

SENATE FINANCE COMMITTEE

April 15, 2014

9:10 a.m.

9:10:14 AM

CALL TO ORDER

Co-Chair Meyer called the Senate Finance Committee meeting to order at 9:10 a.m.

MEMBERS PRESENT

Senator Pete Kelly, Co-Chair
Senator Kevin Meyer, Co-Chair
Senator Anna Fairclough, Vice-Chair
Senator Click Bishop
Senator Mike Dunleavy
Senator Lyman Hoffman
Senator Donny Olson

MEMBERS ABSENT

None

ALSO PRESENT

Vasilios Gialopsos, Staff, Representative Charisse Millet; Charles Guinchard, Staff, Representative Mia Costello; Tim Clark, Staff, Representative Bryce Edgmon; Representative Lora Reinbold; Representative Paul Seaton; Heather Beg, Staff, Representative Paul Seaton; Jordan Marshall, Staff, Rasmussen Foundation, Anchorage; Sherrie Klein, Staff, Representative Peggy Wilson; Amy Erickson, Director, Division of Motor Vehicles, Department of Administration; Christine Marasigan, Staff, Senator Kevin Meyer; Rebecca Rooney, Staff, Representative Peggy Wilson.

SUMMARY

CSHB 32(FIN)

LINES OF BUSINESS ON BUSINESS LICENSE

CSHB 32(FIN) was REPORTED out of committee with a "do pass" recommendation and with previously published fiscal impact note: FN2(CED).

CSHB 75(FIN)

CONTRIBUTION FROM PFD: AUDITS; UNIVERSITY

SCS CSHB 75 (FIN) was REPORTED out of committee with a "do pass" recommendation and with previously published indeterminate fiscal note: FN2(REV); and previously published fiscal impact note: FN3(UA).

HB 199 VPSO FIREARMS

HB 199 was REPORTED out of committee with a "do pass" recommendation and with previously published zero fiscal note: FN2(HFIN/DPS).

CSHB 210(FIN) am

SCHOOLS: RESTRAINT, SECLUSION, CRISIS TRG

CSHB 210(FIN)am was REPORTED out of committee with a "do pass" recommendation and with previously published fiscal impact note: FN1(EED).

HB 239 EXTEND BOARD OF EXAMINERS IN OPTOMETRY

HB 239 was REPORTED out of committee with a "do pass" recommendation and with previously published fiscal impact note: FN2(HFIN/CED).

HB 240 EXTEND BOARD OF CHIROPRACTIC EXAMINERS

HB 240 was REPORTED out of committee with a "do pass" recommendation and with previously published fiscal impact note: FN2(HFIN/CED).

HB 241 EXTEND BOARD OF MARITAL & FAMILY THERAPY

HB 241 was REPORTED out of committee with a "do pass" recommendation and with previously published fiscal impact note: FN2(HFIN/CED).

HB 242 EXTEND PT & OCCUPATIONAL THERAPY BOARD

HB 242 was REPORTED out of committee with a "do pass" recommendation and with previously published fiscal impact note: FN2(HFIN/CED).

CSHB 293(STA)

BEAR LICENSE PLATES

CSHB 293(STA) was HEARD and HELD in committee for further consideration.

CSHB 378(TRA)

MOTOR VEHICLES: REGISTRATION, COMMERCIAL

SCS CSHB 378(FIN) was REPORTED out of committee with a "do pass" recommendation and with a new fiscal impact note from the Senate Finance Committee and Department of Administration; and previously published fiscal impact note: FN2(DPS).

#hb210

CS FOR HOUSE BILL NO. 210(FIN) am

"An Act relating to crisis intervention training for school personnel; and relating to restraint and seclusion of students in public schools."

9:12:02 AM

VASILIOS GIALOPSOS, STAFF, REPRESENTATIVE CHARISSE MILLET, introduced himself.

Co-Chair Meyer asked if there were any additional comments on the legislation. Mr. Gialopsos responded that he did not have any additional comments. He added that the sponsor wanted to thank the committee for considering the legislation.

Co-Chair Meyer wondered if the sponsor wanted the committee to move the legislation out of committee. Mr. Gialopsos replied in the affirmative.

Co-Chair Kelly MOVED to REPORT CSHB 210(FIN)am out of committee with individual recommendations and the accompanying fiscal note.

CSHB 210(FIN)am was REPORTED out of committee with a "do pass" recommendation and with previously published fiscal impact note: FN1(EED).

9:14:17 AM

AT EASE

[9:14:34 AM](#)

RECONVENED

#hb32

CS FOR HOUSE BILL NO. 32(FIN)

"An Act providing for the issuance of one business license for multiple lines of business; and providing for reissuance of a business license to make a change on the license."

[9:15:23 AM](#)

Vice-Chair Fairclough remarked that there was an issue of multiple professional licensing, and only having two lines available under the current information technology system. She stressed that the focus was on legislation was low fiscal notes. She wondered how the department was prepared to manage the new request based on the issues that were raised for businesses that had two lines of businesses.

CHARLES GUINCHARD, STAFF, REPRESENTATIVE MIA COSTELLO, stated that the sponsor understood that there were approximately 53,000 active business licenses in Alaska. The legislation could affect up to 750 of those licenses. It was up to the business owner whether or not to consolidate under one business license. The gap in the data affected only those that had three or more businesses, which would be reduced to 85. It was the sponsor's belief that because the loophole only applied to 85 of the 53,000 business licenses, they could be addressed in another form than an expensive update to a database.

Co-Chair Meyer wondered if there were any further comments on the gill. Mr. Guinchard replied that the sponsor apologizes for not attending the meeting.

Co-Chair Kelly MOVED to REPORT CSHB 32(FIN) out of committee with individual recommendations and the accompanying fiscal note.

CSHB 32(FIN) was REPORTED out of committee with a "do pass" recommendation and with previously published fiscal impact note: FN2(CED).

9:18:00 AM

AT EASE

9:19:23 AM

RECONVENED

#hb199

HOUSE BILL NO. 199

"An Act relating to Department of Public Safety regulations allowing village public safety officers to carry firearms."

9:19:47 AM

TIM CLARK, STAFF, REPRESENTATIVE BRYCE EDGMON, introduced himself.

Senator Olson wondered if there had been additional input of anyone in support or opposition to the legislation. Mr. Clark replied that he did not know of any opposition to the legislation.

Co-Chair Kelly MOVED to REPORT HB 199 out of committee with individual recommendations and the accompanying fiscal note.

HB 199 was REPORTED out of committee with a "do pass" recommendation and with previously published zero fiscal note: FN2(HFIN/DPS).

9:21:38 AM

AT EASE

9:22:46 AM

RECONVENED

#hb239

HOUSE BILL NO. 239

"An Act extending the termination date of the Board of Examiners in Optometry; and providing for an effective date."

9:23:39 AM

REPRESENTATIVE LORA REINBOLD, hoped to move the bill from committee, which would keep the members of the Board of Examiners in Optometry employed.

Co-Chair Kelly MOVED to REPORT HB 239 out of committee with individual recommendations and the accompanying fiscal note.

HB 239 was REPORTED out of committee with a "do pass" recommendation and with previously published fiscal impact note: FN2(HFIN/CED).

[9:24:35 AM](#)

AT EASE

[9:25:54 AM](#)

RECONVENED

#hb240

HOUSE BILL NO. 240

"An Act extending the termination date of the Board of Chiropractic Examiners; and providing for an effective date."

[9:26:17 AM](#)

Representative Reinbold thanked the committee.

Co-Chair Kelly MOVED to REPORT HB 240 out of committee with individual recommendations and the accompanying fiscal note.

HB 240 was REPORTED out of committee with a "do pass" recommendation and with previously published fiscal impact note: FN2(HFIN/CED).

[9:26:40 AM](#)

AT EASE

[9:26:59 AM](#)

RECONVENED

#hb241

HOUSE BILL NO. 241

"An Act extending the termination date of the Board of Marital and Family Therapy; and providing for an effective date."

[9:27:12 AM](#)

Representative Reinbold felt that the legislation would keep marriages and families strong in Alaska.

Co-Chair Kelly MOVED to REPORT HB 241 out of committee with individual recommendations and the accompanying fiscal note.

HB 241 was REPORTED out of committee with a "do pass" recommendation and with previously published fiscal impact note: FN2(HFIN/CED).

[9:28:04 AM](#)

AT EASE

[9:28:36 AM](#)

RECONVENED

#hb242

HOUSE BILL NO. 242

"An Act extending the termination date of the State Physical Therapy and Occupational Therapy Board; and providing for an effective date."

Co-Chair Kelly MOVED to REPORT HB 242 out of committee with individual recommendations and the accompanying fiscal note.

HB 242 was REPORTED out of committee with a "do pass" recommendation and with previously published fiscal impact note: FN2(HFIN/CED).

#hb75

CS FOR HOUSE BILL NO. 75(FIN)

"An Act amending certain audit requirements for entities receiving contributions from permanent fund dividends; requiring the three main campuses of the University of Alaska to apply to be included on the contribution list for contributions from permanent fund dividends; and requiring the university to pay an

application fee for each campus separately listed on the contribution list for contributions from permanent fund dividends."

9:32:11 AM

REPRESENTATIVE PAUL SEATON, explained that legislation would allow greater participation by small non-profits. The current audit requirement was more onerous than what was required by the federal government, which required a certified public accountant (CPA) audit that the small non-profits did not receive. This bill eases the financial burden on these organizations and allows Alaskans a more complete choice of organizations by eliminating the financial audit requirement. This does not remove financial accountability. All Pick.Click.Give donation recipients must be 501(c)(3) tax-exempt organizations, which are required to file the form 990 annually with the IRS. Organizations are also required to have an audit if they expend \$500,000 or more in federal awards. Entities that expend less than \$500,000 in federal funds still must still make their records available for review by the federal government. This bill further requires each campus of University of Alaska to pay the \$250 application fee to participate in the program, just as all other eligible organizations do.

Co-Chair Kelly MOVED to ADOPT the committee substitute for SCS CS HB 75 (FIN), Work Draft 28-LS0323\Y (Mischel/Martin, 4/13/14). There being NO OBJECTION, it was so ordered.

Co-Chair Meyer queried the changes in the CS. Representative Seaton replied that there were three technical changes. He stated that sub-Section A amended a notice provision on the Permanent Fund Dividend (PFD), to say that the 7 percent coordination fee would be deduction. He announced that sub-Section E removed the restriction that the money contributed through Pick.Click.Give could not be used for implementing the section.

Vice-Chair Fairclough queried the page numbers of the changes. Representative Seaton deferred to this staff.

HEATHER BEG, STAFF, REPRESENTATIVE PAUL SEATON, explained the changes in more detail. She looked at page 2, line 12, where "no money" was changed to "7 percent of the money." The second change was on page 4, lines 5 through 8,

deleting the section that would restrict the department from implementing the new change.

[9:37:31 AM](#)

JORDAN MARSHALL, STAFF, RASMUSSEN FOUNDATION, ANCHORAGE, spoke in support of the legislation. He offered to answer questions.

Co-Chair Meyer asked to hear the prepared testimony. Mr. Marshall announced that the Pick.Click.Give program gave Alaskans a safe, secure, and simple way to make optional gifts from to Alaska non-profits. The program was in its sixth year and had seen over \$10 million in designations made by Alaskans. He stated that \$2.77 million was raised in 2014. There were many opportunities for statute enhancements to ensure that the program can continue to thrive. The committee substitute would make already discussed important enhancements. He pointed out that the sustainability filing fee portion was presented for consideration after having reached out to participating non-profits.

Vice-Chair Fairclough wondered if there was an analysis of the non-profits that were shown in the advertisement, and whether those organizations saw a higher level of giving. Mr. Marshall responded that there was a concerted effort to highlight certain types of service offerings, for example aid and comfort for the homeless. He stated that there was a small uptick in support for those types of organizations after they were featured in the marketing campaign. He stressed that no specific organization was ever highlighted in the full statewide outreach marketing program.

Vice-Chair Fairclough wanted to ensure that the marketing of the program was driven by issues. She wondered how the priorities would be shaped in the outreach. Mr. Marshall responded that so far, the state had no interest or influence over which items were highlighted. He agreed that there should be a rotation of the focus areas.

Vice-Chair Fairclough understood that there were some efforts in ensuring that all issues were highlighted. Mr. Marshall agreed. He stressed that the program website had an enhanced outreach mechanism, so participating organizations could upload the most current information about their organization.

[9:45:55 AM](#)

AT EASE

[9:46:38 AM](#)

RECONVENED

[9:47:00 AM](#)

Co-Chair Meyer noted the Senate Concurrent Resolution that will follow the bill.

Co-Chair Kelly MOVED to REPORT SCS CSHB 75 (FIN) out of committee with individual recommendations and the accompanying fiscal notes.

SCS CSHB 75 (FIN) was REPORTED out of committee with a "do pass" recommendation and with previously published indeterminate fiscal note: FN2(REV); and previously published fiscal impact note: FN3(UA).

[9:47:46 AM](#)

AT EASE

[9:51:31 AM](#)

RECONVENED

#hb293

CS FOR HOUSE BILL NO. 293(STA)

"An Act relating to motor vehicle registration plates; relating to special registration plates for firefighters and emergency medical service providers; and providing for an effective date."

[9:52:15 AM](#)

SHERRIE KLEIN, STAFF, REPRESENTATIVE PEGGY WILSON, explained the legislation. She stated that HB 293 would allow for a second license plate to be chosen as the state's primary plate. Currently the primary license plate is a plain yellow background. This bill would allow residents to have a choice between the plain yellow and a plate that has a bear insignia - very similar to one of our most popular plates back in 1976. According to a recent national poll, Alaska's primary license plate is rated number 48 out of the 50 states and 2 territories. Our state deserves better recognition! Bears are indelibly linked to Alaska. This bill will also allow all firefighters and EMT's whether volunteer

or paid to have the choice to purchase a specialty license plate that previously was only for active or former firefighters or EMTs.

Co-Chair Meyer wondered where Alaska's yellow plates were rated in attractiveness. Ms. Klein replied that they ranked 48 out of 50.

Senator Bishop wondered if there was any discussion regarding a totem pole license plate. Ms. Klein replied that she was unaware of any discussion.

Co-Chair Meyer wondered if there was an amendment. Senator Bishop replied that he may offer an amendment.

Vice-Chair Fairclough queried the number of types of plates that were issued in the state.

AMY ERICKSON, DIRECTOR, DIVISION OF MOTOR VEHICLES, DEPARTMENT OF ADMINISTRATION, shared that there were approximately 30 different license plate styles.

Vice-Chair Fairclough asked if there was a standard base plate. Ms. Erickson replied that the standard plate was gold with a blue flag. She furthered that it may not be attractive for consumers, but law enforcement felt that the plate had excellent visibility.

Senator Bishop felt that the lights on cars were very visible.

Senator Dunleavy wondered if the mosquito license plate was considered. Ms. Erickson replied that she was unaware of any conversations.

Co-Chair Meyer CLOSED public testimony.

CSHB 298(STA) was HEARD and HELD in committee for further consideration.

#hb378

CS FOR HOUSE BILL NO. 378(TRA)

"An Act relating to motor vehicle registration; relating to drivers' licenses; relating to instruction permits; relating to commercial motor vehicles and commercial motor carriers; and providing for an effective date."

[9:58:46 AM](#)

Co-Chair Kelly MOVED to ADOPT SCS CS SB 378(FIN), Work Draft 28-LS1541\Y (Strasbaugh, 4/13/14). There being NO OBJECTION, it was so ordered.

CHRISTINE MARASIGAN, STAFF, SENATOR KEVIN MEYER, stated that the only change in the bill was the addition of a new section on page 4. Following Section 3 the new Section 4 added to AS 28.10.411 by allowing the waiver of a registration fee for Alaska National Guard members.

Co-Chair Meyer surmised that the idea for the change came from a bill that was heard previously in committee. Ms. Marasigan agreed, and stated that SB 141 basically did the same thing as the current legislation.

Co-Chair Meyer wondered if the registration fee was at 100 percent or 50 percent. Ms. Marasigan replied that the legislation allowed for one registration fee.

[10:00:44 AM](#)

AT EASE

[10:02:22 AM](#)

RECONVENED

Co-Chair Meyer wondered if the change would affect the fiscal note. Ms. Marasigan replied that there was a new fiscal note that showed a loss of revenue by approximately \$100,000 per year.

REBECCA ROONEY, STAFF, REPRESENTATIVE PEGGY WILSON, announced that the sponsor was in support of the change to the legislation.

Ms. Erickson felt confused by the fiscal note, because the fiscal note that the division had submitted for SB 141 was \$200,000 each year, because there were 4,000 National Guard members that would qualify at \$100 free registration for each two years.

[10:04:39 AM](#)

AT EASE

[10:05:51 AM](#)

RECONVENED

10:05:59 AM

Ms. Marasigan announced that the fiscal note showed that there were 4,000 National Guard Members, estimated at \$100 apiece, with \$200,000 each year. She furthered that it was postulated that each member would not register their vehicle; therefore the number was reduced to \$100,000.

Co-Chair Meyer asked if the fiscal noted was prepared by the Senate Finance Committee. Ms. Marasigan replied in the affirmative.

Co-Chair Meyer wondered if DOA agreed with the numbers. Ms. Erickson could not argue with the explanation of the fiscal note.

Co-Chair Meyer surmised that DOA could be asking for more money the following year, if there were incorrect estimates. Ms. Erickson agreed.

Co-Chair Kelly MOVED to REPORT SCS CSHB 378(FIN) out of committee with individual recommendations and the accompanying fiscal notes.

SCS CSHB 378(FIN) was REPORTED out of committee with a "do pass" recommendation and with a new fiscal impact note from the Senate Finance Committee and the Department of Administration; and previously published fiscal impact note: FN2(DPS).

10:08:29 AM

AT EASE

10:09:56 AM

RECONVENED

#

ADJOURNMENT

10:10:44 AM

The meeting was adjourned at 10:10 a.m.