair Hawker opined that historically, the state's local law enforcement had been fickle concerning the willingness to sign the forms. It had been seen that chief law enforcement officers would not sign the forms for unknown reasons. The bill would allow the public the full respect of the 2nd amendment as far as the legislature could provide the assurances.

[3:25:22 PM](#)

Co-Chair Stoltze affirmed that in 1994, a constitutional amendment vote by the public had shown support for the position that the bill maintained; that the right to bear

arms was an individual right, and should not be preempted by political jurisdiction.
Representative Foster voiced support for the legislation.

}SUE STANCLIFF, DEPARTMENT OF PUBLIC SAFETY{, commented on the 90 day notice in the bill. She stated that House Bill 201 made the expiration date on the permits the same as the birthday of the permittee, with the hope that this would help the permittee remember to renew. Currently, the department's support services were going through an absent redesign, which would be online in two years. The changes could be incorporated during that time. She added that the department supported making gun permit retention easier for residents. She warned of unintended consequences and judgment from other states; Kansas and Colorado were specifically cited.

[3:31:24 PM](#)

Co-Chair Stoltze asked if the concern was for the permittee or the state. Ms. Stancliff replied that it was the state's concern. When other states review our laws they could withdraw their reciprocity agreement with Alaska.

Co-Chair Hawker agreed that the issue should be discussed and would be revisited as necessary as the process moved forward. He added that Utah and Florida do not require residency to receive a permit.

[3:33:33 PM](#)

Representative Kelly supported the legislation. He thought that the residency question should be examined for the sake of maintaining the reciprocity relationship with other states.

~DAVID SCHADE, DIRECTOR OF STATEWIDE SERVICES, DEPARTMENT OF PUBLIC SAFETY{, testified that he was available for questioning.

Co-Chair Hawker hoped that, with the committee's previously demonstrated commitment to 2nd Amendment rights, that the consideration of the bill could be expedited.

Co-Chair Stoltze closed public testimony.

Representative Kelly recalled having a concern over the expired concealed carry permit recertification process. Co-Chair Hawker replied that that had been considered. He explained that The Department of Public Safety, through regulatory authority, allowed a 90 day grace period for permit recertification. The combination of the 90 day notice before and after the expiration date gives the permittee

approximately 6 months to renew. He felt that this was an adequate timeframe for the permittee to work within.

[3:37:26 PM](#)

Representative Doogan asked how many of the 90 day before expiration notices were sent out annually. Ms. Stancliff replied that there were 7,000 permits holders in the state.

[3:38:48 PM](#)

Ms. Stancliff furthered that, according to the fiscal note, the department anticipated sending out 1500 notices. She added that specific numbers could be given by Mr. Schade.

Mr. Schade stated that there were currently 7600 active permits, 14,000 was the high.

Representative Doogan asked how many 90 day notices would be issues in an average month. Mr. Schade said that it would depend on when the permit had been issued. Some years are high volume and some are not. Representative Doogan asked if the department was confident that it could fulfill the function with a zero fiscal note. Mr. Schade replied that that was the expectation.

[3:41:39 PM](#)

Co-Chair Hawker addressed the fiscal note. He relayed that when the bill came into committee it was accompanied by a fiscal note for an aggregate of \$38,800. The support services of the department had projected that it would take 370 of programming, at \$100 per hour, to automate the function. The ongoing rewrite of the system would include the necessary programming when completed. If the effective date of the clause were to be extended 2 years, there would be no additional expense.

[3:45:17 PM](#)

Vice-Chair Thomas MOVED to ADOPT Conceptual Amendment 1:

ADD an effective date of July 1, 2012 for section 1 (e).
(Page 1, live 4-5)

INTENT: To require the Department of Public Safety to mail a 90 day notice of expiration to permit holders starting July 1, 2012.

Co-Chair Stoltze OBJECTED for discussion.

Co-Chair Hawker informed the committee that the amendment would allow for the zero fiscal note by changing the effective date.

Co-Chair Stoltze removed his OBJECTION. There being NO further OBJECTION, Conceptual Amendment 1 was ADOPTED.

Vice-Chair Thomas MOVED to ADOPT Amendment 2, 26-LS1273\S.1, Luckhaupt, 2/15/10:

Page 1, following line 2:

Insert new bill sections to read:

"* **Section 1.** AS 18.65.700(a) is amended to read:

(a) The department shall issue a permit to carry a concealed handgun to a person who

(1) applies in person at an office of the Alaska State Troopers;

(2) qualifies under AS 18.65.705;

(3) submits on an [A COMPLETED] application [ON A] form approved [PROVIDED] by the department [, THAT PROVIDES] the information required under AS 18.65.705 and 18.65.710; [WITH EACH APPLICATION FORM PROVIDED BY THE DEPARTMENT,] the department shall post on the department's website [PROVIDE A COPY OF] the state laws and regulations relating to concealed handguns, which must include a concise summary of where, when, and by whom a handgun can be carried under state and federal law and shall, on request, mail a copy of the regulations and summary to an applicant or permittee;

(4) submits one complete set of fingerprints in the format approved by the department that is of sufficient quality so that the fingerprints may be processed; the fingerprints must be taken by a person, group, or agency approved by the department; the department shall maintain a list of persons, groups, or agencies approved to take fingerprints and shall provide the list to the public upon request; the fingerprints shall be used to obtain a report of criminal justice information under AS 12.62 and a national criminal history record check under AS 12.62.400;

(5) submits evidence of successful completion of a handgun course as provided in AS 18.65.715;

(6) provides one frontal view color photograph of the person taken within the preceding 30 days that includes the head and shoulders of the person and is of a size specified by the department;

(7) shows a valid Alaska driver's license or identification card at the time of application;

(8) does not suffer a physical infirmity that prevents the safe handling of a handgun; and

(9) pays the application fee required by AS 18.65.720.

* **Sec. 2.** AS 18.65.725(a) is amended to read:

(a) A permittee shall apply for renewal of a permit to carry a concealed handgun within 90 days before the expiration of the permit, on a [AND SHALL PRESENT A COMPLETE] renewal form approved [PROVIDED] by the department. The renewal form must include

(1) any change in the information originally submitted under AS 18.65.710;

(2) a statement that the person remains qualified to receive and hold a permit to carry a concealed handgun under AS 18.65.705;

(3) one frontal view photograph of the person taken within the preceding 30 days that includes the head and shoulders of the person and is of a size specified by the department;

(4) the renewal fee required under AS 18.65.720; and

(5) the warning listed in AS 18.65.710(a)(6)."

Page 1, line 3:

Delete "**Section 1**"

Insert "**Sec. 3**"

Renumber the following bill sections accordingly.

Co-Chair Stoltze OBJECTED for the purpose of discussion.

Ms. Stancliff explained that the amendment would give the department authorization to post the concealed handgun applications and other documents online, which would streamline the process. Co-Chair Hawker added that the amendment recognized the existence of emerging technology.

[3:47:40 PM](#)

Co-Chair Stoltze removed his OBJECTION. There being NO further OBJECTION, Amendment 2 was ADOPTED.

Co-Chair Stoltze discussed fiscal note 2. Due to the action of Amendment 1, a zero fiscal note was reported out, replacing the previous fiscal note 2.

[3:48:39 PM](#)

Ms. Stancliff pointed out to the committee that the department would still have licensing and mail out costs, under \$2,000, which would be absorbed by the department.

Representative Austerman wondered if statutory language was necessary to allow the department to post applications on the website. Ms. Stancliff replied that statutory language should not be necessary when the approved forms were used.

Vice-Chair Thomas MOVED to report CSHB 319 (JUD), 26-LS1273\S, as AMENDED, out of Committee with individual recommendations and the accompanying zero fiscal note.

CSHB 319 (JUD), 26-LS1273\S, was REPORTED out of committee with a "do pass" recommendation and with a new zero fiscal note by the Department of Public Safety and a previously published fiscal impact note: FN1 (LAW).

[3:51:16 PM](#)

Co-Chair Hawker discussed housekeeping.

Co-Chair Stoltze discussed housekeeping.

#

ADJOURNMENT

The meeting was adjourned at 3:51 PM