

HOUSE JOURNAL
ALASKA STATE LEGISLATURE
TWENTY-EIGHTH LEGISLATURE - FIRST SESSION

Juneau, Alaska

Friday

January 18, 2013

Fourth Day

Pursuant to adjournment the House was called to order by Speaker Chenault at 10:32 a.m.

Roll call showed 36 members present. Representative-elect Guttenberg and Representative Kerttula had been previously excused from a call of the House today. Representatives Costello and Stoltze were absent and their presence was noted later.

The invocation was offered by the Chaplain, The Most Reverend Edward J. Burns, Bishop of the Catholic Diocese of Juneau. Representative Gruenberg moved and asked unanimous consent that the invocation be spread on the journal. There being no objection, it was so ordered.

Good and gracious God, we come before you confident in your love for us. We ask that you bless the members of this House of Representatives. In their work, may they reflect your justice. In their decisions, may they reflect your wisdom. In their actions, may they reflect your love. And may all of us reflect that you have created us in your image.

Heavenly Father, we pray for and support our legislators as they represent us in bringing forth the laws of this land. May they always strive for the common good in this state of Alaska. Guide them, protect their families, and may they always know your peace and presence in their lives.

We ask too for your blessing upon the neediest in our world and in our state. In particular, we are mindful of our brothers and sisters who face the challenges of a harsh winter. We ask

for your providential care for them. Through our charitable works and acts of kindness, may they know your presence and consolation.

We offer this prayer in your name and to your glory forever and ever. Amen.

The Pledge of Allegiance was led by Representative P. Wilson.

CERTIFICATION OF THE JOURNAL

HB 69

The Chief Clerk corrected the journal for the second day, page 49, under Introduction, First Reading, and Reference of House Bills for HB 69-EXEMPT FIREARMS FROM FEDERAL REGULATION:

Delete "Hughes"
Insert "Higgins"

The sponsors are Representatives CHENAULT, Millett, Johnson, T. Wilson, Hawker, Olson, Feige, P. Wilson, Thompson, Keller, Gattis, Lynn, Saddler, and Higgins. The bill was reprinted January 17, 2013.

Representative Pruitt moved and asked unanimous consent that the journal for the second legislative day as corrected and the journal for the third legislative day and House and Senate Joint Journal Supplement No. 1 be approved as certified by the Chief Clerk. There being no objection, it was so ordered.

COMMUNICATIONS

The following memorandum dated January 16, 2013, from Senator Stevens to Suzi Lowell, Chief Clerk, was read, regarding:

Establishing the Alaska Legislative Celebration Commission to organize events to commemorate the 100th anniversary of the first convening of the legislative branch of government in Alaska.

Legislative Resolve No. 45, 2012

"At its December 14, 2012, meeting, the Alaska Legislative Celebration Commission elected Senator Gary Stevens as chair of the Commission, and changed its name to the "Alaska Legislative Centennial Commission," both of which actions are within the purview of the Commission."

**The presence of Representative Costello was noted.

The following were received:

Dept. of Commerce, Community, & Economic Development
Division of Economic Development
FY 2012 Annual State Loan Report
FY 2012 Annual Report of Reinstatements
2012 Annual Report of Fisheries Enhancement Term Extensions
January 16, 2013
(as required by AS 37.05.035, 16.10.350, and 16.10.510)

Dept. of Revenue
Alaska Retirement Management Board
Notification of Availability of Financial Reports
January 15, 2013
(as required by AS 37.10.220)

Knik Arm Bridge & Toll Authority
2012 Annual Report
January 11, 2013
(as required by AS 19.75.111)

**The presence of Representative Stoltze was noted.

INTRODUCTION OF CITATIONS

The following citation was introduced and referred to the Rules Committee for placement on the calendar:

Honoring - Stephen J. Van Goor
By Representatives Kerttula, Gruenberg, Munoz; Senator Egan

**INTRODUCTION, FIRST READING, AND REFERENCE
OF HOUSE BILLS****HB 75**

HOUSE BILL NO. 75 by Representative SEATON, entitled:

"An Act repealing certain audit requirements for entities receiving contributions from permanent fund dividends; requiring each campus of the University of Alaska to apply to be included on the contribution list for contributions from permanent fund dividends; and requiring a university to pay an application fee for each campus separately listed on the contribution list for contributions from permanent fund dividends."

was read the first time and referred to the State Affairs and Finance Committees.

HB 76

HOUSE BILL NO. 76 by the House Rules Committee by request of the Governor, entitled:

"An Act relating to electronic filing of certain information with the Department of Labor and Workforce Development; relating to surcharges, rate increase reduction, prohibition on the relief of certain charges, the unemployment trust fund account, and the offset of certain unemployment compensation debt under the Alaska Employment Security Act; relating to the definition of 'covered unemployment compensation debt' in the Alaska Employment Security Act; and providing for an effective date."

was read the first time and referred to the Labor & Commerce and Finance Committees.

The following fiscal note(s) apply:

1. Fiscal, Dept. of Labor & Workforce Development
2. Zero, Dept. of Labor & Workforce Development

The Governor's transmittal letter dated January 17, 2013, follows:

"Dear Speaker Chenault:

To keep our state strong, we are working for small business growth. One way to grow Alaskan opportunity is to assure that Alaskans and business owners in our state do not have to pay more to State government in unemployment insurance taxes than necessary. I am submitting legislation to accomplish that goal. Under the authority of Article III, Section 18 of the Alaska Constitution, I am transmitting a bill relating to the unemployment trust fund account that will meet federal compliance requirements, ensure that the unemployment insurance (UI) fund remains solvent, and minimize the burden for employers and employees.

Alaska law currently provides for automatic increases in unemployment insurance contributions from Alaskan workers and business owners, even when Alaska's unemployment insurance fund is solvent without the increase. This legislation prevents overtaxing for UI contributions while safeguarding the solvency of the fund. It gives the Commissioner of the Department of Labor and Workforce Development (DOLWD) the authority to eliminate or reduce increases in unemployment insurance tax rates when appropriate, based on standards to ensure the actuarial soundness of the unemployment trust fund.

Additionally, the bill allows for greater efficiencies by giving DOLWD the authority to permit electronic filing. It also provides that the department may offset covered unemployment compensation debt against a claimant's federal income tax refund and clarifies participation in the federal treasury offset program.

This simple reform will allow Alaska's small and mid-sized businesses to grow and create more jobs for the prosperity of all Alaskans.

I urge your prompt and favorable action on this measure.

Sincerely,

/s/

Sean Parnell
Governor"

HB 77

HOUSE BILL NO. 77 by the House Rules Committee by request of the Governor, entitled:

"An Act relating to the Alaska Land Act, including certain authorizations, contracts, leases, permits, or other disposals of state land, resources, property, or interests; relating to authorization for the use of state land by general permit; relating to exchange of state land; relating to procedures for certain administrative appeals and requests for reconsideration to the commissioner of natural resources; relating to the Alaska Water Use Act; and providing for an effective date."

was read the first time and referred to the Resources Committee.

The following fiscal note(s) apply:

1. Zero, Dept. of Natural Resources
2. Zero, Dept. of Fish & Game

The Governor's transmittal letter dated January 17, 2013, follows:

"Dear Speaker Chenault:

Alaskans deserve more timely, consistent permitting decisions, and the bill I transmit today is designed to better accomplish those ends. Under the authority of Article III, Section 18 of the Alaska Constitution, I am transmitting a bill relating to the Alaska Land Act, including certain authorizations, contracts, leases, permits, or other disposals of State land, resources, property, or interests; relating to authorization for the use of State land by general permit; relating to exchange of State land; relating to procedures for certain administrative appeals and requests for reconsideration to the Commissioner of Department of Natural Resources; and relating to the Alaska Water Use Act.

The permitting functions of State government necessarily balance protecting the environment with utilization to provide the economic means for Alaskans to sustain themselves. This legislation encourages responsible development of our State land and water resources. An efficient permitting process with clear rules contributes to Alaskan economic growth and creates more Alaskan business opportunities.

The bill reforms and streamlines procedures for obtaining, issuing, and appealing permits, leases, best interest findings, and other authorizations issued by the Department of Natural Resources (DNR), particularly concerning land and water. Below is a list of key provisions of the bill.

Except for the surface coal program, in order to retain primacy, the bill explicitly authorizes the Commissioner of the Department of Natural Resources to allow an activity on State land through the issuance of a general permit if the commissioner finds that the activity is unlikely to cause significant and irreparable harm to State land or resources. Providing explicit authority for the issuance of a general permit streamlines the permitting process for activities on State land by clearly making it unnecessary for each individual to receive a separate permit for the allowed activity.

The bill reforms the current land exchange statutes to simplify the procedure for DNR to authorize land exchanges.

It modifies the procedures for appeals from DNR decisions, clarifying who has standing to appeal and providing for a more streamlined appeals process. The bill would modify the Alaska Water Use Act to improve administration of the act.

In addition to these changes, the bill modifies and clarifies public notice and comment procedures for certain best interest finding decisions and small changes that otherwise streamline existing procedures of DNR.

The bill is consistent with the State's ongoing efforts to streamline permitting requirements for the public to use and enjoy Alaska's land and resources.

I urge your prompt and favorable action on this measure.

Sincerely,

/s/

Sean Parnell
Governor"

HB 78

HOUSE BILL NO. 78 by the House Rules Committee by request of the Governor, entitled:

"An Act establishing authority for the state to evaluate and seek primacy for administering the regulatory program for dredge and fill activities allowed to individual states under federal law and relating to the authority; and providing for an effective date."

was read the first time and referred to the Resources Committee.

The following fiscal note(s) apply:

1. Fiscal, Dept. of Environmental Conservation
2. Fiscal, Dept. of Natural Resources
3. Zero, Dept. of Law

The Governor's transmittal letter dated January 17, 2013, follows:

"Dear Speaker Chenault:

Alaskans have the right to have a say over regulation of our own resources including land and water. To that end, I am transmitting a bill under the authority of Article III, Section 18 of the Alaska Constitution, authorizing the State of Alaska to assume primacy for administering permitting under the Clean Water Act for dredge and fill activities allowed to individual states under federal law. The current federal process has resulted in a large number of projects in Alaska being subject to an expensive and bureaucratic federal permitting system and litigation, delaying and restricting opportunities for Alaskans.

The purpose of this legislation is to provide State authority to develop and implement State primacy of dredge and fill activities in waters and wetlands located within the state, in accordance with the regulating program allowed states under 33 U.S.C. 1344 (Section 404, Clean Water Act). This change will limit federal overreach in Alaska by giving the State authority to make jurisdictional determinations, timely process permits, and allow responsible resource development. Removing a significant amount of wetlands from federal authority also

reduces the number of projects requiring an expensive and time-consuming federal National Environmental Policy Act (NEPA) process, since there would be fewer "major federal actions" associated with these projects.

There are millions of water bodies and tens of millions of acres of wetlands in Alaska. State primacy of dredge and fill activities under 33 U.S.C. 1344 is consistent with congressional intent under 33 U.S.C. 1251 that the states have the primary responsibilities and rights in regulating activities involving lands and waters within their boundaries.

The legislation provides that the Department of Natural Resources, in coordination with the Department of Environmental Conservation, will take the reasonable steps to assume the authority to administer and enforce any authorized dredge and fill permitting allowed under 33 U.S.C. 1344 (Section 404, Clean Water Act).

Alaska should assume primacy for permitting projects in the state. I urge your prompt and favorable action on this measure.

Sincerely,

/s/

Sean Parnell
Governor"

HB 79

HOUSE BILL NO. 79 by the House Rules Committee by request of the Governor, entitled:

"An Act relating to the sale of timber on state land; establishing the Susitna State Forest; and providing for an effective date."

was read the first time and referred to the Resources Committee.

The following fiscal note(s) apply:

1. Zero, Dept. of Natural Resources

The Governor's transmittal letter dated January 17, 2013, follows:

"Dear Speaker Chenault:

Under Article III, Section 18 of the Alaska Constitution, I am transmitting a bill relating to creating the Susitna State Forest and relating to negotiated timber sales to meet local needs. The creation of the Susitna State Forest will aid in development and increased access to lands, and in turn, increase timber sales for small mills and commercial firewood businesses. This legislation ensures the long-term availability of timber supply to support commercial and personal use, creating economic growth and job opportunities for Alaskan communities.

The Governor's Administrative Order 258 established the Alaska Timber Jobs Task Force with federal, State, private industry, and community members. The Alaska Timber Jobs Task Force was charged with reviewing and recommending actions related to management of State-owned forest land, establishment and expansion of legislatively-designated State Forests, and State timber harvesting statutes and regulations. In its report to the Governor, the Task Force recommended the creation of the Susitna State Forest.

This bill establishes the Susitna State Forest in the Matanuska and Susitna Valleys from suitable State land classified for forestry or general use management by the State land use plans for the region – the Susitna Matanuska Area Plan, the Southeast Susitna Area Plan, and the Fish Creek Management Plan. These lands are currently managed by the Department of Natural Resources (DNR) for timber harvest and other multiple uses. The proposed Susitna State Forest includes 33 parcels totaling approximately 763,200 acres in 14 large management blocks, and would join the Haines State Forest (est. 1982), the Tanana Valley State Forest (est. 1983), and the Southeast State Forest (est. 2010) as part of the State Forest system established under the Alaska Forest Resources and Practices Act (FRPA, AS 41.17).

This legislation will also support the growing interest in biomass wood energy projects in local communities, which require a long-term, sustainable wood supply. Wood biomass can provide cheaper, locally

produced, and renewable energy. Additionally, the economic activity associated with the biomass production will stimulate local economies in communities throughout Alaska. This legislation expands conditions under which the State can offer negotiated timber sales to encourage the use of these local energy sources.

This bill also addresses the Task Force's recommendation to expand the conditions and increase the flexibility under which the State could offer negotiated timber sales to meet local manufacturing needs. Under the existing statutes, DNR may not offer negotiated timber sales larger than 500,000 board feet unless the sale area has high unemployment, underutilized manufacturing capacity, and an underutilized timber supply that will lose value due to insects, disease, fire, or conversion to non-forest uses. These criteria prohibit larger negotiated timber sales in many areas of the state that are actively managed for forestry, and where there is high demand for wood for timber products and biomass energy. This bill authorizes DNR to offer negotiated timber sales statewide within the limits of the sustained yield supply, and subject to a best interest finding.

This legislation will make a meaningful difference to Alaska's economy. I urge your prompt and favorable action on this bill.

Sincerely,

/s/

Sean Parnell
Governor"

HB 80

HOUSE BILL NO. 80 by the House Rules Committee by request of the Governor, entitled:

"An Act relating to the regulation of wastewater discharge from commercial passenger vessels in state waters; and providing for an effective date."

was read the first time and referred to the Resources Committee.

The following fiscal note(s) apply:

1. Zero, Dept. of Environmental Conservation

The Governor's transmittal letter dated January 17, 2013, follows:

"Dear Speaker Chenault:

Under the authority of Article III, Section 18 of the Alaska Constitution, I am transmitting a bill relating to the regulation of wastewater discharge from commercial passenger vessels in State waters in response to analysis and findings of the Cruise Ship Science Advisory Panel (Science Panel) convened as directed by the Legislature in Chapter 53 SLA 09.

This bill amends current law and allows the Department of Environmental Conservation (DEC) to permit operation of wastewater discharges from commercial passenger vessels, including discharges from advanced wastewater treatment systems, consistent with standards for other permitted discharges throughout the state. The bill also amends current law to codify a reasonable schedule for the approval of plans for discharge from small commercial passenger vessels in State waters. No commercial passenger vessels may discharge wastewater in a manner that violates any applicable State or federal law governing the disposal or discharge of solid or liquid waste material.

By way of background, the Science Panel was charged with examining (1) the methods of pollution, prevention, control, and treatment in use by commercial passenger vessels; (2) identifying additional economically feasible methods of pollution that could be employed to provide the most technologically effective measures to control all wastes; and (3) the environmental benefit and cost of implementing additional methods of pollution, prevention, control, and treatment identified.

The Science Panel completed its analysis in accordance with law and submitted its findings to DEC. The Science Panel found, and DEC concurred, that the advanced wastewater treatment systems (AWTS) installed on cruise ships operating and discharging in Alaskan waters

could consistently meet Alaska's marine water quality criteria at the point of discharge for all parameters except ammonia, copper, nickel, and zinc.

The panel did not identify any new or additional technologies that would consistently meet the criteria for these remaining four parameters. When comparing the wastewater quality from AWTS to discharges from municipal treatment plants, the AWTS in operation are significantly more effective and produce a higher quality discharge than most municipal systems. Even without incremental improvements to cruise ship wastewater quality, aquatic life and human health are protected through provisions in the current cruise ship General Permit that restrict the location of discharge and when ships must be underway before they discharge.

The Science Panel concluded that given the current level of wastewater treatment and quality of effluent along with very large dilution factors there would be little, if any, demonstrable environmental benefit in requiring cruise ships to adopt, in the future, potential additional treatment methods.

Where Alaska's small and mid-sized businesses create jobs and opportunities for Alaskans, and where Alaska's wastewater standards can be implemented in a way that protects our marine and coastal environments, I urge your prompt and favorable action on this measure.

Sincerely,

/s/

Sean Parnell
Governor"

UNFINISHED BUSINESS

Representative Pruitt moved and asked unanimous consent that the following members be excused from a call of the House. There being no objection, the members were excused as noted:

Representative Costello – from 5:00 p.m., today to 10:30 p.m., January 20

Representative Edgmon – from noon, February 1 to 10:00 p.m., February 3; and from 6:00 a.m., February 20 to 10:00 p.m., February 24

Representative Gara – from:

6:30 p.m., today to 10:30 a.m., January 22;
6:30 p.m., February 1 to 10:30 a.m., February 4;
6:30 p.m., February 8 to 10:30 a.m., February 11;
6:30 p.m., February 15 to 10:30 a.m., February 18;
6:30 p.m., March 1 to 10:30 a.m., March 4; and
6:30 p.m., March 22 to 10:30 a.m., March 25

Representative Gattis – from 6:50 p.m., February 8 to 8:30 p.m., February 10

Representative Millett – from 11:30 a.m., today to 10:30 a.m., January 21; and from 11:30 a.m., February 15 to 10:30 a.m., February 18

Representative Munoz – from 7:00 a.m., March 5 to 9:30 p.m., March 10

Representative Saddler – from 11:30 a.m., February 16 to 10:30 a.m., February 18; and from 6:00 p.m., March 22 to 10:30 a.m., March 25

* * * * *

The Speaker appointed Representative Munoz as an alternate to the Alaska Legislative Centennial Commission (Legislative Resolve No. 45, 2012).

HB 73

The Office of the Governor submitted the following corrected fiscal notes:

5. Indeterminate, Dept. of Administration
6. Indeterminate, Dept. of Administration

The fiscal notes were published January 17, 2013, and apply to the following, which was introduced January 16, 2013 (page 54):

HOUSE BILL NO. 73

"An Act relating to the commencement of actions for felony sex trafficking and felony human trafficking; relating to the crime of sexual assault; relating to the crime of unlawful contact; relating to forfeiture for certain crimes involving prostitution; relating to the time in which to commence certain prosecutions; relating to release for violation of a condition of release in connection with a crime involving domestic violence; relating to interception of private communications for certain sex trafficking or human trafficking offenses; relating to use of evidence of sexual conduct concerning victims of certain crimes; relating to procedures for granting immunity to a witness in a criminal proceeding; relating to consideration at sentencing of the effect of a crime on the victim; relating to the time to make an application for credit for time served in detention in a treatment program or while in other custody; relating to suspending imposition of sentence for sex trafficking; relating to consecutive sentences for convictions of certain crimes involving child pornography or indecent materials to minors; relating to the referral of sexual felonies to a three-judge panel; relating to the definition of 'sexual felony' for sentencing and probation for conviction of certain crimes; relating to the definition of "sex offense" regarding sex offender registration; relating to protective orders for stalking and sexual assault and for a crime involving domestic violence; relating to the definition of 'victim counseling centers' for disclosure of certain communications concerning sexual assault or domestic violence; relating to violent crimes compensation; relating to certain information in retention election of judges concerning sentencing of persons convicted of felonies; relating to remission of sentences for certain sexual felony offenders; relating to the subpoena power of the attorney general in cases involving the use of an Internet service account; relating to reasonable efforts in child-in-need-of-aid cases involving sexual abuse or sex offender registration; relating to mandatory reporting by athletic coaches of child abuse or neglect; making conforming amendments; amending Rules 16, 32.1(b)(1), and 32.2(a), Alaska Rules of Criminal Procedure, Rule 404(b), Alaska Rules of Evidence, and Rule 216, Alaska Rules of Appellate Procedure; and providing for an effective date."

HB 73 is in the Judiciary Committee.

HJR 3

Representatives Nageak, P. Wilson, Kawasaki, Herron, Thompson, LeDoux, Isaacson, Neuman, Lynn, Johnson, Foster, Higgins, Gattis, Holmes, Hawker, Gruenberg, and Hughes added their names as cosponsors to:

HOUSE JOINT RESOLUTION NO. 3

Urging the President of the United States to seek and the United States Congress to approve adequate funding for land conveyance activities for the State of Alaska, Alaska Native corporations, and Alaska Natives under the Alaska Statehood Act, the Alaska Native Claims Settlement Act, the Native Allotment Act of 1906, the Alaska Native Veterans Allotment Act of 1998, and the Alaska Land Transfer Acceleration Act.

HB 35

Representative Kawasaki added his name as cosponsor to:

HOUSE BILL NO. 35

"An Act creating a low-interest loan program for homeowners who improve or replace their home heating systems; and providing for an effective date."

HB 45

Representative Kawasaki added his name as cosponsor to:

HOUSE BILL NO. 45

"An Act relating to harassment, intimidation, or bullying by students attending a public school in the state."

HB 48

Representative Kawasaki added his name as cosponsor to:

HOUSE BILL NO. 48

"An Act bearing the short title of the 'New Business Development Act'; and reducing the corporate income tax by two-thirds in the three years immediately after the incorporation of a new

corporation not owned by an existing corporation or a new corporation in a separate line of business owned by an existing corporation."

HB 49

Representative Foster added his name as cosponsor to:

HOUSE BILL NO. 49

"An Act establishing the Alaska Chinook salmon research and restoration endowment fund and relating to grants from the fund."

HB 69

Representatives LeDoux and Foster added their names as cosponsors to:

HOUSE BILL NO. 69

"An Act exempting certain firearms and firearm accessories in this state from federal regulation; providing criminal penalties for federal officials who enforce or attempt to enforce a federal law, regulation, rule, or order regulating certain firearms and firearm accessories in this state; and providing for an effective date."

Joint action was not taken on the following bill and the engrossed and enrolled copies were returned to the Office of the Governor for permanent filing:

CONFERENCE CS FOR HOUSE BILL NO. 284

"An Act making appropriations for the operating and loan program expenses of state government and for certain programs, capitalizing funds; amending appropriations, and making reappropriations; and providing for an effective date."

Chapter No. 15, SLA 2012

ANNOUNCEMENTS

House committee schedules are published under separate cover.

ADJOURNMENT

Representative Pruitt moved and asked unanimous consent that the House adjourn until 10:30 a.m., January 22, 2013. There being no objection, the House adjourned at 10:51 a.m.

Suzi Lowell
Chief Clerk