

HOUSE FINANCE COMMITTEE  
April 10, 2012  
2:13 p.m.

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CALL TO ORDER

Co-Chair Stoltze called the House Finance Committee meeting to order at 2:13 p.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

James Armstrong, Staff, Representative Bill Stoltze;  
Christine Marasigan, Staff, Senator Kevin Meyer.

PRESENT VIA TELECONFERENCE

Orin Dym, State Crime Lab, Department of Public Safety;  
Rodney Dial, Lieutenant, State Troopers, Ketchikan; Michael  
Cooper, Deputy State Epidemiologist, Department of Health  
and Social Services.

SUMMARY

HB 286 G.O. BONDS FOR PORTS

CSHB 286 (FIN) was REPORTED out of committee with a "do pass" recommendation and with a new fiscal note from the Department of Revenue.

CSSB 140(JUD)

CATHINONE BATH SALTS

CSSB 140(JUD) was HEARD and HELD in committee for further consideration.

#hb286

HOUSE BILL NO. 286

"An Act providing for and relating to the issuance of general obligation bonds for the purpose of paying the cost of municipal port projects; and providing for an effective date."

Vice-chair Fairclough MOVED to ADOPT proposed committee substitute for HB 286(FIN), Work Draft 27-GH2769\I, (Krisch, 4/10/12) as a working document.

Co-Chair Stoltze OBJECTED for purpose of discussion.

JAMES ARMSTRONG, STAFF, CO-CHAIR STOLTZE explained the changes in the committee substitute. In Section 4, the Haines Maintenance Station replacement for \$3 million was removed. The \$3 million was added to Section 3, page 2, line 18, for the Haines Borough Harbor Upgrade making it now \$15 million. There were technical changes made on page 3, lines 15-16, that now lists projects as construction, not reconstruction.

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

Vice-chair Fairclough explained the new fiscal note from the Department of Revenue, OMB Component Number 121, 4/6/12. She listed the FY 13 through FY 18 appropriation request and out-year cost estimates.

Vice-chair Fairclough MOVED to report CSHB 286(FIN) out of committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

CSHB 286 (FIN) was REPORTED out of committee with a "do pass" recommendation and with a new fiscal note from the Department of Revenue.

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AT EASE

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RECONVENED

#sb140

CS FOR SENATE BILL NO. 140(JUD)

"An Act classifying certain substances as schedule IIA controlled substances and providing penalties relating to those substances; and providing for an effective date."

Vice-chair Fairclough MOVED to ADOPT proposed committee substitute for CSSB 140(JUD), Work Draft 27-LS1032\I, as a working document. There being NO OBJECTION it was so ordered.

CHRISTINE MARASIGAN, STAFF, SENATOR KEVIN MEYER presented the bill that classifies certain synthetic cathinones as a controlled substance. The drug has been on the market as "bath salts" and "plant food," but the drug is neither. The drug is a synthetic cocaine that people are using as a substitute for methamphetamines or ecstasy. Ms. Marasigan noted that the sponsor's concern was that the drug is marketed toward young people with names such as "Vanilla Sky," Ivory Snow," "Bliss," and "Meow-Meow." People who use the drug can experience palpitations, seizures, vomiting, paranoia, blurred-vision, agitation and sometimes death. The U. S. Drug Enforcement Administration added the drug as a Schedule One. The Anchorage municipality passed an ordinance in November, 2011, prohibiting the drug. The Mat-Su Borough adopted a resolution supporting Senate Bill 140 and the U.S. military has also banned use of the drug.

Co-Chair Stoltze questioned why the Mat-Su Borough adopted the resolution. Ms. Marasigan explained that the Mat-Su Borough believed the drug to be a problem in that area.

Ms. Marasigan continued that the intent of the legislation was to keep dangerous unregulated drugs out of the hands of

children and give public safety officials the tools needed to punish those selling to the young people.

Co-Chair Stoltze OPENED public testimony.

ORIN DYM, STATE CRIME LAB, DEPARTMENT OF PUBLIC SAFETY (via teleconference) supported the bill.

Representative Gara asked if there was any way to rank the drug in order of its danger to determine how to charge the crimes under the bill. Mr. Dym related that the drug most resembles methamphetamines and ecstasy.

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Representative Guttenberg asked who Mr. Dym represented. Co-Chair Stoltze informed that Mr. Dym was with the State Crime Lab in the Department of Public Safety.

Representative Guttenberg noted that there had been other legislation on cocaine and other drugs and felt they were constantly chasing a chemical name. A chemical is changed and it becomes a different drug and new ever increasing legislation is brought forth to cover the new drug. He wondered if there was some way to deal with it as a larger class of drugs instead of each individual drug.

Mr. Dym understood the goal, but the bill does what it can to best of the ability to just concentrate on the new drug. It is difficult to write a bill for all the unknown drugs.

RODNEY DIAL, LIEUTENANT, STATE TROOPERS, KETCHIKAN (via teleconference) noted that the department supports the bill. He notified that more "bath salts" cases are being experienced around the state, specifically in the Mat-Su area. People on the drugs are very unpredictable and situations can get tense with law enforcement. A number of people brought have been brought into hospitals with effects from the drug. The drug is a public health hazard and law enforcement concern.

Co-Chair Stoltze pointed out that bills will be going out frequently as new drugs appear and people find new ways to market dangerous drugs to young people. He asked Lt. Dial if it had been his experience that there were every increasing new ways to sell and profit from drug selling. Lt. Dial agreed. He noted that on websites the drug can be

found under other names, such as "fish food" or "plant food." The website may say it is not for human consumption, but then there will be testimony on the site from people who have used the drug. There has not been a lot of medical research on the drug, but there may be long range danger for people who use the drug. He warned that the drug is extremely unpredictable and dangerous to public safety officers in the field.

Co-Chair Stoltze expressed that some supporters of the bill have been ridiculed for wasting time on something called "bath salts." He intended to stand firm to keep the drug out of the hands of children no matter what it is called.

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Representative Gara asked why the drug was named "bath salts." He wanted to make sure nothing was being regulated other than the hard drug known as "bath salts." Mr. Dial replied that was correct. He added that if the drug were truly to be used for baths, it would be an extremely expensive bath.

Representative Guttenberg asked if the primary place of purchase was the internet. Mr. Dial acknowledged the internet was the prime purchasing location if someone lived in a community without a local distributor. There are some local distributors in Juneau, Mat-Su, and Soldotna. Most packages are 200 to 500 milligrams that sell for \$25 to \$45 dollars.

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MICHAEL COOPER, DEPUTY STATE EPIDEMIOLOGIST, DEPARTMENT OF HEALTH AND SOCIAL SERVICES (via teleconference) indicated he was available to answer questions. He was familiar with the drug through research. As a doctor he had not dealt with anyone first hand on the drug, but colleagues have mentioned their experiences with emergency room patients on the drug. "Bath salts" are definitely in Alaska. The worst problem is the drug is not regulated so the user does not know what they are really getting. Individuals in internet forums talk about their experiences, but the person getting the drugs may have a different experience with a different form of the drug. The effects can be very severe.

Co-Chair Stoltze asked if it was a good policy to regulate and criminalize the drug. Dr. Cooper indicated that he did not know the official department opinion toward the bill, but he did testify to the serious nature of the drug. He believed the drug to be very dangerous. A major problem is that the drug has flashy packaging with cute names and it is very easy to acquire. It is worse than some of the other drugs like spice or marijuana. One of the worst consequences of the drug is the unpredictability. The doses are not well established so someone might use 50 milligrams and then progress to continually higher amounts.

Vice-chair Fairclough remarked that the bill sets the limit at 500 milligrams. Previous testimony reported that the drug can be sold in 250 milligram amounts. She questioned if 250 milligrams was a better number to set than 500 milligrams.

Representative Doogan agreed with Vice-chair Fairclough. He noted that it was hard to determine how much would harm each user. He had no problem moving the bill, but would be in favor of changing the bill to just outlaw the drug completely.

Ms. Marasigan answered that there had been a lot of discussion in Judiciary Committee. The intent of the bill was to go after the people marketing and selling the drugs, not those who might possess a small amount. They did not want to create a whole new group of felons. It had been stated that 200 to 500 milligrams was a dose, which is about the size of two packets of sugar. The 500 milligram threshold was set for the seller rather than prosecuting the casual user.

Co-Chair Stoltze asked after consulting with law enforcement what was the level chosen when introducing the bill. Ms. Marasigan replied that the level was set at 500 milligrams.

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Representative Gara agreed that the penalty should be higher for seller. He asked if a young person has two doses of the drug would that be considered a misdemeanor. Ms. Marasigan replied that anything up to 500 milligrams would be a misdemeanor. Representative Gara asked how many doses

is 500 milligrams. Ms. Marasigan replied that between 200 milligrams to 500 milligrams was a dose.

Vice-chair Fairclough asked if there was a lot of online purchasing. Ms. Marasigan nodded. Vice-chair Fairclough questioned if there was some reason that it had not been made illegal to ship by mail into Alaska. Ms. Marasigan deferred the question the Department of Public Safety.

Lt. Dial emphasized that online retailers were very aware of which states had made it illegal to sell the product and in which states it was still legal. He indicated that dosages on the site were selling from to 200 milligrams to 500 milligrams.

Vice-chair Fairclough wondered if it was illegal to mail the drug anywhere. She questioned if substances are being purchased online, could it be possible to make a law to stop them at the post office. She believed that should be considered. She added that if there was an illegal dose maximum, then dealers would just package the drug into smaller doses to get around the law.

Lt. Dial indicated that he did not believe there was any purpose to bring it into the Federal Analog Act that bans some substances from going to certain places. Illegal substances under federal law make it a crime to mail those substances within the country. He believed the retailers of "bath salts" were trying to stay one step ahead of the law. He noted that on some websites selling "bath salts" the law in different states was listed. If you live in a state where the drug has been made illegal, the online site will not send it to you.

Vice-chair Fairclough offered that different communities across Alaska have banned certain substances. She acknowledged the state cannot do anything about the federal post office as far as writing laws, but the state could make it illegal to bring the drug into the state. She indicated she would not stop the bill.

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Representative Doogan agreed with Vice-chair Fairclough. He believed if the drug was harmful, then he would be in favor of changing bill to ban the drug completely.

Representative Gara reiterated that it was not clear if a person buys more than one dose would that become a felony. He asked about the size of the packets being sold now.

Ms. Marasigan signified that doses come in brightly colored packets with the contents at 100, 200, or 500 milligrams. She signified that 500 milligrams was believed to be a lot. The intent of the sponsor was if a young person had in their possession only 200 milligrams, the bill did not want to create felons out of them. The penalty was set for those selling the drugs. The sponsor's contention was if someone had over 500 milligrams then they probably intended to distribute and sell.

Co-Chair Stoltze stressed that the bill has already been through compromises in other committees and he would not liberalize it any further.

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Vice-chair Fairclough commented that when setting a bar above zero on a substance that can kill people. There is often an expectation in the young that they are not going to get hurt by a product when the state sets the acceptable level. She did not want to kill the bill, but she was uncomfortable about giving the public an acceptable amount. She added that children were at risk with the drug.

Co-Chair Stoltze CLOSED public testimony.

CSSB 140(JUD) was HEARD and HELD in committee for further consideration.

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ADJOURNMENT

The meeting was adjourned at 2:50 PM.