

**ALASKA STATE LEGISLATURE**  
**SENATE STATE AFFAIRS STANDING COMMITTEE**

January 27, 2011

9:02:05 a.m.

**MEMBERS PRESENT**

Senator Bill Wielechowski, Chair  
Senator Joe Paskvan, Vice Chair  
Senator Albert Kookesh  
Senator Kevin Meyer  
Senator Cathy Giessel

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

SENATE BILL NO. 31

"An Act relating to the counting of write-in votes."

- MOVED CSSB 31(STA) OUT OF COMMITTEE

SENATE BILL NO. 33

"An Act relating to the disposition of remains of a member of the military if the member dies while in a duty status."

- MOVED CSSB 33(STA) OUT OF COMMITTEE

SENATE BILL NO. 18

"An Act relating to the duration of regular sessions of the legislature; and providing for an effective date."

- HEARD AND HELD

SENATE BILL NO. 26

"An Act exempting vehicles fueled solely by electricity or compressed natural gas from motor vehicle registration fees and taxes; and providing for an effective date."

- HEARD AND HELD

**PREVIOUS COMMITTEE ACTION**

BILL: SB 31

SHORT TITLE: COUNTING OF WRITE-IN VOTES

SPONSOR(s): SENATOR(s) THOMAS, FRENCH, MENARD, WIELECHOWSKI

01/19/11 (S) PREFILE RELEASED 1/7/11  
01/19/11 (S) READ THE FIRST TIME - REFERRALS  
01/19/11 (S) STA, JUD  
01/25/11 (S) STA AT 9:00 AM BUTROVICH 205  
01/25/11 (S) Heard & Held  
01/25/11 (S) MINUTES(STA)  
01/27/11 (S) STA AT 9:00 AM BUTROVICH 205

BILL: SB 33

SHORT TITLE: DISPOSITION OF SERVICE MEMBERS' REMAINS  
SPONSOR(s): SENATOR(s) WIELECHOWSKI, PASKVAN, COGHILL

01/19/11 (S) PREFILE RELEASED 1/14/11  
01/19/11 (S) READ THE FIRST TIME - REFERRALS  
01/19/11 (S) STA, JUD  
01/25/11 (S) STA AT 9:00 AM BUTROVICH 205  
01/25/11 (S) Heard & Held  
01/25/11 (S) MINUTES(STA)  
01/27/11 (S) STA AT 9:00 AM BUTROVICH 205

BILL: SB 18

SHORT TITLE: DURATION OF REGULAR LEGISLATIVE SESSIONS  
SPONSOR(s): SENATOR(s) STEVENS

01/19/11 (S) PREFILE RELEASED 1/7/11  
01/19/11 (S) READ THE FIRST TIME - REFERRALS  
01/19/11 (S) STA, FIN  
01/27/11 (S) STA AT 9:00 AM BUTROVICH 205

BILL: SB 26

SHORT TITLE: FEE/TAX EXEMPTION FOR CERTAIN VEHICLES  
SPONSOR(s): SENATOR(s) MCGUIRE

01/19/11 (S) PREFILE RELEASED 1/7/11  
01/19/11 (S) READ THE FIRST TIME - REFERRALS  
01/19/11 (S) STA, FIN  
01/27/11 (S) STA AT 9:00 AM BUTROVICH 205

**WITNESS REGISTER**

GRIER HOPKINS, Staff to Senator Joe Thomas,  
Alaska State Legislature  
Juneau, AK

**POSITION STATEMENT:** Provided a summary of SB 31 on behalf of the sponsor.

MICHAEL CAULFIELD, Intern to Senator Bill Wielechowski  
Alaska State Legislature  
Juneau, AK

**POSITION STATEMENT:** Provided a summary of SB 33 on behalf of the sponsor.

TIM LAMKIN, Staff to Senator Gary Stevens  
Alaska State Legislature  
Juneau, AK

**POSITION STATEMENT:** Provided supporting information on SB 18 on behalf of the sponsor.

PAM VARNI, Executive Director  
Legislative Affairs Agency  
Alaska State Legislature  
Juneau, AK

**POSITION STATEMENT:** Provided information on the fiscal note for SB 18.

GENEVEIVE WOJTUSIK, Staff to Senator Lesil McGuire,  
Alaska State Legislature  
Juneau, AK

**POSITION STATEMENT:** Introduced SB 18 on behalf of the sponsor.

DANIEL R. FRAKES, Manager  
Fuel and Energy Policy  
General Motors  
Detroit, MI

**POSITION STATEMENT:** Testified in support of SB 26.

WHITNEY BREWSTER, Director  
Division of Motor Vehicles  
Department of Administration  
Anchorage, AK

**POSITION STATEMENT:** Provided information regarding the fiscal note for SB 26.

#### **ACTION NARRATIVE**

[9:02:10 AM](#)

**CHAIR BILL WIELECHOWSKI** called the Senate State Affairs Standing Committee meeting to order at 9:02 a.m. Present at the call to order were Senators Paskvan, Giessel, Meyer, and Chair Wielechowski.

#### **SB 31-COUNTING OF WRITE-IN VOTES**

[9:02:49 AM](#)

CHAIR WIELECHOWSKI announced consideration of SB 31. [CSSB 31, 27-LS0350\B, was before the committee.]

SENATOR KOOKESH joined the meeting.

GRIER HOPKINS, staff to Senator Joe Thomas, stated that SB 31 intends to clarify Alaska statute by using language recommended in the Miller v Treadwell decision of the Alaska Supreme Court. The language is nearly identical to the Federal Uniformed and Overseas Citizens' Absentee Voting Act. He explained that SB 31 follows on the heels of nearly 50 years of court findings in favor of voter intent. The first goal of SB 31 is to ensure that as many Alaskans as possible are enfranchised, while the second goal is to tighten our state statutes and strengthen the public's perception of Alaska's democratic process.

SENATOR PASKVAN moved to report CS for SB 31, version B, from committee with individual recommendations and accompanying zero fiscal note(s).

CHAIR WIELECHOWSKI announced that without objection CSSB 31(STA) moved from the Senate State Affairs Standing Committee.

**SB 33-DISPOSITION OF SERVICE MEMBERS' REMAINS**

[9:05:33 AM](#)

CHAIR WIELECHOWSKI announced consideration of SB 33. [CSSB 33, 27-LS0188\D, was before the committee.]

MICHAEL CAULFIELD, intern to Senator Bill Wielechowski, clarified that the Coast Guard comes under the same federal statutes as the other armed services, but is not part of DOD, and uses a different form. He explained that the current CS, version D, designates the Coast Guard's form, Designation of Beneficiaries and Record of Emergency Data, as the form that they will use.

CHAIR WIELECHOWSKI found no questions and asked the will of the committee.

SENATOR PASKVAN moved to report CS for SB 33, [version D,] from committee with individual recommendations and accompanying zero fiscal note(s).

CHAIR WIELECHOWSKI announced that without objection, CSSB 33(STA) moved from committee the Senate State Affairs Standing Committee.

**SB 18-DURATION OF REGULAR LEGISLATIVE SESSIONS**

[9:06:00 AM](#)

CHAIR WIELECHOWSKI announced consideration of SB 18.

SENATOR GARY STEVENS, sponsor of SB 18, explained that the length of sessions was changed from 120 days to 90 by a very close vote of the public. The problem he saw last year was that a lot of bills died that didn't have time to be fully vetted. While the bills that passed after the ninety day limit were determined to be legal, many were passed with very little consideration, and no opportunity for public input. He is concerned that the legislature has been weakened by this change in session length.

TIM LAMKIN, staff to Senator Gary Stevens, noted that SB 18 strikes a compromise between 90 and 120 days. Until 1984, there no limit on length of session: and in 1984 the 120 day limit was established. In 2006, with the passage of ballot measure 1, the length of sessions was changed to 90 days. That was a very low turnout election year, with the turnout being the lowest in several years. Following the first 90-day session, there were two back-to-back special sessions. The arguments in support of passing the ballot measure are not proving to be valid. Actual cost of the legislature has increased.

[9:19:05 AM](#)

MR. LAMKIN also noted that currently, exactly half of the states (twenty-five) do not limit the length of their legislative sessions, and that Alaska ranks twenty-ninth in length of sessions. He added that every state is unique and has its own set of circumstances. SB 18 moves us closer to the middle in terms of session length. He also pointed out that legislation to shorten the length of legislative sessions has been introduced 24 times since 1990, with no success, and said that just because a bill doesn't pass, that doesn't mean it needs to go to the ballot box. Lots of bills that don't get as much attention are not passed, but don't end up as ballot initiatives.

[9:22:04 AM](#)

MR. LAMKIN stated that since 2006 the candidate pool has shrunk by 20 percent, negating the argument of shorter sessions leading to greater participation and more candidates. In 2009, a House

subcommittee concluded that strong majority of those surveyed in the House (both legislators and staff) wanted to restore 120 day sessions. He also emphasized that, with shorter sessions, power shifts to the executive branch.

9:25:02 AM

SENATOR MEYER stated that he is biased on this issue, and would prefer to stay with 90 day sessions. He said he takes very seriously what the voters said they wanted, and noted that the legislature can always go to 120 days legally.

MR. LAMKIN noted that the initiative passed by a very close vote (50.8 percent to 49.2 percent). He agreed that the legislature has the right to ignore statutes if it wants to, and can always extend by ten days if it wants to. He said that this bill is a compromise, with a 90-day first session and a 120-day second session.

SENATOR MEYER said that legislators are paid a per diem, and the per diem is for 90 days. Therefore, he asked, why not have meetings on Saturdays, since they are paid for seven days per week? He questioned whether other state legislatures meet six or seven days per week. He also noted that, compared to other states of similar population, Alaska meets much more frequently. But, he added, we are a newer state and have more issues to deal with, including complex oil and gas issues.

9:30:42 AM

SENATOR PASKVAN stated he used to think 90 days was more than enough, but once he was in the legislature his opinion changed. He noted that, due to time constraints, often legislators are just skimming the surface of issues, and not getting into the substance of what is really needed to provide the citizens of Alaska with the most efficient government possible. This raises a constitutional issue, because the legislature is the policy-making body. He feels that, for a young state, 90 days is not adequate time.

9:33:04 AM

SENATOR KOOKESH admitted that he is also biased, and that he wants 120 days in both sessions. He believes that ninety days is not enough time to meet constituents, but he does like the idea of a compromise, with 90 days in the first session and 120 in the second.

SENATOR GIESSEL asked why the bill had a zero fiscal note.

MR. LAMKIN responded that the Legislative Affairs Agency should probably speak to the fiscal note, but money is in the budget in case of special sessions, meaning that the extra costs can be absorbed within existing budget.

SENATOR MENARD joined the meeting.

PAM VARNI, Executive Director, Legislative Affairs Agency, explained that in 2006, when the fiscal note was done, \$800,000 was set aside for special sessions, which could be transferred back into personal services to pay the per diem for a regular session if the 120 day sessions were re-instituted.

MR. LAMKIN noted that, with 120 day sessions, the decision to call a special session would require asking for supplemental funds, which could be an incentive not to ask for special sessions beyond the 120 day limit.

[9:37:03 AM](#)

CHAIR WIELECHOWSKI called for public testimony. Seeing that no members of the public wanted to testify, he announced he would hold SB 18 in committee to allow public testimony.

**SB 26-FEE/TAX EXEMPTION FOR CERTAIN VEHICLES**

[9:40:04 AM](#)

CHAIR WIELECHOWSKI announced consideration of SB 26.

GENEVEIVE WOJTUSIK, aide to Senator Lesil McGuire, explained that SB 26 would exempt from motor vehicle registration fees and taxes those vehicles fueled solely by alternative fuels. She stated this is a progressive approach to presenting incentives to the public for using vehicles that utilize new technology. Other benefits are improving air quality, and the potential for new jobs. She stated that the availability of plug-in vehicles will be expanding rapidly, and Alaska should be in the forefront.

[9:42:03 AM](#)

SENATOR PASKVAN moved to adopt work draft committee substitute (CS) for SB 26, labeled 27-LS0291\B, as the working document.

[9:43:23 AM](#)

CHAIR WIELECHOWSKI objected for purposes of discussion.

MS. WOJTUSIK explained the changes in the CS, which include a change in the title and a definition of alternative fuels.

CHAIR WIELECHOWSKI asked about the fiscal note.

[9:44:13 AM](#)

WHITNEY BREWSTER, Director, Division of Motor Vehicles, Department of Administration, Anchorage, AK, spoke to the fiscal note, which requests \$20,000 for programming to modify the DMV database to capture information regarding fuel type. She stated they are not able to determine what the loss of revenue would be to the state, because the information on type of fuel used is not currently captured. She believes that the loss of revenue will be small at first, but will increase as alternative fueled cars gain popularity. She noted that DMV does collect motor vehicle registration tax, which is currently \$100 per vehicle. Beyond that, the DMV also collects motor vehicle registration tax on behalf of local municipalities. They are currently collecting for 16 municipalities. The DMV does retain eight percent of the motor vehicle registration tax collected on behalf of municipalities, but the rest of those fees go to the municipalities.

CHAIR WIELECHOWSKI asked if municipal tax is collected in addition to state tax.

MS. BREWSTER responded that municipalities set their own tax through ordinance, and that the \$100 registration fee goes directly to the general fund.

SENATOR PASKVAN asked if the DMV does collect sales tax on auto sales.

MS BREWSTER responded that the DMV does not currently collect sales tax. Municipalities set fees based on the year of vehicle. The basic \$100 registration fee goes to the state general fund, and the tax collected based on year of the vehicle goes to the municipality.

[9:50:06 AM](#)

CHAIR WIELECHOWSKI asked if the department has a position on SB 18.

MS. BREWSTER responded that the department is neutral.

SENATOR WIELECHOWSKI removed his objection and announced that version B was before the committee.

SENATOR MEYER asked if hybrid cars could be added.

MS. BREWSTER replied that they could.

CHAIR WIELECHOWSKI expressed a desire to identify the 16 communities that would be affected to see what the impact would be.

SENATOR MEYER asked how many hybrid vehicles are currently in use in Alaska.

MS. BREWSTER responded that there are presently 1,560 Ford Fusions registered with the DMV. Since there are two types of Ford Fusions and only one type is a hybrid, it is impossible for the DMV to know how many hybrid vehicles are in use.

SENATOR PASKVAN asked if passing this just for vehicles that are on the road today, would result in a \$200,000 loss to the state.

MS. WOJTUSIK responded that SB 26 applies only to cars purchased after October 1, 2010.

CHAIR WIELECHOWSKI noted that very few cars would be eligible right now, and stated that he would like to see a cost-benefit analysis.

[9:55:08 AM](#)

CHAIR WIELECHOWSKI opened public testimony.

DANIEL R. FRAKES, Manager, General Motors, stated that GM supports SB 26. He noted that hybrid and plug-in tax incentives have played a key role in the development and acceptance of alternative technology vehicles. As with any new technology, the first generation tends to be expensive, and consumers are wary of anything unfamiliar, so incentives help them overcome this anxiety. Once subsequent generations are developed, economies of scale take effect, and incentives can be phased out. Current incentives include incentives towards the purchase price, waivers for state income tax, license and registration fee exemptions, and infrastructure incentives for the installation of new technology.

[9:58:11 AM](#)

CHAIR WIELECHOWSKI asked if Alaska is one of only three states that don't have incentives.

MR. FRAKES said that is true. This takes into account hybrids as well as electric vehicles. He noted that the Chevrolet Volt was

launched in Dec 2010 to selected markets, and GM announced today that it will be available nationally by the end of 2011, ahead of the original schedule. He said that incentives on the federal, state, and local level are a win-win across the board, and that they help customers adapt to new technology, help our country, states and cities get plug-in ready, and help lower costs to industry.

SENATOR PASKVAN asked what phase-out criteria might apply to incentives.

MR. FRAKES responded that they have seen programs starting to phase out in 2014 - 2015.

SENATOR MEYER asked if incentives are offered because alternative fuel cars cost more. For instance, what is the cost of a Volt?

MR. FRAKES stated that cars with hybrid systems, such as the Volt, are about three to four thousand above a comparably equipped vehicle. The base price of a volt is about \$41,000, and with the federal incentives that are available the price goes down to about \$33,000.

[10:05:08 AM](#)

SENATOR MEYER asked how electric cars hold up in cold weather.

MR. FRAKES responded that both hot and cold temperature extremes affect batteries, and that both range and driving conditions are affected. GM does offer an 8-year warranty on the battery pack.

CHAIR WIELECHOWSKI asked if the range diminishes over time.

MR. FRAKES answered that as a battery is used, its life diminishes, which is why the 8-year warranty period exists.

CHAIR WIELECHOWSKI asked why an insurance discount is offered in forty-seven states, with Alaska being one of three where it is not offered.

MR. FRAKES said he didn't know why, but would try to provide the information.

CHAIR WIELECHOWSKI closed public testimony and held SB 26 in committee.

[10:09:16 AM](#)

There being no further business to come before the committee,  
Chair Wielechowski adjourned the meeting at 10:09 a.m.