

HOUSE FINANCE COMMITTEE
April 16, 2011
11:00 a.m.

11:00:50 AM

CALL TO ORDER

Co-Chair Stoltze called the House Finance Committee meeting to order at 11:00 a.m.

MEMBERS PRESENT

Representative Bill Stoltze, Co-Chair
Representative Bill Thomas Jr., Co-Chair
Representative Anna Fairclough, Vice-Chair
Representative Mia Costello
Representative Mike Doogan
Representative Bryce Edgmon
Representative Les Gara
Representative David Guttenberg
Representative Reggie Joule
Representative Mark Neuman
Representative Tammie Wilson

MEMBERS ABSENT

None

ALSO PRESENT

Senator Dennis Egan, Sponsor; Senator Lesil McGuire, Sponsor; Senator Kevin Meyer, Sponsor; Representative Mike Chenault; Representative Craig Johnson; Christine Marasigan, Staff, Senator Meyer; Matthew Moser, Staff, Senator Ellis; Doug Wooliver, Administrative Attorney, Alaska Court System.

PRESENT VIA TELECONFERENCE

Quinlan Steiner, Director, Public Defender Agency, Department of Administration, Anchorage.

SUMMARY

SB 108 SPC. STEPHEN "MAX" CAVANAUGH OVERPASS

SB 108 was REPORTED out of committee with a "do pass" recommendation and with previously published fiscal note: FN 1 (DOT).

CSSB 15 (JUD)

SEX OFFENDER/UNDERAGE ALCOHOL OFFENSE

CS SB 15 (JUD) was REPORTED out of committee with a "do pass" recommendation and with previously published fiscal notes: FN 2 (LAW), FN 4 (SFC/COR).

CSSB 23 (FIN)

FILM PRODUCTION TAX CREDIT/AUDITS

CSSB 23 (FIN) was HEARD and HELD in committee for further consideration.

SB 42 POWER PROJECT; ALASKA ENERGY AUTHORITY
(Pending Referral)

SB 42 was SCHEDULED but not HEARD.

SB 46 BUDGET: CAPITAL
(Pending referral)

SB 46 was SCHEDULED but not HEARD.

SB 58 INCREASING NUMBER OF SUPERIOR CT JUDGES

SB 58 was REPORTED out of committee with a "do pass" recommendation and with new fiscal impact note by the Court System and previously published fiscal notes: FN 2 (CRT), FN 3 (ADM), FN 4 (ADM), FN 7 (LAW), FN 8 (GOV), FN 9 (COR), FN 10 (DPS).

SB 95 FRANK PALMER FERRY TERMINAL

SB 95 was REPORTED out of committee with a "do pass" recommendation and with previously published fiscal note: FN 2 (DOT).

#sb108

SENATE BILL NO. 108

"An Act naming the Dowling Road overpass at milepost 123.7 on the New Seward Highway the Spc. Stephen "Max" Cavanaugh, Jr., Memorial Overpass."

[11:01:27 AM](#)

SENATOR LESIL MCGUIRE, SPONSOR, explained that the bill would rename the Dowling Road overpass, mile 123.7 on the New Seward Highway as the "Spc. Stephen "Max" Cavanaugh, Jr., Memorial Overpass." She commented that although the bill was only one sentence long, it was an important tribute. She discussed the life of Max Cavanaugh, Jr. He was an Alaskan soldier that died as a result of an automobile collision with a moose on the Seward Highway. Spc. Cavanaugh served on 300 convoys [in Iraq] with the Warrior Transition Unit based at Fort Richardson. He was a well-respected member of his unit. He was residing in Alaska and was healing from a traumatic brain injury when the crash occurred. His organs were donated after his death.

Senator McGuire relayed that his parents traveled to Alaska from Georgia after their son passed away, to participate in a road safety effort aimed at mitigating the dangers on the overpass. The highway corridor was frequented by moose making driving dangerous. She noted that the effort was assisted by the Department of Transportation and Public Facilities (DOT), Department of Public Safety (DPS), Department of Fish and Game (DFG), Governor and Sandy Parnell and AmeriCorps volunteers. Brush that was comprised of willow, cottonwood, birch, and aspen trees was cut and cleared for four days. She directed attention to efforts related to identifying the vegetation types planted next to traffic corridors. She informed the committee that certain vegetation such as; willow, cottonwood, birch, and aspen attracted moose to the corridor, which caused the danger on the highway. She added that if the legislation passed, DOT would post four signs on the overpass to honor Spc. Cavanaugh and warn motorist of the dangers on the corridor.

[11:07:15 AM](#)

Senator McGuire felt that passage of the bill would continue Spc. Cavanaugh's legacy of saving lives.

Co-Chair Stoltze was glad that the story of Spc. Cavanaugh was put on the record.

Co-Chair Thomas remarked that Senator McGuire supported traumatic brain injury [treatment]. He expressed strong support for the legislation. He was troubled by the danger caused by moose on any traffic corridor.

Co-Chair Stoltze OPENED and CLOSED public testimony.

Representative Neuman relayed that every time a car hit a moose expenses of up to \$35,000 were incurred. He shared his advocacy for road safety.

Co-Chair Stoltze noted the \$10,000 DOT fiscal note. He believed that it was money well spent.

Vice-chair Fairclough MOVED to report SB 108 out of committee with individual recommendations and the accompanying fiscal note.

SB 108 was REPORTED out of committee with a "do pass" recommendation and with previously published fiscal note: FN 1 (DOT).

[11:10:39 AM](#)

AT EASE

[11:11:27 AM](#)

RECONVENED

#sb15

CS FOR SENATE BILL NO. 15(JUD)

"An Act relating to penalties for certain alcohol offenses involving persons under 21 years of age committed by certain sex offenders or child kidnappers."

[11:11:32 AM](#)

SENATOR KEVIN MEYER, SPONSOR, introduced SB 15. He summarized that the bill increased the penalty related to purchasing alcohol for minors by sex offenders. He related findings that people were buying alcohol for minors for sexual favors and some were registered sex offenders. He identified the high correlation between alcohol use and sexual assault. He noted that the bill had been heard in a number of other committees and received considerable

testimony. There were a number of legal questions that were handled by the Department of Law (DOL). Senator Meyer commented that three to four registered sex offenders that provided alcohol to minors were apprehended each year.

Representative Gara wondered whether the legal questions had been resolved. Senator Meyer responded that the legal questions were resolved by DOL.

Co-Chair Stoltze OPENED and CLOSED public testimony.

Vice-chair Fairclough discussed the two indeterminate fiscal notes. She noted the indeterminate fiscal note by the Department of Law (DOL). The department could not quantify the fiscal impact of changing a misdemeanor to a felony. Senator Meyer confirmed the fiscal note information.

Vice-chair Fairclough asked for clarification on the second indeterminate fiscal note from the Department of Corrections (DOC).

CHRISTINE MARASIGAN, STAFF, SENATOR MEYER, recounted that the original DOC fiscal note for SB 15 was "quite high". The fiscal note was subsequently reduced after an examination of relevant data over a ten year period. Upon further examination, the Senate Finance Committee changed the fiscal note to indeterminate based on the DOL analysis of the unknown number of possible convictions.

Vice-chair Fairclough MOVED to report CS SB 15 (JUD) out of committee with individual recommendations and the accompanying fiscal notes.

CS SB 15 (JUD) was REPORTED out of committee with a "do pass" recommendation and with previously published fiscal notes: FN 2 (LAW), FN 4 (SFC/COR).

[11:18:26 AM](#)
AT EASE

[11:20:37 AM](#)
RECONVENED

#sb95
SENATE BILL NO. 95

"An Act naming the ferry terminal located at Auke Bay in Juneau the Frank Palmer Ferry Terminal."

[11:20:54 AM](#)

SENATOR DENNIS EGAN, SPONSOR, discussed SB 95. He shared that Frank Palmer worked for close to 50 years at the Auke Bay Ferry Terminal in Juneau. He expertly loaded and unloaded commercial trucks and large vehicles on and off of Alaska Marine Highway vessels. He depicted Mr. Palmer's special expertise as a community service. He characterized him as an "icon." He recounted personal experience witnessing his extraordinary skill. He stated that "the list of Alaskans whose lives had been directly touched by Mr. Palmer was enormous." Mr. Palmer died in a tragic swimming accident while in Hawaii. He believed that naming the Auke Bay ferry terminal after Mr. Palmer would act as a tribute to his legacy.

Co-Chair Stoltze recalled reading an article about Frank Palmer. He commented on the efficiency and skill that Mr. Palmer demonstrated while carrying out his work.

[11:24:49 AM](#)

Co-Chair Thomas discussed his memories of Mr. Palmer working at the ferry terminal. Senator Egan remembered that people would go out and watch him back trucks onto the ferry.

Co-Chair Stoltze OPENED and CLOSED public testimony.

Senator Egan reported that members of the public offered to testify; however, for brevity the letters of support had been provided instead. Co-Chair Stoltze added that his office had received letters and calls of support for SB 95.

Senator Egan relayed that the fiscal note was zero. Vice-chair Fairclough remarked that the original fiscal note appropriated \$10 thousand. Senator Egan indicated that the freight companies donated the funds to cover the costs for signage.

Vice-chair Fairclough MOVED to report SB 95 out of committee with individual recommendations and the accompanying fiscal note.

SB 95 was REPORTED out of committee with a "do pass" recommendation and with previously published fiscal note: FN 2 (DOT).

11:29:10 AM

AT EASE

11:31:10 AM

RECONVENED

#sb23

CS FOR SENATE BILL NO. 23(FIN)

"An Act relating to transferable film production tax credits and film production tax credit certificates; requiring the legislative audit division to audit the Alaska film production incentive program; and providing for an effective date by amending the effective dates of secs. 3 and 4, ch. 63, SLA 2008."

11:31:32 AM

Vice-chair Fairclough moved workdraft HCS SB 23 (), 27-LS0252\C, (Bullock, 4/14/11) as a working document before the committee.

There being NO OBJECTION, it was so ordered.

Co-Chair Stoltze relayed that the committee would deal with the workdraft version of the bill the next legislative session.

MATTHEW MOSER, STAFF, SENATOR ELLIS, concurred with the Co-chair.

Vice-chair Fairclough discussed that she initially had voted no on the original bill. She shared that her office received many calls and letters of support by Alaskan businesses. She informed the committee that Senator Ellis extended much of his time to discuss the legislation in detail with her.

Co-Chair Stoltze announced that the committee would address the concerns of the House Labor and Commerce Committee.

Representative Neuman noted that he was a no vote for the original bill. He wondered whether there would be a

legislative audit to uncover the impacts of the film credits. Vice-chair Fairclough relayed that the state had not paid out many credits to date; there was not much to audit.

[11:36:15 AM](#)

Co-Chair Stoltze disclosed that he had voted against the original bill. He "wanted to work with Senator Ellis in good faith on a resolution."

Representative Doogan had received a significant amount of communication on SB 23. He discussed that many people had concerns about the bill. He wanted to assure the public that the committee will continue to work on the legislation.

Representative Gara wondered what the sunset of the original bill was. Mr. Moser replied that the program would sunset on July 1, 2013.

Representative Costello echoed the comments from Representative Doogan. She noted her support of an audit. She believed it was a sensible idea to hold onto the bill to examine the impacts further.

CS SB 23 (FIN) was HEARD and HELD in committee for further consideration.

[11:39:22 AM](#)

AT EASE

[11:40:46 AM](#)

RECONVENED

#sb58

SENATE BILL NO. 58

"An Act increasing the number of superior court judges designated for the third judicial district; and providing for an effective date."

[11:41:01 AM](#)

DOUG WOOLIVER, ADMINISTRATIVE ATTORNEY, ALASKA COURT SYSTEM, explained the legislation. He reported that SB 58 had been introduced by request of the Alaska Supreme Court.

The bill would add two new superior court judges in Anchorage to hear the increasing number of civil cases. There were several types of cases that were increasing the workload: child in need of aid cases and family law cases. In addition, he identified a significant amount of complex business litigation cases in Anchorage. He discussed that the courts had changed the way they looked at family law cases. Reunification was now the preferred outcome in child in need of aid cases. The outcome takes more time and hearings. He furthered that family law cases had changed over the years. He pointed to a significant increase in self-representation and the importance of considering domestic violence in child custody cases. He delineated that in over 66 percent of family law cases one party was unrepresented. The people had a right to be in court and were a very important part of the court system's constituency. The cases took a lot of time, were less organized, and significantly increased the workload. He detailed that the importance of domestic violence in child custody cases was elevated in statute. Judges spend much more time considering domestic violence in child custody cases.

Mr. Wooliver added that Anchorage had the largest business and financial center in the state. The majority of business litigation cases, including high-profile cases, took place in Anchorage. The cases were "enormously" important and time consuming. He offered that the additional judges were the court system's highest priority.

[11:46:43 AM](#)

Co-Chair Stoltze OPENED public testimony.

QUINLAN STEINER, DIRECTOR, PUBLIC DEFENDER AGENCY, DEPARTMENT OF ADMINISTRATION, ANCHORAGE (via teleconference), was available for questions and did not have a position on the legislation. He explained that if the judges were added the agency would experience increased workloads.

Co-Chair Stoltze CLOSED public testimony.

Vice-chair Fairclough discussed the fiscal notes. She identified a new fiscal note in the amount of \$1,015.6 million from the Court System in FY 2012 that related to the cost of two new judges. She noted a \$425.2 million

capital expenditure. She identified FN 2 (CRT) for the Alaska Judicial Council, appropriating \$23.2 thousand in FY 2012 for the selection process. She referenced FN 3 (ADM) which appropriated \$232.4 million in FY 2012 for the Public Defender Agency. The fiscal note was necessary to cover increased costs related to the anticipated additional case load.

Representative Wilson inquired about the second fiscal note. She wondered why the workload would increase if additional judges were added. Mr. Wooliver replied that it was more work for the Judicial Council. The additional vacancies required more meetings, work, and travel for the council.

Vice-chair Fairclough noted that the Judicial Council expenses dropped down to \$1.9 thousand the following years. She directed attention to FN 4 (ADM). She communicated that \$232.4 thousand was appropriated in FY 2012 to the Office of Public Advocacy for an additional attorney and law assistant.

[11:52:09 AM](#)

Vice-chair Fairclough continued with FN 7 (LAW) in the amount of \$225 thousand each year through FY 2017. She explained that the bill added a full time attorney, and half time support position to the [Anchorage] Child Protection Section. She noted that FN 8 (GOV) (Division of Elections), FN 9 (COR) (Administrative Services), and FN 10 (DPS) (Alaska State Troopers) had zero fiscal impact.

Vice-chair Fairclough MOVED to report SB 58 out of committee with individual recommendations and the accompanying fiscal notes.

SB 58 was REPORTED out of committee with a "do pass" recommendation and with new fiscal impact note by the Court System and previously published fiscal notes: FN 2 (CRT), FN 3 (ADM), FN 4 (ADM), FN 7 (LAW), FN 8 (GOV), FN 9 (COR), and FN 10 (DPS).

#sb42

SENATE BILL NO. 42

"An Act relating to the procurement of supplies, services, professional services, and construction for

the Alaska Energy Authority; establishing the Alaska Railbelt energy fund and relating to the fund; relating to and repealing the Railbelt energy fund; relating to the quorum of the board of the Alaska Energy Authority; relating to the powers of the Alaska Energy Authority regarding employees and the transfer of certain employees of the Alaska Industrial Development Export Authority to the Alaska Energy Authority; relating to acquiring or constructing certain projects by the Alaska Energy Authority; relating to the definition of 'feasibility study' in the Alaska Energy Authority Act; and providing for an effective date."

SB 42 was SCHEDULED but not HEARD.

#sb46

SENATE BILL NO. 46

"An Act making and amending appropriations, including capital appropriations and other appropriations; making appropriations to capitalize funds; and providing for an effective date."

SB 46 was SCHEDULED but not HEARD.

[11:55:56 AM](#)

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RECESSED to the call of the Chair.

MEETING CONTINUED and ADJOURNED 4/17/11 2:34 PM.