

ALASKA STATE LEGISLATURE
SENATE STATE AFFAIRS STANDING COMMITTEE

April 3, 2012

9:02 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 JOINT RESOLUTION NO. 20

Relating to Eielson Air Force Base and the strategic importance of retaining the 18th F-16 Aggressor Squadron in the Fairbanks North Star Borough.

- MOVED SJR 20 OUT OF COMMITTEE

HOUSE BILL NO. 205

"An Act relating to state and public entity procurement, including the State Procurement Code, procurement preferences, and contract awards; relating to the meaning of 'Alaska bidder'; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 169

"An Act relating to the review of proposed regulations by the Legislative Affairs Agency; and providing for an effective date."

- SCHEDULED BUT NOT HEARD

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 216(FIN)

"An Act relating to fiscal notes for bills directing or resulting in the adoption, amendment, or repeal of regulations, and to the notice required for the proposed adoption, amendment, or repeal of a regulation; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: SJR 20

SHORT TITLE: RELOCATION OF 18TH F-16 SQUADRON

SPONSOR(S): STATE AFFAIRS BY REQUEST

03/28/12 (S) READ THE FIRST TIME - REFERRALS
03/28/12 (S) STA
04/03/12 (S) STA AT 9:00 AM BUTROVICH 205

BILL: HB 205

SHORT TITLE: PUBLIC PROCUREMENT

SPONSOR(S): FAIRCLOUGH

03/23/11 (H) READ THE FIRST TIME - REFERRALS
03/23/11 (H) STA, FIN
03/29/11 (H) STA RPT 6DP 1NR
03/29/11 (H) DP: PETERSEN, SEATON, GRUENBERG,
KELLER, P.WILSON, LYNN
03/29/11 (H) NR: JOHANSEN
03/29/11 (H) STA AT 8:00 AM CAPITOL 106
03/29/11 (H) Moved Out of Committee
03/29/11 (H) MINUTE(STA)
04/09/11 (H) FIN RPT 9DP 1NR
04/09/11 (H) DP: FAIRCLOUGH, GUTTENBERG, T.WILSON,
EDGMON, JOULE, NEUMAN, COSTELLO,
DOOGAN,
04/09/11 (H) THOMAS
04/09/11 (H) NR: STOLTZE
04/09/11 (H) FIN AT 1:00 PM HOUSE FINANCE 519
04/09/11 (H) Moved Out of Committee
04/09/11 (H) MINUTE(FIN)
04/11/11 (H) TRANSMITTED TO (S)
04/11/11 (H) VERSION: HB 205
04/12/11 (S) READ THE FIRST TIME - REFERRALS
04/12/11 (S) STA, FIN
04/03/12 (S) STA AT 9:00 AM BUTROVICH 205

BILL: HB 216

SHORT TITLE: REGULATIONS: INFORMATIVE SUMMARY/BILLS

SPONSOR(S): P.WILSON

03/30/11 (H) READ THE FIRST TIME - REFERRALS
03/30/11 (H) STA, JUD
04/12/11 (H) STA AT 8:00 AM CAPITOL 106

04/12/11	(H)	Heard & Held
04/12/11	(H)	MINUTE(STA)
01/19/12	(H)	STA AT 8:00 AM CAPITOL 106
01/19/12	(H)	Moved CSHB 216(STA) Out of Committee
01/19/12	(H)	MINUTE(STA)
01/20/12	(H)	STA RPT CS(STA) 2DP 4AM
01/20/12	(H)	DP: P.WILSON, LYNN
01/20/12	(H)	AM: KELLER, GRUENBERG, SEATON, PETERSEN
01/23/12	(H)	FIN REFERRAL ADDED AFTER JUD
01/30/12	(H)	JUD AT 1:00 PM CAPITOL 120
01/30/12	(H)	Heard & Held
01/30/12	(H)	MINUTE(JUD)
02/03/12	(H)	JUD AT 1:00 PM CAPITOL 120
02/03/12	(H)	Heard & Held
02/03/12	(H)	MINUTE(JUD)
02/10/12	(H)	JUD AT 1:00 PM CAPITOL 120
02/10/12	(H)	Heard & Held
02/10/12	(H)	MINUTE(JUD)
02/13/12	(H)	JUD AT 1:00 PM CAPITOL 120
02/13/12	(H)	Moved CSHB 216(JUD) Out of Committee
02/13/12	(H)	MINUTE(JUD)
02/15/12	(H)	JUD RPT CS(JUD) NT 6DP
02/15/12	(H)	DP: LYNN, GRUENBERG, KELLER, THOMPSON, HOLMES, GATTO
02/22/12	(H)	FIN AT 1:30 PM HOUSE FINANCE 519
02/22/12	(H)	Moved CSHB 216(FIN) Out of Committee
02/22/12	(H)	MINUTE(FIN)
02/24/12	(H)	FIN RPT CS(FIN) NT 9DP
02/24/12	(H)	DP: FAIRCLOUGH, GARA, T.WILSON, NEUMAN, COSTELLO, EDGMON, DOOGAN, STOLTZE, THOMAS
02/24/12	(H)	THOMAS
03/02/12	(H)	TRANSMITTED TO (S)
03/02/12	(H)	VERSION: CSHB 216(FIN)
03/05/12	(S)	READ THE FIRST TIME - REFERRALS
03/05/12	(S)	STA, JUD
04/03/12	(S)	STA AT 9:00 AM BUTROVICH 205

WITNESS REGISTER

LUKE HOPKINS, Mayor
Fairbanks North Star Borough
Fairbanks, Alaska

POSITION STATEMENT: Testified in support of SJR 20.

DOUG ISSACSON, Mayor
North Pole, Alaska

POSITION STATEMENT: Testified in support of SJR 20.

JIM DODSON, President/CEO
Fairbanks Economic Development Corporation
Fairbanks, Alaska

POSITION STATEMENT: Testified in support of SJR 20.

REPRESENTATIVE ANNA FAIRCLOUGH
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Sponsor of HB 205.

LAURA PIERRE, Staff
Representative Anna Fairclough
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Explained the sections of HB 205 on behalf of the sponsor.

VERN JONES, Chief Procurement Officer
Division of General Services
Department of Administration
Juneau, Alaska

POSITION STATEMENT: Answered questions related to HB 205.

SCOTT THORSON, representing himself
Anchorage, Alaska

POSITION STATEMENT: Testified in favor of HB 205.

REPRESENTATIVE PEGGY WILSON
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Introduced HB 216 as sponsor of the bill.

STEVE WEAVER, Assistant Attorney General
Legislations & Regulations Section
Department of Law
Juneau, Alaska

POSITION STATEMENT: Answered questions related to HB 216.

TERRY BANNISTER, Attorney,
Legislative Legal and Research Services Division
Legislative Affairs Agency
Juneau, Alaska

POSITION STATEMENT: Testified on HB 216.

JANA VARATI, representing herself
Nome, Alaska

POSITION STATEMENT: Testified in support of HB 216.

NANCY MCGUIRE, Owner
Nome Nugget
Nome, Alaska

POSITION STATEMENT: Testified in support of HB 216.

ACTION NARRATIVE

[9:02:14 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 Giessel, Meyer, Paskvan, and Chair Wielechowski. Senator Kookesh arrived shortly thereafter.

SJR 20-RELOCATION OF 18TH F-16 SQUADRON

[9:02:19 AM](#)

CHAIR WIELECHOWSKI announced that the first bill before the committee would be SJR 20, which urges Congress and the Department of Defense to reconsider the transfer of F-16s from Eielson Air Force Base and recognized the strategic importance of the base. Recently, the Air Force announced that it was recommending the relocation of the 18th F-16 Aggressor Squadron from Eielson Air Force Base to Joint Base Elmendorf-Richardson. This would reduce the operational capacity of Eielson, making it vulnerable to potential base closure.

SENATOR PASKVAN, as sponsor of SJR 20, shared the reason for the bill. The United States Air Force has recommended the relocation of the 18th F-16 Aggressor Squadron from Eielson Air Force Base to Joint Base Elmendorf-Richardson. He suggested that the transfer of the F-16 would be detrimental to the state of Alaska and have a dramatic impact on the Fairbanks economy, as well as to all of Interior Alaska. It will reduce operational capacities at Eielson, making it vulnerable for future base realignment and closure (BRAC) rounds.

He related that the benefits and strategic importance of Eielson Air Force Base, now and into the future, far outweighs any negligible savings by the transfer of the F-16 squadron. Eielson is at the forefront of protecting the United States' interest in the Pacific Theater and serves a critical function in reinforcing the region. It helps to secure important pipeline infrastructure, including the Trans-Alaska Pipeline System, and also the refineries that are located in interior Alaska. The pipeline provides a significant portion of the nation's energy

needs. Eielson has adjacent access to the largest joint air and land training range in the nation. This area's minimal airspace congestion is well suited to perform operations for unmanned vehicles and live-fire exercises. The 21st Century military capabilities are going towards unmanned vehicles.

He continued to say that Eielson connects to the largest unrestricted air space in the United States. The base has large fuel storage capacity and has a runway capable of handling the military's largest aircraft year round. Movement of the 18th Aggressor Squadron puts Eielson at risk. The base has served America's needs for decades and because of its location, should continue to serve America's interests. The base has access to unique training grounds, fuel storage, ample housing, and provides critical support for the joint training exercises.

He stated that he speaks as a lifelong resident of Alaska and of Fairbanks when he says he understands the significance of Eielson Air Force Base to the communities of Interior Alaska and to America's security interest. During 2005, the last BRAC round, the strategic and economic importance of Eielson was proved. He encouraged members of the committee to support the resolution, which seeks to remind the President and the Air Force that the F-16's should stay at Eielson Air Force Base.

[9:06:54 AM](#)

SENATOR KOOKESH joined the committee.

At-ease from 9:07 a.m. to 9:08 a.m.

CHAIR WIELECHOWSKI opened public testimony.

LUKE HOPKINS, Mayor, Fairbanks North Star Borough, testified in support of SJR 20. He questioned the basis for the proposed savings in the Department of Defense budget because of the movement of the F-16's from Eielson. He noted that Fairbanks was taking steps to work with consultants locally and in Washington, D.C., to determine if there really would be a savings.

He spoke of the draft EIS for the Joint Pacific Alaska Range Complex which shows that Eielson is vital to future training sessions. He requested that the committee support the resolution.

[9:10:49 AM](#)

DOUG ISSACSON, Mayor, North Pole, testified in support of SJR 20. He agreed with the sponsor and with Mayor Hopkins. He added

that Eielson is expanding its mission and is in the middle of adding new housing and new facilities, so it seems odd that a reduction is being considered. He noted support for the military by the surrounding communities.

JIM DODSON, President/CEO, Fairbanks Economic Development Corporation, testified in support of SJR 20. He related his part in past BRAC preventative measures when, in 2005, the BRAC Commission determined that the financial information being used by the Air Force was inaccurate. He maintained that the same thing was happening today. He voiced agreement with the sponsor statement.

[9:14:08 AM](#)

CHAIR WIELECHOWSKI closed public testimony.

SENATOR PASKVAN thanked the testifiers for speaking on the resolution.

SENATOR PASKVAN moved to report SJR 20, version M, from committee with individual recommendations and the attached zero fiscal note. There being no objection, SJR 20 was reported from the Senate State Affairs Standing Committee.

HB 205-PUBLIC PROCUREMENT

[9:15:37 AM](#)

CHAIR WIELECHOWSKI announced that HB 205 was before the committee. He said HB 205 addresses preferences in the state's procurement code; it consolidates some preferences and sets standards for how they accumulate.

REPRESENTATIVE ANNA FAIRCLOUGH, sponsor of HB 205, introduced the bill. She related that the bill changes and streamlines the procurement code to ensure consistency in application of the law resulting in a more understandable, efficient procurement process. It eliminates a seldom-used preference for employers with disabilities, it consolidates procurement preferences under one statute, and it clarifies which preferences are cumulative and those that may not be combined. It makes application of preferences uniform. Currently, the preferences do not contain the same language so they must be applied differently.

LAURA PIERRE, staff to Representative Anna Fairclough, explained the sections of HB 205 on behalf of the sponsor.

CHAIR WIELECHOWSKI requested information about the substantive changes.

MS. PIERRE described Section 1 as the renumbering of the preferences.

CHAIR WIELECHOWSKI asked why the numbers changed.

VERN JONES, Chief Procurement Officer, Division of General Services, Department of Administration, testified that the bill aims to pull the preferences out of the various sections in statute and put them all into one section and make the language uniform so they are more easily applied.

CHAIR WIELECHOWSKI summarized that preferences are scattered throughout the statutes and the bill consolidated them into one section.

MS. PIERRE explained Section 2 amends the local agriculture preference to grant a 7 percent cost preference to the qualifying bid, rather than to the low bid, making it consistent with other procurement preferences.

CHAIR WIELECHOWSKI requested more information.

MS. PIERRE repeated her explanation.

MR. JONES pointed out that the statute is currently written to say a procurement must be awarded to the bidder that qualifies for this preference if their bid is within a certain percentage of the low bid.

[9:20:03 AM](#)

CHAIR WIELECHOWSKI asked how the bidder qualifies.

MR. JONES explained that the bidder, in this case, qualifies when producing a local agricultural or fisheries product.

CHAIR WIELECHOWSKI asked if the new bill provides that the procurement officer would screen bidders for qualifications and then award a 7 percent preference.

MR. JONES said yes.

SENATOR PASKVAN asked how a qualifying bid is determined.

MR. JONES said he did not understand the question. He offered that the preference is based on a qualified bid and would be reduced by 7 percent, instead of figuring out who the low bidder was.

9:21:25 AM

SENATOR MEYER requested an example of when a procurement officer would go with a low bid rather than with a qualifying bid.

MR. JONES called that a misnomer because a low bid has not gone through the bid process to qualify for the 7 percent preference.

SENATOR PASKVAN asked if the award is issued in the amount of the original bid or with the 7 percent removed.

MR. JONES said it was in the amount of the original bid. He further explained that the preferences are for evaluation purposes only.

CHAIR WIELECHOWSKI asked if the bill has the ability to change the results of procurement.

MR. JONES said it could because the low bid is different than a bid with a percentage removed resulting in a greater amount.

9:24:17 AM

REPRESENTATIVE FAIRCLOUGH further explained that the purpose of the section is twofold, to clarify language, but also to ensure that Alaskan-owned businesses that are harvesting seafood or agriculture receive a preference because they compete in a market made up of large suppliers. She gave an example of lettuce bought for schools.

MS. PIERRE related that Section 3 does the same thing as Section 2, but for local fisheries.

She said that Section 4 would amend the local agriculture and fisheries preference to not allow a bidder to be granted both preferences.

CHAIR WIELECHOWSKI requested clarification.

MR. JONES explained that the preferences are duplicative. A bidder cannot have more than one preference, such as an agricultural and fisheries preference, as well as an Alaskan preference.

CHAIR WIELECHOWSKI asked if that is in current law and involves "stacking".

MR. JONES reported that it has been the division's practice to not allow stacking of preferences.

SENATOR PASKVAN gave an example of a local agricultural bidder who would likely elect the 7 percent preference rather than the Alaskan 5 percent preference.

MR. JONES clarified that the Alaska product preference is a three-tiered process with a 3 percent, 5 percent, and 7 percent preference based on the percentage produced or manufactured in the state. For example, a fisheries product, which is produced 100 percent in Alaska, would get one 7 percent preference, but not a fisheries product preference, because that would be duplication.

[9:27:50 AM](#)

MS. PIERRE reported that Sections 5-10 are renumbering sections.

She related that Section 11 adds a new section consolidating the Alaska bidder preference, the Alaska Veterans' preference, and other preferences formerly at AS 36.30.170(b). The section also simplifies the qualification for the disability and employment program preferences, eliminates the seldom-used employers of people with disabilities preference, and excludes real estate leases from application of procurement preferences.

CHAIR WIELECHOWSKI requested more information about Section 11.

MR. JONES explained about the three disability-related preferences, the employment program, the disabled bidder preference, and the employers of the disabled preference. This section eliminates the last preference because it is seldom used. It has only been used by two companies and has benefited only two people. The remaining two preferences are left in statute.

SENATOR MEYER asked if there is a cap or a limit to how many preferences a bidder can receive.

MR. JONES did not know, but thought it might be between 12 to 15 percent. He said it was typically 5 percent, plus an Alaska preference, or fisheries.

SENATOR MEYER used an example of a road construction bid which was the high bid, but was awarded the contract due to preferences totally 15 percent.

MR. JONES said, generally speaking, a road project bid would receive a 5 percent bidder preference and a 7 percent Alaska preference to equal a 12 percent total preference.

SENATOR MEYER suggested if the persons hired were disabled, the bid would qualify for an additional preference.

MR. JONES noted it would be another 7 percent.

SENATOR PASKVAN asked for more information about what type of work the two companies previously mentioned did in order to receive the employer of disabled preference.

MR. JONES replied that one firm was a business that offers office space leases to the state and the other was a construction firm. He opined that the preference did not make sense in either case.

SENATOR PASKVAN noted, as currently written, a company that employs a 100 percent disabled workforce could obtain a lease by bidding \$107,000 and win the bid over another company that bid \$100,000.

MR. JONES said yes, but HB 205 changes that.

[9:36:28 AM](#)

REPRESENTATIVE FAIRCLOUGH stated that the reason there are preferences in this bill is so that the population in Alaska will benefit. The same is true for disabled preferences that remain in the bill in order to motivate the hiring of disabled people.

SENATOR PASKVAN agreed with that intent. He suggested that the work being done should be connected with the disability, which is currently not in place in the one preference.

MR. JONES agreed that there is no connection. The employment program preference, which used to be called a Shelter Workshop, provides that connection, as does the disabled bidder preference. The two preferences remaining in the bill do provide a connection.

[9:39:00 AM](#)

REPRESENTATIVE FAIRCLOUGH explained the purpose of Section 11 is also to clarify the "stackability" of preferences and how the calculations are done. The complication of having preferences located throughout statute was confusing.

SENATOR PASKVAN followed up on the example of a 50 percent disabled workforce and asked if the Department of Administration was taking any action to remedy the problem of the disabled person not receiving the benefit. He questioned who the true beneficiary was.

MR. JONES said part of the issue is that the preference did not require any benefit to the disabled person, but HB 205 eliminates that problem.

SENATOR PASKVAN agreed with that. He asked if there are other areas where a front corporation is used to scam Alaskans. The resolution only focuses on one area.

[9:42:48 AM](#)

REPRESENTATIVE FAIRCLOUGH noted that there were other areas in previous bills, but they were controversial and are not included in this bill. She used the offerors preference as an example. She said this bill hopes to reach consensus. She noted wide support for HB 205 bill from various entities.

SENATOR PASKVAN did remember that controversial bill two years ago.

MR. JONES noted another important change in Section 11, subsection (a), where a number of third-party qualifications that would indicate disability are listed. The current process requires the disabled person to have a doctor's note in order to qualify for the preference. HB 205 instead, substitutes third-party qualifications, such as a Veteran Administration Disability or Social Security records or state authorities' determination, for Vocational Rehabilitation to accept.

CHAIR WIELECHOWSKI asked how disability is proved currently.

MR. JONES explained that it is a case-by-case evaluation process by the Division of Vocational Rehabilitation and requires a letter from a physician, which is cumbersome.

SENATOR MEYER asked if there is some protection to the state if a disabled person is injured on the job.

MR. JONES pointed out that the state requires standard insurance coverage.

SENATOR MEYER gave an example of a crime lab construction bid, which would be very specialized and technical. He questioned if a sole source bid could be requested.

MR. JONES replied that would be possible. He noted that there were stringent requirements for approval of single source bids.

[9:48:39 AM](#)

CHAIR WIELECHOWSKI referred to page 7, line 6, and asked if that information was currently the law, or if temporary disabilities were allowed preferences under the bill.

MR. JONES said that language was consistent with current statute.

SENATOR PASKVAN asked if there was any provision in procurement statutes whereby someone is subject to criminal prosecution for sham entities.

MR. JONES replied that the Alaska Product Preference does have a penalty for illegally claiming a preference. There is also a requirement of good faith in procurement statutes.

SENATOR PASKVAN pointed out that the covenant of good faith and fair dealing is implied in a contractual civil sense. He thought he heard no as the answer to criminal prosecution.

MR. JONES understood that fraud is a crime and can be prosecuted by the attorney general.

SENATOR PASKVAN suggested there was no process for that so it was meaningless.

SENATOR KOOKESH asked if any shams had been prosecuted.

MR. JONES replied that several times false preferences were claimed resulting in no contract being awarded.

[9:52:34 AM](#)

CHAIR WIELECHOWSKI asked if the current definition of "disabled" means permanently, totally disabled. He asked if the resolution changes that.

MR. JONES explained that the definition of disability does not change. Currently, Vocational Rehabilitation determines who is disabled and they feel they are not qualified, so the bill changes who can determine that the person is disabled.

CHAIR WIELECHOWSKI asked if the standard is now "permanently disabled" according to Vocational Rehabilitation.

MR. JONES said yes.

CHAIR WIELECHOWSKI asked if it was a "total disability" standard.

MR. JONES explained how Vocational Rehabilitation determines the definition of disability; the individual has some type of bar to employment. He said he did not know what standard was used.

CHAIR WIELECHOWSKI did not want to set a higher standard of disability.

REPRESENTATIVE FAIRCLOUGH understood that the resolution uses the current standard but relieves the Division of Vocational Rehabilitation from determining the standard. People with disabilities have already qualified under one of the avenues included in HB 205. The resolution removes a duplication of process. She offered to find out more about the standard used.

CHAIR WIELECHOWSKI noted he was looking at the workers' compensation definition and was looking for further information regarding the definition of disabled.

[9:56:32 AM](#)

MS. PIERRE explained Section 12, which modifies the use of local forest products statute to grant a seven percent cost preference to the qualifying bid rather than to the low bid. Section 13 clarifies in statute which preferences are cumulative and which cannot be combined. Section 14 moves the definition for "Alaska bidder" to a new section. Sections 15 and 16 are renumbering sections. Section 17 repeals statute establishing the veteran preference because it was moved to another section. It also repeals employment program language and relationship to other preferences. Section 18 clarifies the application of the Procurement Act to pending solicitations during transition period. Section 19 is language making the Procurement Act effective immediately.

[9:59:19 AM](#)

CHAIR WIELECHOWSKI asked if any preferences are new or amended.

MR. JONES replied that none are new. The bill exempts lease of office space real estate leases from preferences and makes changes to third-party qualification for the disabled preferences.

CHAIR WIELECHOWSKI asked if Section 11 (c) is in existing statute.

MR. JONES said it was. A domestic insurer does not currently have to obtain an Alaska business license, so in order to keep the preference consistent for them, subsection (c) would exempt them from having to have a business license; however, they would still have to qualify for all the other elements of the Alaska bidder preference.

CHAIR WIELECHOWSKI opened public testimony.

[10:01:12 AM](#)

SCOTT THORSON, representing himself, testified in favor of HB 205. He spoke from a small business owner's perspective about the advantages of HB 205. It makes doing business with the state easier and more efficient. He said he appreciated the benefits to locally-owned businesses.

CHAIR WIELECHOWSKI closed public testimony.

REPRESENTATIVE FAIRCLOUGH thanked the committee for hearing the bill.

CHAIR WIELECHOWSKI said he would hold HB 205 in committee.

HB 216-REGULATIONS: INFORMATIVE SUMMARY/BILLS

[10:05:03 AM](#)

CHAIR WIELECHOWSKI announced that the next bill before the committee would be HB 216, which would set expectations for completion of regulations and make explanations of regulations clearly understandable in "plain English."

REPRESENTATIVE PEGGY WILSON, sponsor of HB 216, introduced the bill. She related that bill deals with two frustrating issues, regulations not being written in a timely manner and regulations not being easily understood. She used HB 110 as an example. The bill would ensure that regulations are adopted in a timely manner and are explained in plain English.

REPRESENTATIVE WILSON explained that Section 1 will ensure that state regulations are completed and adopted in a timely manner. Section 2 will ensure that all new regulations and changes to current regulations are accompanied by a brief description in plain English.

She listed the key points in HB 216. Section 1 - the deadline for adopting, amending, or repealing regulations is set by the department or agency, not by the legislature. The timeframe will be listed on the fiscal note by the department. If the deadline is not met, the department must report to the Regulation Review Committee. State boards and commissions are exempt from this provision except for the Alaska Housing Finance Corporation, the Alaska Industrial Development & Export Authority, the Alaska Energy Authority, the Alaska Public Offices Commission, and the Alaska Oil and Gas Conservation Commission.

She reported that in Section 2, the brief description of the regulation must accompany all notices furnished on paper, through the mail, via email, or on public notices. Agencies do not have to include the brief description in newspapers, or trade or industry publications, but must include a reference as to where the brief description can be found. Section 2 also makes it clear that individuals cannot take action against agencies if the brief description was misunderstood.

REPRESENTATIVE WILSON related that Sections 3 and 4 state that these requirements apply only to bills that are filed after the effective date of July 1, 2012.

[10:11:16 AM](#)

REPRESENTATIVE WILSON explained that the fiscal note states that no cost is anticipated as a result of Section 1, and the fiscal impact resulting from Section 2 is expected to be minimal.

She stated intent of the bill to improve public participation in the political process because people will be able to understand regulations. It will also make it easier for legislators to evaluate whether the intent of the statute is implemented in regulations.

SENATOR MEYER asked for the departments' opinion of the bill.

REPRESENTATIVE WILSON replied that the departments have not stated any objections to the bill. The Department of Law had

some objections, but the bill was changed to address those issues.

SENATOR MEYER asked what the repercussions were if a deadline is not met.

REPRESENTATIVE WILSON reiterated that the department would have to report to the Regulations Review Committee to explain why the deadline was not met and set a new deadline.

[10:13:17 AM](#)

STEVE WEAVER, Assistant Attorney General, Legislations & Regulations Section, Department of Law (DOL), answered questions related to HB 216. He explained DOL's part in changing the original version of the bill. At this point DOL has no problems with the bill.

CHAIR WIELECHOWSKI asked how the "plain English" requirement would work on a complicated topic.

MR. WEAVER agreed that some bills may be more complicated. He opined that the sponsor's concern was the overuse of "jargon" and lack of common terms.

REPRESENTATIVE WILSON envisioned, for example, simple language used in place of statute numbers. She provided several examples.

[10:16:47 AM](#)

TERRY BANNISTER, Attorney, Legislative Legal and Research Services Division, Legislative Affairs Agency, testified on HB 216. She stated that all previous problems with the bill had been cleaned up.

JANA VARATI, representing herself, testified in support of HB 216. She spoke of the regional newspaper called the Nome Nugget. She appreciated the intent of HB 216. She questioned why the bill does not require notices of brief descriptions to be displayed in newspapers. She suggested that be included in the bill.

[10:21:04 AM](#)

NANCY MCGUIRE, owner of the Nome Nugget, testified in support of HB 216. She opined that the regulations should be published in newspapers in order to better inform the public.

CHAIR WIELECHOWSKI closed public testimony.

REPRESENTATIVE WILSON reported that no notification requirements were changed by the bill.

CHAIR WIELECHOWSKI asked if newspapers were included.

REPRESENTATIVE WILSON reported that newspapers were eliminated.

MR. WEAVER reported that the requirements were not changed. Public notices are still required to be published in newspapers and on-line, as well as sent to news agencies. The only item addressed in the bill is the accompanying brief description.

CHAIR WIELECHOWSKI held HB 216 in committee.

10:25:55 AM

There being no further business to come before the committee, Chair Wielechowski adjourned the Senate State Affairs Standing Committee at 10:25 a.m.