

SENATE FINANCE COMMITTEE

April 9, 2010

9:08 a.m.

[9:08:35 AM](#)

CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at 9:08 a.m.

MEMBERS PRESENT

Senator Lyman Hoffman, Co-Chair
Senator Bert Stedman, Co-Chair
Senator Charlie Huggins, Vice-Chair
Senator Johnny Ellis
Senator Dennis Egan
Senator Donny Olson
Senator Joe Thomas

MEMBERS ABSENT

None

ALSO PRESENT

Darwin Peterson, Staff, Co-Chair Stedman; Max Gruenberg; Kathie Wasserman, Executive Director, Alaska Municipal League (AML); David Grey, Staff, Co-Chair Hoffman; Jane Pierson, Staff, Representative Jay Ramras; McHugh Pierre, Liaison, Department of Military and Veterans Affairs; Michael O'Hare, Deputy Commissioner, Department of Military and Veterans Affairs; Casey Schroeder, Staff, Representative Bill Thomas; Sue McLean, Director, Criminal Division, Department of Law; Tim Benintendi, Staff, Senator Olson; Frank Homan, Commissioner, Commercial Fisheries Entry Commission; Bob Thorsteinson, Executive Director, SEAS; Mitch Eide, Board Member, SEAS; Josh Tempel, Staff, Senator Huggins.

PRESENT VIA TELECONFERENCE

Marty McGee, Assessor, Municipality of Anchorage; Rick Eckert, President, Alaska State Elk's Association; Michael Luhr, President, Petersburg, Alaska State Elks Association;

Mark San Souci, Department of Defense; Sergeant Derek Degraff, Alaska State Troopers; Jeffrey Mittman, Executive Director ACLU, Alaska; David Kazarian, Citizens for Change; Rob Zuanich, Manager, Southeast Revitalization Association; Fernando Pena, Government Affairs Director, Cash America.

SUMMARY

SB 222 SEX OFFENSES; OFFENDER REGIS.; SENTENCING

SB 222 was HEARD and HELD in Committee for further consideration.

SB 255 FISH PROCESSOR FEES, LICENSES, RECORDS

SB 255 was HEARD and HELD in Committee for further consideration.

SB 292 PAWNBROKERS

SB 292 was HEARD and HELD in Committee for further consideration.

HB 10 MUNICIPAL TAXES: COSTS/EXEMPTIONS

HB 10 was HEARD and HELD in Committee for further consideration.

HB 98 ALCOHOL: MINOR CONSUMING/LOCAL OPTION

CS HB 98 was REPORTED out of Committee with a "do pass" recommendation and with one new zero fiscal note from the Department of Corrections and one zero fiscal note from the Alaska Court System and two previously published zero notes: FN5 (LAW), FN6 (DPS).

HB 292 GRANTS TO DISASTER VICTIMS

HB 292 was HEARD and HELD in Committee for further consideration.

HB 334 MILITARY DEPLOYMENT AND CHILD CUSTODY

HB 334 was REPORTED out of Committee with a "do pass" recommendation and with one previously published zero note: FN1 (CRT).

#hb10

CS FOR HOUSE BILL NO. 10(FIN)

"An Act authorizing a borough to charge a city for costs of collecting certain taxes; relating to a mandatory exemption from municipal property taxes for residences of certain widows or widowers, and to optional exemptions from municipal property taxes for property of certain fraternal organizations, for certain college property, and for certain residential property; and providing for an effective date."

[9:08:46 AM](#)

Co-Chair Hoffman MOVED to ADOPT proposed committee substitute, work draft #26-LS0063\Z, Cook, 4/8/10. Co-Chair Stedman OBJECTED.

DARWIN PETERSON, STAFF, CO-CHAIR STEDMAN, delivered his sectional analysis. He explained that Version Z includes four tax exemptions. The first two are found in Section 1, which includes the mandatory tax exemptions in state statute. The initial change is listed on Page 1, Line 14 and refers to the DeLong Mountain Transportation System. The section exempts from assessment the determination of the Northwest Arctic Borough and applies it retroactively to November 30, 2009 when the current exemption expired. A sunset provision for November 2012 is shown at the end of the bill. The second mandatory tax exemption is found on Page 3, Line 10 which includes the Alaska Pacific University (APU). The municipality of Anchorage began assessing property taxes on APU property in January 2006, which was the first time the University was taxed in 47 years of tax free history in Alaska. Prior to the assessment the municipality treated APU similar to the University of Alaska. The properties in question include the Marriott Hotel which pays all municipal property and bed taxes. The University has a ground lease with the hotel that requires the hotel to pay the taxes. The controversial property is the Alaska Spine Institute (ASI) which has been billed by the municipality for property taxes that since remain unpaid. The University entered into a lease with ASI and while university grounds were tax exempt the tax costs were not calculated into the lease. The municipality is now assessing taxes on ASI, but they are not required to pay because of the terms of the lease so the tax bills are the

responsibility of the University. He informed that ASI's lease terminates in 2035. He referred to Page 8, Line 9, Section 9 which exhibits the sunset clause for the tax exemption which will be repealed in 2035. The University will then calculate all property tax cost into future leases.

Mr. Peterson referred to Section 2 of the bill which includes the sunset provision for the DeLong Mountain Transportation System on November 30, 2012. Section 3 removes the private land from the University meaning that private land will be taxable as of December 31, 2035. Section 4 notes a tax exemption that allows widows and widowers of disabled veterans to qualify for and retain their municipal property tax exemption regardless of their age. This tax exemption is optional and must be ratified by the voters of the municipality. Section 5 refers to the tax exemption for law enforcement officers to purchase homes in high crime areas and allows the municipality to pass an ordinance depending on exemption up to \$150 thousand on the assessed value.

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

REPRESENTATIVE MAX GRUENBERG agreed with the sectional analysis presented by Mr. Peterson.

[9:16:24 AM](#)

Senator Olson commented on the critical nature of the bill for the Red Dog mine and school funding. The sponsor has been gracious enough to allow an extension of the exemption following the assessment in 1999. He expressed support for the exemption.

Senator Huggins echoed Senator Olson's comments. Representative Gruenberg expressed appreciation to the committee.

Senator Thomas asked about the fiscal note. He commented on the zero nature of the fiscal note when past property exemptions led to large figures on the fiscal note. He asked if he was missing a fiscal note.

Co-Chair Stedman mentioned one zero fiscal note from the Department of Commerce, Community and Economic Development.

He requested an updated fiscal note for the Committee Substitute (CS). He pointed out a memorandum from the assistant state assessor in the committee packet that identifies a potential fiscal impact to the municipalities.

[9:18:48 AM](#)

MARTY MCGEE, ASSESSOR, MUNICIPALITY OF ANCHORAGE (via teleconference) stated that the municipality's primary interest refers to the University property and the provisions for the exemption of the property. He noted that the municipality has never regarded APU as having the same status as the University of Alaska. The University of Alaska is exempt because it is a subdivision of the state and therefore owned by the government. He noted that APU is exempt because its property was acquired from the federal government in a land grant dedicating it to an educational purpose for a mandatory statutory exemption. The Supreme Court of Alaska has defined educational purpose in a narrow fashion. A building built with the purpose of renting for income is not subject to the educational exemption. The hospital and the medical office building both fall into that category. He expressed concern with the provision for the effective date of the bill as shown in Section 9. He understood that the interest of the tenants in the spine clinic would not be taxable until 2035. If the bill were to pass, the tax revenue from the hospital and the medical office building would be significantly less than today when taxed at the full value. He stated no intention of taxing any portion of APU which is used exclusively for educational purpose.

[9:21:53 AM](#)

RICK ECKERT, PRESIDENT, ALASKA STATE ELK'S ASSOCIATION (via teleconference), testified in opposition to the CS. His original intention was to testify in support of the municipal exemption for property tax on fraternal organizations. He noted that the issue was removed from the current CS. He commented that the 17 Elks organizations have contributed \$2.2 million a year. The advantage of the old exemption is that a municipality could review the value provided for the community by the fraternal organization.

MICHAEL LUHR, PRESIDENT, PETERSBURG, ALASKA STATE ELKS ASSOCIATION (via teleconference), echoed the comments of the Mr. Eckert. He hoped that the committee would see the

wisdom of reinserting the section. The goal of the Elks Lodge is to provide community service.

[9:27:25 AM](#)

Senator Olson asked if the other fraternal organizations receive the same tax exemption proposed in the earlier version of the bill. Mr. Luhr responded that he is familiar with other fraternal organizations. He stressed that only upstanding fraternal organizations should be recognized for the exemption.

[9:28:52 AM](#)

KATHIE WASSERMAN, EXECUTIVE DIRECTOR, ALASKA MUNICIPAL LEAGUE (AML), reminded the committee that property tax exemption should be local. She reminded that AML is opposed to mandatory property tax exemptions. She stated that AML believes that property tax is a local authority led by local decisions.

Representative Gruenberg thanked the committee for the support.

HB 10 was HEARD and HELD in Committee for further consideration.

#hb98

CS FOR HOUSE BILL NO. 98(FIN) am

"An Act relating to minor consuming and repeat minor consuming; relating to penalties for violations of limitations on possessing, sending, shipping, transporting, or bringing alcoholic beverages to, soliciting or receiving orders for delivery of alcoholic beverages to, and the manufacture, sale, offer for sale, barter, traffic, or possession of alcoholic beverages in, a local option area; and providing for an effective date."

[9:31:31 AM](#)

Co-Chair Hoffman Moved to ADOPT proposed committee substitute, work draft #26-LS0051\E, Luckhaupt, 4/7/10.

DAVID GREY, STAFF, CO-CHAIR HOFFMAN, discussed the work draft. He noted that the language changes in the bill were stimulated by the City of Bethel on February 9, 2010 urging

the legislators to support changes of the legal limit for possession or transportation of beer up to 16 gallons. The amount of 16 gallons was desired because a half keg of beer equals 15 1/2 gallons. He noted that Bethel has voted and opted out of the local option status. In effect, there exists no control regarding the possession or transportation of beer. He explained that Bethel will take a vote on May 4, 2010 with the option of local option status that is favorable to the citizens. The limits of wine or beer retain the allowable 12 gallons in current statute for all other containers of beer. The administration recommends that the limits are to allow for the half keg of beer. He mentioned Section eight and the definition to support the changes made.

Co-Chair Stedman Removed his OBJECTION.

JANE PIERSON, STAFF, REPRESENTATIVE JAY RAMRAS, commented on the legislation. She noted that the bill corrects a problem from the 25th legislature for HB 359, which was a bill allowing juveniles to avoid probation for minor consuming therefore allowing them to enter military service. The legislation allows for previous convictions and includes a bootlegging provision combining bootlegging penalties with Driving Under the Influence (DUI) of alcohol penalties.

Co-Chair Stedman pointed out four zero fiscal notes from the Department of Corrections, the Department of Law, the Department of Public Safety, and the Alaska Court System. He noted that the committee will request updated fiscal notes to reflect the changes made in the CS.

Co-Chair Hoffman MOVED to report SCS CS HB 98 out of Committee with individual recommendations and the accompanying fiscal notes. There being NO OBJECTION, it was so ordered.

CS HB 98 was REPORTED out of Committee with a "do pass" recommendation and with one new zero fiscal note from the Department of Corrections and one zero fiscal note from the Alaska Court System and two previously published zero notes: FN5 (LAW), FN6 (DPS).

#hb292

HOUSE BILL NO. 292

"An Act relating to grants to victims of a disaster in this state; and providing for an effective date."

[9:37:46 AM](#)

MCHUGH PIERRE, LIAISON, DEPARTMENT OF MILITARY AND VETERANS AFFAIRS, commented on HB 292. He noted that HB 292 addresses a need identified regarding catastrophic disaster and families are impacted under the individual assistance grant. The individual assistance grant clause allows for a maximum amount is \$5000. The proposal in HB 292 is to link the state individual assistance grant to the federal individual assistance grant which is administered during federally declared disaster. He stated that half of the federal assistance grant is \$14,950 in 2010 because the federal amount has dropped to \$29,900.

MICHAEL O'HARE, DEPUTY COMMISSIONER, DEPARTMENT OF MILITARY AND VETERANS AFFAIRS, commented on the bill. He agreed that HB 292 increases a cap established in 1977, which requires modernization for today's economy. A task force was established after the recent flooding disasters this year. The task force established that the model exemplified in HB 292 was a fair model. He added that the Department of Military and Veterans Affairs does not cut checks for victims without a process that involves taking applications and verifying losses with photographs and receipts to verify the loss.

HB 292 was HEARD and HELD in Committee for further consideration.

#hb334

CS FOR HOUSE BILL NO. 334(RLS)

"An Act establishing child custody, modification, and visitation standards for a military parent; and amending Rules 77 and 99, Alaska Rules of Civil Procedure."

[9:41:45 AM](#)

CASEY SHROEDER, STAFF, REPRESENTATIVE BILL THOMAS, discussed the legislation, which is nearly identical to SB 210 heard earlier this session by the Senate Finance Committee. The legislation provides guidelines to courts

having a difficult time balancing child custody disputes at the time of military deployment. She stated the bill required that a court not consider deployment in cases concerning child custody. The bill allows expedited hearings for the service member. The service member is also allowed delegation of visitation rights to a family member with a close connection to the child. Temporary custody orders are provided for allowing the deploying parent to allow temporary custody to the other parent. The order would expire within ten days following return of the deployed parent. The bill allows a deployed parent to testify in a court proceeding through the internet or video teleconferencing.

[9:45:04 AM](#)

Senator Huggins MOVED to report HB 334 out of Committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

HB 334 was REPORTED out of Committee with a "do pass" recommendation and with one previously published zero note: FN1 (CRT).

MARK SAN SOUCI, DEPARTMENT OF DEFENSE (via teleconference) echoed the testimony of Casey Schroeder. He informed that 11 other states are considering similar legislation and Vermont and Indiana have signed bills this session. This legislation, if passed, would be considered best practice legislation nationwide.

#sb222

SENATE BILL NO. 222

"An Act relating to the crimes of harassment, possession of child pornography, and distribution of indecent material to a minor; relating to suspending imposition of sentence and conditions of probation or parole for certain sex offenses; relating to aggravating factors in sentencing; relating to registration as a sex offender or child kidnapper; amending Rule 16, Alaska Rules of Criminal Procedure; and providing for an effective date."

SUE MCLEAN, DIRECTOR, CRIMINAL DIVISION, DEPARTMENT OF LAW explained that SB 222 makes important changes to several different provisions within the criminal laws, some necessitated by court decisions, oversights, or for the

purpose of improving criminal law as it pertains to sex offenses. The bill provides elements for the crime of failure to register as a sex offender, which clarifies that the mental state for the crime is that the person knows that they must register. She stated that this creates a Class A misdemeanor defense of harassment for those situations in which a victim is subjected to a sexual touch over the clothing but does not have time to voice his or her lack of consent. If a person has two such crimes of harassment the second requires registration as a sex offender. The bill amends the distribution of indecent materials to minors provision to prohibit any distribution of pornography to minors. One added section provides that a portion of the proof must show that the pornographic material is harmful to minors. The bill corrects an oversight regarding state regulation in respect to pornography. She mentioned that Section 13 removes the word substantially when describing a crime in another jurisdiction that would disallow the use of a suspended imposition of sentence. The bill adds conditions of probation so that courts may require sex offenders to provide email or other electronic network addresses to their probation officer and the probation officer may provide them to the police. The bill amends the current aggravating factors providing that the sentence was aggravated by a factor in which the victim was particularly vulnerable. A requirement was added that local law enforcement report sex crimes to the department of public safety for statistical purposes and providing that DPS has the authority to withhold funding if reports are not made. One section permits the Attorney General to administrate subpoenas to internet providers in crimes in which there is reason to believe that an internet account has been used for the exploitation of children. The bill amends the rule pertaining to crimes involving child pornography to prohibit the court from ordering that the pornography itself be discovered directly to the defense or defendant preventing further distribution. The bill adds a section to the uncodified law of Alaska clarifying that the mental state for failure to register as a sex offender is knowing that one had to register, one failed to do so and the mental state does not attach to the failure to do so.

[9:55:19 AM](#)

Senator Thomas observed that the mentioned changes "tighten up" the existing legislation to allow for appropriate

prosecution. Ms. McLean concurred and added that the department has seen court cases in which the court held that a person who accesses child pornography with the intent to view it does not possess it. This bill changes the law to read that if a person accesses child pornography with the intent to view it, which is also a crime.

Senator Olson asked how many people will be affected by the tightening of these loopholes. Ms. McLean responded that she had difficulty quantifying the number of people affected by the legislature. She noted that the department has prosecutions that cannot go forward without the changes in the law. Alaska has a high rate of sexual abuse and sexual assault leading to a variety of offenses to which these changes will apply.

[9:56:59 AM](#)

Senator Ellis asked about Section 19, which appears to be an expansion of power for the Attorney General. He asked about the current state of the law and the expansion of administrative subpoena powers. He stated that he did not know the difference between an administrative subpoena and a regular subpoena. Ms. McLean replied that with the current state of the law, internet providers are unwilling to provide information about an internet account without a search warrant or subpoena. The department has no authority for issuing a subpoena except to subpoena materials to a grand jury and the grand jury must already be convened and investigating. The power to the Attorney General prevents the law enforcement officers from entering the involved process of obtaining a search warrant for the simple purpose of determining who owns an internet account used for the exploitation of children.

[9:59:01 AM](#)

SEARGENT DEREK DEGRAFF, ALASKA STATE TROOPERS (via teleconference) summarized the process of acquiring a search warrant to obtain subscriber records. The subpoena would provide a tremendous savings to law enforcement officers in terms of man hours while identifying suspect accounts.

Senator Thomas asked about the language on Page 3, Section 4. He asked about the removal of language and whether the material regarding the crime of distribution remains in the

CS. Ms. McLean stated that the law limits the conduct and cleans up the language. The language on Page 3, Section 4 is covered in other parts of the bill.

[10:03:20 AM](#)

Co-Chair Hoffman pointed out six fiscal notes, four from the Department of Administration, Department of Law, and the Alaska Court System. He continued with one fiscal note from the Department of Public Safety for \$123.500 in general funds to enhance data collection and hire one full time criminal justice specialist. The final fiscal note from the Department of Corrections begins in FY12 when the department anticipates additional funding to cover the cost of increased numbers of prisoners.

[10:04:09 AM](#)

JEFFREY MITTMAN, EXECUTIVE DIRECTOR AMERICAN CIVIL LIBERTIES UNION (ACLU), ALASKA (via teleconference) highlighted Section 19 regarding the administrative subpoena power. The ACLU takes seriously the issue of sexual abuse. When a neutral third party who has the power to oversee the requests is removed a door is opened for abuse. He mentioned documentation from the United States Department of Justice showing that when similar administrative subpoenas were allowed to the federal government, in fact abuses did occur. The records of reporters were accessed. The records of innocent Americans were accessed when irrelevant to an investigation. The problem is not the intention of the section, but the problem is that it opens the door to abuse by implementation of the section. Alaskan judges realize the value of warrants and serve as the necessary third party check to ensure that improper activity by DOL does not occur. He pointed out Section 16 where evidence is restricted to be viewed by defense attorneys or their experts in the offices of a prosecutor or of the government. The rule change places at risk convictions that could be obtained at trials of those involved in child pornography by providing a necessary appeal.

[10:07:32 AM](#)

DAVID KAZARIAN, CITIZENS FOR CHANGE (via teleconference) stated that Section 17 states that sex offense means a crime or similar law of another jurisdiction in which the person committed or attempted to commit a sexual offense or

similar offense under the law. He opposed the bill as written in that holding persons in Alaska to laws of other states imposes unconstitutionally imposed registration requirements upon individuals who have been labeled sex offenders. If a person lives in another state which retroactively requires that person to register for a crime committed 50 years ago in another state to then register in Alaska. The Alaska Supreme Court ruled ex post facto registration requirements to be unconstitutional and added punishment to a person who already served out a complete sentence. If a person lives crime free for decades, he does not deserve harassment or punishment.

[10:11:06 AM](#)

SB 222 was HEARD and HELD in Committee for further consideration.

#sb225

SENATE BILL NO. 225

"An Act relating to the grant of certain state land to the University of Alaska; relating to the duties of the Board of Regents; relating to deposits made to the Alaska permanent fund received from certain lands conveyed to the University of Alaska; ratifying and reauthorizing certain prior conveyances of land to the University of Alaska; making conforming amendments; and providing for an effective date."

[10:11:46 AM](#)

TIM BENINTENDI, STAFF, SENATOR OLSON, commented on the legislation. He introduced a program implemented by the National Marine Fisheries Service providing loans to groups with the purpose of reducing fleet capacity by engaging in permit buy backs as authorized by AS1640250. The Southeast Revitalization Association is engaged in such an arrangement accommodating those in the Southeast sane fishery and operating with a self imposed three percent fee on fish sales. This fee is the basis for repaying federal loans. The objective is to drop from 380 permits to approximately 260 permits. He noted that SB 255 authorizes the Department of Fish and Game and the Commercial Fisheries Entry Commission to release to the National Marine Fisheries Service individual fish ticket data held by the state supporting monitoring the loan program by

allowing confirmation of correct assessments and payments. He added that an issue emerged between permit holders and a processors association regarding the eventual final number of permits to remain active in the fishery. He noted that SB 255 does not address a target number of permits upon completion of the "buy back" program. While the permit holders have expressed an interest in reducing the number to approximately 260, the processors express concern that too few permits remaining might impact the economic viability of the fishery and investments made in Alaskan facilities. A memorandum of agreement was struck whereby the Southeast Revitalization Association agreed that no fewer than 260 permits would remain in the fishery following a successful "buy back" program. A legislative letter of intent was produced to solidify the agreement.

Co-Chair Stedman noted the two zero fiscal notes from the Department of Fish and Game and the Department of Revenue.

[10:15:40 AM](#)

FRANK HOMAN, COMMISSIONER, COMMERCIAL FISHERIES ENTRY COMMISSION, commented on the legislation as the completion of a series of attempts to incorporate a program authorized by the Alaska Legislature in 2002. The association was created with the goal of limiting the number of permits in the fishery. State statutes in 2002 and 2006 show that the program was facilitated by the Alaska Legislature and the fishermen have convened with the National Marine Fisheries Service to utilize a federal loan program to repurchase permits. The loan program from the National Marine Fisheries Service requested a process to confirm that the three percent assessment to be paid by the fisherman is monitored. He mentioned that fifty percent of the permits are not fished meaning that the removal of the permits will not have a significant impact, but the future of the fishery will be enhanced by the remaining fishermen. He pointed out that the state retains all authority for future management of the fishery.

[10:19:03 AM](#)

Senator Olson asked if the permits given by the limited entry commission could be transferred from generation to generation. Commissioner Homan responded that a limited entry permit does not come back to the state except in a buyback by the state. Mr. Homan responded that a provision

was incorporated at the beginning of the program to incorporate the suggestion made by Senator Olson. A limited entry permit can be transferred from generation to generation by the permit holder.

[10:20:21 AM](#)

ROB ZUANICH, MANAGER, SOUTHEAST REVITALIZATION ASSOCIATION (via teleconference) testified in favor of the legislation. He noted that the association exists for the sole purpose of implementing a program to reduce or buy back the number of permits in the fishery. The bill before the committee is essential to the implementation of the program and the background can be summarized. He echoed comments of Commissioner Homan. He stressed that the bill has great support from Southeast Alaskan salmon fishermen and processors.

[10:22:27 AM](#)

BOB THORETENSON, EXECUTIVE DIRECTOR, SEAS, added that he moved to Alaska six years ago for the sole purpose of achieving the fleet consolidation. He anticipated funding initially to be grant related, but \$3 million in grant funding was the limit. He pointed out that the legislature financed over 20 percent of the program and the remaining 80 percent belongs to the loan. He spoke to the importance of the legislation as it links the National Fisheries in the federal loan program to ensure utilization by State Waters Fisheries.

[10:24:58 AM](#)

MICH EIDE, BOARD MEMBER, SEAS, testified in support of the legislation. He urged the committee's support.

Senator Olson asked for an idea about the potential negative impact of the bill. Mr. Eide responded that additional boats do not mean additional fish.

[10:26:50 AM](#)

SB 225 was HEARD and HELD in Committee for further consideration.

#sb292

SENATE BILL NO. 292

"An Act relating to the registration and operation of pawnbrokers and to the exemption for pawnbrokers under the Alaska Small Loans Act; and providing for an effective date."

[10:27:26 AM](#)

JOSH TEMPEL, STAFF, SENATOR HUGGINS explained that SB 292 is an act relating to the registration and operation of pawnbrokers to the exemptions for pawnbrokers under the Alaska Small Loans Act and to the exclusion of pawnbrokers under certain definitions in the uniform commercial code and providing for an effective date. Currently, in Alaska statute, only a couple of paragraphs regulate pawnbrokers as the power is left to the municipalities and boroughs. Most cities have not instituted any regulations. This bill would create an even standard across Alaska for pawnbrokers.

[10:34:55 AM](#)

Mr. Tempel discussed Section 6 and listing definitions, while Section 7 returns to Sections 1-4 which separate pawnbrokers from second hand stores. He noted that Section 8 allows the department to adopt regulations to implement the legislation. Section 9 involves state licensing versus municipal licensing. Section 10 sets the statute as a minimum standard across the state. Section 11 allows the department immediate authority to begin working on regulations, while Section 12 establishes the effective date for the statute at July 1, 2011.

Co-Chair Stedman introduced one fiscal note from the Department of Commerce, Community and Economic Development for \$38 thousand in receipt supported services.

FERNANDO PENA, GOVERNMENT AFFAIRS DIRECTOR, CASH AMERICA (via teleconference) testified in support of the legislation.

SB 292 was HEARD and HELD in Committee for further consideration.

#

ADJOURNMENT

The meeting was adjourned at 10:37 AM.

