SENATE JOURNAL

ALASKA STATE LEGISLATURE

TWENTY-NINTH LEGISLATURE

FIRST SESSION

Juneau, Alaska

Friday

January 30, 2015

Eleventh Day

Pursuant to adjournment the Senate was called to order by President Meyer at 10:06 a.m.

The roll showed seventeen members present. Senators Hoffman, Micciche were excused from a call of the Senate. Senator McGuire was absent.

Senator Coghill moved and asked unanimous consent that Senator McGuire be excused from a call of the Senate today. Without objection, Senator McGuire was excused.

The prayer was offered by the Chaplain, Pastor Nathan Stearman of the Seventh-Day Adventist Church. Senator Coghill moved and asked unanimous consent that the prayer be spread. Without objection, it was so ordered.

Father,

I come to You at the end of this legislative week, grateful for Your providential care of our great state. As these men and women, gathered on behalf of the people of this great state, conduct the business before them, I ask that You grant them each wisdom. As they consider the way forward on many issues, among them the difficult financial road ahead, give them just the help they need to do what is best for our great state and grant us, the people, the courage and wisdom, to support their work.

In Jesus' name I ask this.

Amen.

Senator Egan led the Senate in the Pledge of Allegiance.

Certification

Senator Coghill moved and asked unanimous consent that the journals for the ninth and tenth legislative days be approved as certified by the Secretary. Without objection, it was so ordered.

Messages from the Governor

An updated letter was received January 28 correcting the Governor's appointment letter dated January 20 (page 58) as follows:

Board of Massage Therapists

David Edwards-Smith – Soldotna Appointed: 11/25/2014

Reappointed: 1/19/2015 Term Expires: 3/1/2018

Amanda Unser – Anchorage Appointed: 11/25/2014

Appointed: 11/25/2014

Reappointed: 1/19/2015

Term Expires: 3/1/2017

Traci Gilmour - Juneau

Appointed: 11/25/2014

Reappointed: 1/19/2015 Term Expires: 3/1/2017

Ron Gibbs - Kodiak

Appointed: 11/25/2014

Reappointed: 1/19/2015 Term Expires: 3/1/2016

Shirley Nelson – Anchorage Appointed: 11/25/2014

Appointed. 11/25/2014

Reappointed: 1/19/2015 Term Expires: 3/1/2017

Alaska Workers' Compensation Board

Lake Williams – Fairbanks Appointed: 5/14/2014

Reappointed: 1/19/2015 Term Expires: 3/1/2017

January 30, 2015

Communications

The following report is on file in the Office of the Secretary of the Senate and will be published in Senate and House Joint Journal Supplement No. 3:

Local Boundary Commission Statement of Decision Detachment from and Concurrent Annexation to the City of Allakaket from Lynn Chrystal, Chair Department of Commerce, Community and Economic Development in accordance with art. X, sec. 12, Alaska Constitution

President Meyer referred the Statement of Decision to the Community and Regional Affairs Committee.

Letter dated January 21, 2015, was received from Dana Fabe, Chief Justice of the Alaska Supreme Court stating that pursuant to AS 24.60.130(b) she has nominated the following public members for reappointment to the Select Committee on Legislative Ethics:

Dennis "Skip" Cook Herman G. Walker, Jr.

President Meyer referred the nominations to the State Affairs and Judiciary Committees.

The following reports are on file in the Office of the Secretary of the Senate:

Report from the Commissioner of the Department of Administration dated January 29 was received stating the monetary terms for the collective bargaining agreement reached with the Marine Engineers' Beneficial Association in accordance with AS 23.40.215.

The President referred the report to the Finance Committee.

Final Report, Implementation Plan and Executive Summary, dated January 30, 2015 from Senator McGuire and Representative Herron, Cochairs Alaska Arctic Policy Commission in accordance with Legislative Resolve No. 52, 2012

January 30, 2015

2014 Annual Report from Lela F. Klingert, President Alaska Commercial Fishing and Agriculture Bank in accordance with AS 44.81.200

Annual Report 2014 from Mike Barton, Chair Alaska Mental Health Trust Authority Department of Revenue in accordance with AS 47.30.036

Five-Year Program of Proposed Oil and Gas Lease Sales from Mark Myers, Commissioner Department of Natural Resources in accordance with AS 38.05.180(b)

Investment Earnings Report for Alaska Marine Highway System Fund from Randall Hoffbeck, Commissioner Department of Revenue in accordance with AS 19.65.070(c)

Investment Earnings Report for Alaska Marine Highway Vessel Replacement Fund from Randall Hoffbeck, Commissioner Department of Revenue in accordance with AS 37.05.550(c)

Introduction and Reference of Senate Resolutions

SJR 9

104

SENATE JOINT RESOLUTION NO. 9 BY SENATOR GARDNER,

Urging the Alaska Department of Law and the United States Department of Justice to file a motion in United States District Court to compel the ExxonMobil Corporation to honor the commitment to pay additional damages for the Exxon Valdez oil spill under the "Reopener for Unknown Injury" provision

of the 1991 Agreement and Consent Decree and to collect the full demand for payment the state and federal government submitted to the ExxonMobil Corporation on August 31, 2006; and urging the Exxon Valdez Oil Spill Trustee Council immediately to initiate subsurface lingering oil restoration work.

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

Introduction and Reference of Senate Bills

SB₁

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 1 BY SENATOR MICCICHE, entitled:

"An Act prohibiting smoking in certain places; relating to education on the smoking prohibition; and providing for an effective date."

was read the first time and referred to the Health and Social Services, State Affairs and Finance Committees.

SB 32

SENATE BILL NO. 32 BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR, entitled:

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

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

The following fiscal information was published today: Fiscal Note No. 1, zero, Department of Natural Resources

Governor's transmittal letter dated January 28:

Dear President Meyer:

Under the authority of Article III, Section 18 of the Alaska Constitution, I am transmitting a bill relating to the sale of timber on State land. The bill would amend AS 38.05.110 and 38.05.118 to expand the authority of the Commissioner of Natural Resources to negotiate the sale of timber at appraised value.

The Department of Natural Resources (DNR) may offer timber sales either through competitive bid or through negotiation. Currently under AS 38.05.118, the Commissioner of Natural Resources may negotiate the sale of timber to a local manufacturer at appraised value. However, negotiated sales larger than 500,000 board feet may only be offered in areas of high unemployment, excess manufacturing capacity, and an underutilized allowable cut of timber. These criteria prohibit larger negotiated timber sales in many areas of the state that are actively managed for forestry, and where there is high demand for wood for timber products and biomass energy. The proposed bill would provide that, in addition to sales to local manufacturers of wood products, sales may also be negotiated with users of wood fiber. This change clarifies that negotiated sales may be used to support wood energy production as well as traditional products. In addition, the bill would eliminate the current limitations that negotiated timber sales be based on a finding that in the area of the sale there is a high level of unemployment, an underutilized manufacturing capacity, and an underutilized supply of timber that will lose value if not cut. The requirement that all three conditions be met substantially limits the Commissioner of Natural Resources' authority and flexibility to approve negotiated sales that would be in the best interest of the State.

Competitively bid timber sales are the preferred sale method under most conditions. However, negotiated sales provide the ability to tailor some sales to the needs of local processors in areas that lack competitive interest or where there is competition from round log export markets in a region with a constrained timber supply. The latter situation exists in Southern Southeast Alaska where the State of Alaska is a small landowner compared to the Tongass National Forest, and the State of Alaska's full allowable cut is a critical source of logs for the remaining sawmills.

The provisions in the bill would enable the Commissioner of Natural Resources to better respond to the economic and geographic realities of the forest products sector in our state's economy. All timber sales, including negotiated sales, must comply with the constitutional requirement to manage State timber for sustained yield.

I urge prompt and favorable action on this measure.

Sincerely, /s/ Bill Walker Governor

SB 33

SENATE BILL NO. 33 BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR, entitled:

"An Act relating to remittance of tire fees; and providing for an effective date."

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

The following fiscal information was published today: Fiscal Note No. 1, Department of Revenue

Governor's transmittal letter dated January 28:

Dear President Meyer:

Under the authority of Article III, Section 18 of the Alaska Constitution, I am transmitting a bill relating to the deadline for tire fees to be submitted to the State of Alaska by tire vendors.

Under Alaska law, vendors who sell tires are required to collect a fee for each tire sold and submit the fees to the State on a quarterly basis. The bill would change the deadline for vendors to report and pay collected tire fees. The current statutory language has caused confusion because some months have 31 days, and some vendors are late in submitting the collected fees. Therefore, the bill would amend AS 43.98.025 to make it clear to vendors that they have until the end

of the month (regardless of the number of days in the month) to submit the fees. The bill would reduce administrative costs to the State of Alaska and benefit vendors by lessening the chance for accidental late filings.

I urge your prompt and favorable action on this measure.

Sincerely, /s/ Bill Walker Governor

SB 34

SENATE BILL NO. 34 BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR, entitled:

"An Act relating to investment of the power cost equalization endowment fund; and providing for an effective date."

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

The following fiscal information was published today: Fiscal Note No. 1, zero, Department of Revenue

Governor's transmittal letter dated January 28:

Dear President Meyer:

Under the authority of Article III, Section 18 of the Alaska Constitution, I am transmitting a bill relating to the investment of the power cost equalization (PCE) endowment fund (AS 42.45.070).

The PCE endowment fund provides annual funding for the PCE and rural electric capitalization fund (AS 42.45.100). The primary purpose of the PCE and rural electric capitalization fund is to annually fund the PCE program, which reduces the cost of energy in areas of the state that experience high electric energy costs.

The bill would amend the powers of the Commissioner of Revenue to invest amounts in the PCE endowment fund. Existing law obligates the Commissioner of Revenue to invest the endowment fund "in a manner likely to achieve at least a seven percent nominal return over time." This investment mandate requires the Commissioner of Revenue to invest with excessive or undue risk in a low-rate environment. The investment strategy also does not enable the Commissioner of Revenue to match the endowment fund's investment policy to the needs of the PCE program. The bill would eliminate the riskier investment mandate and enable the Commissioner of Revenue to establish a more appropriate investment policy by considering the amounts of anticipated draws from the endowment fund that would be necessary to meet the financial needs of the power cost equalization program.

I urge your prompt and favorable action on this measure.

Sincerely, /s/ Bill Walker Governor

SB 35

SENATE BILL NO. 35 BY THE SENATE RULES COMMITTEE BY REQUEST OF THE LEGISLATIVE COUNCIL, entitled:

"An Act making corrective amendments to the Alaska Statutes as recommended by the revisor of statutes; and providing for an effective date."

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

Consideration of the Calendar

Citations

Honoring - Aaron Abella for Outstanding Artistic Performance Representative(s) Munoz, Kito Senator(s) Egan, Meyer, Bishop, Coghill, Costello, Dunleavy, Ellis, Gardner, Giessel, Hoffman, Huggins, Kelly, MacKinnon, McGuire, Micciche, Olson, Stedman, Stevens, Stoltze, Wielechowski Honoring - Alaska Broadcasters Association 50th Anniversary Representative(s) Pruitt

Senator(s) Egan, Meyer, Bishop, Coghill, Costello, Dunleavy, Ellis, Gardner, Giessel, Hoffman, Huggins, Kelly, MacKinnon, McGuire, Micciche, Olson, Stedman, Stevens, Stoltze, Wielechowski

In Memoriam - Iver Emmanuel Malutin

Senator(s) Stevens, Meyer, Bishop, Coghill, Costello, Dunleavy, Ellis, Gardner, Giessel, Hoffman, Huggins, Kelly, MacKinnon, McGuire, Micciche, Olson, Stedman, Stoltze, Wielechowski Representative(s) Stutes

In Memoriam - Beverly Rena Horn

Senator(s) Stevens, Meyer, Bishop, Coghill, Costello, Dunleavy, Egan, Ellis, Gardner, Giessel, Hoffman, Huggins, Kelly, MacKinnon, McGuire, Micciche, Olson, Stedman, Stoltze, Wielechowski Representative(s) Stutes

In Memoriam - Janet Alice Constantine

Senator(s) Egan, Meyer, Bishop, Coghill, Costello, Dunleavy, Ellis, Gardner, Giessel, Hoffman, Huggins, Kelly, MacKinnon, McGuire, Micciche, Olson, Stedman, Stevens, Stoltze, Wielechowski Representative(s) Munoz

In Memoriam - Charles Hugh Dorman

Senator(s) Stevens, Meyer, Bishop, Coghill, Costello, Dunleavy, Egan, Ellis, Gardner, Giessel, Hoffman, Huggins, Kelly, MacKinnon, McGuire, Micciche, Olson, Stedman, Stoltze, Wielechowski Representative(s) Stutes

In Memoriam - David Pestrikoff

Senator(s) Stevens, Meyer, Bishop, Coghill, Costello, Dunleavy, Egan, Ellis, Gardner, Giessel, Hoffman, Huggins, Kelly, MacKinnon, McGuire, Micciche, Olson, Stedman, Stoltze, Wielechowski Representative(s) Stutes

In Memoriam - Christine Ann McVay

Senator(s) Stevens, Meyer, Bishop, Coghill, Costello, Dunleavy, Egan, Ellis, Gardner, Giessel, Hoffman, Huggins, Kelly, MacKinnon, McGuire, Micciche, Olson, Stedman, Stoltze, Wielechowski Representative(s) Stutes

In Memoriam - Bob Compeau Jr.

Senator(s) Bishop, Meyer, Coghill, Costello, Dunleavy, Egan, Ellis, Gardner, Giessel, Hoffman, Huggins, Kelly, MacKinnon, McGuire, Micciche, Olson, Stedman, Stevens, Stoltze, Wielechowski

In Memoriam - Edward F. Allen

Senator(s) Stevens, Meyer, Bishop, Coghill, Costello, Dunleavy, Egan, Ellis, Gardner, Giessel, Hoffman, Huggins, Kelly, MacKinnon, McGuire, Micciche, Olson, Stedman, Stoltze, Wielechowski

In Memoriam - James Bentley Kallander

Senator(s) Stevens, Meyer, Bishop, Coghill, Costello, Dunleavy, Egan, Ellis, Gardner, Giessel, Hoffman, Huggins, Kelly, MacKinnon, McGuire, Micciche, Olson, Stedman, Stoltze, Wielechowski Representative(s) Stutes

In Memoriam - Harold J. Naughton

Senator(s) Stevens, Meyer, Bishop, Coghill, Costello, Dunleavy, Egan, Ellis, Gardner, Giessel, Hoffman, Huggins, Kelly, MacKinnon, McGuire, Micciche, Olson, Stedman, Stoltze, Wielechowski Representative(s) Stutes

In Memoriam - Julie Knagin

Senator(s) Stevens, Meyer, Bishop, Coghill, Costello, Dunleavy, Egan, Ellis, Gardner, Giessel, Hoffman, Huggins, Kelly, MacKinnon, McGuire, Micciche, Olson, Stedman, Stoltze, Wielechowski Representative(s) Stutes

In Memoriam - Roy Albert Ecklund

Senator(s) Stevens, Meyer, Bishop, Coghill, Costello, Dunleavy, Egan, Ellis, Gardner, Giessel, Hoffman, Huggins, Kelly, MacKinnon, McGuire, Micciche, Olson, Stedman, Stoltze, Wielechowski Representative(s) Stutes

Senator Coghill moved and asked unanimous consent that the citations be adopted. Without objection, the citations were adopted and referred to the Secretary for transmittal.

Senator Coghill moved and asked unanimous consent that the following citation be made a special order of business. Without objection, it was so ordered.

Special Order of Business

Honoring - Dr. Charles F. Burgess Representative(s) Seaton Senator(s) Stevens, Meyer, Bishop, Coghill, Costello, Dunleavy, Egan, Ellis, Gardner, Giessel, Hoffman, Huggins, Kelly, MacKinnon, McGuire, Micciche, Olson, Stedman, Wielechowski

Senator Coghill moved and asked unanimous consent that the citation be adopted. Without objection, the citation was adopted and referred to the Secretary for transmittal.

Unfinished Business

Senator Ellis moved and asked unanimous consent to be excused from a call of the Senate on February 6. Without objection, Senator Ellis was excused.

Senator Huggins moved and asked unanimous consent to be excused from a call of the Senate from afternoon plane time, February 20 through plane time, February 22. Without objection, Senator Huggins was excused.

Senator Stoltze moved and asked unanimous consent to be excused from a call of the Senate from 11:15 p.m., February 1 through 9:42 a.m., February 2. Without objection, Senator Stoltze was excused.

Announcements

Announcements are at the end of the journal.

Adjournment

Senator Coghill moved and asked unanimous consent that the Senate stand in adjournment until 11:00 a.m., February 2, 2015. Without objection, the Senate adjourned at 10:33 a.m.

Liz Clark Secretary of the Senate

Announcements

Americans with Disabilities Act Notice - Persons with disabilities who require special accommodation or alternative communication formats to access committee meetings may contact the appropriate committee office or the Legislative Information Office in their community. Reasonable advance notice is needed to accommodate the request. For further information, call the ADA Coordinator at 465-3854 Voice/465-4980 TDD.

STANDING COMMITTEES

- + indicates teleconference
- = indicates bill previously heard/scheduled

COMMUNITY & REGIONAL AFFAIRS

Feb 03	Tuesday No Meeting Scheduled	Beltz 105 (tsbldg)	3:30 PM
Feb 05	Thursday No Meeting Scheduled	Beltz 105 (tsbldg)	3:30 PM
	EDUCA	ATION	
Feb 03 +	Tuesday Presentation: State Board Report to the Legislature Esther Cox, State Board of		3:30 PM
Feb 05 + SCR 3	Thursday AK SCHOOL CHOICE V Presentation: ANSWERS		3:30 PM

Statewide Workforce and Education-Related

Stephanie Butler, Director of Operations Alaska Postsecondary Education Commission

Statistics)

114 January 30, 2015

FINANCE

Jan 30 +	Frank Richards, Vice Pre Program Management Miles Baker, Vice Presid	nt, Commercial Operations esident of Engineering and	9:00 AM
Feb 02 +	Monday Presentation: Positive Tr. MacKenzie Project Bill O'Leary, President & Corporation Eileen Reilly, Vice Presic Control Systems & Tech Corporation	z CEO, Alaska Railroad dent, Advanced Train	9:00 AM
Feb 03	Tuesday No Meeting Scheduled	Senate Finance 532	9:00 AM
Feb 04 + SB 26 + SB 27 + SB 28	Wednesday BUDGET: CAPITAL APPROP: OPERATING APPROP: MENTAL HE	Senate Finance 532 BUDGET/LOANS/FUNDS ALTH BUDGET	9:00 AM
Feb 05 + + SB 30	Pat Pitney, Director, OM	NT. SUBST;CRIMES;DEFE	9:00 AM NSES
Feb 06 +	Friday Presentation: Alaska Permichael Burns, Executiv Permanent Fund Corpora		9:00 AM

HEALTH & SOCIAL SERVICES

Jan 30	Friday No Meetings Scheduled	Butrovich 205	1:30 PM
Feb 02	Monday No Meeting Scheduled	Butrovich 205	1:30 PM
Feb 04	Wednesday No Meeting Scheduled	Butrovich 205	1:30 PM
Feb 06	Friday No Meeting Scheduled	Butrovich 205	1:30 PM
	JUDICL	ARV	

JUDICIARY

Jan 30	Friday	Beltz 105 (tsbldg)	1:30 PM	
	Meeting Postpone	d to Monday 2/2/2015		
+= SB 30	MARIJUANA REG	CONT. SUBST;CRIMES;DEF 	ENSES	
Feb 02	Monday	Butrovich 205	1:30 PM	
	Rescheduled from	01/30/15		
+= SB 30	MARIJUANA REG;CONT. SUBST;CRIMES;DEFENSES			
	<above agenda="" from="" item="" removed=""></above>			
	Overview and Information: Alaska Criminal			
	Justice Commission			
	Susanne DiPietro, Executive Director, Alaska			
	Judicial Council			
	•	ral Counsel, Alaska Court Syste	em	
	Testimony <invita< td=""><td>•</td><td></td></invita<>	•		
Fob M	Wodnoedov	Roltz 105 (tchlda)	1.30 DM	

Wednesday Beltz 105 (tsbldg) **Feb 04** 1:30 PM Presentation: Medication Assisted Treatment (MAT) -- Testimony <Invitation Only> --

Feb 06 Friday Beltz 105 (tsbldg) 1:30 += SB 30 MARIJUANA REG;CONT. SUBST;CRIMES;DEFENSES 1:30 PM -- Testimony <Invitation Only> --

LABOR & COMMERCE

Feb 03	Tuesday No Meeting Scheduled	Beltz 105 (tsbldg)	1:30 PM
Feb 05	Thursday No Meeting Scheduled	Beltz 105 (tsbldg)	1:30 PM

RESOURCES

Jan 30 +	Friday Alaska LNG Project U Testimony <invitat< th=""><th>*</th><th>3:30 PM</th></invitat<>	*	3:30 PM
Feb 02 +	on ANWR <pending introduction<="" th=""><th>Butrovich 205 Recent Presidential Action a & Referral> Recent Presidential Action</th><th>3:30 PM</th></pending>	Butrovich 205 Recent Presidential Action a & Referral> Recent Presidential Action	3:30 PM

<Pending Introduction & Referral>

Resolution: Supporting Designation of New

Wilderness Area

<Pending Introduction & Referral> Overview: Department of Environmental Conservation, Commissioner Larry Hartig

-- Testimony <Invitation Only> --

Feb 04	Wednesday	Butrovich 205	3:30 PM

Overview of ANILCA and Statehood Compact Citizens Advisory Commission on Federal Areas Topics/Bills Previously Heard/Scheduled -- Testimony <Invitation Only> --

Feb 06 Friday 3:30 PM **Butrovich 205**

Overview: Department of Natural Resources

Commissioner Mark Myers

Topics/Bills Previously Heard/Scheduled -- Testimony <Invitation Only> --

117

RULES

Feb 03	Tuesday	Butrovich 205	8:00 AM
+	Organizational Meeting		

STATE AFFAIRS

Feb 03 +	Tuesday Butrov "Continuing Discussion of the Implement Ballot Measure No. 2 (13PSUM) - An and Regulate the Production, Sale, and Marijuana" <invited forthcoming="" list="" participant=""></invited>	entation of Act to Tax Use of	9:00 AM
Feb 05 +	Thursday Alaska Department of Military and Vet Affairs - Discussion of National Guard Mike Bridges, Adjutant General (AKNo Commissioner (DMVA) Craig Richards, Attorney General (Dep Law) < Topics Previously Heard/Scheduled >	erans Issues G) & artment of	9:00 AM

TRANSPORTATION

Feb 03 +	Tuesday Joint with House Trai Overview of the Alaska Bill O'Leary, President Port MacKenzie Railroa Joe Perkins, Project Dir John Moosey, Mat-Su H	and CEO ad Extension update ector	1:00 PM
Feb 05	Thursday No Meeting Scheduled	Butrovich 205	1:00 PM

SPECIAL COMMITTEES

SPECIAL CMTE ON ENERGY

Feb 05 Thursday Butrovich 205 1:00 PM

+ Alaska Industrial Development and Export

Authority (AIDEA) Overview of Their Gas Utility

Purchase

SPECIAL CMTE ON THE ARCTIC

Feb 05 Thursday Butrovich 205 11:15 AM

+ Overview of the Alaska Arctic Policy

Commission's Final Report and Implementation Plan

-- Testimony <Invitation Only> --

OTHER MEETINGS

JOINT SESSION

Feb 11 Wednesday House Chamber 11:00 AM

State of the Judiciary Address by the Honorable

Dana Fabe, Chief Justice

Feb 18 Wednesday House Chamber 11:00 AM

Annual Address by the Honorable Lisa Murkowski, U.S. Senator

.______

MISCELLANEOUS MEETING

Feb 09 Monday Capitol 106 1:00 PM

School District Legislative Fly-In

Informal Q & A Session Regarding Alaska's Public

School System

All Legislators are Invited to Participate