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TWENTY-NINTH LEGISLATURE

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FIRST AND SECOND SPECIAL SESSIONS

Juneau, Alaska Thursday September 10, 2015

First Supplement

Enrollment

SB 26

HOUSE CS FOR CS FOR SENATE BILL NO. 26(FIN) am 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" was enrolled, signed by the President and Secretary, Speaker and Chief Clerk and the engrossed and enrolled copies transmitted to the Office of the Governor at 10:19 a.m., June 22, 2015.

Memorandum from the Division of Legal and Research Services, Legislative Affairs Agency, reporting the following manifest errors in HOUSE CS FOR CS FOR SENATE BILL NO. 26(FIN) am H, which have been corrected in enrolling:

Page 40, line 21:
Delete "balances"
Insert "balance"

Page 51, line 18:
Delete "sec. 35"
Insert "sec. 35(a)"

Page 56, line 22:
Delete "a"

SCR 201

SENATE CONCURRENT RESOLUTION NO. 201 Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, concerning House Bill No. 44, relating to sexual abuse and sexual assault awareness and prevention efforts in public schools; and relating to dating violence and abuse awareness and prevention efforts in public schools, was enrolled, signed by the President and Secretary, Speaker and Chief Clerk and the engrossed and enrolled copies transmitted to the Office of the Governor at 9:00 a.m., June 25, 2015.

Legislative Resolve No. 29

Messages from the Governor

A Declaration of Disaster Emergency regarding the 2015 Sockeye Fire, dated June 15, with an accompanying letter and preliminary financial plan was received. The declaration, letter and financial plan had been copied to the Finance Committee Cochairs.

Declarations of Disaster Emergencies regarding fire suppression, dated June 19 and June 26, with accompanying letters were received. The declarations and letters had been copied to the Finance Committee Cochairs.

An amended Declaration of Disaster Emergency, dated August 6, regarding widespread and continuing wildland fires in the State, with an accompanying letter was received. The declaration and letter had been copied to the Finance Committee Cochairs.

A Declaration of Disaster Emergency regarding flooding in the community of Fort Yukon, dated June 26, with an accompanying letter was received. The declaration and letter had been copied to the Finance Committee Cochairs.

An amended Declaration of Disaster Emergency, dated June 26, regarding flooding in the North Slope Borough, with an accompanying letter was received. The declaration and letter had been copied to the Finance Committee Cochairs.

A Declaration of Disaster Emergency regarding landslides and flooding in the City and Borough of Sitka, dated August 27, with an accompanying letter was received. The declaration and letter had been copied to the Finance Committee Cochairs.

SB 107

Message was received stating the Governor signed the following bill on June 10 and transmitted the engrossed and enrolled copies to the Lieutenant Governor's Office for permanent filing:

SENATE BILL NO. 107 "An Act relating to insurance; relating to risk based capital for domestic insurers and fraternal benefit societies, including provisions related to insurers subject to risk based capital and action level event requirements; relating to review by the director of insurance of an insurer's risk based capital plan; relating to confidentiality and sharing of certain information submitted to the director of insurance; relating to evaluating an insurance holding company and the acquisition of control of or merger with a domestic insurer; relating to risk based capital, risk management, and own risk and solvency assessments of insurers; clarifying provisions related to risk based capital plans; relating to exemptions by the director of insurance for certain domestic and casualty insurers from risk based capital requirements; relating to insurance holding companies, including filing requirements, divestiture, content of statements, notifications, and hearings; relating to registration requirements of insurers; relating to transactions within an insurance holding company system or transactions involving a domestic insurer; relating to management and examination of domestic insurers that are part of an insurance holding company system; adding provisions relating to participation by the director of insurance in a supervisory college; relating to civil and criminal penalties for violations by insurers and individuals; relating to provisions for risk management and own risk and solvency assessments

by insurers; relating to operating requirements for controlling insurance producers; relating to producer-controlled insurers; adding and amending definitions related to insurers; and providing for an effective date."

Chapter 34, SLA 2015
Effective Date: 7/1/15

SB 39

Message was received stating the Governor signed the following bill on June 15 and transmitted the engrossed and enrolled copies to the Lieutenant Governor's Office for permanent filing:

CS FOR SENATE BILL NO. 39(L&C) am H "An Act repealing the film production tax credit; providing for an effective date by repealing the effective dates of secs. 31 - 33, ch. 51, SLA 2012; and providing for an effective date."

Chapter 35, SLA 2015
Effective Date: See Chapter

HB 146

Message was received stating the Governor signed the following bill on June 27 and transmitted the engrossed and enrolled copies to the Lieutenant Governor's Office for permanent filing:

SENATE CS FOR CS FOR HOUSE BILL NO. 146(CRA) "An Act relating to the optional exemption from and deferral of payment of municipal taxes on deteriorated property; and relating to a municipal tax exemption for certain subdivided property."

Chapter 36, SLA 2015
Effective Date: 9/25/15

HB 158

Message was received stating the Governor signed the following bill on June 27 and transmitted the engrossed and enrolled copies to the Lieutenant Governor's Office for permanent filing:

SENATE CS FOR CS FOR HOUSE BILL
NO. 158(FIN) "An Act relating to a refined fuel
surcharge; relating to the motor fuel tax; relating to a
qualified dealer license; and providing for an
effective date."

Chapter 37, SLA 2015

Effective Date: 7/1/15

SB 26

Message dated June 29 was received stating:

Dear President Meyer:

On this date, I have signed, with line item vetoes, the following bill passed by the First Regular 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. 26(FIN)
am 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 38, SLA 2015

[Effective Date: See Chapter]

As passed by the Legislature, the bill contains capital appropriations, supplemental appropriations, reappropriations, and other appropriations for fiscal years 2015 and 2016, totaling \$1.57 billion, including \$156.4 million in unrestricted general funds. This capital budget is at the lowest level in several years. Despite this, the capital budget will fund important priorities, such as transportation construction and maintenance, water systems, renewable energy

projects, and Arctic policy leadership. I am committed to a responsible capital budget to encourage growth and needed development within our current fiscal restraints. Through the line item veto, I have made changes to this bill as follows:

Section 21(b), page 37, lines 18 - 21, proposes to reappropriate the unexpended and unobligated balance, estimated to be \$875,000, of the appropriation made in sec. 1, ch. 16, SLA 2013, page 75, lines 9 - 12 (Department of Public Safety, new Alaska Public Safety Information Network (APSIN) transitional contract support - \$875,000) to the Alaska Housing Capital Corporation account. These funds should remain with the Department of Public Safety for the intended purpose rather than be redirected to the Alaska Housing Capital Corporation account.

Section 37(b), page 49, lines 1 - 10, proposes to reappropriate the unexpended and unobligated general fund balances, not to exceed \$175,000, of the appropriations made in sec. 1, ch. 16, SLA 2014, page 41, line 26 (Office of the Governor, commissions/special offices - \$2,550,700), sec. 1, ch. 16, SLA 2014, page 41, line 28 (Office of the Governor, executive operations - \$18,581,600), sec. 1, ch. 16, SLA 2014, page 42, lines 8 - 9 (Office of the Governor, Office of the Governor state facilities rent - \$1,171,800), sec. 1, ch. 16, SLA 2014, page 42, line 13 (Office of the Governor, office of management and budget - \$2,682,800), and sec. 1, ch. 16, SLA 2014, page 42, line 16 (Office of the Governor, elections - \$7,762,000) to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to Arctic Power for promoting Arctic energy issues. The administration will look for a more effective approach to meeting the intended purpose of this expenditure.

Section 41(d)(27), page 54, lines 12 - 14, proposes to reappropriate the unexpended and unobligated balance, estimated to be \$1,200,000, made in sec. 10, ch. 29, SLA 2008, page 32, lines 9 - 11 (Department of Administration, AOGCC reservoir depletion studies prior to major gas sales - \$1,500,000) to the Alaska Housing Capital Corporation account. These funds should stay with the Department of Administration, AOGCC, for the intended purpose of critical reservoir depletion studies rather than be redirected to the Alaska Housing Capital Corporation account.

Section 41(d)(91), page 60, lines 6 - 8, proposes to reappropriate the unexpended and unobligated balance of the appropriation made in sec. 1, ch. 18, SLA 2014, page 50, lines 20 - 22 (Department of Education and Early Development, Alaska digital teaching initiative three-year demonstration project - \$4,000,000) to the Alaska Housing Capital Corporation account. This reappropriation duplicates that made in sec. 21(a); therefore, for clarity, I am vetoing this item (but not the appropriation made in sec. 21(a)).

Section 41(d)(92), page 60, lines 9 - 11, proposes to reappropriate the unexpended and unobligated balance, estimated to be \$120,000, made in sec. 1, ch. 18, SLA 2014, page 56, line 3, and allocated on page 56, lines 6 - 8 (Department of Military and Veterans Affairs, armory facilities projects, Joint Base Elmendorf-Richardson facilities projects - \$2,350,000). These funds should stay with the Department of Military and Veterans Affairs for the intended purpose rather than be redirected to the Alaska Housing Capital Corporation account.

My administration will continue to work with the Legislature to develop budgets to keep the State's fiscal position strong, our prospects bright, and Alaska a vibrant northern hub of activity and development.

Sincerely,

/s/

Bill Walker
Governor

HB 105

Message was received stating the Governor signed the following bill on June 30 and transmitted the engrossed and enrolled copies to the Lieutenant Governor's Office for permanent filing:

SENATE CS FOR CS FOR HOUSE BILL
NO. 105(FIN) am S "An Act relating to the programs
and bonds of the Alaska Industrial Development and
Export Authority; relating to the Alaska Industrial
Development and Export Authority sustainable
energy transmission and supply development fund;
repealing bond authorizations granted to the Alaska

Industrial Development and Export Authority; amending the definition of 'qualified energy development'; relating to the financing authorization through the Alaska Industrial Development and Export Authority of a liquefied natural gas production plant and natural gas energy projects and distribution systems in the state; requiring the Alaska Industrial Development and Export Authority to deliver to the legislature reports relating to the Interior energy project; and providing for an effective date."

Chapter 39, SLA 2015

Effective Date: 7/1/15

HB 149

Message was received stating the Governor signed the following bill on July 16 and transmitted the engrossed and enrolled copies to the Lieutenant Governor's Office for permanent filing:

HOUSE BILL NO. 149 am "An Act relating to an amendment of the articles of incorporation of certain Native corporations to establish a lower quorum requirement for shareholder meetings."

Chapter 40, SLA 2015

Effective Date: 10/14/15

HB 2001

Message dated June 29 was received stating:

Dear President Meyer:

On this date, I have signed, with line item vetoes, the following bill passed by the Second 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. 2001
"An Act making appropriations for the operating and loan program expenses of state government and for certain programs; making appropriations for the operating expenses of the state's integrated comprehensive mental health program; capitalizing funds and repealing appropriations; 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 1, SSSLA 2015
[Effective Date: See Chapter]

As passed by the Legislature, CCS HB 2001 contains appropriations for fiscal years 2015 and 2016, totaling approximately \$3.2 billion, including \$3 billion in unrestricted general funds. The bill includes authorization for appropriations under Article IX, Section 17(c), Constitution of the State of Alaska, from the constitutional budget reserve fund. This is the second operating budget passed this year. The first operating budget, (CCS HB 72(brf sup maj fld H)), contained appropriations for fiscal years 2015 and 2016, but lacked the revenues to fund the appropriations throughout the year. As a result, although I signed the first operating budget (Ch. 23, SLA 15), it was with line item vetoes.

The bill restores appropriations reduced through line item veto in Ch. 23, SLA 2015, authorizes additional appropriations, contains an Executive Branch-wide unallocated reduction of \$29.8 million, and includes an authorization for appropriations from the budget reserve fund in an amount necessary to balance revenue and general fund appropriations (Article IX, Section 17, Constitution of the State of Alaska). In addition, this budget includes an appropriation for salary increases for covered and non-covered employees for the fiscal year beginning July 1, 2015, and ending June 30, 2016. I am committed to a responsible budget in these challenging fiscal times, yet also firm that we must preserve services to maintain our economy and begin developing a more stable revenue structure. Through line item veto, I have made changes in CCS HB 2001 as outlined below:

Section 8(b), page 64, lines 9 - 14, proposes that if the balance of the oil and gas tax credit fund (AS 43.55.028) is insufficient to purchase transferable tax credit certificates issued under AS 43.55.023 and production tax credit certificates issued under AS 43.55.025 that are presented for purchase, the amount by which the tax credit certificates presented for purchase exceeds the balance of the fund, estimated to be \$700 million, is appropriated from the general fund to the oil and gas tax credit fund (AS 43.55.028). I have reduced this appropriation to \$500 million, as it is apparent that the current oil and gas production tax credit system is unsustainable. I support necessary incentives to encourage oil and gas development, but in this challenging fiscal year, we will continue to fund credits, but at a slower pace until a more sustainable credit system is developed or our financial situation improves. Compared to fiscal year 2015, this tax credit funding delay of \$200 million is in line with the reductions to other state budget components. The capital budget is \$476 million less than in fiscal year 2015, and agency operating budgets were reduced by \$412 million.

I look forward to continuing to work with the Legislature to creatively address our financial situation and continue to provide for economic growth and development in the state.

Sincerely,

/s/

Bill Walker

Governor

HB 44

Message was received stating the Governor signed the following bill on July 9 and transmitted the engrossed and enrolled copies to the Lieutenant Governor's Office for permanent filing:

SENATE CS FOR CS FOR HOUSE BILL
NO. 44(FIN) "An Act relating to course mastery requirements; relating to the duties of the Department of Education and Early Development; relating to questionnaires administered in a public school; relating to the duties of school districts and regional educational attendance areas; relating to teacher certification requirements; relating to training for

school employees and mandatory reporters of child abuse or neglect; relating to physical examinations for students; relating to sexual abuse and sexual assault awareness and prevention efforts in public schools; relating to dating violence and abuse awareness and prevention efforts in public schools; relating to national criminal history record check requirements for employees of child care facilities and residential child care facilities; relating to mandatory reporters of child abuse or neglect; repealing the requirement for secondary students to take college and career readiness assessments; establishing the Alaska Safe Children's Act Task Force; relating to suicide prevention training; and providing for an effective date."

Chapter 2, SSSLA 2015
Effective Date: See Chapter

HJR 15

Message dated July 16 was received stating the Governor read the following resolution and transmitted the engrossed and enrolled copies to the Lieutenant Governor's Office for permanent filing:

CS FOR HOUSE JOINT RESOLUTION
NO. 15(JUD) Denouncing the decision to reverse the suspensions of the federal prosecutors who intentionally withheld evidence of innocence from the defense of Senator Ted Stevens; and honoring the service of Senator Ted Stevens.

Legislative Resolve No. 11

HCR 5

Message dated September 1 was received stating the Governor read the following resolution and transmitted the engrossed and enrolled copies to the Lieutenant Governor's Office for permanent filing:

SENATE CS FOR CS FOR HOUSE CONCURRENT RESOLUTION NO. 5(ARC) Declaring 2015, 2016, and 2017 to be the Years of the Arctic; encouraging the state and its partners to join with the Institute of the North in encouraging the state to promote its Arctic policy during the Years of the Arctic and to take action to address the strategic recommendations in the Implementation Plan of the Alaska Arctic Policy Commission.

Legislative Resolve No. 12

HCR 3

Message dated September 1 was received stating the Governor read the following resolution and transmitted the engrossed and enrolled copies to the Lieutenant Governor's Office for permanent filing:

SENATE CS FOR CS FOR HOUSE CONCURRENT RESOLUTION NO. 3(JUD) am S Urging the governor and the attorney general to pursue all legal and legislative options to open the coastal plain of the Arctic National Wildlife Refuge and areas of the Chukchi and Beaufort Seas to oil and gas exploration, development, and production; and urging the governor and the Legislative Budget and Audit Committee to work with the United States Congress to enact measures necessary to prevent President Barack Obama and federal agencies from implementing regulations that place landscape characteristic restrictions on the Arctic National Wildlife Refuge that are equivalent to the restrictions placed on land given a wilderness designation.

Legislative Resolve No. 18

Messages from the House

SCR 201

Message dated June 11 was received stating the House passed and returned:

SENATE CONCURRENT RESOLUTION NO. 201
Suspending Rules 24(c), 35, 41(b), and 42(e),
Uniform Rules of the Alaska State Legislature,
concerning House Bill No. 44, relating to sexual
abuse and sexual assault awareness and prevention
efforts in public schools; and relating to dating
violence and abuse awareness and prevention efforts
in public schools.

The resolution was referred to the Secretary for enrollment.

HB 44

Message dated June 11 was received stating the House concurred in the Senate amendment to CS FOR HOUSE BILL NO. 44(FIN) "An Act relating to sexual abuse and sexual assault awareness and prevention efforts in public schools; and relating to dating violence and abuse awareness and prevention efforts in public schools" thus adopting:

SENATE CS FOR CS FOR HOUSE BILL NO. 44(FIN)
"An Act relating to course mastery requirements; relating to the duties of the Department of Education and Early Development; relating to questionnaires administered in a public school; relating to the duties of school districts and regional educational attendance areas; relating to teacher certification requirements; relating to training for school employees and mandatory reporters of child abuse or neglect; relating to physical examinations for students; relating to sexual abuse and sexual assault awareness and prevention efforts in public schools; relating to dating violence and abuse awareness and prevention efforts in public schools; relating to national criminal history record check requirements for employees of child care facilities and residential child care facilities; relating to mandatory reporters of child abuse or neglect; repealing the requirement for secondary students to take college and career readiness assessments; establishing the Alaska Safe Children's Act Task Force; relating to suicide prevention training; and providing for an effective date."
(Title Change SCR 201)

Communications**SB 35**

A sectional analysis for the following will be published in Senate Journal Supplement No. 2:

SENATE BILL NO. 35 "An Act making corrective amendments to the Alaska Statutes as recommended by the revisor of statutes; and providing for an effective date."

SENATE BILL NO. 35 was signed into law on May 14 (page 1285).

Disclosure letters received from the Select Committee on Legislative Ethics, in accordance with AS 24.60, will be published in Senate Journal Supplement No. 3 and House and Senate Joint Journal Supplement No. 9.

2014 Annual Report
from Mark Torgerson, Administrator/Hearing Examiner
Alaska Labor Relations Agency
Department of Labor and Workforce Development
in accordance with AS 23.05.370

Annual Report to the Alaska Legislature, dated July 24, 2015
from Taylor E. Winston, Executive Director
Alaska Office of Victims' Rights
in accordance with AS 24.65.170

Memorandum dated August 25 was received from Patty Rose, Legal Editor, Division of Legal and Research Services, Legislative Affairs Agency stating:

"On February 10, 2015, the Legislative Council adopted an amendment to the Manual of Legislative Drafting to remove the authority for legislators to prefile bills as joint prime sponsors. To implement the change, the "Official Heading; Sponsors" section is amended as follows:

OFFICIAL HEADING; SPONSORS

On page 9, delete the following paragraph:

Under an amendment approved by Legislative Council on February 19, 1993, if "two or more members of the same house prefile identical bills or joint resolutions and wish to jointly sponsor one of them, they may do so." All members so joining must agree. This amendment provides that they would become joint prime sponsors of the first measure prefiled. The other measure or measures would then be withdrawn. In addition, two or more members of the same house may jointly request a measure for prefile.

The "Official Heading; Sponsors" section, as amended, is set out in the attached addendum to the Manual of Legislative Drafting.

The Division of Legal and Research Services will make additional conforming amendments to remove other references to "joint prime sponsors" in the 2017 edition of the Manual of Legislative Drafting."

HB 72

The following was received and is on file in the Office of the Secretary of the Senate:

Letter dated June 5 from the Division of Legislative Finance identifying the fiscal notes included in the packet (page 1190) that accompanied CONFERENCE CS FOR HOUSE BILL NO. 72(brf sup maj fld H) "An Act making appropriations for the operating and loan program expenses of state government and for certain programs and capitalizing funds; amending appropriations; and providing for an effective date" which was adopted by the House and Senate on April 27.

The itemized fiscal notes are as follows:

SB 46 MUNI BOND BK;REG HEALTH ORGS;JT ACT AGENCY
Fiscal Note No. 2, Department of Revenue

SB 71 VACCINE CERTIFICATION FOR PHARMACISTS

Fiscal Note No. 1, Department of Commerce, Community and
Economic Development

HB 158 REFINED FUEL SURCHARGE; MOTOR FUEL TAX

Fiscal Note No. 5, Senate Finance Committee

The following Budget and Audit Reports were received from Kris
Curtis, Legislative Auditor, in accordance with AS 24.20.311 and are
on file in the Office of the Secretary of the Senate:

Department of Health and Social Services
Alaska Commission on Aging, April 10, 2015

Department of Administration
Alaska Public Offices Commission, March 3, 2015

This is the first supplement of the Senate Journal for the First Session,
First Special Session and Second Special Session of the Twenty-ninth
Legislature.

Liz Clark
Secretary of the Senate