

ALASKA STATE LEGISLATURE
SENATE STATE AFFAIRS STANDING COMMITTEE

March 1, 2011

9:01 a.m.

MEMBERS PRESENT

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

MEMBERS ABSENT

Senator Albert Kookesh

COMMITTEE CALENDAR

SENATE BILL NO. 93

"An Act relating to special request specialty organization registration plates; and providing for an effective date."

- MOVED SB 93 OUT OF COMMITTEE

SENATE BILL NO. 2

"An Act relating to National Rifle Association special request license plates."

- MOVED CSSB 2(STA) OUT OF COMMITTEE

SENATE BILL NO. 16

"An Act relating to special request choose life license plates; and providing for an effective date."

- MOVED CSSB 16(STA) OUT OF COMMITTEE

SENATE CONCURRENT RESOLUTION NO. 1

Designating May 2011 as Lupus Awareness Month.

- HEARD AND HELD

SENATE BILL NO. 36

"An Act relating to an opt-out charitable giving program offered by an electric or telephone cooperative."

- HEARD AND HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 93

SHORT TITLE: SPECIALTY LICENSE PLATES

SPONSOR(s): STATE AFFAIRS

02/21/11 (S) READ THE FIRST TIME - REFERRALS
02/21/11 (S) STA, TRA
02/22/11 (S) STA AT 9:00 AM BUTROVICH 205
02/22/11 (S) Heard & Held
02/22/11 (S) MINUTE(STA)
03/01/11 (S) STA AT 9:00 AM BUTROVICH 205

BILL: SB 2

SHORT TITLE: LICENSE PLATES: NATIONAL RIFLE ASSN.

SPONSOR(s): MENARD, HUGGINS

01/19/11 (S) PREFILE RELEASED 1/7/11
01/19/11 (S) READ THE FIRST TIME - REFERRALS
01/19/11 (S) STA, FIN
02/22/11 (S) STA AT 9:00 AM BUTROVICH 205
02/22/11 (S) Heard & Held
02/22/11 (S) MINUTE(STA)
03/01/11 (S) STA AT 9:00 AM BUTROVICH 205

BILL: SB 16

SHORT TITLE: SPECIAL REQUEST LICENSE PLATES

SPONSOR(s): MEYER

01/19/11 (S) PREFILE RELEASED 1/7/11
01/19/11 (S) READ THE FIRST TIME - REFERRALS
01/19/11 (S) STA, FIN
02/22/11 (S) STA AT 9:00 AM BUTROVICH 205
02/22/11 (S) Heard & Held
02/22/11 (S) MINUTE(STA)
03/01/11 (S) STA AT 9:00 AM BUTROVICH 205

BILL: SCR 1

SHORT TITLE: LUPUS AWARENESS MONTH

SPONSOR(s): DAVIS

01/19/11 (S) READ THE FIRST TIME - REFERRALS
01/19/11 (S) STA, HSS
03/01/11 (S) STA AT 9:00 AM BUTROVICH 205

BILL: SB 36

SHORT TITLE: OPT-OUT CHARITABLE GIVING PROGRAM

SPONSOR(s): THOMAS

01/19/11 (S) PREFILE RELEASED 1/14/11
01/19/11 (S) READ THE FIRST TIME - REFERRALS
01/19/11 (S) STA, JUD
03/01/11 (S) STA AT 9:00 AM BUTROVICH 205

WITNESS REGISTER

SENATOR LINDA MENARD
Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Sponsor of SB 2.

CELESTE HODGE, Staff to Senator Bettye Davis
Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Presented SCR 1 for sponsor.

SENATOR BETTYE DAVIS
Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Sponsor of SCR 1.

MARY CRIMMINGS
Lupus Foundation of America

POSITION STATEMENT: Testified in support of SCR 1.

ANNA TILLMAN, Executive Director
Lupus Foundation Alaska Chapter

POSITION STATEMENT: Testified in support of SCR 1.

JUDY POWELL, Chairman of the Board
Alaska Lupus Chapter

POSITION STATEMENT: Testified in support of SCR 1.

CHRISTY BAUMGARTNER, family member

POSITION STATEMENT: Testified in support of SCR 1.

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

POSITION STATEMENT: Presented SB 36 for sponsor.

BRIAN NEWTON, CEO
Golden Valley Electric Association
Fairbanks, AK

POSITION STATEMENT: Testified in support of SB 36.

ED SNIFFEN, Assistant Attorney General
Consumer Protection Unit
Department of Law
Anchorage, AK

POSITION STATEMENT: Explained provisions of SB 36.

ACTION NARRATIVE

[9:01:45 AM](#)

CHAIR BILL WIELECHOWSKI called the Senate State Affairs Standing Committee meeting to order at 9:01 a.m. Present at the call to order were Senators Giessel, Meyer, and Chair Wielechowski.

SB 93-SPECIALTY LICENSE PLATES

[9:02:23 AM](#)

CHAIR WIELECHOWSKI announced the first order of business would be SB 93.

SENATOR MEYER moved to report SB 93 from committee with individual recommendations and attached fiscal note(s).

CHAIR WIELECHOWSKI announced that without objection, SB 93 passed out of the Senate State Affairs Standing Committee.

SB 2-LICENSE PLATES: NATIONAL RIFLE ASSN.

[9:03:56 AM](#)

CHAIR WIELECHOWSKI announced the next order of business would be SB 2. He noted there was a new CS, version E, which is slightly modified from the last version. It now requires the DMV to consult with the Alaska Office of the American Cancer Society on the design and color of the breast cancer awareness plates. It also states that the legislature may appropriate excess funds from the sale of this plate to programs that provide screening for breast or cervical cancer.

SENATOR MEYER moved to adopt the proposed committee substitute for SB 2, labeled 27-LS0016\E, as the working document.

CHAIR WIELECHOWSKI objected for discussion purposes.

SENATOR LINDA MENARD, sponsor of SB 2, said the bill was introduced at the request of her constituents.

SENATOR MEYER asked what changes were made in the CS from the original bill.

SENATOR MENARD explained that the original bill said excess funds from the sale of breast cancer license plates would go into the general fund. The CS says they may be appropriated by the legislature to programs that provide screening for breast or cervical cancer.

[9:06:07 AM](#)

SENATOR MEYER asked if the intent was to raise money.

SENATOR MENARD replied if the legislature appropriated the funds the plates should raise some money for the organizations.

CHAIR WIELECHOWSKI responded that DMV would collect \$10 per plate, and anything beyond that could be appropriated.

CHAIR WIELECHOWSKI removed his objection and therefore, version E was before the committee.

SENATOR MEYER moved to report SB 2, [version E,] from committee with individual recommendations and accompanying fiscal note(s).

CHAIR WIELECHOWSKI announced that without objection, CSSB 2(STA), passed out of the Senate State Affairs Standing Committee.

[9:07:23 AM](#)

Brief at-ease from 9:07-9:08.

SB 16-SPECIAL REQUEST LICENSE PLATES

[9:08:29 AM](#)

CHAIR WIELECHOWSKI announced the next order of business would be SB 16. He noted there was a CS before the committee, version E, which requires the DMV to consult with Planned Parenthood of the Greater Northwest on the design and color of Pro Family Pro Choice plates. The CS also states that the legislature may appropriate excess funds from the sale of these plates to the Alaska Children's Trust.

SENATOR MEYER moved to adopt the proposed committee substitute to CS for SB 16(), labeled 27-LS0120\E, as the working document.

CHAIR WIELECHOWSKI objected for discussion purposes.

Seeing no discussion or questions, Chair Wielechowski removed his objection and version E was before the committee.

SENATOR MEYER moved to report SB 16, [version E,] from committee with individual recommendations and accompanying fiscal note(s).

CHAIR WIELECHOWSKI announced that without objection, CSSB 16(STA) moved from the Senate State Affairs Standing Committee.

[9:09:55 AM](#)

At-ease from 9:09-9:10.

SCR 1-LUPUS AWARENESS MONTH

[9:10:45 AM](#)

CHAIR WIELECHOWSKI announced the next order of business would be SCR 1.

SENATOR MEYER moved to adopt committee substitute (CS) for SCR 1 (), version 27-LS0099\B, as the working document.

[9:12:41 AM](#)

CHAIR WIELECHOWSKI objected for discussion purposes.

CELESTE HODGE, staff to Senator Bettye Davis, said SCR 1 designates May as Lupus Awareness Month, and it encourages all Alaskans to observe Lupus Awareness Month with appropriate activities that provide both education and support for people diagnosed with lupus. Lupus is a disease that affects the immune system, causing inflammation and tissue damage. Major gaps exist in the understanding of the causes and consequences of lupus. Lupus can affect any body part, including the skin, lungs, heart, kidney, and brain. It can cause seizures, strokes, heart attacks, miscarriages, and organ failure. Lupus strikes mostly women of childbearing age and women of color develop lupus at a rate two to three times the rate that Caucasians develop the disease. It is difficult to diagnose because its symptoms are similar to other illnesses. Each year the month of May is designated as Lupus Awareness Month to show support for the estimated 1.5 million Americans with lupus. More than 3,000 cases of lupus have been diagnosed in Alaska in patients 20 - 87 years of age. Ten members of the Lupus Foundation of America, Alaska Chapter, recently passed away from lupus. By designating May as Lupus Awareness Month, Alaska will join other states to help increase awareness of lupus and show support for those diagnosed with the disease.

SENATOR BETTYE DAVIS, sponsor of SCR 1, thanked the committee for hearing the bill.

CHAIR WIELECHOWSKI asked what changes are in the CS from the original version.

MS. HODGE answered that the year 2011 was removed, so that every May is designated as Lupus Awareness Month.

MARY CRIMMINGS, Lupus Foundation of America, testified in support of SCR 1. She said the Lupus Foundation of America is a national, nonprofit health organization that conducts programs of research, education, and advocacy. Lupus is a chronic autoimmune disease in which the immune system is out of balance, causing inflammation and tissue damage to virtually any organ system. Health effects can include heart attacks, strokes, seizures, miscarriages, and organ failure. Lupus can cause significant disability as well as death, and currently there is no cure. It is estimated that 1.5 million Americans including nearly 3,500 people living in Alaska have lupus. It is nine times more common in women, and two to three times more common among African Americans, Hispanic Latinos, Asian Americans, and Native Americans. The reason for this disparity remains a mystery. In 2003 the Lupus Foundation of America stimulated funding for the first comprehensive epidemiology through the Center for Disease Control and Prevention (CDC). This study is being conducted in Alaska. Working in partnership with the Indian Health Service, the CDC is discovering how many people have lupus and determining how many new cases occur each year. This will help researchers and policy-makers to gain a better understanding of the individual and social impacts of the disease. Twenty-one other states have already begun the process of declaring May as Lupus Awareness Month.

ANNA TILLMAN, Executive Director, Lupus Foundation Alaska Chapter, said they are trying to educate all Alaskans including doctors and the medical community about this disease. Young people are affected, mostly women in their childbearing years. People struck by this disease can become unable to care for themselves. Others never know from day to day what their limitations will be. It can attack the lungs, brain, and all organs. Lupus can be very debilitating as it affects all tissues in the body.

JUDY POWELL, Chairman of the Board, Alaska Lupus Chapter, explained the Alaska lupus problem. In the United States there are more people with lupus than with multiple sclerosis, sickle

cell anemia, and cystic fibrosis combined. Blacks are at risk three to one, and Alaska Natives as well as other minorities including Asians and Hispanics are at risk two to one to Caucasians. Symptoms can be as mild as a rash or as extreme as kidney failure. The Anchorage office is the only one in Alaska. It is important, because we are so isolated here, to spread the word on a regular basis.

CHRISTY BAUMGARTNER testified in support of SCR 1 and said that she has a family member with lupus.

CHAIR WIELECHOWSKI closed public testimony on SCR 1.

SENATOR DAVIS gave final comments on the resolution. She said that the people involved are all volunteers, and they work very hard. They have a fundraising walk once a year, but they work at this all year long.

CHAIR WIELECHOWSKI said SCR 1 would be set aside for further hearing.

SB 36-OPT-OUT CHARITABLE GIVING PROGRAM

[9:24:07 AM](#)

CHAIR WIELECHOWSKI announced the next order of business would be SB 36.

GRIER HOPKINS, staff to Senator Joe Thomas, sponsor of SB 36, said this bill was brought to their attention by Golden Valley Electric Association (GVEA). Opt-out charitable giving programs have been around for many years, and more than 250 utility cooperatives across the U.S. have adopted similar programs. These allow individuals to contribute small amounts that add up quickly and help build a stronger community. Opt-out charitable giving programs must be approved by co-op members. This program rounds up a monthly bill to the nearest dollar, so the maximum amount withheld per month would be anywhere between .01 cent and .99 cents. These small amounts add up quickly, and the average payment for a GVEA member would be approximately six dollars a year. Collected funds are dispersed to qualified organizations and individuals within the service district. Each co-op crafts its own by-laws on this. Most distribute the funds to the board of a separately created 501(c)(3) organization that they have established. Among the more than 250 cooperatives with charitable giving programs, most have adopted opt-out rather than opt-in programs. These programs have 90 percent member participation. Members may choose to opt out of the program at

any time. Donations may be refunded up to a full three years. SB 36 will remove any possible conflict with AS 45.45.930, dealing with opt-out marketing plans. Opt-out charitable giving programs in Alaska would require membership approval; disclosure of the amount added would be identified on the member's bill; extended refunds, if requested, could stretch back as far as three years. Donations are tax deductible and must benefit the service area of the cooperative.

[9:28:05 AM](#)

BRIAN NEWTON, CEO, Golden Valley Electric Association (GVEA), Fairbanks, testified in support of SB 36. He said their members have already approved initiating the program. GVEA became aware of a possible conflict with AS 45.45.930, so this bill is intended to remove any possible conflict. GVEA is proud of being able to give back to the community. Collecting small amounts and then returning them to the community is a way of giving to the community. GVEA will rotate the money as quickly as possible.

[9:30:37 AM](#)

CHAIR WIELECHOWSKI asked how GVEA decides what charities to give to.

MR. NEWTON said the board of directors of their 501(c)(3) will review the applications. They will look at the need and purpose. The board has specifically prohibited religious campaigns and political donations. So the board will choose who receives the funds, based upon criteria they have established.

SENATOR GIESSEL asked if GVEA had already started the program.

MR. NEWTON responded that GVEA has started the program, and legal counsel advises they are not prohibited from doing this. SB 36 is a clean-up bill to make sure there is no conflict with existing statutes.

[9:32:35 AM](#)

ED SNIFFEN, Assistant Attorney General, Consumer Protection Unit, Civil Division, Department of Law, Anchorage, said that AS 45.45.930 creates a potential conflict with the program as outlined. There is some question about whether this program would be prohibited under current statute. This bill would make a specific exemption from AS 45.45.930 for electric and telephone cooperatives. This bill provides good protection for consumers.

[9:33:33 AM](#)

SENATOR PASKVAN joined the meeting.

9:34:55 AM

SENATOR GIESSEL asked about information in the committees' packets referring to an amendment discussing the definition of charitable purpose.

MR. SNIFFEN said in HB 114, the companion bill, there was discussion in the House Labor & Commerce Committee about restricting the ability of cooperatives to provide donations to religious organizations. After doing research on how to define charitable purpose, the committee came up with an amendment.

9:36:47 AM

MR. SNIFFEN noted that language in statutes and cases helps define "charitable purpose." Alaska Statutes require charitable solicitors to register and operate within certain guidelines. Combining these resources led to a definition of charitable purpose. GVEA is a model program, but the bill doesn't require other electric associations to do the same thing. The definition of charitable donations in the original bill is too broad.

SENATOR GIESSEL asked how the amendment narrowed the definition of charitable donations.

MR. SNIFFEN said the definition was dealing with language that does not exist in the bill, and would not apply to this bill. The proposed amendment to the companion bill did not use that language, but rather mirrored existing language which says that they can make donations for the public welfare, charitable, and educational purposes. They have narrowed the definition to charitable purposes only. Entities other than 501(c) (3)s also do charitable work.

SENATOR GIESSEL asked about the constitutional equal protection issue. She mentioned the Salvation Army and Brother Francis Shelter, and asked if organizations like these are included or excluded.

MR. SNIFFEN said they would be included under this definition. Religious based organizations can do charitable work. If there is not a religious purpose, to promote a particular religion, then they are eligible to receive donations.

9:42:18 AM

CHAIR WIELECHOWSKI suggested the bill sponsor's suggested amendment could be included in a CS for the next meeting.

MR. HOPKINS explained the purpose of the amendment. This is an amendment that Mr. Sniffen wrote to limit or more closely define charitable purposes. The intent is to assure there is no pecuniary profit, but it does not exclude specific types of organizations or donations. This could also be addressed in the by-laws of the utility co-op.

SENATOR PASKVAN asked about refunds going back three years.

[9:45:25 AM](#)

MR. HOPKINS said it was to give members the benefit of the doubt in case they did not read their bill.

SENATOR PASKVAN asked if there was discussion about that length of time.

MR. HOPKINS said GVEA took the recommendation from its members.

MR. NEWTON said that the board of GVEA was emphatic about the 3 years, because people vote with their dollars. GVEA will publish the list of organizations donated to, and consumers get a three year look at how money is given to the community. If they don't like the board's choices, they can request a refund.

SENATOR MEYER noted that opt-out programs on credit card bills required 60 days written notice for opting out. He stated he is not concerned with this program, but he is concerned about the length of three years, and asked where GVEA would get the refund money.

[9:48:22 AM](#)

CHAIR WIELECHOWSKI noted the committee is setting policy for the whole state. Other organizations might be affected.

MR. NEWTON said the committee could change the refund length to one or two years. He stated the fund would have to maintain a reserve for possible refunds. Other states have not had a problem with this. If the committee wants to shorten the time, that would be fine.

SENATOR MEYER said if there is an adequate reserve then three years is probably okay. He does support the bill. In general he favors opt in vs. opt out, but this program seems okay. He had a bad experience with a credit card company and an opt-out program, but is not concerned with this bill.

CHAIR WIELECHOWSKI asked if Mr. Sniffen could address opt in vs. opt out programs.

MR. SNIFFEN said generally the DOL doesn't like opt out programs. But for this particular program the statute has good features to help protect consumers. The cooperative membership has to vote on the program. The three year refund is a feature that DOL likes, and would encourage keeping in the bill. If the program is run correctly they will have a reserve. DOL also likes the mandatory disclosures on monthly utility bills. He stated SB 36 contains many protections to resolve potential problems, it does benefit the community, and he supports the bill.

MR. NEWTON stated that GVEA would support an amendment or CS as proposed, with the changes proposed in the House version.

[9:54:13 AM](#)

CHAIR WIELECHOWSKI closed public testimony and announced he would hold SB 36 in committee.

[9:54:39 AM](#)

There being no further business to come before the committee, Chair Wielechowski adjourned the Senate State Affairs Standing Committee meeting at 9:55 a.m.