

**ALASKA STATE LEGISLATURE**  
**SENATE LABOR AND COMMERCE STANDING COMMITTEE**

April 14, 2010  
5:02 p.m.

**MEMBERS PRESENT**

Senator Joe Paskvan, Chair  
Senator Joe Thomas, Vice Chair  
Senator Bettye Davis  
Senator Kevin Meyer

**MEMBERS ABSENT**

Senator Con Bunde

**COMMITTEE CALENDAR**

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 363(FIN)

"An Act relating to the membership of the Alaska Industrial Development and Export Authority."

- MOVED CSHB 363(FIN) OUT OF COMMITTEE

SENATE CONCURRENT RESOLUTION NO. 16

Creating and relating to the Economic Development Planning Commission.

- MOVED CSSCR 16(L&C) OUT OF COMMITTEE

HOUSE BILL NO. 294

"An Act amending the termination date of certain statutes relating to the use, operation, and regulation of boats, a uniform state waterway marking system, and civil liability for boat owners; providing for an effective date by amending the effective date of secs. 3, 5, 7, 9, 11, 14, 16, 18, 20, 23, 26, and 27, ch. 28, SLA 2000, as amended; and providing for an effective date."

- PENDING REFERRAL

**PREVIOUS COMMITTEE ACTION**

BILL: HB 363

SHORT TITLE: AIDEA MEMBERSHIP

SPONSOR(s): COMMUNITY & REGIONAL AFFAIRS

02/23/10 (H) READ THE FIRST TIME - REFERRALS  
 02/23/10 (H) L&C  
 03/17/10 (H) L&C AT 3:15 PM BARNES 124  
 03/17/10 (H) Heard & Held  
 03/17/10 (H) MINUTE(L&C)  
 03/22/10 (H) L&C AT 3:15 PM BARNES 124  
 03/22/10 (H) Moved CSHB 363(L&C) Out of Committee  
 03/22/10 (H) MINUTE(L&C)  
 03/23/10 (H) L&C RPT CS(L&C) 5DP 1NR  
 03/23/10 (H) DP: NEUMAN, LYNN, BUCH, T.WILSON, OLSON  
 03/23/10 (H) NR: HOLMES  
 03/23/10 (H) FIN REFERRAL ADDED  
 04/07/10 (H) FIN AT 9:00 AM HOUSE FINANCE 519  
 04/07/10 (H) Heard & Held  
 04/07/10 (H) MINUTE(FIN)  
 04/07/10 (H) FIN AT 1:30 PM HOUSE FINANCE 519  
 04/07/10 (H) Moved CSHB 363(FIN) Out of Committee  
 04/07/10 (H) MINUTE(FIN)  
 04/08/10 (H) FIN RPT CS(FIN) 6DP 4NR  
 04/08/10 (H) DP: THOMAS, GARA, AUSTERMAN, KELLY,  
 N.FOSTER, JOULE  
 04/08/10 (H) NR: DOOGAN, SALMON, STOLTZE, HAWKER  
 04/09/10 (H) RLS RPT CS(FIN) 4DP 2NR  
 04/09/10 (H) DP: HERRON, NEUMAN, OLSON, DAHLSTROM  
 04/09/10 (H) NR: KERTTULA, GARDNER  
 04/09/10 (H) RETURNED TO RLS COMMITTEE  
 04/09/10 (H) RLS AT 9:00 AM CAPITOL 120  
 04/09/10 (H) Moved CSHB 363(FIN) Out of Committee  
 04/09/10 (H) MINUTE(RLS)  
 04/10/10 (H) TRANSMITTED TO (S)  
 04/10/10 (H) VERSION: CSHB 363(FIN)  
 04/11/10 (S) READ THE FIRST TIME - REFERRALS  
 04/11/10 (S) L&C, FIN  
 04/14/10 (S) L&C AT 1:30 PM BUTROVICH 205

BILL: SCR 16

SHORT TITLE: ECONOMIC DEVELOPMENT PLANNING COMMISSION  
 SPONSOR(s): LABOR & COMMERCE

03/15/10 (S) READ THE FIRST TIME - REFERRALS  
 03/15/10 (S) L&C, FIN  
 03/25/10 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)  
 03/25/10 (S) Heard & Held  
 03/25/10 (S) MINUTE(L&C)  
 04/14/10 (S) L&C AT 1:30 PM BUTROVICH 205

## **WITNESS REGISTER**

ROB EARL

Staff to Representative Bob Herron  
Alaska State Legislature  
Juneau, AK

**POSITION STATEMENT:** Presented HB 363 for the sponsor.

TED LEONARD, Executive Director

Alaska Industrial Development and Export Authority (AIDEA)

**POSITION STATEMENT:** Supported HB 363.

JEFF STEPP

Staff to Senator Paskvan  
Alaska State Legislature  
Juneau, AK

**POSITION STATEMENT:** Explained the CS for SCR 16.

ERIN HARRINGTON

Staff to Representative Alan Austerman  
Alaska State Legislature  
Juneau, AK

**POSITION STATEMENT:** Commented on HB 363 and was available to answer question on SCR 16.

## **ACTION NARRATIVE**

[5:02:24 PM](#)

**CHAIR JOE PASKVAN** called the Senate Labor and Commerce Standing Committee meeting to order at 5:02 p.m. Present at the call to order were Senators Davis, Thomas, and Paskvan.

### **HB 363-AIDEA MEMBERSHIP**

[5:03:52 PM](#)

CHAIR PASKVAN announced HB 363 to be up for consideration. [Before the committee was CSHB 363(FIN), version P].

[5:04:00 PM](#)

ROB EARL, staff to Representative Bob Herron, Erin Harrington, staff to Representative Alan Austerman, introduced themselves.

[5:04:24 PM](#)

SENATOR MEYER joined the committee.

MR. EARL said that the Alaska Industrial Development and Export Authority (AIDEA) is a public development finance corporation whose mission is to promote economic growth in Alaska by providing various means of financing an investment. It fulfills this mission by providing Alaskan businesses with long term financing options at a reasonable cost. Each year 25-50 percent of the return on its assets are redistributed back to the state general fund as a dividend; this year it was \$23 million.

He said the AIDEA board also serves as the Alaska Energy Authority (AEA) Board. Currently there are five members on the AIDEA Board: the commissioner of the Department of Revenue (DOR) and Department of Commerce, Community and Economic Development (DCCED). Those two commissioners are on it by statute. A third discretionary commissioner is appointed by the Governor and currently he is with the Department of Transportation and Public Facilities (DOTPF); two public members are also appointed by the Governor. This bill adds three more public members to the board expanding it from five to seven members. HB 363 also stipulates that public members must possess business and/or industry expertise and leadership skills.

The reasons for expanding to a seven-member board are that it would give AIDEA more flexibility in forming subcommittees, which they have expressed a desire for, and increase the potential for more diverse experience in specialties on the board while also increasing the potential for broader geographic and industry representation. It will also allow for the general thrust of the bill, which is to create a preponderance of private sector input in AIDEA's governance.

[5:06:49 PM](#)

MS. HARRINGTON added that this bill, like SCR 16, responds to a need that was identified through the course of the Interim to be more proactive about the state's resources for economic development and to bring more private sector oversight and guidance in to the way the state deploys its resources.

CHAIR PASKVAN asked if they knew of any opposition.

MR. EARL answered no; it passed the house with a vote of 40-0.

[5:07:47 PM](#)

TED LEONARD, Executive Director, AIDEA, said they supported HB 363. Getting a quorum is sometimes a problem during legislative sessions and fishing seasons with a five-member board, he explained. They also support having more private sector input;

it is necessary and important. He remarked that their commissioners have given them very good advice.

[5:09:16 PM](#)

CHAIR PASKVAN, finding no further comments, closed public testimony.

SENATOR MEYER moved to report HB 363 from committee with individual recommendations and attached fiscal note(s). There were no objections and it was so ordered. Therefore CSHB 363(FIN) moved from committee.

[5:10:28 PM](#)

CHAIR PASKVAN announced an at ease from 5:10-5:11 p.m.

**SCR 16-ECONOMIC DEVELOPMENT PLANNING COMMISSION**

[5:11:25 PM](#)

CHAIR PASKVAN announced SCR 16 to be up for consideration. He moved to adopt CSSCR 16 (L&C), version S. There were no objections and it was so ordered.

[5:12:08 PM](#)

JEFF STEPP, staff to Senator Paskvan, explained that they had worked closely with the companion sponsors in the House and agreed to keep the Senate version of the bill identical to the other. Some of the changes made in this committee are:

- Page 1, line 16, changed "Alaska Legislative Council" to "Legislature". So, the Alaska Legislature shall provide adequate staffing to the commission. This was done so that the Alaska Legislature could provide the administrative support to this committee and that would effectively zero out the fiscal note. Since that fiscal note was zeroed out by the House Finance Committee Chairs, they couldn't get a zero fiscal from the department. So, the CS still has the \$130,000 fiscal note, but when this bill goes to Finance those committee chairmen will zero it out as well.
- Page 2, various lines, changes so that legislative members are appointed by the presiding officers rather than the Finance co-chairs. It also added another public appointment to the Finance co-chairs from each body to be consistent with protocol for appointments made by presiding officers not Finance co-chairs.
- Page 2, lines 6-8 and 10-12, gave one public appointment each to the Senate and House minority leaders out of respect to those individuals serving in the legislature.

They moved one public appointment each from the Senate President and the House Speaker.

- Page 2, lines 23-34, added the president of Alaska Partnership for Economic Development or their designee as a commission member, recognizing the status and contribution this person could make to the committee, bringing the total membership from 10 to 11.
- Page 2, sections 2,4 and 6 remove the requirement that appointees can't be "officers of the state or employed by officers of the state" in order to leave open the opportunity for appointments by qualified individuals who are employed by the state. While they are trying to encourage participation from the private sector, they don't want to automatically exclude somebody who might be qualified.
- Page 3, lines 9-11, direct the commission, as recommended by this committee, to report to the Legislative Council, the Senate and the House Labor and Commerce Committee in addition to LB&A.
- Page 3, line 12, changed the first reporting deadline from June 30, 2011 to January 30, 2011 to correct an oversight and to make sure the legislature had a report prior to the beginning of next legislative session rather than at the end.
- Page 3, lines 20-21, inserted a second reporting deadline of December 15, 2011.
- Page 3, line 24, changed commencement of the commission work from March 15, a date in the past, to April 30, a date in the future.
- Page 3, line 25, changed the sunset from June 30, 2011 to June 30, 2012 giving this commission another year to do their important work.

[5:17:11 PM](#)

ERIN HARRINGTON, staff to Representative Alan Austerman, sponsor of SCR 16, said she was available to answer questions.

[5:17:38 PM](#)

CHAIR PASKVAN, finding no further discussion, closed public testimony.

SENATOR MEYER moved to report CSSCR 16(L&C) from committee with individual recommendations and attached fiscal note(s). There were no objections and it was so ordered.

[5:18:43 PM](#)

CHAIR PASKVAN found no further business to come before the committee and adjourned the meeting at 5:18 p.m.