

HOUSE FINANCE COMMITTEE
April 15, 2012
10:21 a.m.

10:21:24 AM

CALL TO ORDER

Co-Chair Stoltze called the House Finance Committee meeting to order at 10:21 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

Celeste Hodge, Staff, Senator Bettye Davis; Guy Bell, Administrative Director, Division of Administrative Services, Office of the Governor; Senator Bettye Davis, Sponsor; Michael Pawlowski, Staff, Senator Lesil McGuire; Mark Davis, Deputy Director, Alaska Industrial Development and Export Authority, Department of Commerce, Community and Economic Development; Joe Michel, Staff, Representative Bill Stoltze; Representative Dan Saddler; Christine Marasigan, Staff, Senator Kevin Meyer; Kendra Kloster, Staff, Senator Bill Wielechowski.

PRESENT VIA TELECONFERENCE

Arliss Sturgelewski, Self, Anchorage; Cecilia Zamora, President, National Association of Commission for Women, California.

SUMMARY

CSSSSB 25(L&C)

AIDEA: SUSTAINABLE ENERGY/ INTEREST RATE

HCS CSSSSB 25(L&C) was REPORTED out of committee with a "do pass" recommendation and with one previously published zero fiscal note: FN2 (CED); and one previously published fiscal impact note: FN3 (SFIN/CED).

CSSB 53(FIN)

COMMISSION ON THE STATUS OF WOMEN

CSSB 53(FIN) was REPORTED out of committee with a "do pass" recommendation and with one previously published amended fiscal impact note: FN3 (GOV).

CSSB 119(L&C)

ATHLETIC TRAINERS

HCS CSSB 119(FIN) was REPORTED out of committee with a "do pass" recommendation and with one previously published fiscal impact note: FN4 (CED); and one previously published zero note: FN5 (ADM).

HCS CSSB 136(FIN)

INCOME TAX CREDIT FOR EMPLOYING A VETERAN

HCS CSSB 136(FIN) was REPORTED out of committee with a "do pass" recommendation and with one new indeterminate fiscal note from the Department of Revenue.

#sb53

CS FOR SENATE BILL NO. 53(FIN)

"An Act reestablishing the Alaska Commission on the Status of Women; and relating to the purpose and powers of the Alaska Human Relations Commission."

[10:22:16 AM](#)

Vice-chair Fairclough MOVED CSSB 53 27-LS0107\M before the committee.

CELESTE HODGE, STAFF, SENATOR BETTYE DAVIS, explained that the legislation reestablished the Alaska Commission on the Status of Women, a nine member body that was devoted to improving the status of women in Alaska. She provided opening remarks:

The Alaska Commission on the Status of Women was established in 1978, renewed, and renamed to the Alaska Women's Commission in 1983. In 1993 the Alaska Women's Commission and the Alaska Commission on Children and Youth were absorbed into the Alaska Human Relations Commission, which continues to exist in statute, but was never funded and declared inactive in 1996. Staggering statistics for women in Alaska show need to reestablish the Alaska Women's Commission. To focus on broad, diverse cross section issues effecting women. Alaska faces disproportionately high levels of poverty among women of all ages. Poverty rates for unmarried female householders with children are particularly high and have consistently been two or three times as high as overall male and female poverty rates since 1996. Survey data compiled by the American Community Survey shows that of 26,518 families in Alaska with a female head of household 22.6 percent live below the poverty level. The gender wage gap persists in Alaska and across a wide spectrum of occupations and industries. In 2009 according to the Alaska Department of Labor, Alaskan women on average earned only 66.6 percent of what men earned. Although more women than men in Alaska hold a bachelor's degree or higher, data shows that men's median annual earnings are higher in every educational level. Alaskan women, in particular women of color, experience health care disparities and women living in rural Alaska have worse than average disparities on access and utilization of services. Alaska continues to have the highest rates of sexual assault and domestic violence in the nation.

Members of this committee, it's so unfortunate [that] Alaska has maintained these startling statistics for decades. It's past time for Alaska to reestablish the Alaska Women's Commission; an official state entity to

begin focusing on improving the status of women and children in Alaska. Continued long-term improvement in the status of women in Alaska is not only of personal benefit to the health and well-being of individual women and children, but contributes to the general health and stability of our economy as well.

Ms. Hodge was available for questions and thanked the committee for hearing the bill.

[10:25:52 AM](#)

ARLISS STURGELEWSKI, SELF, ANCHORAGE (via teleconference), spoke in strong support of the legislation. She had been very active with the original women's commission and had been sorry to see it go away. She was in favor of the bill's structure that called for hearings in both rural and urban areas of the state; it would allow for a forum where issues of concern could be expressed. She thanked the committee for hearing the legislation.

[10:27:38 AM](#)

CECILIA ZAMORA, PRESIDENT, NATIONAL ASSOCIATION OF COMMISSION FOR WOMEN, CALIFORNIA (via teleconference), vocalized support for the bill and the reestablishment of the commission in Alaska. She discussed the importance of the legislation that would help the women and girls throughout Alaska. She stressed that state commissions played a vital role for the governor and legislature in advising on important issues; the funds spent on the commission would be money well spent. She assured the committee that the commission would be a help to the state.

[10:29:52 AM](#)

Co-Chair Stoltze CLOSED the public testimony.

Vice-chair Fairclough addressed the fiscal note from the Office of the Governor. The allocation was to the Alaska Women's Commission and added three full-time employees. The funding request included \$515,400 for FY 13, \$472,000 for FY 14, \$481,300 for FY 15, \$490,900 for FY 16, \$580,000 for FY 17, and \$508,500 for FY 18.

Co-Chair Thomas asked about the second page of the fiscal note related to geographic representation that was not included in the bill.

Co-Chair Stoltze believed the governor's office was using random locations to determine the fiscal note.

Co-Chair Thomas asked whether three employees were needed to run the commission; he believed the number seemed high. He asked whether there had been three staff members in the past. Ms. Hodge replied that there had originally been three staff members on the commission. She emphasized that the staff had accomplished a significant amount of work apart from organizing several meetings a year. She furthered that in the former commission's later years it had gone to a volunteer organization; the annual report had gone from pages down to a paragraph due to the reduction in work accomplished.

10:32:50 AM

Co-Chair Thomas thought a range 24 was high on the pay scale. He noted that the three positions were ranges 24, 18, and 15. He believed the numbers were excessive for work related to the planning of four or so meetings per year.

Representative Wilson asked what the average number of staff was for a board with seven members. Ms. Hodge did not know. She added that the board would be comprised of seven members and two appointed members at the administrative level.

Co-Chair Thomas restated his question related to the number of proposed staff for the commission.

GUY BELL, ADMINISTRATIVE DIRECTOR, DIVISION OF ADMINISTRATIVE SERVICES, OFFICE OF THE GOVERNOR, answered that the fiscal note had been modeled after the commission when it had existed in FY 90 and FY 91. There had been as many as four or five staff on the commission at the time with pay ranges similar to those proposed in the fiscal note.

Co-Chair Thomas did not believe the fact that the positions had existed previously was justification to include them currently.

Representative Neuman pointed to the duties of the commission (page 3 of the legislation); the duties were to improve the status of women by conducting research. He stated that the commission members were supposed to do a portion of the research; therefore, he believed one staff to help coordinate the research would be sufficient.

10:36:29 AM

Co-Chair Stoltze asked Representative Joule how many members made up the Arctic Policy Commission. He believed the commission had an employee who was paid at a range 19 or 20.

Representative Joule replied that the fiscal note included one staff position that had been changed to a range 19 from a range 24 by the Senate Finance Committee. The commission was comprised of 19 members. He discussed that one of his employees had staffed the Northern Waters Task Force and had been busy for the duration of the task force. He noted that committee members did engage primarily at the meetings when information was brought to them by staff.

Co-Chair Stoltze remarked that the information was illustrative related to the current bill.

Representative Wilson could not vote for the bill if it included three staff positions. She had heard opposition from constituents related to the \$0.5 million price tag. She believed the fiscal note should be dropped to one position at a range 19; the commission could come back to the legislature in the future if it needed additional staff.

Co-Chair Stoltze was mixed on the bill, but was currently leaning towards a "do not pass."

Representative Edgmon was also concerned about the fiscal note. He believed an approval of the fiscal note went against the committee's actions throughout the session. He looked at page 3 of the bill and discussed that any research conducted at the outset would be secondary. He surmised that perhaps the need for more staff would develop over time; however, the bill currently included \$3 million through FY 18 and the committee had not included funding in that amount for any of the other commissions. He supported the bill, but not the hefty fiscal note.

10:41:06 AM

AT EASE

10:45:53 AM

RECONVENED

Representative Doogan MOVED to AMEND the fiscal note to reduce the staff to two; one at a range 20 and one at a range 17.

Co-Chair Stoltze clarified that the positions would include an executive director and a support staff.

Representative Neuman commented that the Arctic Policy Council was a large council with a significant amount of work and only had one employee at a range 19. He did not believe two positions made sense for a seven member commission. He proposed one position at a range 20.

Representative Edgmon asked if the commission would be located in the governor's office. Ms. Hodge replied in the affirmative.

Representative Edgmon asked whether phone calls would be directed through the governor's office central line.

Co-Chair Stoltze did not believe that would be the case. He believed there was an overall committee consensus to include funding for two positions. He acknowledged Representative Neuman's expression that the positions should be reduced to one.

Representative Neuman MOVED to reduce the fiscal note to include one position at a range 20. He referenced the large amount of work done by legislative staff who dealt with a significant number of constituents. He reiterated that one position should be sufficient to staff the commission.

10:49:45 AM

Vice-chair Fairclough declared a conflict of interest due to the gender specific nature of the legislation. She discussed that there were disadvantaged women and children throughout the state. She had been a strong supporter of equity, respect, and for children of Alaska who had been harmed. The bill provided an opportunity for groups to come

together to address some of the disparaging things that occurred in Alaska, such as suicide prevention, wage disparities, and other. She understood that other commissions only had one staff member; however, it would require a significant amount of work for the commission to catch up. She pointed out that the legislature could always reduce the number further in the future if needed. She understood that the fiscal note was a point of contention. She discussed that the sponsor would still like to see three positions. She asked for the committee to consider keeping the positions at two and to review the commission the following year to ensure that it held value for the people in Alaska. She stressed the importance of creating equity in the conversation about how women were on the victim side of perpetration in the state.

Representative Gara asked whether the governor's office could report to the legislature the following year to relay whether the two positions were sufficient or necessary. Mr. Bell responded in the affirmative. He detailed that the commission would be an independent organization that was administratively under the Office of the Governor; the office would track how the commission evolved and would come to the legislature with any funding suggestions going forward.

Co-Chair Stoltze acknowledged Representative Neuman's desire to reduce the staff.

Representative Doogan had not made the recommendation to include two positions lightly. He could easily see why the positions would be needed to do the job. He pointed out that legislators had two or more staff during legislative sessions and had no problem employing them year-round. He did not believe that the committee should arbitrarily change the entire arrangement in the absence of any compelling information. The goal was to have people in the state's employ concentrating on the issues.

[10:55:19 AM](#)

Representative Neuman understood the issue. He noted that his concern was related to future years when government would need to be reduced. He opined that it was easier to create public employee positions than it was to eliminate them. He discussed a personal story. He WITHDREW his OBJECTION. Co-Chair Stoltze noted the concern.

Co-Chair Thomas pointed out that there had been significant savings by reducing the fiscal note to two positions.

Representative Joule told a related personal story.

Representative Edgmon asked whether ranges 22 and 15 would be a better spread in terms of attracting qualified applicants for the executive director position. He wondered whether an administrative services director position was a range 22. Mr. Bell replied that an administrative services director position was a range 27.

Representative Edgmon surmised that a range 22 would be more attractive to an executive director compared to a range 20.

Representative Gara agreed that the director was a high level person and the support staff would assist with meetings. He believed ranges 22 and 15 would better serve the commission than ranges 20 and 17.

Representative Guttenberg stressed that the position was not only a logistics position. He believed that the commission would be made up of dynamic members who would provide direction to the staff. He believed the director position deserved a higher range.

Representative Edgmon MOVED to change the two positions to a range 22 and range 15. There being NO OBJECTION, it was so ordered.

[11:01:00 AM](#)

Vice-chair Fairclough MOVED to report CSSB 53(FIN) out of committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

CSSB 53(FIN) was REPORTED out of committee with a "do pass" recommendation and with one previously published amended fiscal impact note: FN3 (GOV).

SENATOR BETTYE DAVIS, SPONSOR, appreciated the work of the committee. She pointed out that there were many possibilities for work to be done voluntarily and potential grants to obtain. She believed that in the long-term the

commission would save the state money and that the legislature would be proud that a statewide commission for women had been reestablished. She thanked the committee for its support.

[11:01:51 AM](#)

AT EASE

[11:02:22 AM](#)

RECONVENED

#sb25

CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 25(FIN)

"An Act establishing the sustainable energy transmission and supply development program in the Alaska Industrial Development and Export Authority; relating to the interest rates of the Alaska Industrial Development and Export Authority; and relating to taxes paid on interests in property owned by the Alaska Industrial Development and Export Authority and to the local contribution for public education funding related to that property."

MICHAEL PAWLOWSKI, STAFF, SENATOR LESIL MCGUIRE, addressed the legislation. He pointed to numerous letters of support included in members' packets (copy on file). He explained that the bill represented a piece of the legislature's ongoing work related to energy infrastructure. In 2010 the sponsor had identified a major gap in the need for financing and access to capital. He discussed that the legislature had done an excellent job of developing grant programs and support for energy and infrastructure, but no real mechanism existed to provide capital for projects to move forward on their own.

Mr. Pawlowski walked the committee through the legislation. Section 1 included the short title "the Alaska Sustainable Strategy for Energy Transmission and Supply." Section 2 (pages 1 through 3) included conforming language that added the word "energy" into the findings section that established the Alaska Industrial Development and Export Authority (AIDEA) within the state's public laws. Section 3 added conforming language related to AIDEA in the duties section. He accentuated the importance of Section 4 that established a separate fund within AIDEA and empowered the fund to finance energy infrastructure projects with the

private sector. The sponsor did not want to displace efforts of the private sector; therefore, Section 4 included amendments to AIDEA's existing loan participation program adding qualified energy developments. The authority could work with banks to provide credit backstops if commercial lending institutions were interested in financing energy projects.

Mr. Palowski moved to Section 6 (pages 5 through 7), outlining that AIDEA was not allowed to give away money and was required to earn a rate of interest that exceeded the cost of its funds when making loans. The sections required AIDEA to achieve an interest rate similar to existing requirements; it had to exceed the minimum cost of funds. Section 11 (page 7) allowed AIDEA to provide an incentive interest rebate of up to 1 percent under certain circumstances; page 7, line 24 allowed the rebate for renewable energy and rural and economic development. Section 12 created the fund separately within AIDEA in order to protect the authority's existing credit rating on its existing programs. The authority's powers were expanded on page 9 in two material ways: (1) the ability to defer principal payments or capitalize interest on qualified energy developments, which would help to drive project economics down and (2) the ability to guarantee loans and bonds to extend out for hydroelectric development to 50 years.

Mr. Palowski addressed that page 10, lines 9 through 12 included a limitation specifying that AIDEA could only finance one-third of a project's costs without additional approval by the legislature. He detailed that the fund was intended to be co-invested capital along with the private sector; the goal was not to have AIDEA go "whole into projects." The goal was to leverage investment that utilities, mineral development companies, and developers were making around the state. The fund was limited to qualified energy developments (defined on page 10, line 23) including transmission, generation, conservation, storage, or distribution of heat or electricity, natural gas (except large pipelines in Cook Inlet or the North Slope), and refined petroleum products.

[11:08:32 AM](#)

Vice-chair Fairclough MOVED the bill before the committee.

Representative Neuman asked for a definition of the term "rural development" included on page 7, line 23. He had many areas of his district that were without electricity transmission lines. Mr. Pawlowski deferred the question to the department.

MARK DAVIS, DEPUTY DIRECTOR, ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY, DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT, replied that AIDEA was in the process of adopting regulations underneath an existing rural provision. The agency intended to adopt a broad definition that would encompass small communities; the distinction made between "roadless" and "road" was not effective from an economic standpoint. He expounded that AIDEA looked at economic data on how each community was doing, the amount of capital in each community, and census data on poverty levels.

Representative Neuman explained that Houston, Alaska only had 1,500 residents and that there were areas three blocks from his house that were without electricity. He asked whether the bill would allow the Matanuska Electric Association (MEA) to get loans to expand the community's current system through AIDEA loans. He stressed that "rural" did not just encompass off the road-system areas. Mr. Davis responded that the bill would allow for MEA to work with AIDEA to expand the area's grid.

Representative Edgmon discussed a bill that had passed the prior day related to new tax credits. He wondered whether an applicant would be able to utilize both programs established in the bills. Mr. Davis responded in the affirmative.

Co-Chair Thomas CLOSED public testimony.

Representative Wilson asked whether the liquid natural gas plant on the North Slope would qualify under the program. Mr. Pawlowski pointed to language on page 10, lines 27 through 29 that specifically excluded a gas pipeline project for the transportation of gas from the North Slope or Cook Inlet to market; however, liquefaction regasification distribution was included; the bill had been designed specifically to work with the project.

[11:12:47 AM](#)

Representative Doogan discussed that AIDEA had a history of projects going bankrupt. He wondered how AIDEA's policies had changed in order to prevent the issue from happening.

Mr. Davis replied that AIDEA had issued a strategic plan in 2008 in which underwriting standards had been changed. The bill was consistent with board policy that allowed the authority to only invest up to one-third without legislative approval. The change had been implemented to reduce risk and to work with partners who did their due diligence. He relayed that the agency would probably aim for a 1.25 to 1.34 debt service ratio on a revolving fund such as the one included in the legislation and would establish the guideline in regulation.

Vice-chair Fairclough directed attention to the two fiscal notes. The first fiscal note was fund capitalization with an allocation to the Sustainable Energy Transmission and Supply Development Fund in the amount of \$1.25 million. The second fiscal note had zero fiscal impact and affected the Department of Commerce, Community and Economic Development related to AIDEA.

Co-Chair Thomas asked whether there would be a regional spread required to prevent all of the money from going to one region. Mr. Davis responded that the AIDEA board wanted to achieve a geographic disbursement of investment and included related requirements. The board was provided with statistics about how each loan in the Loan Participation Program affected each region; the same thing would be done for the program under the bill.

Representative Neuman asked why the language on page 10, line 29 was limited to the North Slope and Cook Inlet. He wondered why language did not just read "within Alaska." He detailed that there was a significant amount of industry including Native corporations looking at non-conventional gas plays and exploration within the state that could probably take advantage of the legislation.

Mr. Pawlowski clarified that the North Slope language was an exclusion. He detailed that the other areas be acceptable under the bill including the Nenana Basin Pipeline and other. The only items excluded under the bill were related to specific pipeline projects from the North Slope or Cook Inlet to market.

[11:16:26 AM](#)

Co-Chair Thomas noted that the operating budget conference committee had closed out with the bill funding in its fiscal notes. He explained that the fiscal note needed to travel with the bill.

Vice-chair Fairclough MOVED to report HCS CSSSSB 25(L&C) out of committee with individual recommendations and the accompanying fiscal notes. There being NO OBJECTION, it was so ordered.

HCS CSSSSB 25(L&C) was REPORTED out of committee with a "do pass" recommendation and with one previously published zero fiscal note: FN2 (CED); and one previously published fiscal impact note: FN3 (SFIN/CED).

[11:17:25 AM](#)

AT EASE

[11:22:55 AM](#)

RECONVENED

#sb119

CS FOR SENATE BILL NO. 119(L&C)

"An Act relating to athletic trainers."

[11:23:02 AM](#)

Vice-chair Fairclough MOVED to ADOPT proposed committee substitute (CS) for CSSB 119(FIN), Work Draft 27-LS0732\U (Kirsch, 4/15/12).

Co-Chair Stoltze OBJECTED for discussion.

JOE MICHEL, STAFF, REPRESENTATIVE BILL STOLTZE, discussed that the CS was very similar to a previous version the committee had looked at. Sections 1 through 4 from the original bill related to athletic training had been removed from the bill. The CS included language related to high school athletics and concussions. The original Section 7 had been included in new Sections 2 through 4 related to people in alternative forms of education that would be allowed to participate in collegiate sports in the area.

Vice-chair Fairclough asked whether there would be a title change amendment. Mr. Michel replied that the words "athletic trainers" were included because the term had been inserted in Section 1, line 7.

Representative Gara spoke in favor of Section 2.

[11:25:43 AM](#)

REPRESENTATIVE DAN SADDLER supported the legislation.

Representative Neuman expressed frustration that because his children were homeschooled they could not participate in inner scholastic programs; he hoped the bill would allow homeschooled students to participate in the programs. Mr. Michel replied in the affirmative. He expounded that the bill applied to all activities such as chess club, debate, sports, and other.

Co-Chair Stoltze clarified that the legislation related to the Alaska Scholastics Activities Association; it encompassed debate, cheerleading, and a variety of academic activities. He WITHDREW his OBJECTION to the adoption of the CS. There being NO further OBJECTION, Work Draft 27-LS0732\U was adopted.

Co-Chair Stoltze asked for the sponsor's staff to confirm that the CS was acceptable.

CHRISTINE MARASIGAN, STAFF, SENATOR KEVIN MEYER, agreed that the sponsor was fine with the removal of references pertaining to athletic trainers.

Co-Chair Stoltze noted that the change had been done with the acquiescence of athletic trainers. He clarified that removal was preferable to the form that had been included previously in the bill. Ms. Marasigan affirmed. She elaborated that the office had consulted with the National and Alaska Associations of Athletic Trainers; the prior bill version had been found to be cumbersome and overregulated and would have substantially increased fees for athletic trainers.

Co-Chair Thomas CLOSED public testimony.

Representative Doogan noted that a bill of his had passed that accomplished part of what the first section of the CS

would do. He believed the legislation matched the "world we live in" and Alaska in particular. He expressed support for the bill.

Vice-chair Fairclough wondered whether the bill was available for cross-sponsorship. Co-Chair Stoltze asked staff to look into the matter.

Vice-chair Fairclough pointed to the fiscal notes. The first note had zero fiscal impact and affected the Department of Administration, Office of Administrative Hearings. The second fiscal note was from Department of Commerce, Community and Economic Development, Division of Corporations, Businesses, and Professional Licensing in the amount of \$38,800 for FY 13 and \$1,800 for FY 14 through FY 18.

[11:31:24 AM](#)

Representative Neuman MOVED to report HCS CSSB 119(FIN) out of committee with individual recommendations and the accompanying fiscal notes. There being NO OBJECTION, it was so ordered.

HCS CSSB 119(FIN) was REPORTED out of committee with a "do pass" recommendation and with one previously published fiscal impact note: FN4 (CED); and one previously published zero note: FN5 (ADM).

AT EASE

[11:31:49 AM](#)

[11:32:59 AM](#)

RECONVENED

#sb136

CS FOR SENATE BILL NO. 136(FIN) am

"An Act providing a tax credit for employing a veteran that may be taken against a liability for the tax on corporation income; and providing for an effective date."

[11:33:05 AM](#)

Vice-chair Fairclough MOVED to ADOPT proposed committee substitute for CSSB 136(FIN)am, Work Draft 27-LS0983\U (Bullock, 4/14/12).

Co-Chair Stoltze OBJECTED for discussion.

KENDRA KLOSTER, STAFF, SENATOR BILL WIELECHOWSKI, provided a synopsis of the legislation. She explained that as of June 2011, one million veterans were unemployed and the jobless rate for post 9/11 was 13.3 percent. Young male veterans between the ages of 18 to 24 were experiencing a higher unemployment rate at 21.9 percent. She referred to recent March 2012 data from a Syracuse University study showing that young male veterans were at a 30 percent unemployment rate. The bill aimed at helping unemployed veterans to obtain employment upon their return from military service. The legislation would provide a \$2,000 income tax credit or a \$3,000 credit for disabled veterans; it stipulated that a veteran must work for at least 12 months for 1,560 hours or more (approximately 30 hours per week). The bill also included a provision for seasonal employment in the form of a \$1,000 tax credit; to obtain the seasonal credit a veteran would be required to work at least 600 hours for 5 months.

Ms. Kloster pointed to a number of support letters from small business owners and veterans' organizations including Southeast Alaska Native Veterans, Vets Helping Vets, Vietnam Veterans of America (copy on file).

[11:35:04 AM](#)

REPRESENTATIVE DAN SADDLER, CO-SPONSOR, communicated that Section 1 authorized the Division of Motor Vehicles (DMV) to designate a person's veteran status on a state issued driver's license or ID card and would have an image of the U.S. flag or other upon request. Section 2 would authorize DMV to provide the names and addresses of people with a veteran's designation to the Division of Veterans Affairs upon approval of the individual; the opportunity would provide veterans with another chance to receive important health and other benefits. He stated that the bill provided Alaskans with a way to carry reliable and convenient proof of their veteran status and would help them to enjoy the many benefits made available to them by a grateful state and nation.

Co-Chair Stoltze remembered that Representative Costello had been the responsible for a money saving flag in prior legislation.

Co-Chair Stoltze WITHDREW his OBJECTION. There being NO further OBJECTION, Work Draft 27-LS0983\U was ADOPTED.

Representative Wilson asked whether the bill would present a conflict for veterans who had served in the military at different times; she wondered about potential prioritization.

Co-Chair Thomas explained that the bill reflected a veteran's caucus decision. The timeframe was limited to the past 10 years in order to keep costs relatively low.

Co-Chair Thomas CLOSED public testimony.

Vice-chair Fairclough discussed the Department of Revenue fiscal note; the changes in revenue were indeterminate because the number of employers or employees who would qualify for the tax credit was unknown.

Co-Chair Stoltze referenced a fiscal note from the Department of Administration.

Representative Neuman asked how businesses were informed of the credit. Ms. Kloster replied that the Department of Military and Veterans Affairs was very active in working to ensure that businesses were made aware of veterans' benefits. She believed that the provision included by Representative Saddler would help with veteran outreach around the state.

Co-Chair Thomas added that statewide veterans' organizations monitored legislation closely.

Co-Chair Stoltze believed that there was an acute awareness in the business community (including the hospitality industry and other) related to veterans.

[11:40:16 AM](#)

Vice-chair Fairclough discussed an additional fiscal note from Department of Administration in the amount of \$32,900 in FY 13 and \$17,500 in FY 14. The total change in revenue in FY 13 would be \$51,300 and \$102,700 in FY 14. [Note: The

Department of Administration fiscal note referenced here did not report out of committee with the bill].

Representative Wilson MOVED to report HCS CSSB 136(FIN) out of committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

HCS CSSB 136(FIN) was REPORTED out of committee with a "do pass" recommendation and with one new indeterminate fiscal note from the Department of Revenue.

[11:41:22 AM](#)
RECESSED

ADJOURNMENT

The meeting was not resumed.