

HOUSE FINANCE COMMITTEE
February 28, 2014
1:35 p.m.

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CALL TO ORDER

Co-Chair Austerman called the House Finance Committee meeting to order at 1:35 p.m.

MEMBERS PRESENT

Representative Alan Austerman, Co-Chair
Representative Mark Neuman, Vice-Chair
Representative Mia Costello
Representative Bryce Edgmon
Representative Les Gara
Representative David Guttenberg
Representative Lindsey Holmes
Representative Cathy Munoz
Representative Tammie Wilson

MEMBERS ABSENT

Representative Bill Stoltze, Co-Chair
Representative Steve Thompson

ALSO PRESENT

Daniel George, Staff, Representative Bill Stoltze;
Representative Peggy Wilson, Sponsor.

SUMMARY

HJR 10 CONST. AM: TRANSPORTATION FUND

CSHJR 10(FIN) was REPORTED out of committee with "no recommendation" and with one new fiscal impact note from the Office of the Governor.

HJR 22 FEDERAL CONSTITUTIONAL CONVENTION

HJR 22 was REPORTED out of committee with "no recommendation" and with one previously published zero fiscal note: FN1 (LEG).

#hjr22

HOUSE JOINT RESOLUTION NO. 22

Requesting the United States Congress to call a convention of the states to propose amendments to the Constitution of the United States that impose fiscal restraints on the federal government, limit the power and jurisdiction of the federal government, and limit the terms of office of federal government officials; and urging the legislatures of the other 49 states to request the United States Congress to call a convention of the states.

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Co-Chair Austerman relayed that HJR 22 had been previously heard by the committee.

REPRESENTATIVE TAMMIE WILSON, SPONSOR, discussed that the resolution proposed to hold a convention of the states. She detailed that Alaska wanted to be a part of the convention if 35 states all passed the resolution. She elaborated that following the passage of the resolutions the legislature would determine the number of delegates it wanted to send and which issues it wanted the delegates to speak on. She noted that if delegates could be replaced with alternates if they did not speak the way the legislature wanted. She addressed the concept of a "runaway" [runaway constitutional convention] and relayed that legislatures had control over the topics; once an amendment was finished if 35 delegates voted yes it would return to the state legislatures. Subsequently the issue would need approval from 38 states. She stated that there were numerous checks and balances.

Representative Costello asked if a convention would be limited to the items listed in the resolution.

Representative Wilson replied in the affirmative. She expounded that legislatures could narrow the scope further and did not have to speak on the issues.

Representative Costello did not believe there was a provision for states to rescind a call for a convention. She believed that the states would have to call for a convention on the same topic in order to be counted

[towards the 35 states]. For example, if two states called for a convention on term limits and other states called for a convention unrelated to term limits, the states calling for a convention on term limits would not be counted. She believed the list in the states' "call" would determine the convention agenda.

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Representative Wilson shared Representative Costello's understanding of the issue. She detailed that if resolutions differed Congress would have the ability to determine that the resolutions did not match [closely enough]; therefore, resolutions like HJR 22 had been drafted similarly in other states. She noted that it would be difficult for the resolutions to all make it through the states' House and Senate. She stressed the importance of making the states' resolutions as similar as possible.

Representative Gara had asked for a legal opinion on whether a runaway constitutional convention could occur. He recalled that the U.S. Constitution left open the possibility that a convention would not be limited to the topics passed by the states. He detailed that per language in the U.S. Constitution after the circumstances happened a constitutional convention would be called. He was uncertain how the legal opinion read and would share it with committee members.

Representative Wilson explained that the resolution designated that Alaska wanted to be at the table if 35 other states passed similar resolutions. She stated that it was not necessary to talk about each of the items outlined in the resolution. She elaborated that the legislature would need to create legislation specifying how delegates would be chosen (states only received one vote), and which specific topics would be included. She stressed that the convention would not be able to discuss items outside of the realm specified by the state legislatures. She explained that 35 states would be required to accept the amendment once it was put to a vote at the convention. Subsequently, the issue would return to the state legislatures; at that time 38 legislatures would be required to pass the amendment without making any changes. She reiterated that it was up to the State of Alaska to be as specific as it chose.

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Representative Gara communicated that he would share the legal opinion with Representative Wilson.

Co-Chair Austerman commented that his personal preference would be to concentrate on balancing the federal budget. The number of different issues proposed in HJR 22 gave him pause. He noted that he had discussed his concerns with the sponsor previously.

Vice-Chair Neuman MOVED to REPORT HJR 22 out of committee with individual recommendations and the accompanying fiscal note.

Representative Costello OBJECTED for discussion. She pointed to the one previously published zero impact fiscal note from the Legislature.

There being NO further OBJECTION, HJR 22 was REPORTED out of committee with "no recommendation" and with one previously published zero fiscal note: FN1 (LEG).

#hjr10

HOUSE JOINT RESOLUTION NO. 10

Proposing amendments to the Constitution of the State of Alaska creating a transportation infrastructure fund.

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DANIEL GEORGE, STAFF, REPRESENTATIVE BILL STOLTZE, discussed the changes in the proposed CS compared to the House Judiciary Committee version (28-LS0133\N). He began with page 1, line 14 where the date July 1, 2014 had been changed to July 1, 2015. The second change appeared on page 2, line 2 where the words "from a studded tire tax" were inserted following the words "from a tire tax." The third change appeared on page 2, line 6 where the word "fifty" replaced "50." The final change appeared on page 2, lines 7 and 8 where the words "studded tire taxes" were inserted following the words "tire taxes."

Vice-Chair Neuman MOVED to ADOPT the proposed committee substitute for HJR 10, Work Draft 28-LS0133\C (Martin, 2/26/14).

Co-Chair Austerman OBJECTED for discussion.

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REPRESENTATIVE PEGGY WILSON, SPONSOR, relayed that she agreed with the changes included in the CS. She hoped the bill would report out of committee.

Representative Gara weighed in favor of protecting the state's savings and funding transportation on an annual basis. He surmised that if the goal was to get \$80 million out of the fund annually that \$2 billion would need to be deposited into the fund. He pointed out that in the current and past fiscal year the state's capital budget for transportation projects totaled \$123 million; operating costs for the facilities would cost an additional \$300 million. He discussed the benefit of setting aside specific funds for transportation compared to the burden of a quicker depletion of the state's \$17 billion in savings. He detailed that under the governor's proposal the state's savings would be reduced to \$13 billion or \$14 billion; with the transportation fund the savings would be further depleted to \$11 billion. He noted that the depletions did not include dealing with deficits in future years. He recognized the work that went into the bill, but he did not believe it was fiscally prudent. He trusted that the legislature would fund transportation as a priority. He mentioned competing funding needs from areas such as education, energy projects, rural development, job training, the university, and other. He believed the bill had every right to go to the House floor for a vote.

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Representative Costello thanked the bill sponsor for her work. She noted that the bill was limited to the creation of a transportation fund. She shared that if the idea had been proposed five to ten years earlier she would not have been inclined to support it given that the state had been in a better fiscal situation. However, she was supportive of the fund given that the state was facing tougher financial times in the upcoming decade. She observed that under the current administration there had been three miles of road built. She discussed that in good financial times the state was spending money to pave and upgrade roads; however, it was not investing in new roads providing access

to resources. She discussed that the development of the state's natural resources would help Alaska financially. She expressed her support for the concept. She had participated in the subcommittee over the interim that had traveled to various communities to hear about support for the fund.

Co-Chair Austerman WITHDREW his OBJECTION to the adoption of the CS. There being NO OBJECTION, it was so ordered.

Representative Costello discussed the new fiscal impact note totaling \$1,500 from the Office of the Governor. She noted that the cost could increase to \$22,000 related to the possibility of a ballot printing requirement.

Vice-Chair Neuman MOVED to REPORT CSHJR 10(FIN) out of committee with individual recommendations and the accompanying fiscal note.

There being NO OBJECTION, CSHJR 10(FIN) was REPORTED out of committee with "no recommendation" and with one new fiscal impact note from the Office of the Governor.

ADJOURNMENT

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The meeting was adjourned at 1:53 p.m.