

**ALASKA STATE LEGISLATURE**  
**HOUSE STATE AFFAIRS STANDING COMMITTEE**

February 9, 2012

8:11 a.m.

**MEMBERS PRESENT**

Representative Bob Lynn, Chair  
Representative Wes Keller, Vice Chair  
Representative Paul Seaton  
Representative Peggy Wilson  
Representative Pete Petersen  
Representative Kyle Johansen

**MEMBERS ABSENT**

Representative Max Gruenberg

**COMMITTEE CALENDAR**

HOUSE BILL NO. 311

"An Act relating to certain information filed with the Alaska Public Offices Commission; and providing for an effective date."

- MOVED CSHB 311(STA) OUT OF COMMITTEE

HOUSE BILL NO. 190

"An Act relating to the allowable absence for active duty service members of the armed forces for purposes of permanent fund dividend eligibility."

- HEARD & HELD

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 89(JUD)

"An Act clarifying that a legislator or legislative employee is allowed to accept certain compassionate gifts; allowing legislators and legislative employees who are representing persons in an administrative hearing to contact hearing officers and attempt to influence the outcome of the hearing if they are professionals licensed in the state, and allowing legislators and legislative employees who are not professionals licensed in the state to contact hearing officers for the purpose of influencing the outcome of the hearing in certain instances; requiring the Select Committee on Legislative Ethics to maintain a refrain from disclosure under the Legislative Ethics Act; relating to the applicability of certain provisions of the Legislative Ethics Act to certain legislative employees,

volunteers, and interns; establishing a seat for an alternate public member on the Select Committee on Legislative Ethics; clarifying the requirements related to participation by alternate public members and alternate legislative members in the proceedings of the committee; amending the definition of 'legislative employee' in the Legislative Ethics Act; and repealing a procedure for appointment of alternate legislative members."

- BILL HEARING RESCHEDULED TO 02/16/12

HOUSE JOINT RESOLUTION NO. 33

Urging the United States Congress and the President of the United States to work to amend the Constitution of the United States to prohibit corporations, unions, and individuals from making unlimited independent expenditures supporting or opposing candidates for public office.

- SCHEDULED BUT NOT HEARD

**PREVIOUS COMMITTEE ACTION**

BILL: HB 311

SHORT TITLE: REPORTS TO APOC

SPONSOR(s): RULES

02/01/12	(H)	READ THE FIRST TIME - REFERRALS
02/01/12	(H)	STA
02/07/12	(H)	STA AT 8:00 AM CAPITOL 106
02/07/12	(H)	Moved CSHB 311(STA) Out of Committee
02/07/12	(H)	MINUTE(STA)
02/09/12	(H)	STA AT 8:00 AM CAPITOL 106

BILL: HB 190

SHORT TITLE: PFD ALLOWABLE ABSENCE

SPONSOR(s): FEIGE

03/11/11	(H)	READ THE FIRST TIME - REFERRALS
03/11/11	(H)	STA, FIN
03/31/11	(H)	STA AT 8:00 AM CAPITOL 106
03/31/11	(H)	Heard & Held
03/31/11	(H)	MINUTE(STA)
04/12/11	(H)	STA AT 8:00 AM CAPITOL 106
04/12/11	(H)	Heard & Held
04/12/11	(H)	MINUTE(STA)
01/20/12	(H)	SPONSOR SUBSTITUTE INTRODUCED
01/20/12	(H)	READ THE FIRST TIME - REFERRALS

01/20/12 (H) STA, FIN  
02/07/12 (H) STA AT 8:00 AM CAPITOL 106  
02/07/12 (H) Heard & Held  
02/07/12 (H) MINUTE(STA)  
02/09/12 (H) STA AT 8:00 AM CAPITOL 106

**WITNESS REGISTER**

REPRESENTATIVE KERTTULA  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** On behalf of the House Rules Standing Committee, sponsor, answered questions during the hearing on HB 311.

REPRESENTATIVE MIKE HAWKER  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Explained the changes made in the proposed committee substitute (CS) for HB 311, Version 27-LS1233\D, Bullard, 2/8/12, on behalf of the House Rules Standing Committee, sponsor.

PAUL DAUPHINAIS, Director  
Alaska Public Offices Commission (APOC)  
Anchorage, Alaska

**POSITION STATEMENT:** Testified during the hearing on HB 311.

JOAN MIZE, Acting Project Coordinator  
Juneau Office  
Alaska Public Offices Commission  
Juneau, Alaska

**POSITION STATEMENT:** Provided information during the hearing on HB 311.

MICHAEL PASCHALL, Staff  
Representative Eric Feige  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Presented HB 190 on behalf of Representative Feige, sponsor.

JOSEPHINE DAVIES  
Bethel, Alaska

**POSITION STATEMENT:** Testified on behalf of herself to recommend consideration of further allowable absences related to the PFD during the hearing on HB 190.

## **ACTION NARRATIVE**

[8:11:58 AM](#)

**CHAIR BOB LYNN** called the House State Affairs Standing Committee meeting to order at 8:11 a.m. Representatives Keller, Seaton, Johansen, Petersen, and Lynn were present at the call to order. Representative P. Wilson arrived as the meeting was in progress.

### **HB 311-REPORTS TO APOC**

[8:12:19 AM](#)

CHAIR LYNN announced that the first order of business was HOUSE BILL NO. 311, "An Act relating to certain information filed with the Alaska Public Offices Commission; and providing for an effective date."

[8:12:52 AM](#)

REPRESENTATIVE KELLER moved to rescind the House State Affairs Standing Committee's action in reporting CSHB 311(STA) out of the House State Affairs Standing Committee on 2/7/12.

[8:13:22 AM](#)

REPRESENTATIVE JOHANSEN objected for the purpose of discussion.

[8:13:51 AM](#)

REPRESENTATIVE KERTTULA, on behalf of the House Rules Standing Committee, sponsor, explained the reason behind the motion to rescind. She indicated that while Representative Hawker's focus was on electronic filing, she had encouraged the allowance of paper filing. She further indicated that after hearing feedback from the Alaska Public Offices Commission (APOC) and legislators who still file by paper, she has realized that the movement is toward electronic filing and CSHB 311(STA) did not support that movement. Representative Kerttula noted that there is a version of the proposed legislation she hopes will be adopted, that would still allow APOC to grant exceptions to those who are not able to file electronically, and would allow a one-year grace period, through a campaign cycle, to "bring everybody onto the electronic filing."

[8:15:09 AM](#)

REPRESENTATIVE JOHANSEN removed his objection. There being no further objection, HB 311, as amended, was before the committee.

[8:15:23 AM](#)

REPRESENTATIVE KELLER moved to adopt the proposed committee substitute (CS) for HB 311, Version 27-LS1233\D, Bullard, 2/8/12, as a work draft. There being no objection, Version D was before the committee.

[8:17:52 AM](#)

REPRESENTATIVE MIKE HAWKER, Alaska State Legislature, explained the changes made in Version D, on behalf of the House Rules Standing Committee, sponsor. He said under Version D, electronic filing would be mandatory with two exceptions: the exception already under statute wherein APOC may make exemptions from electronic filing when it determines it is necessary to do so; and a transition provision that would allow paper filing for one more year, through the end of the current election cycle.

[8:19:13 AM](#)

REPRESENTATIVE HAWKER said Section 1 of Version D is consistent with Section 1 of the original bill, in that it would ensure that when imposing electronic filing, whatever form imposed by APOC would be accessible on the APOC web site. It would also ensure that a candidate is allowed to file electronically in a manner that involves submitting data in the form of an electronic spreadsheet or data file in a format prescribed by APOC. He said the intent is to encourage APOC to create an electronic filing mechanism that is easy for candidates to use and tracks their use; however, if for any reason a candidate has difficulty accessing the system through the web site, he/she would be allowed to submit data via an electronic spreadsheet approved by APOC, and APOC would then be able to take that data and upload it into the commission's system.

[8:21:52 AM](#)

REPRESENTATIVE HAWKER, in response to Representative Johansen, said the provision [in Section 1, paragraph (2)], allowing filing in the form of an electronic spreadsheet, is a permanent provision. In response to a follow-up question, he confirmed that this provision would be available to all who file, whether or not they apply for an exemption.

[8:22:38 AM](#)

REPRESENTATIVE HAWKER said AS 15.13.110 outlines what APOC must disclose to the public, and Section 2 of Version D clarifies that APOC would satisfy its requirement to publish information filed by paper by posting a copy of that information via a scanned image within two days after receiving it. He said the two-day period is consistent with the reporting mandate in AS 15.13.040.

REPRESENTATIVE HAWKER said under current statute, the commission must produce a summary of all filings within 30 days following the election. He relayed that language in Section 2 of Version D would change that to within 30 days of the filing of all electronic reports. He said because of the speed of electronic reporting, it should be available instantly. He said Version D would maintain the current mandate that the commission must make available, within 30 days of the election, summaries for reports filed by paper.

[8:30:03 AM](#)

REPRESENTATIVE HAWKER directed attention to Section 3, which read as follows:

**\*Sec. 3.** AS 15.13.110 is amended by adding a new subsection to read:

(i) During a campaign period, the commission may not change the manner or format in which reports required of a candidate under this chapter must be filed. In this subsection, "campaign period" means the period beginning on the date that a candidate files a declaration of candidacy under AS 15.25.030 or a letter of intent under AS 15.25.105 and ending on the date that a report must be filed under AS 15.13.110(a)(4).

REPRESENTATIVE HAWKER said he supplied the committee with a suggested amendment, [subsequently titled Amendment 1], which would change the definition of "campaign period" on the second sentence of subsection (i), in Section 3. He said the amendment would simplify the bill by adding generic language that would cover all campaign periods, rather than trying to inventory them all; it would make the campaign period begin on the date each candidate becomes eligible to receive campaign contributions and end on the date the final report must be filed.

[8:36:00 AM](#)

REPRESENTATIVE HAWKER explained that even if two campaign periods overlap for a particular candidate, he/she still cannot raise money until 18 months before the General Election; therefore, there would always be a window during which APOC would be allowed to make changes.

[8:39:18 AM](#)

REPRESENTATIVE HAWKER stated that Section 4 would create a one-year window, which would allow candidates to file by paper until February 16, 2013. He said, "After that, we revert completely to the electronic filing mandate that's actually been on the books since 2007, but has not been enforced." Representative Hawker said Section 5 is a protection clause, under which any candidate who, during the current campaign cycle, files electronically consistent with methods under Section 1 of the proposed legislation or by a paper format approved by the commission, will not be subject to a penalty for failure to file.

[8:42:12 AM](#)

REPRESENTATIVE HAWKER stated a conflict of interest. He explained that on 2/1/12, he filed statutorily required disclosures via a spreadsheet format that had been acceptable up to 12/29/11. He said he does not have the necessary computer equipment in Juneau to legally avail himself of the electronic system being imposed by APOC. He offered his understanding that although he has requested an exemption from APOC, it is still possible that he could be fined, and the proposed legislation would protect him from being fined.

[8:43:28 AM](#)

REPRESENTATIVE HAWKER said Section 6 would make Sections 1-4 retroactive to 12/1/11.

[8:44:34 AM](#)

The committee took an at-ease from 8:44 a.m. to 8:46 a.m.

[8:46:31 AM](#)

REPRESENTATIVE HAWKER referred again to the suggested amendment.

[8:47:00 AM](#)

REPRESENTATIVE KELLER moved to adopt Amendment 1, which read as follows [original punctuation provided, with some handwritten changes]:

Page 2, line 15, following "subsection":

DELETE "'campaign period' means the period beginning on the date that a candidate files a declaration of candidacy under AS 15.25.030 or letter of intent under AS 15.25.105 and ending on the date that a report must be filed under AS 15.13.110(a)(4)."

INSERT "'campaign period' means the period beginning on the date that a candidate become eligible to receive campaign contributions under this chapter and ending on the date that a final report for that same campaign must be filed."

[8:48:09 AM](#)

REPRESENTATIVE P. WILSON objected and then withdrew her objection.

CHAIR LYNN announced that there being no further objection, Amendment 1 was adopted.

[8:48:53 AM](#)

REPRESENTATIVE HAWKER reiterated the effect of Amendment 1.

[8:49:46 AM](#)

REPRESENTATIVE KERTTULA echoed the previous statements made by Representative Hawker regarding the effects of HB 311.

[8:50:12 AM](#)

REPRESENTATIVE HAWKER, in response to a series of questions from Chair Lynn, offered clarification of what would and would not be changed under HB 311, Version D. In response to Representative Seaton, confirmed that the bill addresses only candidate filings; it does not address groups or non-group entities.

[8:51:48 AM](#)

REPRESENTATIVE JOHANSEN noted that the next reporting period for legislators takes place in six months, and he asked if the bill sponsor had considered adopting APOC's new system in conjunction with the report that takes place 30 days prior to the August primary. He ventured that in the next six months, he could probably find enough time to learn the new system.

[8:53:26 AM](#)

REPRESENTATIVE KERTTULA said she thinks the full cycle is less confusing and gives everyone more time to adjust to the new system.

[8:54:51 AM](#)

REPRESENTATIVE HAWKER added that there is nothing in HB 311 that would prohibit a candidate from adopting the electronic filing mechanism more quickly. He then emphasized that HB 311 is nonpartisan legislation.

[8:56:37 AM](#)

REPRESENTATIVE JOHANSEN stated his belief in transparency of politics. He asked if there had been any discussion with APOC about the idea of changing to electronic filing in six-month's time.

[8:57:29 AM](#)

REPRESENTATIVE KERTTULA said no.

REPRESENTATIVE JOHANSEN questioned whether APOC needs time to figure out an electronic system that it already has in place.

REPRESENTATIVE KERTTULA said she thinks the extra time would benefit everyone involved. She said she thinks HB 311 is a good compromise.

[8:59:28 AM](#)

REPRESENTATIVE JOHANSEN posited that although used as an example of someone who still files by paper, Representative Gruenberg and his staff have had training in electronic filing.

[9:00:22 AM](#)

REPRESENTATIVE P. WILSON said many times there are unintended consequences in legislation. She said it is difficult for legislators to "change gears" mid-session. She said the focus during session should be on doing the right thing, and she opined that HB 311 would relieve everyone's burden.

[9:01:39 AM](#)

REPRESENTATIVE KELLER stated that at its last hearing of HB 311, the committee had accepted a motion to attach a zero fiscal note to the proposed legislation. He stated his assumption that the zero fiscal note would apply, as well, to Version D.

[9:02:17 AM](#)

REPRESENTATIVE PETERSEN said he would like confirmation for the record that the intent of Version D is not to create any loopholes by which a legislator could not file, but that conversely, HB 311 would facilitate transitioning to the new electronic system, which would make it easier for APOC to get information out to the public in a much more timely manner.

REPRESENTATIVE KERTTULA answered that is correct.

[9:03:13 AM](#)

REPRESENTATIVE HAWKER reiterated that HB 311 is nonpartisan legislation.

[9:03:32 AM](#)

REPRESENTATIVE HAWKER, in response to Representative Seaton and Chair Lynn, confirmed that HB 311 would apply to both incumbents and non-incumbent candidates.

[9:04:26 AM](#)

PAUL DAUPHINAIS, Director, Alaska Public Offices Commission (APOC), first clarified that at the last hearing of HB 311, he had testified on behalf of his position as executive director and his staff, but not on behalf of the commission. He said the commission has not had the time to read and deliberate upon the changes made in Version D. He said the continued requirement to scan documents that are filed on paper and get them up on APOC's web site will hinder transparency to the public. He explained that looking at scanned documents is like looking at a

photograph. He said, "It's difficult to compare; you are requiring people to print out or make notes."

MR. DAUPHINAIS stated, "APOC did not change the requirements to file electronically; in this case we changed the form that the filing goes in on." He said the new system is currently ready for use, and those who file using that system have more control over their data, because the system will point out any errors that are made. He said APOC does not have the time to do that check for reports filed by paper.

CHAIR LYNN indicated that the problem is not the benefits of electronic filing, but the timing of meeting the requirements of the new system.

MR. DAUPHINAIS relayed that there has been considerable training offered for the new electronic filing program, and he reported that a fair number of people have already filed using the program via "myAlaska." He said there are two computers available for use in APOC's Juneau office, and he specified that it is lawful for legislators to use those computers because they belong to the public, not to the State of Alaska.

[9:08:02 AM](#)

MR. DAUPHINAIS confirmed Representative Hawker's previous response to Representative Seaton that the bill applies only to candidates. He offered his understanding that HB 311 would not change the exemption for candidates of municipalities with populations under 15,000.

CHAIR LYNN offered his understanding that Representative Kerttula nodded her head in the affirmative.

[9:08:50 AM](#)

MR. DAUPHINAIS, in response to Representative Johansen, confirmed that the year-end report is due 2/15/12 and the next report is due 30 days prior to the primary election. In response to follow-up questions, he indicated that APOC would be able to adapt to Representative Johansen's previously stated idea to make the shift to required electronic reporting in time for the 30-day reporting deadline. He said APOC is ready to take reports electronically and has training in Juneau scheduled in February. He clarified his previous remark that APOC has not had time to review Version D. He explained the reason he is confident that the State of Alaska-owned computers at APOC can

be used by legislators is because they were purchased with the intent that they be available for public use.

[9:13:03 AM](#)

JOAN MIZE, Acting Project Coordinator, Juneau Office, Alaska Public Offices Commission, stated that because APOC is the entity that requires the reporting, it has to provide the means by which the reporting is done, including its computers.

[9:13:48 AM](#)

MR. DAUPHINAIS, in response to Representative Petersen, said the Juneau APOC office operates Monday through Friday, from 8 a.m. to 5 p.m., and, with notice, could arrange weekend hours. In response to Representative Seaton, he said it is his understanding that HB 311 applies to any candidates, not just incumbents. In response to Chair Lynn, he said there are public-use computers in APOC's Anchorage office, as well, but not in its Fairbanks office or elsewhere.

[9:15:18 AM](#)

REPRESENTATIVE P. WILSON offered her understanding that she cannot do [campaign business] on any piece of equipment bought with state money. She indicated that she received this information from "our ethics person."

[9:16:46 AM](#)

MR. DAUPHINAIS said this issue is governed by AS 24.60. In response to Chair Lynn, he emphasized that he does not speak on behalf of the Legislative Ethics Committee.

[9:17:11 AM](#)

MR. DAUPHINAIS, in response to Representative Johansen, confirmed that under campaign rules, any candidate is allowed to purchase a computer and printer with campaign money and keep that equipment once the campaign is over.

[9:19:18 AM](#)

CHAIR LYNN, after ascertaining that there was no one else who wished to testify, closed public testimony.

[9:19:38 AM](#)

REPRESENTATIVE KELLER moved to report CSHB 311, Version 27-LS1233\D, Bullard, 2/8/12, as amended, out of committee with individual recommendations and an attached zero fiscal note.

[9:19:59 AM](#)

REPRESENTATIVE JOHANSEN objected. He said he would like the committee to consider an amendment that would set the requirement for electronic filing at the first 30-day report. He noted that the House State Affairs Standing Committee is the final committee of referral before the proposed legislation is heard on the House floor. He said he has no problem giving legislators a break in the electronic filing requirement deadline, but thinks everyone can be prepared to file electronically within six months. He reiterated his desire to support transparency in politics by supporting legislation that would get the reports out to the people in a more expedient manner.

REPRESENTATIVE JOHANSEN maintained his objection.

CHAIR LYNN said he thinks Representative Johansen makes some good points; however, he said he thinks it is appropriate to move HB 311 out of committee to allow the full House to consider it. He talked about the work the committee does in looking for unintended consequences.

[9:26:52 AM](#)

REPRESENTATIVE KELLER said he agrees with Representative Johansen's wish for transparency, and said he did not hear Representative Johansen implying that anyone wants to hide information.

[9:27:57 AM](#)

A roll call vote was taken. Representatives P. Wilson, Seaton, Keller, Petersen, and Lynn voted in favor of the motion to report CSHB 311, Version 27-LS1233\D, Bullard, 2/8/12, as amended, out of committee with individual recommendations and the attached zero fiscal note. Representative Johansen voted against it. Therefore, CSHB 311(STA) was reported out of the House State Affairs Standing Committee by a vote of 5-1.

[9:28:55 AM](#)

The committee took an at-ease from 9:29 a.m. to 9:32 a.m.

[9:32:31 AM](#)

CHAIR LYNN noted that during the at-ease, his staff had contacted the Ethics Committee Administrator, Joyce Anderson, who confirmed that it is okay for all candidates to use APOC's computers.

**HB 190-PFD ALLOWABLE ABSENCE**

[9:33:02 AM](#)

CHAIR LYNN announced that the final order of business was SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 190, "An Act relating to allowable absences from the state for purposes of eligibility for permanent fund dividends; and providing for an effective date."

[9:33:40 AM](#)

MICHAEL PASCHALL, Staff, Representative Eric Feige, Alaska State Legislature, presented HB 190 on behalf of Representative Feige, sponsor. He noted that the proposed legislation had been heard in 2011. He stated that the intent of the original bill was to address an injustice pertaining to military personnel [who were denied an allowable absence related to receiving a permanent fund dividend (PFD)] after [being out of state] for 10 years, even though members of Congress and their staff continue to be qualified to receive a PFD beyond 10 years out of the state. He said numerous legal issues were brought forth, and the bill sponsor tried changing the 10-year limit to a 20-year limit through a sponsor substitute. Subsequently, he said, discussion with the Permanent Fund Division helped to formulate a committee substitute, which would provide "a more effective way to deal with the issue of allowable absences across the board."

[9:35:26 AM](#)

MR. PASCHALL gave a PowerPoint presentation entitled, "Permanent Dividend Allowable Absences," as an explanation of how the current law came to be. He said in 1982, allowable absences were addressed through the definition of an Alaska resident, and there were only five criteria. By 1997, he said, the criteria had increased to nine, and the definition of residency referred to AS 01.10.055. In 1998, he noted, the legislature made significant overhauls to statute: the meaning of state resident

referred back to [AS 01.10.055]; allowable absences were addressed in a separate section; the number of allowable absences continued to increase; and the authority of the commissioner [of the Department of Revenue] to adopt other allowable absences was removed. He said there was also a provision put in place that addressed those out of the state for certain periods of time during single year, but not on an allowable absence. He said the ten-year rule was also put into place at this time. Mr. Paschall said his research did not uncover any particular reason for the 10-year rule.

MR. PASCHALL pointed out a few changes made to the allowable absences since 1998, including ["serving under foreign or coastal articles of employment aboard an oceangoing vessel of the United States merchant marine"].

[9:39:37 AM](#)

CHAIR LYNN said the spouses of military personnel often follow the military members overseas. He offered his understanding that "that" would cover the spouses, the military members, and their minor children.

MR. PASCHALL confirmed that is correct.

[9:40:27 AM](#)

MR. PASCHALL continued with the PowerPoint presentation. He said HB 190 would bring regulations into statute, which would reduce subjectivity on the part of hearing officers. He noted that there is a typographical error in the PowerPoint: [on the first of ten pages labeled, "Allowable Absence After HB 190"], "(c)" should read "(e)". He indicated that the only alteration of the allowable absences was the removal of the 10-year rule.

MR. PASCHALL drew attention to the conclusion of the PowerPoint presentation, regarding language provided by Legislative Legal and Research Services to amend AS 43.23.008 by adding subsections (e) and (f). That language, [in Version R, Section 2, on page 3, line 13, through page 4, line 14], read as follows [original punctuation provided]:

(e) After an individual has been absent from the state for more than 180 days in each of the five preceding qualifying years, the department shall presume that the individual is no longer a state resident. The individual may rebut this presumption

by providing documentation to the department that establishes, by clear and convincing evidence, that

(1) the individual was physically present in the state for at least 30 cumulative days during the past five years; and

(2) the individual is a state resident as defined in AS 43.23.095(7).

(f) To determine whether an individual intends to return and remain in the state indefinitely, the department shall consider

(1) the length of time the individual was absent from the state compared to the length of time the individual was physically present in the state;

(2) the frequency and duration of voluntary return trips to the state during the past five years;

(3) whether the individual's intent to return to and remain in the state is conditioned on future events beyond the individual's control, such as the financial circumstances of the individual or the ability of the individual to find employment in the state;

(4) the ties the individual has established with the state or another jurisdiction, as demonstrated by

(A) maintenance of a home;

(B) payment of resident taxes;

(C) registration of a vehicle;

(D) registration to vote and voting history;

(E) acquisition of a driver's license, business license, or professional license; and

(F) receipt of benefits under a claim of residency in the state or another jurisdiction;

(5) the priority that the individual gave the state on an employment assignment preference list, including a list used by military personnel;

(6) whether the individual made a career choice or chose a career path that does not allow the individual to reside in or return to the state.

MR. PASCHALL pointed out that registering a vehicle in Alaska is an indicator of someone's intent to live in the state, whereas registering a vehicle outside of Alaska is not. In response to Representative Petersen, Mr. Paschall opined that someone with vehicles licensed in Alaska and another state is indicating he/she is not likely to return to Alaska. He added, "It's all the factors together that make the final determination."

9:45:30 AM

REPRESENTATIVE SEATON questioned the rationale behind allowing someone who takes voluntary employment outside of Alaska for 15 or 20 years to continuing receiving the PFD as a resident of Alaska.

9:46:05 AM

MR. PASCHALL said he thinks Representative Seaton's question ultimately leads to questioning whether there should be an allowable absence, which is a decision that was made by the legislature.

REPRESENTATIVE SEATON clarified that whereas he can understand exempting members of Congress who are elected by the public to serve outside Alaska for extended periods of time, he is uncomfortable [giving allowable absences to] people who make a voluntary choice to leave Alaska for an extended period of time, such as Congressional staff or someone who chooses to spend 30 years in the Peace Corps. He said, "I just want to know the rationale behind eliminating at least a 10-year limit on that."

9:49:01 AM

MR. PASCHALL reminded Representative Seaton that the impetus for the bill was the sponsor's becoming aware of an injustice wherein those Alaskans serving out of state in the military did not receive the same PFD-related exemption as members of Congress and their staff received. He said all the exemptions beyond the 10-year rule that are currently in place are for individuals who choose career paths that take them out of the state, including those Alaskans who choose to serve in Congress. He said the sponsor is looking to establish procedure. He continued as follows:

By taking this procedure that's been very, very effective in regulation in reducing the number of allowable absences over ... the years, by putting it in statute it will be even more effective, and we were able to tighten it just a little bit at the same time. So, the actual number of people receiving PFDs on allowable absences should probably decrease after the five years.

9:50:58 AM

REPRESENTATIVE JOHANSEN asked for confirmation that the bill would codify language that is currently in regulation.

MR. PASCHALL answered that that is basically correct, but some modifications would be made, such as using the word "home" versus "property".

REPRESENTATIVE JOHANSEN said he shares Representative Seaton's concerns regarding "the repealer," and said he would like more discussion.

MR. PASCHALL stated that he agrees with the bill sponsor that HB 190 is a good way to deal with the current injustice among classes of people, but said the policy discussion is the purview of the committee.

[9:53:25 AM](#)

CHAIR LYNN reopened public testimony.

[9:53:45 AM](#)

JOSEPHINE DAVIES, testifying on behalf of herself, asked the committee to consider further allowable absences. She shared that in 2010, she was out of state for a couple of weeks past the allowed 180 days to care for her father, who was unexpectedly hospitalized and, at the same time, she was hospitalized for an unexpected surgical procedure. She directed attention to paragraph (6) of Section 1, on page 2, lines 10-13, which addresses "providing care for a parent, spouse, sibling, child, or stepchild", and she suggested that the language be amended to include Alaska residents who leave the state to take care of parents who are not from Alaska and to take care of in-laws. Ms. Davies directed attention to paragraph (17), subparagraph (C), on page 3, lines 10-12, which would allow:

(C) 45 days in addition to any absence or cumulative absences claimed under (1)-(16) of this subsection if the individual is claiming an absence under (4)-(16) of this subsection.

MS. DAVIES said her daughter is getting married in 2012, and she expects to go Outside for 30 days to help her daughter, in addition to time spent helping parents. She said she would like the committee to consider extending the 45 days to 90 days.

[9:58:10 AM](#)

CHAIR LYNN said HB 190 is primarily directed toward the military, but said Ms. Davies' good points could be considered in other legislation.

[9:58:34 AM](#)

REPRESENTATIVE JOHANSEN offered his understanding that under HB 190, language related to a 10-year cap would be repealed, and that repeal would affect everyone, not just the military.

[9:58:57 AM](#)

MR. PASCHALL pointed out that according to the Permanent Fund Division, of the 16,000 people that were given allowable absences in 2010, the 10-year rule only applied to 187 people. He stated, "It's not a large group of people receiving the PFD for a long period of time under the allowable absence; they've already been weeded out. And the belief is ... [that] having this in statute will ... weed them out even better."

[10:00:37 AM](#)

CHAIR LYNN announced that HB 190 was held over.

[10:02:23 AM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the House State Affairs Standing Committee meeting was adjourned at 10:02 a.m.