

HOUSE JOURNAL
ALASKA STATE LEGISLATURE
TWENTY-NINTH LEGISLATURE
FIFTH SPECIAL SESSION

Juneau, Alaska

Monday

July 11, 2016

First Day

Pursuant to the Governor's proclamation dated June 19, 2016, calling the legislature into special session, the House was called to order by Speaker Chenault at 1:17 p.m. in the Terry Miller Legislative Office Building gymnasium.

Roll call showed 36 members present.

Representative Millett moved and asked unanimous consent that Representatives Hawker, Johnson, Lynn, and Wool be excused from a call of the House today. There being no objection, it was so ordered.

The invocation was offered by the Chaplain, Stephanie Hall, Assistant Chief Clerk. Representative Wilson moved and asked unanimous consent that the invocation be spread on the journal. There being no objection, it was so ordered.

With the deepest respect for all, I offer the following prayer:

Almighty God,

Thank you for all the blessings of this day. Please give us that peace which the world cannot give so that our minds may be fixed on doing your will. May we be delivered from the fear of all enemies and live in peace and quietness. In your name I pray. Amen.

The Pledge of Allegiance was led by Representative Kreiss-Tomkins.

CERTIFICATION OF THE JOURNAL

Representative Millett moved and asked unanimous consent that the journal for the 27th legislative day of the fourth special session be approved as certified by the Chief Clerk. There being no objection, it was so ordered.

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Representative Munoz introduced Rian Hall, Guest Page, from Phoenix, Arizona.

MESSAGES FROM THE GOVERNOR

The following Governor's proclamation dated June 19, 2016, was read:

"Under the authority of Article II, Section 9, and Article III, Section 17, Constitution of the State of Alaska, and in the public interest, I call the Twenty-Ninth Legislature of the State of Alaska into its fifth special session at Juneau, Alaska, on July 11, 2016, at 11:00 a.m. to consider the following subjects:

1. An act relating to the Alaska Permanent Fund and the earnings reserve account for purposes of a sustainable draw; relating to the Alaska Permanent Fund Dividend, and to the Alaska Permanent Fund Corporation;
2. An act relating to a personal income tax, a sales and use tax, the motor fuel tax, the excise tax on alcoholic beverages, the mining license tax and fees, the mining exploration incentive tax credit, the fisheries business tax, the fishery resource landing tax, the annual base fee for entry or interim-use permits, and relating to refunds to local governments and to taxes on tobacco products;
3. An act relating to the oil and gas production tax, tax payments, and credits; relating to oil and gas lease expenditures, and production tax credits for municipal

entities, and relating to the interest applicable to delinquent taxes.

Dated: June 19, 2016

Time: 12:26 p.m.

/s/
Bill Walker
Governor"

The following Governor's supplemental proclamation dated July 11, 2016, was read:

"Under the authority of Article II, Section 9, and Article III, Section 17, of the Alaska Constitution, and in the public interest, I am amending my June 19, 2016 proclamation calling the Twenty-Ninth Legislature of the State of Alaska into its fifth special session at Juneau, Alaska, on July 11, 2016, by supplementing the call with the addition of the following subject:

4. An act relating to AS 11.66.130(c), sec. 39, ch. 36, SLA 2016, on sex trafficking in the third degree, and to AS 11.66.135(c), sec. 40, ch. 36, SLA 2016, on sex trafficking in the fourth degree.

This proclamation supplements my proclamation of June 19, 2016.

Dated: July 11, 2016

Time: 7:55 a.m.

/s/
Bill Walker
Governor"

HCR 19

A message dated June 30, 2016, was read stating the Governor read the following resolution and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

HOUSE CONCURRENT RESOLUTION NO. 19

Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, concerning Senate Bill No. 9, repealing the authority to include certain material from a political party in the election pamphlet.

Legislative Resolve No. 39

HB 41

A message dated June 22, 2016, was read stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

SENATE CS FOR CS FOR HOUSE BILL NO. 41(FIN)

"An Act relating to sport fishing services, salt water sport fishing operators, and salt water sport fishing guides; and providing for an effective date."

Chapter No. 30, SLA 2016

Effective Date: See Chapter

HB 247

A message dated June 28, 2016, was read stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

CONFERENCE CS FOR HOUSE BILL NO. 247

"An Act relating to the exploration incentive credits; relating to the powers and duties of the Alaska Oil and Gas Conservation Commission; relating to interest applicable to delinquent tax; relating to the oil and gas production tax, tax payments, and credits; relating to tax credit certificates; relating to refunds for the gas storage facility tax credit, the liquefied natural gas storage facility tax credit, and the qualified in-state oil refinery infrastructure expenditures tax credit; relating to oil and gas lease expenditures and production tax credits for municipal entities; requiring a bond or cash deposit with a business license application for an oil or gas business; and providing for an effective date."

Chapter No. 4, 4SSLA 2016
Effective Date: See Chapter

HB 256

The following letter was dated June 28, 2016, and received June 29 at 9:37 a.m.:

"Dear Speaker Chenault:

On this date, I have signed, with line item vetoes, the following bill passed during the Fourth Special Session of the Twenty-Ninth Alaska State Legislature and am transmitting the engrossed and enrolled copies to the Lieutenant Governor's Office for permanent filing:

CONFERENCE CS FOR HOUSE BILL NO. 256

"An Act making appropriations for the operating and loan program expenses of state government and for certain programs; capitalizing funds; amending appropriations; repealing appropriations; making supplemental appropriations and reappropriations; making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska, from the constitutional budget reserve fund; and providing for an effective date."

Chapter No. 3, 4SSLA 2016
Effective Date: See Chapter

As passed by the Legislature, CCS HB 256 contains a total of \$8.41 billion, including \$4.67 billion in unrestricted general funds. CCS HB 256 included unrestricted general fund appropriations for FY 2016 and FY 2017.

Alaska is in a period of fiscal crisis unrivaled in state history. Unrestricted general fund revenue has fallen dramatically in the last two years; FY 2017's projected unrestricted general fund revenue will cover less than 30 percent of the legislatively approved appropriations. The gap between spending and revenue will draw the state's primary savings account below \$3 billion, not leaving enough to cover an additional year's deficit. This significant savings draw is still needed even after substantial reductions to the budget.

Even under optimistic assumptions, neither oil prices nor production are expected to increase sufficiently to make up for these large revenue shortfalls over the next several years. Given this reality, the state must preserve its remaining savings. To that end, I have used my authority to line item veto \$1.29 billion from the three appropriation bills passed (HB 256, HB 257, SB 138) during the Fourth Special Session of the Twenty-Ninth Alaska State Legislature. The majority of the vetoes affect CCS HB 256, \$1.28 billion of the \$1.29 billion total.

In January, at the beginning of the Second Session of the Twenty-Ninth Alaska State Legislature, my administration proposed a long-term, sustainable fiscal plan that was balanced and fair. Because no revenue elements of that plan have been enacted the state now has less than one year of available savings remaining. In order to protect Alaska's future I am compelled to make these difficult veto decisions.

Every decision was weighed in light of the long-term fiscal plan and focused on preserving savings while maintaining balance and fairness. Unfortunately, because the Legislature did not act on new revenue measures, every function, including those that were previously prioritized and protected in the New Sustainable Alaska Plan are being impacted to preserve savings.

I am continuing to reduce the size of government. As part of my deliberations, I asked all executive branch departments except the Department of Public Safety to identify additional reductions. Over the last two years, inclusive of these vetoes (\$19.6 million unrestricted general fund and \$38.6 million total funds), executive branch agencies have reduced their unrestricted state general fund budgets by \$525 million. Eleven of 16 executive branch departments have unrestricted general fund budget reductions of 20 percent or greater. Last January, I imposed hiring and travel restrictions and those will remain in place. The legislative and judicial branches have seen reductions of 17 percent and five percent respectively. I have not made any vetoes to either branch, but challenge both branches to seek additional reductions.

The New Sustainable Alaska Plan proposed increases to existing taxes, reinstatement of an income tax, changes to the permanent fund dividend calculation, and drawing a sustainable amount of permanent

fund earnings as a stable revenue source to address the deficit. To assure the permanent fund earnings reserve balance remains solvent enough to enact this plan, \$666.4 million of the \$1.36 billion permanent fund dividend appropriation was vetoed. The amount remaining after the veto allows for a dividend of \$1,000 per person and is sufficient to meet the draw contained in Permanent Fund Protection Act (SB 128) recently passed by the Senate.

Also in the fiscal plan, I proposed legislation to reduce annual oil and gas tax credits to \$100 million and capitalize a fund to cover all earned credits to date. Although legislation was passed, the reductions are slight and without revenue measures, funding above the minimum is not possible at this time. The line item veto of \$430 million to these credits preserves state savings and covers the FY 2017 statutory minimum level of \$30 million.

I have consistently prioritized K-12 education funding. Unfortunately, I cannot fully insulate education from the state's fiscal challenge. The line item vetoes affecting education have attempted to minimize direct impacts on the classroom. To this end, there are five vetoes that total \$58.3 million, of which only \$6.4 million is vetoed from the \$1.21 billion K-12 foundation formula funding. The other four include: \$6.4 million in pupil transportation; \$4.7 million in funding to schools outside the formula; and a 25 percent reduction in both school debt service reimbursement, \$30.5 million, and the rural schools construction fund, \$10.4 million.

University of Alaska funding has also been vetoed. The \$10 million veto brings the SLA 2016 University of Alaska reduction to \$25.9 million which will be challenging to manage. I commend the Board of Regents' attention to consolidating academic programs and administrative functions by focusing on the strengths of the three primary university campuses. Given the reality of the state's fiscal situation, the number of community campuses (especially those within driving distance of main campuses) should be reviewed. At a minimum, community campuses should receive local support at a level common in other states. I trust the Board of Regents to determine how best to allocate this reduction to preserve priority university programs important to Alaska's future.

Related to the state's higher education investment, the legislative transfer of \$80 million into the Higher Education Fund is vetoed strictly to preserve savings. The remaining balance after the veto is sufficient to continue the Alaska Performance Scholarship if future appropriations are limited to the scholarship program.

The \$1.28 billion vetoed from this appropriation bill preserves nearly \$600 million of Alaska's Constitutional Budget Reserve and maintains an adequate permanent fund earnings reserve balance to implement the Permanent Fund Protection Act should it pass.

I urge you to pass appropriate revenue measures including the Permanent Fund Protection Act to give Alaskans and investors greater certainty and confidence in Alaska's future. Attached is a comprehensive list of my line-item vetoes.

Sincerely,

/s/

Bill Walker

Governor"

HB 257

The following letter was dated June 28, 2016, and received June 29 at 9:37 a.m.:

"Dear Speaker Chenault:

On this date, I have signed, with line item vetoes, the following bill passed by the Fourth Special Session of the Twenty-Ninth Alaska State Legislature and am transmitting the engrossed and enrolled copies to the Office of the Lieutenant Governor for permanent filing:

CONFERENCE CS FOR HOUSE BILL NO. 257

"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program; making supplemental appropriations; and providing for an effective date."

Chapter No. 1, 4SSLA 2016

Effective Date: See Chapter

As passed by the Legislature, the bill contains operating, capital, and supplemental appropriations for fiscal years 2016 and 2017, totaling \$249.1 million, including \$202.4 million in unrestricted general funds and \$27.6 million in designated general funds. Given our current fiscal restraints, I have made the following change to the bill through line item veto:

Section 9, page 19, lines 3 – 7, is an \$11,000,000 supplemental multi-year appropriation to the Department of Health and Social Services for a pilot program to develop additional substance use disorder services. This appropriation has been reduced by \$5,000,000 and leaves sufficient start-up funding for the pilot program.

While these vetoes do not come close to solving our deficit, they are a necessary step in the process of preserving savings until appropriate revenue measures are available to provide a sustainable balanced budget.

Sincerely,
/s/
Bill Walker
Governor"

HB 290

A message dated June 20, 2016, was read stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

HOUSE BILL NO. 290
"An Act extending the termination date of the Real Estate Commission; and providing for an effective date."

Chapter No. 24, SLA 2016
Effective Date: June 21, 2016

HB 308

A message dated July 1, 2016, was read stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

HOUSE BILL NO. 308 am

"An Act relating to the limitation of liability for the inspection, installation, or adjustment of a child safety seat or in providing education regarding the installation or adjustment of a child safety seat; and relating to child safety devices in motor vehicles.

Chapter No. 31, SLA 2016

Effective Date: September 29, 2016

SCR 22

A message dated June 30, 2016, was read stating the Governor read the following resolution and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

SENATE CONCURRENT RESOLUTION NO. 22

Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, concerning House Bill No. 137, raising certain fees related to sport fishing, hunting, and trapping; relating to the fish and game fund; providing for the repeal of the sport fishing surcharge and sport fishing facility revenue bonds; replacing the permanent sport fishing, hunting, or trapping identification card for certain residents with an identification card valid for three years; relating to hunting and fishing by proxy; relating to fish and game conservation decals; raising the age of eligibility for a sport fishing, hunting, or trapping license exemption for state residents; and raising the age at which a state resident is required to obtain a license for sport fishing, hunting, or trapping.

Legislative Resolve No. 35

SCR 26

A message dated June 30, 2016, was read stating the Governor read the following resolution and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

SENATE CONCURRENT RESOLUTION NO. 26

Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, concerning House Bill No. 234,

relating to insurance coverage for mental health benefits provided through telemedicine.

Legislative Resolve No. 36

SCR 30

A message dated June 30, 2016, was read stating the Governor read the following resolution and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

SENATE CONCURRENT RESOLUTION NO. 30

Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, concerning House Bill No. 41, relating to sport fishing services, sport fishing operators, and sport fishing guides.

Legislative Resolve No. 38

SB 24

A message dated June 22, 2016, was read stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

CS FOR SENATE BILL NO. 24(JUD) am H

"An Act relating to the applicability of the Legislative Ethics Act to legislative interns, legislative volunteers, legislative consultants, legislative independent contractors, sole proprietorships, and other legal entities; and excluding contractors and persons who work for contractors from participating in certain benefit plans provided by the state, certain political subdivisions, or certain public organizations based on performing fee-based or contract services."

Chapter No. 29, SLA 2016

Effective Date: September 20, 2016

SB 53

A message dated July 6, 2016, was read stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

HOUSE CS FOR SENATE BILL NO. 53(L&C)

"An Act relating to advanced practice registered nursing; relating to certified direct-entry midwifery; and providing for an effective date."

Chapter No. 33, SLA 2016

Effective Date: July 7, 2016

SB 74

A message dated June 21, 2016, was read stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

HOUSE CS FOR CS FOR SENATE BILL NO. 74(FIN) am H

"An Act relating to diagnosis, treatment, and prescription of drugs without a physical examination by a physician; relating to the delivery of services by a licensed audiologist, speech-language pathologist, professional counselor, marriage and family therapist, psychologist, psychological associate, social worker, physical therapist, occupational therapist, and registered speech-language pathologist assistant by audio, video, or data communications; relating to the duties of the State Medical Board; relating to limitations of actions; establishing the Alaska Medical Assistance False Claim and Reporting Act; relating to medical assistance programs administered by the Department of Health and Social Services; relating to the controlled substance prescription database; relating to the duties of the Board of Pharmacy; relating to the duties of the Board of Dental Examiners; relating to the duties of the Board of Nursing; relating to the duties of the Board of Examiners in Optometry; relating to the duties of the Department of Commerce, Community, and Economic Development; relating to the duties of the Department of Corrections; relating to accounting for program receipts; relating to public record status of records related to the Alaska Medical Assistance False Claim and Reporting Act; establishing a telemedicine business registry; relating to verification of eligibility for public assistance programs administered by the Department of Health and Social Services; relating to annual audits of state medical assistance providers; relating to reporting overpayments of medical assistance payments; establishing authority to assess

civil penalties for violations of medical assistance program requirements; relating to the duties of the Department of Health and Social Services; establishing medical assistance demonstration projects; relating to Alaska Pioneers' Homes and Alaska Veterans' Homes; relating to the duties of the Department of Administration; relating to the Alaska Mental Health Trust Authority; relating to feasibility studies for the provision of specified state services; relating to a report by the Board of Pharmacy, Board of Examiners in Optometry, Board of Dental Examiners, Board of Nursing, and State Medical Board; amending Rules 4, 5, 7, 12, 24, 26, 27, 41, 77, 79, and 82, Alaska Rules of Civil Procedure; and providing for an effective date."

Chapter No. 25, SLA 2016

Effective Date: See Chapter

SB 91

A message dated July 11, 2016, was read stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

HOUSE CS FOR CS FOR SS FOR SENATE BILL NO. 91(FIN)
am H

"An Act relating to civil in rem forfeiture actions; relating to criminal law and procedure; relating to controlled substances; relating to victims of criminal offenses; relating to probation; relating to sentencing; relating to treatment program credit for time spent toward service of a sentence of imprisonment; relating to the Violent Crimes Compensation Board; establishing a pretrial services program with pretrial services officers in the Department of Corrections; relating to permanent fund dividends; relating to electronic monitoring; relating to penalties for violations of municipal ordinances; relating to parole; relating to correctional restitution centers; relating to community work service; relating to revocation, termination, suspension, cancellation, or restoration of a driver's license; relating to identification cards and driver's licenses for parolees; relating to the disqualification of persons convicted of certain felony drug offenses from participation in the food stamp and temporary assistance programs; relating to the duties of the commissioner of corrections; amending Rules 32,

32.1, 38, and 43, Alaska Rules of Criminal Procedure; and providing for an effective date."

Chapter No. 36, SLA 2016
Effective Date: See Chapter

SB 101

A message dated June 22, 2016, was read stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

CS FOR SENATE BILL NO. 101(FIN)
"An Act relating to merchandise sold and certain fees charged or collected by the Department of Natural Resources."

Chapter No. 26, SLA 2016
Effective Date: September 20, 2016

SB 121

A message dated June 19, 2016, was read stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

CS FOR SENATE BILL NO. 121(JUD) am H
"An Act relating to a security freeze on the consumer credit report of a minor, incapacitated person, or protected person."

Chapter No. 22, SLA 2016
Effective Date: September 17, 2016

SB 123

A message dated June 19, 2016, was read stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

CS FOR SENATE BILL NO. 123(JUD)
"An Act relating to the bail forfeiture schedule and the penalty for the use of electronic devices while driving; and providing for an effective date."

Chapter No. 23, SLA 2016
Effective Date: July 1, 2016

SB 138

The following letter was dated June 28, 2016, and received June 29 at 9:37 a.m.:

"Dear Speaker Chenault:

On this date, I have signed, with line item vetoes, the following bill passed by the Fourth Special Session of the Twenty-Ninth Alaska State Legislature and am transmitting the engrossed and enrolled copies to the Office of the Lieutenant Governor for permanent filing:

HOUSE CS FOR CS FOR SENATE BILL NO. 138(FIN) am
H(brf sup maj fld H)

"An Act making and amending appropriations, including capital appropriations, supplemental appropriations, reappropriations, and other appropriations; making appropriations to capitalize funds; and providing for an effective date."

Chapter No. 2, 4SSLA 2016
Effective Date: See Chapter

As passed by the Legislature, the bill contains capital appropriations, supplemental appropriations, reappropriations, and other appropriations for fiscal years 2016 and 2017, totaling \$1.67 billion, including \$171.6 million in unrestricted general funds and \$59 million in designated general funds. The bill prioritizes funding for projects that leverage federal and local dollars, energy and housing, maintenance, legal obligations, and critical school replacement. In this difficult fiscal time, any spending must be taken in the context of the fiscal deficit and remaining savings. I commend the Legislature for limiting capital appropriations; however, given our significant fiscal restraints, I have made the following changes to the bill through line item veto:

Section 1, page 5, line 33, is an appropriation to the Department of Natural Resources for a Snowmobile Trail Development Program of \$250,000. These funds are collected by the Alaska Division of Motor

Vehicles through snowmobile registration fees and should stay in the general fund to preserve state savings.

Section 1, page 6, line 33, is an appropriation to the Department of Revenue, Alaska Housing Finance Corporation (AHFC) for Supplemental Housing Development of \$3,000,000. This project has been reduced by \$750,000 to preserve state savings.

Section 26(b), page 42, line 31, is a reappropriation of the unexpended and unobligated balances, not to exceed \$6,600,000 from the AHFC Home Energy Rebate Program to the AHFC Weatherization Program. This reappropriation has been reduced by \$1,650,000 to preserve state savings. Further, the AHFC is in the process of discontinuing the Home Energy Rebate Program and these funds will be returned to the state's savings account.

Section 31, page 48, lines 25 – 29, proposes to reappropriate the unexpended and unobligated balance, estimated to be \$18,852,256, of the appropriation made in Sec. 1, Ch. 16, SLA 2013, page 12, lines 20 – 25 (Anchorage, U-Med district northern access – \$20,000,000) to the University of Alaska for the design and construction of the U-Med district northern access project. This transportation project falls outside of the Department of Transportation and Public Facilities' federal Surface Transportation Program which receives 91 percent federal match for state projects. This project will be suspended to preserve the estimated general fund balance.

In regard to the appropriation to purchase the Wells Fargo building for the Anchorage Legislative Information Office, I will respect the Legislature's appropriation authority and space needs. Although I did not veto the funding, I challenge the Legislature to consider the state's fiscal situation before buying a new building.

While these vetoes do not come close to solving our deficit, they are a necessary step in the process of preserving savings until appropriate revenue measures are available to provide a sustainable balanced budget.

Sincerely,
/s/
Bill Walker
Governor"

SB 142

A message dated July 6, 2016, was read stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

HOUSE CS FOR CS FOR SENATE BILL NO. 142(L&C)
"An Act relating to insurance coverage for anti-cancer medications; and providing for an effective date."

Chapter No. 34, SLA 2016
Effective Date: January 1, 2017

SB 165

A message dated July 6, 2016, was read stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

HOUSE CS FOR CS FOR SENATE BILL NO. 165(L&C) am H
"An Act relating to the presence of minors in the licensed premises of manufacturers, wholesalers, and retailers of alcoholic beverages; relating to the Alcoholic Beverage Control Board; relating to background checks for persons applying to operate marijuana establishments; relating to the offense of minor consuming; relating to revocation of a driver's license for a minor consuming offense; relating to the effect of the revocation of a driver's license for a minor consuming offense on a motor vehicle liability insurance policy; relating to the membership of the Board of Barbers and Hairdressers; and amending Rule 17, Alaska Rules of Minor Offense Procedure."

Chapter No. 32, SLA 2016
Effective Date: October 4, 2016

SB 170

A message dated June 22, 2016, was read stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

CS FOR SENATE BILL NO. 170(RES)
"An Act authorizing the Department of Natural Resources, division of geological and geophysical surveys, to collect fees for

facilities, equipment, products, and services; relating to accounting for certain program receipts; and providing for an effective date."

Chapter No. 27, SLA 2016
Effective Date: See Chapter

SB 180

A message dated June 22, 2016, was read stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

CS FOR SENATE BILL NO. 180(JUD)

"An Act relating to the temporary delegation by a parent or guardian of powers related to a child; relating to adoption; relating to nonprofit organizations that provide certain assistance to parents; relating to the distribution to a parent or guardian in a child protection situation of information on family support services; and providing for an effective date."

Chapter No. 28, SLA 2016
Effective Date: See Chapter

SB 204

A message dated July 6, 2016, was read stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

SENATE BILL NO. 204

"An Act naming a shooting range in the Knik River Public Use Area the Kenny and Patti Barber Shooting Range."

Chapter No. 35, SLA 2016
Effective Date: October 4, 2016

MESSAGES FROM THE SENATE**HCR 28**

A message dated June 23, 2016, was read stating the Senate passed:

HOUSE CONCURRENT RESOLUTION NO. 28

Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, concerning Senate Bill No. 125, adding legislative nonvoting members to the board of directors of the Alaska Gasline Development Corporation.

HCR 28 was referred to the Chief Clerk for enrollment.

A message dated July 11, 2016, was read stating the Senate passed the following, and it is transmitted for consideration:

**FIRST READING AND REFERENCE
OF SENATE RESOLUTIONS**

SCR 501

SENATE CONCURRENT RESOLUTION NO. 501 by the Senate Rules Committee:

Suspending Rules 47 and 55, Uniform Rules of the Alaska State Legislature, relating to the carry-over of bills to a special session.

was read the first time and taken up later as a Special Order of Business.

COMMUNICATIONS

Letters of disclosure received from the Select Committee on Legislative Ethics, as required by AS 24.60, were published in House Journal Supplement No. 5 and House and Senate Joint Journal Supplement No. 17.

The following were received:

Dept. of Health & Social Services
Alaska Vaccine Assessment Program
Annual Report
2015-2016
(as required by AS 18.09.210)

Dept. of Labor & Workforce Development
Alaska Labor Relations Agency Board
2015 Annual Report
June 22, 2016
(as required by AS 23.05.370)

HB 105

Pursuant to HB 105-AIDEA: BONDS;PROGRAMS;LOANS;LNG PROJECT (Chapter No. 39, SLA 15) the following was received:

Alaska Industrial Development & Export Authority
Interior Energy Project
Quarterly Report to the Alaska State Legislature
July 7, 2016
interiorenergyproject.com

HB 256

A letter dated June 28, 2016, to Speaker Chenault and President Meyer from David Teal, Director, Legislative Finance Division, was received identifying the fiscal notes included in the packet that accompanied the conference committee with limited powers of free conference report (page 3009) for the following, which was adopted by the House and Senate May 31, 2016:

CONFERENCE CS FOR HOUSE BILL NO. 256

"An Act making appropriations for the operating and loan program expenses of state government and for certain programs; capitalizing funds; amending appropriations; repealing appropriations; making supplemental appropriations and reappropriations; making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska, from the constitutional budget reserve fund; and providing for an effective date."

The following fiscal notes were itemized in the letter:

HB 137-HUNT/FISH/TRAP: FEES;LICENSES;EXEMPTIONS

5. Fiscal, Dept. of Fish & Game (published 5/11/2016)

HB 247-TAX;CREDITS;INTEREST;REFUNDS;O & G

9. Fiscal, Conference Committee: HB 256/Fund Capitalization (published 7/8/2016)

HB 374-REINSURANCE PROGRAM; HEALTH INS. WAIVERS

3. Fiscal, Dept. of Commerce, Community, & Economic Development (published 5/28/2016)

HB4002-INS. FOR DEPENDS. OF DECEASED FIRE/POLICE

2. Fiscal, Dept. of Administration/Retirement Payments

SB 53-ADVANCED PRACTICE REGISTERED NURSES

4. Fiscal, Dept. of Commerce, Community, & Economic Development (published 3/23/2016)

SB 69-BD OF CHIROPRACTIC EXAMINERS; PRACTICE

2. Fiscal, Dept. of Commerce, Community, & Economic Development (published 4/7/2016)

SB 74-MEDICAID REFORM;TELEMEDICINE;DRUG DATABAS

29. Fiscal, Dept. of Administration (published 3/9/2016)
45. Fiscal, Dept. of Health & Social Services (published 4/11/2016)
47. Fiscal, Dept. of Health & Social Services (published 4/11/2016)
48. Fiscal, Dept. of Health & Social Services (published 4/11/2016)
50. Fiscal, Dept. of Health & Social Services (published 4/11/2016)
55. Fiscal, Dept. of Health & Social Services (published 4/11/2016)
58. Fiscal, Dept. of Commerce, Community, & Economic Development (published 4/11/2016)
59. Fiscal, Dept. of Law (published 4/11/2016)
61. Fiscal, Conference Committee: HB 256/Dept. of Health & Social Services (published 7/8/2016)
62. Fiscal, Conference Committee: HB 256/Dept. of Health & Social Services (published 7/8/2016)
63. Fiscal, Conference Committee: HB 256/Dept. of Health & Social Services (published 7/8/2016)

SB 91-OMNIBUS CRIM LAW & PROCEDURE; CORRECTIONS

26. Fiscal, Dept. of Health & Social Services (published 4/8/2016)
33. Fiscal, Alaska Judicial System (published 4/8/2016)
36. Fiscal, Dept. of Corrections (published 5/2/2016)
38. Fiscal, Dept. of Corrections (published 5/2/2016)
39. Fiscal, Dept. of Corrections (published 5/2/2016)

SB 124-EXTEND SUNSET ON AK COMMISSION ON AGING

3. Fiscal, Senate Finance Committee/Dept. of Health & Social Services (published 3/18/2016)

SB 145-RECOVERY OF PUB. ASSIST. OVERPAYMENTS

3. Fiscal, Dept. of Health & Social Services (published 2/3/2016)

SB 210-COMMUNITY REVENUE SHARING/ASSISTANCE

2. Fiscal, House Finance Committee/Fund Capitalization (published 4/16/2016)

HB 257

A letter dated June 28, 2016, to Speaker Chenault and President Meyer from David Teal, Director, Legislative Finance Division, was received identifying the fiscal notes included in the packet that accompanied the conference committee with limited powers of free conference report (page 3009) for the following, which was adopted by the House and Senate May 31, 2016:

CONFERENCE CS FOR HOUSE BILL NO. 257

"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program; making supplemental appropriations; and providing for an effective date."

The following fiscal notes were itemized in the letter:

HB 188-PERSON W/DISABILITY SAVINGS ACCOUNTS

3. Fiscal, Dept. of Revenue (published 4/7/2016)

SB 74-MEDICAID REFORM;TELEMEDICINE;DRUG DATABAS

47. Fiscal, Dept. of Health & Social Services (published 4/11/2016)
50. Fiscal, Dept. of Health & Social Services (published 4/11/2016)
55. Fiscal, Dept. of Health & Social Services (published 4/11/2016)
63. Fiscal, Conference Committee: HB 257/Dept. of Health & Social Services (published 7/8/2016)

SB 91-OMNIBUS CRIM LAW & PROCEDURE; CORRECTIONS

21. Fiscal, Dept. of Corrections (published 4/8/2016)
24. Fiscal, Dept. of Corrections (published 4/8/2016)
25. Fiscal, Dept. of Health & Social Services (published 4/8/2016)
31. Fiscal, Dept. of Public Safety (published 4/8/2016)

INTRODUCTION OF CITATIONS

The following citation was introduced and taken up later as a Special Order of Business:

In Memoriam - Colonel William "Bill" Coghill
By Senator Coghill

The Speaker stated that, without objection, the House would recess to a call of the Chair; and so, the House recessed at 1:31 p.m.

AFTER RECESS

The Speaker called the House back to order at 5:58 p.m.

**The presence of Representative Johnson, who was excused (page 3129) was noted.

* * * * *

Representative Millett requested that the House members stand for a moment of silence to honor the life of Marlene Lynn, wife of Representative Lynn.

**INTRODUCTION, FIRST READING, AND REFERENCE
OF HOUSE BILLS****HB 5001**

HOUSE BILL NO. 5001 by the House Rules Committee by request of the Governor, entitled:

"An Act relating to the Alaska Permanent Fund Corporation, the earnings of the Alaska permanent fund, and the earnings reserve account; relating to management of the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) by the Alaska Permanent Fund Corporation; relating to procurement by the Alaska Permanent Fund Corporation; relating to the mental health trust fund; relating to deposits into the dividend fund; relating to the calculation of permanent fund dividends; relating to unrestricted state revenue available for appropriation; and providing for an effective date."

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

The following fiscal note(s) apply:

1. Zero, Dept. of Administration/Fund Capitalization
2. Zero, Dept. of Revenue
3. Fiscal, Dept. of Corrections
4. Fiscal, Dept. of Revenue
5. Fiscal, Dept. of Revenue
6. Fiscal, Dept. of Revenue

The Governor's transmittal letter dated July 8, 2016, follows:

"Dear Speaker Chenault:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill relating to the Alaska Permanent Fund and the funding structure for State government.

This bill would establish a new financial model to enable sustainable funding of State services and the protection of the Permanent Fund. The bill would provide for an annual sustainable draw from the Permanent Fund earnings reserve account to the general fund to support State government services. Additionally, the bill would change the manner in which Permanent Fund Dividends are calculated – basing the calculation on the value of the entire Permanent Fund and the value of mineral royalties. Further, the bill includes measures to ensure the value of the Permanent Fund is maintained by saving money into the earnings reserve and the corpus in high revenue years.

As a result of the changes in this bill, the Permanent Fund earnings reserve account would generate a predictable and solid return of revenues for State government, and the dividend would continue, but on a more sustainable and predictable basis.

In detail, the bill would make the following changes to allow for sustainable withdrawals from the Permanent Fund to the general fund:

- Amend AS 37.13.145 to provide for an annual appropriation from the earnings reserve account to the general fund to pay for State government services, calculated based on five and one-quarter percent of the average market value of the Permanent Fund for the first five of the preceding six fiscal years (hereafter, "POMV draw").
- Add a new section, AS 37.13.146, to provide for the payment of dividends from the general fund based on an amount equal to 20 percent of the POMV draw and 20 percent of the mineral royalties received by the State. For the next three years, the dividend would be set at \$1,000. Thereafter, the new formula would go into effect, resulting in a dividend of approximately \$1,000 into the future.
- Repeal the annual inflation-proofing transfer from the Permanent Fund earnings reserve account to the principal in AS 37.13.145.
- Add a new section requiring a transfer from the earnings reserve account to the Permanent Fund principal if the balance of the earnings reserve account exceeds the annual draw amount multiplied by four.
- Add a new section reducing the annual draw from the earnings reserve account to the general fund if the State receives more than \$1.2 billion in mineral royalties and oil and gas production taxes in a fiscal year.

The bill also proposes to amend AS 36.30 to exempt the Alaska Permanent Fund Corporation from the State procurement code. The corporation still would be required to adopt regulations to govern procurement and comply with the five percent preference under the code. Additionally, contracts for legal services would continue to

require the approval of the Attorney General. The bill also would amend AS 37.10.430 to transfer the management and investment of assets of the constitutional budget reserve fund from the Department of Revenue to the Alaska Permanent Fund Corporation and to modify the investment directives for the budget reserve fund.

Finally, the bill seeks to amend the uncodified law to express the intent of the Legislature that the Legislature reevaluate the use of Permanent Fund earnings as provided for in this bill in three years.

I urge your prompt and favorable action on this measure.

Sincerely,
/s/
Bill Walker
Governor"

HB 5002

HOUSE BILL NO. 5002 by the House Rules Committee by request of the Governor, entitled:

"An Act relating to the exploration incentive credit; increasing the motor fuel tax; increasing the taxes on cigarettes and tobacco products; taxing electronic smoking products; adding a definition of 'electronic smoking product' and requiring labeling of an electronic smoking product; increasing the excise tax on alcoholic beverages; relating to exemptions from the mining license tax; removing the minimum and maximum restrictions on the annual base fee for the reissuance or renewal of an entry permit or an interim-use permit; increasing the mining license tax rate; relating to mining license application, renewal, and fees; increasing the fisheries business tax and fishery resource landing tax; relating to refunds to local governments; 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 Fish & Game
2. Fiscal, Dept. of Revenue

The Governor's transmittal letter dated July 8, 2016, follows:

"Dear Speaker Chenault:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill relating to taxation, including the tax on motor fuel, the tax on tobacco products and taxing electronic smoking products, the excise tax on alcoholic beverages, the mining license tax, the fisheries business tax and fisheries landing tax, and fees for commercial fisheries entry or interim use permits.

This is a necessary measure to address our fiscal situation. My approach is a broad based tax bill to address Alaska's current and projected budget deficits. Our current revenue decrease has made it necessary to update our tax laws because for too long many industries have been under-taxed. My proposed measures, while modest, will make a significant difference to the State's budget shortfall.

The bill would increase outdated tax rates on motor fuels with increases on all types of motor fuel including aviation gasoline, motor fuel used in and on watercraft, and aviation fuel other than gasoline. The tax on a gallon of motor fuel used or transferred within the state would be raised from eight cents a gallon to 16 cents a gallon. Likewise, the tax on aviation gasoline would be raised to seven cents a gallon (the current rate is four and seven-tenths), the tax on marine fuel would be raised to ten cents a gallon (the current rate is five cents), and the tax on aviation fuel other than gasoline (including jet fuel) would be six and one-half cents a gallon (the current rate is three and two-tenths). The bill would also double the credit for highway fuel used to operate an internal combustion engine off-road, from six cents a gallon to 12 cents a gallon.

The bill would update our cigarette taxes and would allow us for the first time to collect a tax on electronic smoking products. Smoking technology has advanced beyond single use paper-rolled cigarettes to include multiple use electronic smoking products. Therefore, our tobacco tax statutes (AS 43.50 Cigarette Tax Act) should be revised to include this new product. To further update our outdated tobacco tax structure, I propose to amend the additional tax levy on cigarettes – which has not been raised since 2007 – from 62 mills to 112 mills. This equals an increase of five cents per cigarette, or one dollar per

standard pack. I also propose increasing the tax rate on tobacco products (other than cigarettes) from 75 percent of the wholesale price to 100 percent of the wholesale price. These reasonable adjustments will bring our tax structure up to date.

The alcoholic beverage tax rates have not been raised for many years. Therefore, the bill would increase the tax rates on alcoholic beverages under AS 43.60 (excise tax on alcoholic beverages). Alcoholic beverage excise taxes are levied on malt beverages, cider with at least 0.5 percent alcohol, wine, and other beverages with a higher alcohol content. The bill would double the tax rates on each gallon or fraction of a gallon. As a result, the excise tax on malt beverages or cider would be \$2.14 a gallon or fraction of a gallon; the tax on wine or other beverages would be \$5.00 a gallon or fraction of a gallon; and the tax on beverages containing more than 21 percent alcohol by volume would be \$25.60 a gallon. The tax on the first 60,000 barrels of beer from small craft breweries, as defined by the federal government, would be increased to 70 cents a gallon. I believe these proposed increases are reasonable, especially considering the high societal cost of alcoholic beverage consumption. Under this bill, the alcoholic beverage industry would bear a fairer share of industry costs to the state, yet still continue as an economically healthy industry.

The bill also would amend AS 43.60.040(a) related to surety bonds for alcoholic beverage taxpayers. Current law requires a \$25,000 surety bond before a license is issued. This amount is out of date as many wholesalers would require a surety bond much greater than that to protect the State's interests. At the same time very small brewers and distillers may require a smaller surety bond. The bill proposes to amend AS 43.60.040(a) to delete the \$25,000 bond and instead add language that the surety bond amount would be determined by the Department of Revenue.

The mining industry is important to the State, but the current Mining License Tax rates are too low to maintain. My proposal makes necessary adjustments to the tax imposed on mining operations, including changing the exemption from paying the mining license tax for new operations from three and one-half years after production begins to a more reasonable two years. This provides a sustainable balance between assisting new mining operations and taxing revenues from those operations. Additionally, the bill would change the way the

mineral and coal deposit exploration incentive credits are used by removing the ability to apply the credit against mineral royalty production payments. The bill also would increase the mining license tax rate from seven percent to nine percent for that portion of net income in excess of \$100,000.

Further, the bill would increase the tax rates of the fisheries business tax (AS 43.75.015) and the fishery resource landing tax (AS 43.77.010). The tax rates covered by these statutes vary from three percent to five percent of value, depending on the type of fishery. The bill would increase those tax rates by one percentage point across the board. Currently, the revenue generated by these taxes is split evenly between the State and the municipalities where the fisheries are located. The bill would exempt this one percent increase from the revenue sharing arrangement, thereby insuring that the entire increase is applied to the general fund. Some developing fisheries are exempted from the increase.

Finally, the bill eliminates the cap on the annual fees charged by the Commercial Fisheries Entry Commission. This fee, which is tied to a percentage of the value of a fishery, is currently capped at \$3,000 per year, providing a substantial advantage to the largest and most profitable fisheries.

The citizens of our state are ready to pitch in to solve our fiscal crisis. My measures, by involving a broad base of industries, would result in each industry bearing a small share of needed tax changes. Together we can continue to assure Alaska's strong and stable financial future.

I urge your prompt and favorable action on this measure.

Sincerely,
/s/
Bill Walker
Governor"

HB 5003

HOUSE BILL NO. 5003 by the House Rules Committee by request of the Governor, entitled:

"An Act establishing an individual income tax; and providing for an effective date."

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

The following fiscal note(s) apply:

1. Fiscal, Dept. of Revenue

The Governor's transmittal letter dated July 8, 2016, follows:

"Dear Speaker Chenault:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill to establish an individual income tax.

This is a necessary measure to address our fiscal situation. The bill would establish a personal income tax of six percent of total federal tax liability. I have chosen a structure similar to our State's prior income tax, which was repealed in 1980. The bill would tax income earned by residents and nonresident individuals with income from a source in this state. Because the tax that would be established by the bill is calculated based on federal tax liability and not on income, the bill effectively incorporates federal brackets and exemptions and so permits this bill, and the Alaska personal income tax system it would create, to be as simple and transparent as possible and minimizes administrative burdens both for the State and for taxpayers. The bill would apply to income earned on or after January 1, 2018. In addition, the bill would repeal a set of orphaned individual tax credits from the former income tax.

The citizens of our state are ready to pitch in to solve our fiscal crisis. My measure is part of that solution. Together we can continue to assure Alaska's strong and stable financial future.

I appreciate your consideration of this issue, and urge your prompt and favorable action on this measure.

Sincerely,
/s/
Bill Walker
Governor"

HB 5004

HOUSE BILL NO. 5004 by the House Rules Committee by request of the Governor, entitled:

"An Act establishing a state sales and use tax; relating to taxes levied by cities and boroughs; providing authority to the Department of Revenue to enter into the Streamlined Sales and Use Tax Agreement; and providing for an effective date."

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

The following fiscal note(s) apply:

1. Fiscal, Dept. of Revenue

The Governor's transmittal letter dated July 8, 2016, follows:

"Dear Speaker Chenault:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill relating to the establishment of a statewide sales and use tax.

This bill would levy a statewide tax of three percent on sales and rents of tangible personal property and on sales of services beginning January 1, 2018. It is critical that a sales tax include a use tax in order to avoid purchases made out of state from being used in this state without paying the tax. Therefore this bill also would levy a tax on the privilege of using tangible personal property acquired on or after January 1, 2018, and either manufactured by the person using the property in this state, or acquired outside this state as the result of a transaction that would have been subject to sales tax in this state.

This bill addresses important components of a workable, fair, and revenue-generating sales tax. First, the bill addresses the needs of municipalities, some of which also impose sales or sales and use taxes by continuing to allow municipalities to collect and enforce their current sales and use taxes through December 31, 2021. After that, the State will assume responsibility for administering a municipal general sales and use tax. Municipalities will receive their share of the tax

levied by the municipality. Administration of the statewide sales tax by the Department of Revenue will result in a more efficient and less costly system to administer for both the State and municipalities. Municipalities would continue to be able to levy and collect specific sales or excise taxes on single items of tangible or intangible personal property or services such as bed taxes, car rental taxes, liquor, cigarette, motor fuel, and fish taxes. Further, in order to allow for efficient administration, the tax base, including exemptions, definitions, and sourcing rules shall be identical between the statewide sales and use tax and a general sales and use tax administered by a municipality.

Additionally, my proposal would exempt certain transactions from the statewide tax, including government sales (including sales or use by the federal, state, or municipal body), union dues, intangibles (such as wages, salaries, tips, or commissions), financial services, groceries, isolated or occasional sales, sales for resale, and real property. My proposed exemptions are reasonable and target particular activities or sales for exemption, based on fundamental policy concerns of reducing the tax burden on those least able to pay.

Further, the bill allows for a number of technical provisions needed for a sales and use tax, such as exemption certificates, direct pay permits, sellers' permits and remedies for improper use of a purchase obtained with an exemption certificate.

Last, the bill would be effective January 1, 2018, to allow adequate time for preparation and education about the sales and use tax.

The bill also would provide the Department of Revenue with authority to enter the Streamlined Sales and Use Tax Agreement, an agreement approved by the Streamlined Sales and Use Tax Governing Board, Inc., with the goal of simplifying and modernizing sales and use tax administration in order to reduce the burden of tax compliance for sellers. By considering the Streamlined Sales and Use Tax Agreement, and its usefulness to our state, the Department of Revenue may consider a regulatory action best designed to meet our state's needs.

We must take meaningful and responsible action to close our fiscal gap and put in place revenue measures not tied to volatile natural

resource commodity prices. Restructuring the Permanent Fund alone will not close the deficit. A broad-based tax is essential to a comprehensive fiscal plan, and this bill is a step in that direction. It is also an alternative option for the Legislature to consider in lieu of the proposed income tax. I am confident this legislature will see the benefits of comprehensive, broad-based, low-rate statewide sales and use tax and look forward to your prompt and favorable action on this measure. Further, this comprehensive broad-based tax is not targeted at only one group or industry. Instead, we will all contribute together to keep our state on a solid financial footing.

Sincerely,
/s/
Bill Walker
Governor"

HB 5005

HOUSE BILL NO. 5005 by the House Rules Committee by request of the Governor, entitled:

"An Act relating to the oil and gas production tax, tax payments, and credits; relating to oil and gas lease expenditures and production tax credits for municipal entities; relating to the interest applicable to delinquent tax; and providing for an effective date."

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

The following fiscal note(s) apply:

1. Fiscal, Dept. of Revenue

The Governor's transmittal letter dated July 8, 2016, follows:

"Dear Speaker Chenault:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill relating to oil and gas production taxes and tax credit reform.

This bill would build off the substantial work by this Legislature in both regular and special session to put the State on a path for a sustainable fiscal future. While I recognize that Chapter 4, 4SSLA 2016, represents hard won compromises, difficult choices, and significant steps towards a sustainable fiscal future, it is simply not enough. More work must be done to correct the State's unsustainable system of oil and gas production tax credits.

First, in the recent and potentially future oil price climate, oil and gas producers and explorers are incurring losses. This has resulted in large tax credits for use against oil and gas production tax liability and hefty requests for purchase from the oil and gas tax credit fund. This bill would reduce, in 2017, the amount of tax credits available for a company incurring a net operating loss for expenditures incurred north of 68 degrees North latitude ("North Slope"). In 2018, the tax credit would be eliminated for North Slope expenditures.

Second, the bill would increase the minimum tax amount for certain oil and gas produced on the North Slope beginning in 2017. When the price for North Slope oil is above \$55, the bill would provide that the minimum tax amount may not be less than five percent of the gross value at the point of production.

Third, the bill includes provisions designed to promote good governance practices. The bill would also enable the Department of Natural Resources to release seismic data, obtained through oil and gas tax credits, if a lease is terminated or relinquished. Finally, the bill would institute reasonable and time sensitive changes to the interest rate applicable to delinquent taxes.

This bill builds on the Legislature's commendable work on Chapter 4, 4SSLA 2016. I do not lightly suggest these changes. But, the changes in this bill, along with critical changes to the administration of the Permanent Fund, would help protect the State's fiscal future from the volatility of oil prices. I urge your prompt and favorable action on this measure.

Sincerely,
/s/
Bill Walker
Governor"

HB 5006

HOUSE BILL NO. 5006 by the House Rules Committee by request of the Governor, entitled:

"An Act repealing certain elements of the crime of sex trafficking in the third degree; repealing certain elements of the crime of sex trafficking in the fourth degree; and providing for an effective date."

was read the first time and referred to the Judiciary and Finance Committees.

The following fiscal note(s) apply:

1. Zero, Dept. of Law

The Governor's transmittal letter dated July 11, 2016, follows:

"Dear Speaker Chenault:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill to address recently enacted provisions related to the crime of sex trafficking.

This year, the Legislature passed, and I signed into law, an important bill to reform our criminal justice system. This bill is now law as chapter 36, SLA 2016. Overall, the new law is a much-needed improvement to our criminal justice system. Among other measures, the bill limits prosecution of prostitution and redefines certain elements of sex trafficking in the third degree and the fourth degree. Two of the changes made by the bill may have the unintended consequence of allowing a person to operate a place of prostitution if the person claims that they themselves also practiced prostitution in the same location. Accordingly, I propose the repeal of those two provisions (sections 39 and 40, chapter 36, SLA 2016) in order to eliminate possible confusion over the effect of the provisions and to allow time for the administration and the Legislature to work together to propose alternate language for consideration in the next regular legislative session to better address the intent behind redefining sex trafficking in the third and fourth degree.

Without this repeal, there would be confusion over what constitutes sex trafficking in the third degree and in the fourth degree. In order to provide protections for persons subject to trafficking, yet not allow a loophole for persons engaged in sex trafficking, sections 39 and 40, chapter 36, SLA 2016 should be repealed. My bill does that, but leaves the other provisions of chapter 36, SLA 2016 in place.

I appreciate your consideration of this issue, and urge your prompt and favorable action on this measure.

Sincerely,

/s/

Bill Walker

Governor"

SPECIAL ORDER OF BUSINESS

SCR 501

Representative Millett moved and asked unanimous consent that the following be taken up as a Special Order of Business:

SENATE CONCURRENT RESOLUTION NO. 501

Suspending Rules 47 and 55, Uniform Rules of the Alaska State Legislature, relating to the carry-over of bills to a special session.

There being no objection, it was so ordered.

The question being: "Shall SCR 501 pass the House?" The roll was taken with the following result:

SCR 501

Special Order of Business

YEAS: 33 NAYS: 4 EXCUSED: 3 ABSENT: 0

Yeas: Tarr, Thompson, Tilton, Vazquez, Wilson, Colver, Edgmon, Foster, Gattis, Herron, Hughes, Johnson, Josephson, Kawasaki, Keller, Kreiss-Tomkins, LeDoux, Millett, Munoz, Nageak, Neuman, Olson, Ortiz, Pruitt, Reinbold, Saddler, Seaton, Spohnholz, Stutes, Talerico, Chenault, Gara, Claman

Nays: Tuck, Drummond, Guttenberg, Kito

Excused: Wool, Hawker, Lynn

Gara changed from "NAY" to "YEA".

Claman changed from "NAY" to "YEA"

And so, SCR 501 passed the House, was signed by the Speaker and Chief Clerk, and returned to the Senate.

Representative Millett moved and asked unanimous consent that the notice and publication requirements be waived and the citation, In Memoriam - Colonel William "Bill" Coghill, be taken up as a Special Order of Business. There being no objection, it was so ordered.

Representative Millett moved and asked unanimous consent that the House approve the citation. There being no objection, the following citation was approved and sent to enrolling:

In Memoriam - Colonel William "Bill" Coghill
By Senator Coghill; Representatives Chenault, Claman, Colver, Drummond, Edgmon, Foster, Gara, Gattis, Guttenberg, Hawker, Herron, Hughes, Johnson, Josephson, Kawasaki, Keller, Kito, Kreiss-Tomkins, LeDoux, Millett, Munoz, Nageak, Neuman, Olson, Ortiz, Pruitt, Reinbold, Saddler, Seaton, Spohnholz, Stutes, Talerico, Tarr, Thompson, Tilton, Tuck, Vazquez, Wilson, Wool

UNFINISHED BUSINESS

HB 4002

The Finance Committee submitted the following corrected fiscal note to replace the fiscal note in the fiscal packet (page 3149) for the following:

CS FOR HOUSE BILL NO. 4002(FIN)

"An Act relating to major medical insurance coverage under the Public Employees' Retirement System of Alaska for certain surviving spouses and dependent children of peace officers and firefighters; and providing for an effective date."

2. Fiscal, Dept. of Administration/Retirement Payments

HB 126

The following memorandum, dated June 21, 2016, was received from Laura Duval, Enrolling Secretary, Division of Legal and Research Services regarding:

SENATE CS FOR CS FOR HOUSE BILL NO. 126(JUD)

"An Act relating to the administration of military justice; relating to the adoption of regulations by the adjutant general; relating to the authority of the adjutant general; relating to appeals of convictions and sentences of courts-martial; establishing the Military Appeals Commission; relating to the detention and incarceration of members of the militia; relating to the jurisdiction of the supreme court over petitions from the Military Appeals Commission; relating to involuntary commitment for evaluation or treatment of a mental disease or defect before court-martial proceedings; relating to offenses subject to court-martial proceedings; amending Rule 6, Alaska Rules of Criminal Procedure; and providing for an effective date."

"In accordance with Rule 43, Uniform Rules of the Alaska State Legislature, I am reporting the following manifest errors in SCS CSHB 126(JUD), which have been corrected in enrolling:

Page 3, line 10:

Delete "courts-martial"
Insert "court-martial"

Page 5, line 8:

Delete "the"

Page 20, line 25:

Delete "art. 1"
Insert "art. I"

Page 22, line 21:

Delete "determines"
Insert "determine"

Page 26, line 17:

Delete "shall"
Insert "must"

Page 29, line 2:

Delete "(a)(5) of this section"
Insert "(5) of this subsection"

Page 30, line 31:

Delete "section"
Insert "chapter"

Page 31, line 4:

Delete "section"
Insert "chapter"

Page 31, line 19:

Delete "with"
Insert "of"

Page 34, line 21:

Delete "26.05.445"
Insert "26.05.446"

Page 35, line 24:

Delete "their"
Insert "its"

Page 38, line 9:

Delete "in"

Page 38, line 21:

Delete "or"
Insert ", and"

Page 42, line 19:

Delete "to" in both places

Page 45, line 22, following "who":

Insert "(1)"

Page 45, line 23:

Delete "(1)"

Page 45, line 24:

Delete "operating or"
Insert "operates or is"

Page 47, line 24:

Delete "or"
Insert "and"

Page 50, line 20:

Delete "(d)"
Insert "(D)"

Page 51, lines 28 - 29:

Delete all material.

Page 59, line 24, following "martial,":

Insert "the attorney general shall""

ENGROSSMENT AND ENROLLMENT

HB 75

The following was engrossed and enrolled, signed by the Speaker and Chief Clerk, President and Secretary of the Senate, and the engrossed and enrolled copies were transmitted to the Office of the Governor at 2:50 p.m., July 5, 2016:

CONFERENCE CS FOR HOUSE BILL NO. 75

"An Act relating to possessing, using, displaying, purchasing, growing, processing, transporting, and transferring marijuana; relating to assisting another person 21 years of age or older in activities related to marijuana; relating to established villages and to local option elections regarding the operation of marijuana establishments; and providing for an effective date."

HB 256

The following was engrossed and enrolled, signed by the Speaker and Chief Clerk, President and Secretary of the Senate, and the engrossed and enrolled copies were transmitted to the Office of the Governor at 1:38 p.m., June 20, 2016, with a fiscal note packet and a manifest error memorandum (page 3079):

CONFERENCE CS FOR HOUSE BILL NO. 256

"An Act making appropriations for the operating and loan program expenses of state government and for certain programs; capitalizing funds; amending appropriations; repealing appropriations; making supplemental appropriations and reappropriations; making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska, from the constitutional budget reserve fund; and providing for an effective date."

HB 257

The following was engrossed and enrolled, signed by the Speaker and Chief Clerk, President and Secretary of the Senate, and the engrossed and enrolled copies were transmitted to the Office of the Governor at 1:38 p.m., June 20, 2016, with a fiscal note packet and a manifest error memorandum (page 3080):

CONFERENCE CS FOR HOUSE BILL NO. 257

"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program; making supplemental appropriations; and providing for an effective date."

Also transmitted was a copy of the following letter dated June 17, 2016, to Mr. Russ Webb, Chair, Alaska Mental Health Trust Authority:

"Dear Mr. Webb:

Pursuant to the requirements of AS 37.14.005(c), this letter and the enclosed reports describe how the funding contained in HB 257 (the FY17 Mental Health budget) and HB 256 (the Operating Budget) differ from the FY17 Mental Health Trust Authority's (Authority) funding recommendations for the State's integrated comprehensive mental health program. While the statute requires reporting only on general fund expenditures, information regarding expenditures of Authority receipts is also included in the attached reports.

Operating Appropriations

For mental health operating program funding, the *Agency Summary* report compares the FY17 Mental Health Trust Authority operating

budget recommendations to the Governor's request and to the appropriations passed by the legislature. Note that, for comparison purposes, Authority recommendations include FY17 salary adjustments and base transactions requested by the Governor. This brings the FY17 total recommendations to \$221.7 million (column 1). The Governor requested \$221.6 million (column 2), and the Conference Committee's budget totaled \$221.4 million (column 3). The Conference Committee budget is \$116,200 (0.1 percent) less than the Governor's request. In addition,

- another \$5.2 million (column 4) was appropriated to fund fiscal notes associated with SB 91, SB74, and HB188; and
- \$11 million of UGF was added in DHSS/Behavioral Health as a FY16 supplemental (column 5) to develop additional substance use disorder services and may be expended in FY16, FY17, FY18 and FY19.

Governor's Request. An enclosed *Transaction Comparison* report shows differences between Authority recommendations and the Governor's request. The only difference between the two is that the Authority requested \$200.0 (\$100.0 of UGF and \$100.0 of MHTAAR) for an IT Application/Telehealth Service System Improvements project in Senior and Disabilities Services Administration. The Governor's budget includes the MHTAAR funding but excludes the UGF.

Conference Committee Budget. The legislature treated the Governor's request as a starting point for budget deliberations. Authority recommendations excluded from the Governor's request were not deliberated. Other than the differences listed below, the legislature approved the Mental Health Budget as submitted by the Governor.

- The legislature denied \$116,200 of funding for salary adjustments associated with Alaska Care health insurance rate increases.
- The legislature added an \$11 million supplemental appropriation (Sec. 9, HB 257) to the Department of Health and Social Services to develop additional substance use disorder services. This funding is available in FY16, FY17, FY18 and FY19.

- The legislature added \$5,217,800 of funding related to fiscal notes (see below for more details).

Fiscal Notes. An enclosed *Mental Health Bill Fiscal Notes* document highlights legislative appropriations for fiscal notes that were included in the Mental Health Bill (Section 2, CCS HB 257) for the following three bills:

- HB188 (Person with Disability Savings Accounts): \$60,000 MHTAAR
- SB74 (Medicaid Reform; Telemedicine; Drug Database): \$2,157,800 MHTAAR
- SB91 (Omnibus Criminal Law and Procedure; Corrections): \$3,000,000 Recidivism Reduction Fund

Capital Appropriations

The Authority recommended a \$14.75 million capital budget. The Governor's request totaled \$11.8 million (a reduction of \$2.95 million). The enclosed *Project Detail by Agency* report shows how the Governor modified the Authority's recommendations. The legislature approved the Governor's request as submitted.

We appreciate the good working relationship between the Authority and the legislature.

If you have questions regarding the enclosed reports, please contact Amanda Ryder of the Legislative Finance Division at 465-5411.

Sincerely,

/s/

Senator Pete Kelly
Conference Committee Chair

Representative Mark Neuman
Conference Committee Vice Chair

Enclosures
Agency Summary
Transaction Compare between MH Req Tot & Gov Amd+
Mental Health Bill Fiscal Notes
Capital Project Detail by Agency"

ENROLLMENT**HCR 4**

The following was enrolled, signed by the Speaker and Chief Clerk, President and Secretary of the Senate, and the engrossed and enrolled copies were transmitted to the Office of the Governor at 11:39 a.m., July 6, 2016, with a manifest error (page 3045):

CS FOR HOUSE CONCURRENT RESOLUTION NO. 4(STA)

Relating to the duties of delegates selected by the legislature to attend a convention of the states called under art. V, Constitution of the United States, to consider a countermand amendment to the Constitution of the United States; establishing as a joint committee of the legislature the Delegate Credential Committee and relating to the duties of the committee; providing for an oath for delegates and alternates to a countermand amendment convention; providing for a chair and assistant chair of the state's countermand amendment delegation; providing for the duties of the chair and assistant chair; providing instructions for the selection of a convention president; and providing specific language for the countermand amendment on which the state's convention delegates are authorized by the legislature to vote to approve.

Legislative Resolve No. 46

HCR 17

The following was enrolled, signed by the Speaker and Chief Clerk, President and Secretary of the Senate, and the engrossed and enrolled copies were transmitted to the Office of the Governor at 11:39 a.m., July 6, 2016:

CS FOR HOUSE CONCURRENT RESOLUTION NO. 17(TRA)

Supporting the aviation industry; and urging the governor to make state-owned land available to the unmanned aircraft systems industry for the management and operation of unmanned aircraft systems and related research, manufacturing, testing, and training.

Legislative Resolve No. 47

HCR 28

The following was enrolled, signed by the Speaker and Chief Clerk, President and Secretary of the Senate, and the engrossed and enrolled copies were transmitted to the Office of the Governor at 11:39 a.m., July 6, 2016:

HOUSE CONCURRENT RESOLUTION NO. 28

Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, concerning Senate Bill No. 125, adding legislative nonvoting members to the board of directors of the Alaska Gasline Development Corporation.

Legislative Resolve No. 54

HJR 14

The following was enrolled, signed by the Speaker and Chief Clerk, President and Secretary of the Senate, and the engrossed and enrolled copies were transmitted to the Office of the Governor at 11:39 a.m., July 6, 2016, with a manifest error memorandum (page 3046):

SENATE CS FOR CS FOR HOUSE JOINT RESOLUTION NO. 14(STA)

Making application to the United States Congress to call a convention of the states to propose a counterman amendment to the Constitution of the United States as provided under art. V, Constitution of the United States; and urging the legislatures of the other 49 states to make the same application.

Legislative Resolve No. 49

HB 8

The following was enrolled, signed by the Speaker and Chief Clerk, President and Secretary of the Senate, and the engrossed and enrolled copies were transmitted to the Office of the Governor at 11:39 a.m., July 6, 2016, with a manifest error memorandum (page 2797):

SENATE CS FOR CS FOR HOUSE BILL NO. 8(JUD)

"An Act relating to powers of attorney and other substitute decision-making documents; relating to the uniform probate code; relating to notaries public; and providing for an effective date."

HB 12

The following was enrolled, signed by the Speaker and Chief Clerk, President and Secretary of the Senate, and the engrossed and enrolled copies were transmitted to the Office of the Governor at 11:39 a.m., July 6, 2016, with a manifest error memorandum (page 2044):

SENATE CS FOR CS FOR HOUSE BILL NO. 12(L&C)

"An Act relating to mortgage lending, mortgage loan originators, and depository institutions; and providing for an effective date."

HB 27

The following was enrolled, signed by the Speaker and Chief Clerk, President and Secretary of the Senate, and the engrossed and enrolled copies were transmitted to the Office of the Governor at 2:44 p.m., July 7, 2016:

SENATE CS FOR CS FOR SS FOR HOUSE BILL NO. 27(HSS)
am S

"An Act relating to the duties of the Department of Health and Social Services; relating to hearings on and plans for permanent placement of a child in need of aid; relating to school placement and transportation for children in foster care; relating to foster care transition programs; relating to emergency and temporary placement of a child in need of aid; relating to transitional living arrangements for children in foster care; and amending Rule 17.2, Alaska Child in Need of Aid Rules of Procedure."

HB 93

The following was enrolled, signed by the Speaker and Chief Clerk, President and Secretary of the Senate, and the engrossed and enrolled copies were transmitted to the Office of the Governor at 2:50 p.m., July 5, 2016:

SENATE CS FOR CS FOR HOUSE BILL NO. 93(JUD)

"An Act relating to the duties of probation officers; and relating to conditions of parole."

HB 156

The following was enrolled, signed by the Speaker and Chief Clerk, President and Secretary of the Senate, and the engrossed and enrolled

copies were transmitted to the Office of the Governor at 3:53 p.m., July 5, 2016:

SENATE CS FOR CS FOR HOUSE BILL NO.
156(FIN)(efd fld H)

"An Act relating to a parent's right to direct the education of a child; relating to the duties of the state Board of Education and Early Development, the Department of Education and Early Development, school boards, and school districts; relating to public school curriculum and assessments; relating to compliance with federal education laws; relating to public school accountability; relating to a statewide assessment plan and review of education laws and regulations; repealing the minimum expenditure for instruction for school districts; relating to sex education, human reproduction education, and human sexuality education; relating to suicide awareness and prevention training; relating to contracts for student assessments; relating to questionnaires and surveys administered in public schools; relating to physical examinations for teachers."

The following memorandum, dated June 27, 2016, was received from Laura Duval, Enrolling Secretary, Division of Legal and Research Services:

"In accordance with Rule 43, Uniform Rules of the Alaska State Legislature, I am reporting the following manifest errors in SCS CSHB 156(FIN)(efd fld H), which have been corrected in enrolling:

Page 2, line 24, following "object":

Insert "to"

Page 17, line 5:

Delete "**Sec. 14.30.362. Suicide awareness and prevention training.**"

HB 200

The following was enrolled, signed by the Speaker and Chief Clerk, President and Secretary of the Senate, and the engrossed and enrolled copies were transmitted to the Office of the Governor at 11:39 a.m., July 6, 2016:

CS FOR HOUSE BILL NO. 200(HSS) am

"An Act establishing procedures related to a petition or proxy for adoption or guardianship of a child in state custody; adding a definition of 'proxy for a formal petition'; amending Rules 5 and 6(a), Alaska Adoption Rules, and adding Rule 17.3, Alaska Child in Need of Aid Rules of Procedure; and providing for an effective date."

The following memorandum, dated June 22, 2016, was received from Laura Duval, Enrolling Secretary, Division of Legal and Research Services:

"In accordance with Rule 43, Uniform Rules of the Alaska State Legislature, I am reporting the following manifest errors in CSHB 200(HSS) am, which have been corrected in enrolling:

Page 1, line 14, following "Act":
Insert "of 1978"

Page 6, lines 7 - 8:
Delete "AS 25.23.005 - 25.23.240"
Insert "AS 25.23"

Page 6, line 10:
Delete "chapter"
Insert "section"

Page 7, following line 10:
Insert "(g) The department may adopt regulations to implement this section."

Reletter the following subsection accordingly.

Page 7, line 23:
Delete the second occurrence of "or"

Page 8, line 2:
Delete all material.

Page 11, line 3, following "compliance":

Insert "with""

HB 209

The following was enrolled, signed by the Speaker and Chief Clerk, President and Secretary of the Senate, and the engrossed and enrolled copies were transmitted to the Office of the Governor at 2:44 p.m., July 7, 2016, with a manifest error memorandum (page 2799):

CS FOR HOUSE BILL NO. 209(FIN)

"An Act relating to an Alaska Water and Sewer Advisory Committee; and providing for an effective date."

HB 314

The following was enrolled, signed by the Speaker and Chief Clerk, President and Secretary of the Senate, and the engrossed and enrolled copies were transmitted to the Office of the Governor at 11:39 a.m., July 6, 2016:

SENATE CS FOR HOUSE BILL NO. 314(FIN)

"An Act relating to the Alaska regional economic assistance program; extending the termination date of the Alaska regional economic assistance program; and providing for an effective date."

HB 372

The following was enrolled, signed by the Speaker and Chief Clerk, President and Secretary of the Senate, and the engrossed and enrolled copies were transmitted to the Office of the Governor at 11:39 a.m., July 6, 2016:

SENATE CS FOR CS FOR HOUSE BILL NO. 372(L&C)

"An Act relating to insurance; relating to the annual report by the director of insurance; relating to expenses for insurance examinations; relating to regulations for insurance utilization review, benefits determination, health care insurance grievance resolution procedures, independent review of adverse determinations or final adverse determinations, independent review organizations, and continuing education providers; relating to required provisions for health care insurance contracts and

policies, including health care provider choice; establishing civil penalties for insurers for failure to provide requested records; amending the definition of 'wet marine and transportation' insurance; amending provisions on limited licenses to include crop insurance; relating to third-party administrator notification requirements; relating to certification filing by reinsurance intermediary brokers; relating to rate filings, delivery of insurance policies or endorsements; relating to refunds of variable life insurance policies and variable annuities; establishing limitations on issuance of long-term care insurance; relating to requirements for group health insurance policies; amending the definition of 'group health insurance'; relating to motor vehicle service contracts; relating to notice requirements for meetings of stockholders or members of a domestic insurer; establishing a definition of 'bona fide association'; relating to requirements and penalties for committing a fraudulent or criminal insurance act; updating criteria for examinations; relating to rate filing deviations; establishing civil penalties for certain wilful violations; and providing for an effective date."

The following memorandum, dated June 21, 2016, was received from Laura Duval, Enrolling Secretary, Division of Legal and Research Services:

"In accordance with Rule 43, Uniform Rules of the Alaska State Legislature, I am reporting the following manifest errors in SCS CSHB 372(L&C), which have been corrected in enrolling:

Page 4, line 25:

Delete "line"
Insert "lines"

Page 5, line 15:

Delete "Carriers"
Insert "Commissioners"

Page 9, line 2:

Delete "section"
Insert "subsection"

Page 24, lines 29 - 30:
Delete "**as defined in AS 21.97.900**"

Page 28, line 12:
Delete "**AS 21.54.060(6)**"
Insert "**AS 21.54.060(a)(6)**"

Page 31, lines 12 - 13:
Delete all material.

Renumber the following bill sections accordingly.

Page 31, line 20:
Delete "**AS 21.54.060(6)**"
Insert "**AS 21.54.060(a)(6)**"

Page 31, lines 26 - 28:
Delete all material.

Renumber the following bill sections accordingly.

Page 35, line 5:
Delete "which"
Insert "**that** [WHICH]"

Page 36, line 3, following "for":
Insert "at least"

Page 36, line 28, following "AS 21.54.500(4);":
Insert "AS 21.56.250(6);"

Page 37, line 13:
Delete "Section 69"
Insert "Section 67"

Page 37, line 14:
Delete "Section 67"
Insert "Section 65"

Page 37, line 15:
Delete "sec. 68"
Insert "sec. 66"

Page 37, line 17:
Delete "Section 65"
Insert "Section 63""

HB 374

The following was enrolled, signed by the Speaker and Chief Clerk, President and Secretary of the Senate, and the engrossed and enrolled copies were transmitted to the Office of the Governor at 11:39 a.m., July 6, 2016:

SENATE CS FOR CS FOR HOUSE BILL NO. 374(FIN)
"An Act relating to coverage under a state plan provided by the Comprehensive Health Insurance Association; establishing the Alaska comprehensive health insurance fund; relating to a reinsurance program; relating to the definition of 'residents who are high risks'; relating to an application for a waiver for state innovation for health care insurance; and providing for an effective date."

ANNOUNCEMENTS

Rule 23(d) of the Uniform Rules is in effect.

House committee schedules are published under separate cover.

ADJOURNMENT

Representative Millett moved and asked unanimous consent that the House adjourn until 11:00 a.m., July 12, 2016. There being no objection, the House adjourned at 6:24 p.m.

Crystaline Jones
Chief Clerk