

HOUSE FINANCE COMMITTEE
March 16, 2010
1:37 p.m.

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CALL TO ORDER

Co-Chair Stoltze called the House Finance Committee meeting to order at 1:37 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

MEMBERS ABSENT

Representative Woodie Salmon

ALSO PRESENT

Kaci Schroeder, Staff, Representative Bill Thomas, Sponsor;
Jill Matheson, Chair, Alaska State Board of Optometry;
Representative Kyle Johansen, Sponsor; Sonia Christensen,
Staff, Representative Johansen; Annette Kreitzer,
Commissioner, Department of Administration.

PRESENT VIA TELECONFERENCE

Holly Hill, Executive Director, Alaska Public Offices
Commission, Department of Administration; Alpheus Bullard,
Attorney, Legislative Legal and Research Services,
Legislative Affairs Agency.

SUMMARY

HB 36 INITIATIVES: CONTRIBUTIONS/ PROCEDURES

CSSS HB 36(FIN) was REPORTED out of Committee with a "do pass" recommendation and with attached new fiscal note by the Department of Administration and two new zero notes by the Office of the Governor.

HB 245 LICENSING FOR OPTOMETRY

HB 245 was REPORTED out of Committee with a "do pass" recommendation and with attached new zero note by the Department of Commerce, Community, and Economic Development.

#hb245

HOUSE BILL NO. 245

"An Act relating to licensure as an optometrist; establishing a retired status optometrist license; and providing for an effective date."

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KACI SCHROEDER, STAFF, REPRESENTATIVE BILL THOMAS, SPONSOR, explained that the legislation would create uniform licensure for Alaskan optometrists. Currently, the state has three levels of licensure: low, medium, and high. The Alaska State Board of Optometry would like everyone licensed at the highest level. Optometry school students already graduate with credentials to practice at the highest level and most optometrists in the state have upgraded themselves to the level as well. The provision would also allow a person to easily transfer from retired to active status.

Ms. Schroeder added that optometrists who do not want to upgrade themselves and are currently licensed at the lower two levels would be grandfathered in; they would receive a restricted license to practice optometry at their education level. She noted that most states have already implemented similar legislation.

JILL MATHESON, CHAIR, ALASKA STATE BOARD OF OPTOMETRY, spoke in support of the bill. The board wanted everyone at the same level to reduce confusion among the public and other health care providers. She noted that the board had requested the legislation.

Co-Chair Stoltze recalled that the issue had been contentious in the past.

Representative Fairclough pointed to page 1, line 12 and asked how the bill recognizes a school or college. Ms. Matheson replied that there is technical language in the bill stipulating that schools must be approved by the American Optometric Association. She detailed that there are fifteen qualifying schools in the United States and two in Canada.

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Co-Chair Stoltze addressed the fiscal note.

Vice-Chair Thomas MOVED to report HB 245 out of Committee with individual recommendations and the accompanying fiscal note. Co-Chair Stoltze OBJECTED for discussion.

Representative Fairclough asked whether there was a limit to the number of times a person could retake the exam. Ms. Matheson answered that the exam referred to was the law exam for the state regulations and statutes. She did not recall anyone taking the exam again; it was not specified in the bill. She presumed that a person could retake the exam an unlimited amount of times.

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

HB 245 was REPORTED out of Committee with a "do pass" recommendation and with attached new zero note by the Department of Commerce, Community, and Economic Development.

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AT EASE

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RECONVENED

#hb36

HOUSE BILL NO. 36

"An Act prohibiting initiatives that are substantially similar to those that failed within the previous two years; relating to financial disclosure reporting dates for persons, groups, and nongroup entities that expend money in support of or in opposition to

initiatives, initiative information contained in election pamphlets, initiative petitions, initiative petition circulators, and public hearings for initiatives; and requiring a standing committee of the legislature to consider initiatives scheduled for appearance on the election ballot."

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Co-Chair Stoltze informed the committee that new Amendment 6 would replace Amendment 4, which had been withdrawn in a previous meeting, and that Amendment 7 would replace previous Amendment 1.

Representative Doogan MOVED to ADOPT Amendment 6 (26-LS0197\S.13, Bullard, 3/16/10):

Page 1, line 1:

Delete "and to ballot initiatives"

Insert ", to ballot initiatives, and to communications made in connection with elections"

Page 2, following line 19:

Insert new bill sections to read:

***Sec. 4.** AS 15.13.090(a) is amended to read:

(a) All communications shall be clearly identified by the words "paid for by" followed by the name and address of the person [CANDIDATE, GROUP, NONGROUP ENTITY, OR INDIVIDUAL] paying for the communication. In addition,

(1) candidates and groups may identify the name of the campaign chairperson; and

(2) a person paying for a communication relating to an initiative shall clearly

(A) if applicable, identify the person's principal officer and the officer's title; and

(B) identify the three contributors that have contributed the largest amounts to the person in excess of \$500, if any, with the words "top three contributors." [.]

***Sec. 5.** AS 15.13.090 is amended by adding new subsections to read:

(c) The contributors described in (a)(2)(B) of this section shall be listed in order of the amount of their contributions, except that those contributing the same amount shall be listed

alphabetically. In no case shall a person be required to identify more than three contributors under (a)(2)(B) of this section.

(d) In this section, "contributors" means the true source of the funds being contributed to the person paying for the communication."

Renumber the following bill sections accordingly.

Page 7, line 13:

Delete "This Act applies"

Insert "Sections 1 - 3 and 6 - 16 of this Act apply"

Co-Chair Hawker OBJECTED.

Representative Doogan explained that Amendment 6 replaced Amendment 4 and addressed previous problems. Amendment 4 removed provisions (b) and (c), dealing with a statement from the person approving the communication; both are taken out of Amendment 6. Amendment 4 also provided more information. Amendment 6 would make what used to be subsection (d) into subsection (b) and simplify it to say that the three contributors that have offered the largest amounts (in excess of \$500) must be put on the record. Amendment 6 would have the contributors listed alphabetically if there is a tie among the three.

Representative Doogan argued that the issues are the same; he was concerned that people who listen to radio and television ads and get mailings would know who is providing the material in a "real world" way (as real individuals and not as a group with a made-up name).

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Co-Chair Hawker MAINTAINED his OBJECTION. He believed the issue was complex, and that the amendment deviated from the core purpose of the original bill. He referred to separate bills making their way through the House and the Senate that specifically address the larger issues surrounding the ballot initiatives communications.

Co-Chair Stoltze asked what would happen if an individual contributed money later in the process, when the print materials were already done. Representative Doogan

responded that a campaign would have to comply with the law, including changing printed material.

Co-Chair Hawker maintained that the amendment mandates use of the words "top three contributors." He could think of circumstances applying to both an initiative and opposition to an initiative where there are not three contributors. He was concerned with the technical problems.

REPRESENTATIVE KYLE JOHANSEN, SPONSOR, agreed with the concept in the amendment but questioned the timing. He had concerns about practical matters and did not think the amendment was ready to go into the legislation. He supported working with a sponsor's amendment to put it in later or into another bill.

Representative Doogan did not believe there would be opportunity to incorporate the concept in the House version of the bill. He believed the amendment was better than none at all. He wanted the information to be available to voters. He was confident that the Senate could refine the language as needed.

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Representative Joule believed that the sponsor wanted the concept to mature and perhaps be applied in the Rules Committee or on the floor.

Co-Chair Stoltze agreed. He wanted to promote good will and openness.

Vice-Chair Thomas agreed as well. He was not concerned about what the Senate would do. He did not support Amendment 6 but would support the sponsor working further on the bill during the process.

Representative Austerman wanted to see Amendment 6 incorporated into the legislation but had questions about how the technicalities would work for the initiative process. He did not support the amendment.

Representative Doogan WITHDREW Amendment 6, commenting that he did not want to hold the bill up. He hoped to work with the sponsor to incorporate the concept into the legislation. He stated that he did not have a hidden agenda.

Co-Chair Hawker WITHDREW his OBJECTION.

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Co-Chair Stoltze MOVED to ADOPT Amendment 7 (26-LS0197\S.12, Bullard, 3/16/10):

Page 2, following line 6:

Insert a new bill section to read:

"Sec. 3. AS 15.13.050 is amended by adding a new subsection to read:

(c) If a group intends to make more than 50 percent of its contributions or expenditures in support of or opposition to a single initiative on the ballot, the title or common name of the initiative must be a part of the name of the group. If the group intends to make more than 50 percent of its contributions or expenditures in opposition to a single initiative on the ballot, the group's name must clearly state that the group opposes that initiative by using a word such as "opposes," "opposing," "in opposition to," or "against" in the group's name."

Renumber the following bill sections accordingly.

Co-Chair Hawker OBJECTED for discussion.

Representative Johansen commented that the amendment had been worked on by staff in response to a concern of Representative Gara.

SONIA CHRISTENSEN, STAFF, REPRESENTATIVE JOHANSEN, explained that the amendment echoed the sentiments of Amendment 1, but addressed the issue of the word "only." There had been concern that the word could create a loophole allowing a group to spend 95 percent of its money on an initiative and 5 percent on something else in order to avoid using the title of the initiative in its name. She noted that Amendment 7 specifies that a group has to have the ballot measure in its title if it uses 50 percent or more of its funds towards a ballot measure.

Co-Chair Hawker WITHDREW his OBJECTION. There being NO further OBJECTION, Amendment 7 was ADOPTED.

Representative Johansen acknowledged the work of Representative Gara and his staff on the amendment.

2:06:00 PM

Co-Chair Stoltze MOVED to ADOPT Amendment 2 (26-LS0197\S.1, Bullard, 1/25/10) (copy on file), previously offered and temporarily withdrawn:

Page 1, line 1, following "**initiatives**":

Insert "**and those who file or organize in order to file them**"

Page 4, following line 30:

Insert a new bill section to read:

"***Sec. 8.** AS 15.13.400(8) is amended to read:

(8) "group" means

(A) every state and regional executive committee of a political party; [AND]

(B) any combination of two or more individuals acting jointly who organize for the principal purpose of influencing the outcome of one or more elections and who take action the major purpose of which is to influence the outcome of an election; a group that makes expenditures or receives contributions with the authorization or consent, express or implied, or under the control, direct or indirect, of a candidate shall be considered to be controlled by that candidate; a group whose major purpose is to further the nomination, election, or candidacy of only one individual, or intends to expend more than 50 percent of its money on a single candidate, shall be considered to be controlled by that candidate and its actions done with the candidate's knowledge and consent unless, within 10 days from the date the candidate learns of the existence of the group the candidate files with the commission, on a form provided by the commission, an affidavit that the group is operating without the candidate's control; a group organized for more than one year preceding an election and endorsing candidates for more than one office or more than one political party is presumed not to be controlled by a candidate; however, a group that contributes more than 50 percent of its money to or on behalf of one

candidate shall be considered to support only one candidate for purposes of AS 15.13.070, whether or not control of the group has been disclaimed by the candidate; and

(C) any combination of two or more individuals acting jointly who organize for the principal purpose of filing an initiative proposal application under AS 15.45.020 or who file an initiative proposal application under AS 15.45.020;"

Renumber the following bill sections accordingly.

Co-Chair Hawker OBJECTED for discussion.

ANNETTE KREITZER, COMMISSIONER, DEPARTMENT OF ADMINISTRATION, explained that Representative Johansen's staff had asked the executive director of the Alaska Public Offices Commission (APOC) to look at the bill. The amendments were the result of finding things that needed to be addressed. She stated that the amendments had her support.

Commissioner Kreitzer detailed that Amendment 2 would amend the title to insert additional words. She reported that the amendment was needed because the word "group" is not defined in a way to include any combination of two or more individuals acting jointly to organize to file the application (page 1, lines 6 to 9).

Representative Johansen stated that he supported the amendment.

Representative Fairclough referred to previous conversation about the amendment and asked for clarification regarding the 50 percent figure on page 2.

HOLLY HILL, EXECUTIVE DIRECTOR, ALASKA PUBLIC OFFICES COMMISSION, DEPARTMENT OF ADMINISTRATION (via teleconference), explained that the amendment would incorporate the same definition already included for group in AS 15.13.400(8).

Representative Fairclough referred to previous remarks about the number 33 percent. Ms. Christensen replied that the statute referenced with 33 percent was AS 15.13.050, dealing with groups that had to register with APOC before

spending money. A group has to have a name before registering. A candidate intending to spend more than 33.3 percent must have the candidate's name in the title; this was behind the original idea for Amendment 7. She added that one has to do with the definition of a group and the other has to do with the name of the group.

Representative Fairclough asked whether the sponsor was comfortable with the 50 percent rather than the 33 percent threshold. Representative Johansen replied that both are in existing statute and there was no attempt to change either.

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Co-Chair Stoltze wanted to clarify cautious language to make sure the intent was clear. He wanted the amendment done the way the administration wanted it done. Commissioner Kreitzer answered in the affirmative.

Co-Chair Hawker WITHDREW his OBJECTION. There being no further objection, Amendment 2 was ADOPTED.

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Co-Chair Stoltze MOVED to ADOPT previously withdrawn Amendment 3 (26-LS0197\S.9, Bullard, 3/15/10):

Page 1, line 1:

Delete "**and to ballot initiatives**"

Insert "**, to ballot initiatives and referenda, to issues placed on the ballot to determine whether a constitutional convention shall be called, a debt shall be contracted, an advisory question shall be approved or rejected, or a municipality shall be incorporated, and to constitutional amendments submitted to the public for a vote**"

Page 2, line 9, following "15.13.060":

Insert "**15.13.074(b)**,"

Page 7, line 13, following "APPLICABILITY":

Insert "(a)"

Page 7, following line 15:

Insert a new subsection to read:

"(b) This Act applies only to a ballot proposition, as that term is defined in AS 15.13.065(c), but

excluding an initiative covered under (a) of this section, placed on the ballot after the first statewide election on or after the effective date of this Act."

Co-Chair Hawker OBJECTED for discussion.

Commissioner Kreitzer explained that Amendment 3 addressed previous concerns about anonymous contributions (AS 15.13.074(b)). She directed attention to page 2, lines 13 to 17 of the bill, which would be applied to constitutional conventions; an anonymous contribution could not be made for any of the reasons listed. She noted the need for a reference in the title.

Representative Gara requested an explanation of the last three lines (16 through 18) of the amendment, saying the act applies only to subsection (c) ballot propositions but not subsection (a) ballot propositions.

ALPHEUS BULLARD, ATTORNEY, LEGISLATIVE LEGAL AND RESEARCH SERVICES, LEGISLATIVE AFFAIRS AGENCY (via teleconference), summarized that the question was about why the applicability section at the end of the bill was modified by the amendment.

Representative Gara queried the substance and effect of the bottom three lines. Mr. Bullard replied that before the addition of Amendment 3, the bill spoke to ballot initiatives and ballot initiative proposal applications. The existing applicability section on page 7 of the bill speaks to ballot initiatives and ballot initiative applications. The amendment would work to prohibit anonymous contributions to ballot propositions, which is broader than just initiatives; how the bill would work in reference to ballot propositions needed to be provided.

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Representative Gara summarized that the first sentence on line 16 says that the bill would apply to a ballot proposition as the term is defined in AS 15.13.065(c) but does not apply to an initiative covered under subsection (a). He expressed confusion. Commissioner Kreitzer explained that (a) is the applicability section that applied to the bill prior to the amendment; it is still necessary. Subsection (b) deals with the situation again on

page 2, addressing other issues included under the definition of ballot proposition. She stated that there must be an additional and separate applicability section dealing with that.

Representative Gara referred to the last page of the bill under the applicability section. He thought that without the amendment, lines 13 to 15 say the act applies to initiatives. He thought the amendment would turn the applicability section in the bill into subsection (a), saying the act only applies to initiatives. Further, subsection (b) says the act excludes initiative coming under (a). He expressed confusion.

Representative Johansen reported that he was less excited about Amendment 3 because it is difficult to understand. In addition, he was uncomfortable that the amendment would open up the title.

Commissioner Kreitzer believed subsection (b) of the amendment was written as it was because there is no guarantee that a committee would adopt the amendment. She thought there could be better language. She stated that the intent was to say that going forward, this is what would happen to the changes in the bill.

Co-Chair Hawker WITHDREW his OBJECTION.

Co-Chair Stoltze WITHDREW Amendment 3.

Commissioner Kreitzer explained the new fiscal note for \$60,200 by APOC in the Department of Administration. She was convinced that the amount was needed. She reported that APOC has had an enormous amount of work in the past two or three years. She commended the new director, Holly Hill in reclassifying positions and increasing efficiency. Efforts had been made to automate the business processes of APOC.

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Co-Chair Stoltze commented that the area of lawmaking was unregulated and wide open; he believed there would be costs for public awareness and disclosure. He supported the number in the fiscal note.

Representative Gara pointed to Section 15 of the bill and questioned whether the bill would apply in the upcoming

election. He believed the amendment that was withdrawn intended to make the bill apply to the election.

Co-Chair Stoltze believed there was consistency with other similar legislation.

Representative Johansen added that he did not want to disrupt current practices that conform to current rules, though he did not support the current rules.

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Co-Chair Hawker MOVED to report HB 36 out of Committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

CSSS HB 36(FIN) was REPORTED out of Committee with a "do pass" recommendation and with attached new fiscal note by the Department of Administration and two new zero notes by the Office of the Governor.

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ADJOURNMENT

The meeting was adjourned at 2:27 PM.