

HOUSE FINANCE COMMITTEE

March 22, 2016

9:33 a.m.

9:33:38 AM

CALL TO ORDER

Co-Chair Thompson called the House Finance Committee meeting to order at 9:33 a.m.

MEMBERS PRESENT

Representative Mark Neuman, Co-Chair
Representative Steve Thompson, Co-Chair
Representative Dan Saddler, Vice-Chair
Representative Bryce Edgmon
Representative Les Gara
Representative Lynn Gattis
Representative David Guttenberg
Representative Scott Kawasaki
Representative Cathy Munoz
Representative Lance Pruitt
Representative Tammie Wilson

MEMBERS ABSENT

None

ALSO PRESENT

Senator Cathy Giessel, Sponsor; Gene Therriault, Deputy Director, Statewide Energy Policy Development, Alaska Energy Authority, Department of Commerce, Community and Economic Development; Representative Lance Pruitt, Sponsor; Jenna Crouse, Staff, Representative Pruitt.

PRESENT VIA TELECONFERENCE

Chris Logan, Certified Registered Nurses Association, Anchorage; Carrie Doyle, Alaska Clinic Nurses Association, Anchorage; Julie Gillette, Chair, Alaska State Board of Nursing; Al Tamagni, Member, National Federation of Independent Businesses.

SUMMARY

HB 143 AIDEA BONDS, LOANS, FUND; AEA LOAN

HB 143 was SCHEDULED but not HEARD.

HB 268 AIDEA: DIVIDEND TO STATE;INCOME;VALUATION

HB 268 was REPORTED out of committee with a "do pass" recommendation and with one previously published indeterminate fiscal note: FN 1 (CED).

HB 351 ADOPTION OF REGS; LIMITATIONS; VOID REGS

HB 351 was HEARD and HELD in committee for further consideration.

SB 53 ADVANCED PRACTICE REGISTERED NURSES

HCS SB 53(L&C) was REPORTED out of committee with a "do pass" recommendation and with one new fiscal impact note from the Department of Commerce, Community and Economic Development.

Co-Chair Thompson discussed the meeting agenda.

#sb53

SENATE BILL NO. 53

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

9:35:12 AM

SENATOR CATHY GIESSEL, SPONSOR, briefly addressed the bill. She reminded the committee that the legislation merely updated the titles for advanced practice nurses and did not expand the scope of practice.

CHRIS LOGAN, CERTIFIED REGISTERED NURSES ASSOCIATION, ANCHORAGE (via teleconference), spoke in support of the bill. She related that she was a certified registered nurse anesthetist, previous President of the Alaska Association of Nurse Anesthetist, and past Co-Chair of the Advanced Practice Registered Nurse (APRN) Alliance. She thanked the Senator for her work on the legislation.

CARRIE DOYLE, CHAIR, ALASKA CLINICAL NURSE SPECIALIST ASSOCIATION, ANCHORAGE (via teleconference), favored the bill and thanked the Senator for her work on the legislation and urged the committee to support SB 53.

JULIE GILLETTE, CHAIR, ALASKA STATE BOARD OF NURSING (via teleconference), supported of the bill and thanked the Senator for her work.

Co-Chair Thompson CLOSED public testimony.

Vice-Chair Saddler addressed the fiscal note. He reported that a new fiscal note for the Department of Commerce, Community and Economic Development appropriated the amount of \$7.5 thousand from receipt services.

Representative Wilson asked whether the fiscal note expended general funds. Co-Chair Thompson replied in the negative.

Co-Chair Neuman MOVED to REPORT HCS SB 53(L&C) out of committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

HCS SB 53(L&C) was REPORTED out of committee with a "do pass" recommendation and with one new fiscal impact note from the Department of Commerce, Community and Economic Development.

[9:39:31 AM](#)
AT EASE

[9:41:35 AM](#)
RECONVENED

#hb268
HOUSE BILL NO. 268

"An Act relating to the dividends from the Alaska Industrial Development and Export Authority; relating to the meaning of 'mark-to-market fair value,' 'net income,' 'project or development,' and 'unrestricted net income' for purposes of the Alaska Industrial Development and Export Authority; and providing for an effective date."

9:41:38 AM

GENE THERRIAULT, DEPUTY DIRECTOR, STATEWIDE ENERGY POLICY DEVELOPMENT, ALASKA ENERGY AUTHORITY, DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT, briefly addressed the bill. He recounted that the legislation would remove market value adjustments and various losses or write-offs on projects that utilized sources of money from outside Alaska Industrial Development and Export Authority's (AIDEA) income stream from the calculation for the AIDEA dividend. He elaborated that the procedure would result in a more predictable dividend. The dividend normally fluctuated because the authority shared 25 to 50 percent of the annual net earnings with the state treasury. The removal of the accounting adjustments would reduce the amount of uncertainty and fluctuations on a yearly basis. He mentioned that AIDEA historically attempted to share as much net income with the state treasury as possible, with the average at 46 or 47 percent of the net earnings while keeping in mind the bond rating agencies concerns over the authority's solvency.

Co-Chair Neuman pointed to page 2, lines 9 through 15 of the legislation relating to project development. He asked what was not included in the bill. Mr. Therriault explained that the accounting items were being added to the existing statutory exclusions and would be backed out from all of the accounting adjustments for all of AIDEA's funds and investment tools that produced the income that the dividend was based on.

Representative Gara thought that the losses from the project were not counted when calculating the dividend. He asked for clarity. Mr. Therriault clarified that only the losses on projects utilizing an outside source of money. He explained that if the project was not developed or had limited or no value AIDEA had to account for the project as a loss to "get it off the books." He restated that only the losses that were funded from outside of the AIDEA income stream would be eliminated. Representative Gara did not see where the specific language relating to outside sources was referenced in the legislation. Mr. Therriault pointed to [page 2], line 6, the words, "state and federal grants or appropriations" that were the sources of revenue outside of the AIDEA income stream. Representative Gara understood that AIDEA would not count losses of state money when calculating the dividend and asked for verification. Mr.

Therriault answered that only losses for project work that was funded through revenue outside of AIDEA's income stream.

Vice-Chair Saddler asked for the balances for the Revolving Fund, Sustainable Energy Transmission and Supply Development Fund (SETS), and the Arctic Infrastructure Fund. Mr. Therriault replied that the question was asked during the previous bill hearing; AIDEA was working on a letter in response to the committee that clearly defined the balances. The accounts net amount included loans and he wanted to avoid confusion.

[9:47:17 AM](#)

Representative Gattis determined that the question about the balances of the funds had two parts; what were the current amount balances and what amount did AIDEA anticipate being repaid on a yearly basis and the life of the loans.

Co-Chair Neuman asked if AIDEA had ever issued any loans that had defaulted. Mr. Therriault responded that he would follow up but acknowledged that the number was very low.

Co-Chair Thompson OPENED public testimony.

Co-Chair Thompson CLOSED public testimony.

[9:50:07 AM](#)

AT EASE

[9:52:47 AM](#)

RECONVENED

HB 268 was HEARD and HELD in committee for further consideration.

[Note: HB 268 was taken up later in the meeting and reported out of committee. See 10:51 a.m.]

#hb351

HOUSE BILL NO. 351

"An Act relating to adoption of regulations; and providing for an effective date."

REPRESENTATIVE LANCE PRUITT, SPONSOR, explained that the bill's inception came from the idea that regulations were costly to the state and private entities. He shared that he was inspired by Alaskan Senator Dan Sullivan's "red tape" legislation that he introduced in Congress. The concept capped regulations by eliminating an existing regulation for every new regulation adopted. He attempted to craft a similar bill on a state level.

JENNA CROUSE, STAFF, REPRESENTATIVE PRUITT, read from the sectional analysis:

Section 1. (b) Amends AS 44.62.020, the authority to adopt, administer, or enforce regulations.

A new section is added that states a state agency and the lieutenant governor may not adopt new regulations unless:

- they are part of the initial regulations
- they repeal one or more existing regulations that are equal to or lesser than the proposed new regulation
- they are adopted as an emergency regulation
- they are implemented following a state or federal law being enacted
- the cost is less than or equal to zero
- The lieutenant governor determines the regulation is narrowly tailored, reasonable, and necessary

(c) Extends this rule to amending existing regulations with the following exceptions:

If the estimated initial or annual cost of the set of regulations is less than or equal to zero

If the regulation is amending certain fees for licensed occupations under AS 08

(d) Alaska Oil and Gas Conservation Commission and the Regulatory Commission of Alaska are exempt from the requirements of (c) of this section

Section 2. Adds a new subsection to AS 44.62.040 that reads the Lt. Governor may not accept regulations if an existing regulation is not repealed. The Lt. Governor can extend the time for adopting a regulation for new and amended laws.

Section 3. It applies to regulations adopted after the effective date of this bill.

Section 4. The effective date clause.

[9:56:38 AM](#)

Representative Pruitt explained that the initial thought process had been one regulation in and one out. He learned from the Department of Law (DOL) that previously, there had never been a definition of what a new or amended regulation was. The legislation expanded on the initial idea so the bill contained a provision applying to amended regulations. In addition, the bill aimed to address some concerns brought forth by the Department of Law, which allowed fees for businesses and licensing to be amended accordingly to cover the costs. He delineated that the bill took advantage of HB 140 (Regulations: Notice, Review, Comment) [Chapter 87 SLA 14 - 07/16/2014] that was adopted several years ago. The legislation mandated that the cost of a new or amended regulation to the private sector or municipalities must be "understood" by the corresponding department. The cost of the new or amended regulation had to be equal to or less than the existing regulation.

Co-Chair Thompson OPENED public testimony.

AL TAMAGNI, MEMBER, NATIONAL FEDERATION OF INDEPENDENT BUSINESSES (via teleconference), testified in support of the legislation. He believed that the bill would force departments to review regulations that were 20 or so years old and were no longer relative today.

Co-Chair Neuman observed that the bill granted the lieutenant governor a lot of authority and placed him in the position of "gate keeper of regulations." He wondered why it gave the position so much authority. Representative Pruitt answered that the way the bill was proposed to be enforced on a national level was to confiscate Cost of Living Allowances (COLA). The question of how to enforce the bill was also relevant on a state level. He elaborated that since the Lt. Governor was the "holder of regulations" and to separate enforcement from the regulating department, he decided to grant enforcement authority to the office. If adopted, The Lt. Governor would create the initial set of the legislation's regulations.

[10:01:49 AM](#)

Co-Chair Neuman believed that the Lt Governor's duties were related to elections and ballot initiatives. He did not understand the relationship between regulations and the Lt. Governor. Representative Pruitt replied that any regulation had to be filed by the Lt. Governor.

Co-Chair Neuman cited page 1, line 8, subparagraph (2) of the bill and read:

(2) the agency repeals one or more existing regulations and the cost of the new regulation is less than or equal to the cost of the repealed regulation...

Co-Chair Neuman wondered how the cost of a regulation was measured. Representative Pruitt responded that if the regulation added cost to an agency or the public as determined through statute created by HB 140. He felt that if a department was going to put forth a regulation it should understand and quantify any additional costs similar to the process of drafting a fiscal note. He noted that both the United Kingdom (UK) and Canada had enacted similar laws and that he considered them "socialist type countries." He voiced that "even countries that liked government" believed regulations were "burdensome." He surmised that the implementation of the laws in the UK and Canada were proof that costs of regulations were quantifiable.

[10:05:13 AM](#)

Co-Chair Neuman wondered whether there was a formula or methodology of how to measure a regulation. He asked for an example. He was trying to understand how to measure the cost.

Representative Saddler referred to AS 44.62.190 d2 and d3 and read the following:

(2) the initial cost to the state agency of implementation;

(3) the estimated annual costs, based on a good faith effort to estimate the costs in the aggregate for each of the following categories using the information available to the state agency, to

(A) private persons to comply with the proposed action;

(B) the state agency for implementation and to other state agencies to comply with the proposed action; and ...

Co-Chair Neuman maintained his request for some concrete examples.

Representative Pruitt thanked Vice-Chair Saddler for citing the statute. He did not have current examples but could provide them.

Representative Wilson asked whether the Board of Game would be covered under the legislation. Representative Pruitt answered in the negative. He explained that he spoke with representatives from the Board of Game and the Board of Fish that supported the concept. Representative Wilson asked about the cost. She noted that there was a difference between the cost to the state versus the cost to local governments or businesses. She wondered whether the legislation weighted and prioritized the impacts of the costs for the affected entities. For example, she asked whether the impacts of costs to constituents would be prioritized over costs to the department. Representative Pruitt answered in the negative. He explained that the goal of the bill was that the regulation would not add cost for both. Some regulations would impact one or both, but no priority was given. Representative Wilson asked whether a new regulation added in one department could be removed from another department in order to satisfy the "one in and one out" requirement. Representative Pruitt responded in the negative and added that the provision applied per agency. Representative Wilson supported the legislation.

[10:11:05 AM](#)

Vice-Chair Saddler supported the goal of reducing the regulatory burden on government and individuals. He had questions about the "presumed relative value of regulations." He asked about how the costs of a regulation was determined and interpreted that the legislation relied on a "good faith effort" by the agency to determine the costs of compliance for private individuals and municipalities. He asked how the value of a regulation that was "not financial" was calculated. Representative Pruitt answered that the cost had to be less than or equal to zero. He remarked that the focus of the bill was on costs. He stated that most regulations were costly. The intent of

the legislation was to put a "cap on government." He wanted to ensure that regulations were limited in scope so they did not reach beyond the "initial letter of the law" and felt they were broadly applied. He summarized that if a regulation did not have a cost there was not a limitation, but if a regulation carried a cost the "zero sum game" applied.

[10:14:17 AM](#)

Vice-Chair Saddler stated that the value of a regulation was not only in the cost. He remarked that there may be other costs to the state such as a lack of ability to implement statute. He was concerned about the intrinsic value of a regulation. He wondered whether a connection existed between dropping one regulation to make room for another one. Representative Pruitt responded that it was left to the department's discretion. He believed that it was "difficult" for policy makers to think about the concept and that the issue was philosophical. He felt that if a person liked large government they would probably not like the bill. He argued that the regulatory issue was as "important" as any budget discussion due to the cost of regulation that was not factored in. Vice-Chair Saddler did not believe the bill could be characterized as a large versus small government bill. He voiced that the legislature passed laws that were implemented by regulation and were worthwhile. He surmised that the goal was that if a new regulation was created it would repeal another more expensive regulation. He was not sure he understood the concept of the bill. He believed a regulation could hold value to the public outside its cost.

[10:17:55 AM](#)

Representative Gattis pointed to the first line in the sponsor statement and read: "Alaska has one of the strictest and most costly regulatory environments in the country." She believed the statement was scary and favored a "two for one policy." She thought that an administrative regulation review committee reviewed regulations. She spoke about unfunded mandates and state's school districts that were "mired" in regulation that did not cost the state but cost the districts money. She wondered how the bill would handle the situation. She referenced the regulation review committee and asked whether that committee should deal with regulatory issues. She wondered whether there was currently

a committee that handled regulatory issue. Representative Pruitt replied that the issue would be the goal of the administrative regulation and review committee. He described that the review committee did not have the authority to veto regulations. The committee could only recommend legislation to remove a regulation. He thought that the committee's role was "vague" and had not seen any bills to remove costly regulations. He spoke to another bill by Representative Mike Chenault to abolish the review committee. He noted that the committee had been around for a long time, but regulations continued to grow. He suggested that the legislature should consider how to put the mechanisms in place to limit regulatory growth and what the limit should be. He reported that the statute read earlier by Vice-Chair Saddler was the statute related to HB 140 and would apply to the regulatory costs to school districts. He agreed that the state was continually adding burdens on school districts because the department had established unfunded mandates.

[10:22:32 AM](#)

Representative Gattis supported the bill and concurred with the bill's sponsor that government continued to grow and that the legislation addressed a philosophical issue about growing bureaucracy.

Representative Edgmon supported the underlying concept of the legislation, and felt that the bill was "thought provoking." He spoke to the 14 state agencies and the Court System and University. He wondered about the number of regulations in each department. He stated that regulations provided interpretation to statutes and pondered the effect of the legislation on the Department of Law and regulations for statutes that upheld the state's constitution. He discussed the government structure in Scandinavian countries and thought they were more "streamlined." He mentioned the Medicaid reform bill that he imagined would remove regulations and also add regulations to make Medicaid more efficient and less costly. He thought there were an "endless number of permutations" the bill could take to accomplish its purpose.

[10:26:30 AM](#)

Representative Pruitt replied that it was necessary to think about running government differently and diversifying

the state's economy. He highlighted that he could not say that every new law passed would get rid of another law. He believed that the legislature should remain "cognizant" that every new law created a burden in some capacity. He suggested considering the repeal of outdated regulations as well.

Representative Kawasaki appreciated the recognition that every time a new law was passed significant regulation was created. He referenced the myriad of regulations created by one word in the oil tax bill. He expressed confusion regarding calculating the cost of regulations. He cited page 2, subsection (c)(1) as follows:

(c) A state agency may not submit, and the lieutenant governor may not accept
6 for filing, a set of regulations that amend an
existing regulation unless
7 (1) at the time the regulation is submitted to the
lieutenant governor,
8 the estimated net cost of the set of regulations
adopted by the state agency for each of
9 the costs under AS 44.62.190(d)(2) and (3) is less
than or equal to zero; or

Representative Pruitt answered that the provision defined the statute AS 44.62.190(d)(2) and (3), found in HB 140, Representative Reinbold's bill from a previous year. He relayed that due to passage of HB 140 a cost must be determined for any amended or new state regulation and based on that figure a comparison can be made whether any new costs were generated. He noted that the bill did not mandate calculating the cost for existing regulations; only new or amended regulations applied to the legislation.

[10:31:12 AM](#)

Representative Kawasaki wondered who the estimated net costs would be calculated for and who they impacted; the state or private sector.

Representative Pruitt answered that it was both the state and private sector. He revealed that HB 140 authorized calculating a regulations initial and annual costs based on a good faith effort and estimated the costs for the private sector, state agencies, and municipalities. Representative Kawasaki maintained his confusion and provided an example. He reported that SB 21 (Oil And Gas Production Tax)[

Chapter 10 SLA 13 - 05/21/2013] had created "participating areas" in order to define what "new oil" was. Subsequent to adoption, the Department of Natural Resources (DNR) wrote regulations stating that the department would determine what a participating area was based on calculations. He deduced that the regulation would not have a net zero effect and would actually cost the state money to define a participating area and whether it was subject to the new tax provisions. If the analysis pointed to a new oil determination the tax revenue to the state would be diminished and the oil company would benefit and the effect would not be net zero. Representative Pruitt replied that his example would be a new law. The provision in the bill was related to every new law. He read under subsection (b) (4):

(4) the regulation implements a state or federal law enacted, amended, or repealed within 120 days of the adoption of the regulation,...

Representative Pruitt explained that under his bill a new law would not be required to have an offset. The time frame was added to allow consideration of the new regulation and to enact it.

[10:35:06 AM](#)

AT EASE

[10:38:09 AM](#)

RECONVENED

Representative Kawasaki asked whether the governor could essentially veto any legislation passed by the legislature by declaring that an offset could not be found for the regulations. Representative Pruitt responded in the negative. He stated that because it was a new law the administration would be required to come up with regulations within 120 days. He clarified that the exemption existed in the bill that new regulations could be written without requiring the offset, if the legislature determined that a bill was important enough to adopt. The governor would be required to enforce the new law.

Representative Guttenberg understood that the bill did not apply to new legislation. He referred to page 2, line 1 and cited the statute AS 44.62.190(d) (2) and (3) regarding cost

estimation. He reported that the bill exempted the federal government and the Board of Fish and Game. He read (3):

"the estimated annual cost based on a good faith effort."

...estimate the cost in the aggregate for each of the following using the information available...

Representative Guttenberg summarized that the statute applied to a private person, a state agency, or a municipality. He discerned that no attempt was made to balance importance or costs, and the determination was left for the agency to decide. He felt that the process was "subjective." He asked what the sponsor's idea was for the cost calculation and how he planned to balance the process. Representative Pruitt needed clarification on the question. He surmised that his concern was ensuring that the agency was not just protecting its own interests. Representative Guttenberg wondered how the cost calculation would be balanced between the department, private person, and municipality. Representative Pruitt perceived that if the cost to a state agency was \$100 the offset would be \$100 and if the regulation cost a private entity \$100 the agency would find another way to offset the \$100 to the private sector in another place. He understood Representative Guttenberg's concern but felt that some discretion was left to the agency to avoid "tying the hands" of the departments. He stated that granting the department the authority to determine the entire costs of the regulation would ultimately be a policy call.

[10:43:27 AM](#)

Representative Guttenberg stated that his concern was that it could be easy to "not intentionally" circumvent the intent of the statute and subscribe all of the costs onto the private entity. He contended that the bill was not "simple."

Representative Gara noted that there were regulations that he did not like, but shared his concern that the bill gave the administration the power to decide what a good regulation was and to remove good regulations for bad ones. He asked if the sponsor shared his concern. Representative Pruitt answered in the negative. He thought that if the legislature mistrusted the agencies writing regulations legislation would continually be introduced that reversed

regulations. Currently, the sole authority for writing regulations resided with the administration and no limitation existed. He furthered that technically, the regulation had to remain within the framework of the law, and some agencies had not remained within the scope of the law. He felt that his bill placed limits on government expansion and that currently broad regulatory authority existed within the administration. He did not know a way to statutorily say that good regulations could not be taken off the books and thought any attempts would be "subjective."

[10:47:21 AM](#)

Representative Gara was still concerned that the governor may cancel good regulations to replace them with bad ones in order to comply with the bill. He stated that the power to rescind bad regulations existed in the legislature and he wondered how his legislation was any different than the current process. Representative Pruitt discovered that DOL did not have a definition for what a new regulation was. He believed that there has been no control over the regulatory process and that currently the administration can write a bad regulation. He stated that the legislature had enabled unelected individuals to expand greatly upon statute. The legislative possibility for reversing statute existed but there was nothing limiting the growth of regulations. Representative Gara voiced that the administration did not have the power to just adopt a regulation; it had to be consistent with statute or was deemed unconstitutional. He added that regulations were frequently declared unconstitutional. He believed that, without sideboards, the bill just let the administration decide and handed the administration more power than it currently had. Representative Pruitt felt the concept of the bill was "great" and wanted it to move forward.

HB 351 was HEARD and HELD in committee for further consideration.

#hb268

HOUSE BILL NO. 268

"An Act relating to the dividends from the Alaska Industrial Development and Export Authority; relating to the meaning of 'mark-to-market fair value,' 'net income,' 'project or development,' and 'unrestricted net income' for purposes of the Alaska Industrial

Development and Export Authority; and providing for an effective date."

[10:51:12 AM](#)

GENE THERRIAULT, DEPUTY DIRECTOR, STATEWIDE ENERGY POLICY DEVELOPMENT, ALASKA ENERGY AUTHORITY, DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT, responded to a question asked earlier during the meeting regarding the default rate on AIDEA's loan portfolio. He had obtained answers from Mr. Springsteen, John Springsteen, CEO/Executive Director, AIDEA, and AIDEA accountants. He informed the committee that the default rate on AIDEA's loan portfolio was .49 percent as of September 30, 2015 and as of February 2016 it was .41 percent. He reported that the cumulative default rate for all of Alaska's banks was 0.7 percent.

Co-Chair Thompson CLOSED public testimony.

Vice-Chair Saddler addressed the fiscal note. He reported that the Department of Commerce, Community and Economic Development (DCCED) fiscal note (FN 1 (CED)) was indeterminate.

Representative Wilson referred to the analysis on page 2 of the fiscal note that contained a chart and asked for an explanation. Mr. Therriault replied that the chart portrayed the historic effect that the Implementation of the Governmental Accounting Standards Board (GASB) Statement 31, mark-to-market rule had overtime. The impact on the dividend was depicted in the second column which showed a reduction of almost \$7 million [in 2006] and \$11 million in 2013. He detailed that the mark-to-market adjustments had created volatility in AIDEA's dividend to the state and that the authority believed it should be backed out before the dividend was calculated.

Representative Wilson wanted a better understanding of the fiscal note. She requested a comparison between the present accounting impacts and the accounting impacts with the GASB rule 31 items excluded. Mr. Therriault replied that the chart showed the total impact that the GASB rule 31 had on AIDEA's net income in the first column and half of that amount was the effect the rule had on the dividend depicted in the second column. He reiterated that AIDEA shared up to 50 percent of its net income with the dividend. He

explained that the charts demonstrated the volatility that the GASB rule 31 accounting had on the dividend. He delineated that the rule either artificially inflated or reduced the dividend and overtime would cancel the up or down effect out. However, the rule intensified the uncertainty of the dividend each year. He furthered that new rules were coming that would add to the volatility of the dividend and deepen the seesaw effect. The provision eliminated the uncertainty in the dividend.

[10:56:43 AM](#)

Co-Chair Neuman MOVED to REPORT HB 268 out of committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

HB 268 was REPORTED out of committee with a "do pass" recommendation and with one previously published indeterminate fiscal note: FN 1 (CED).

#hb143

HOUSE BILL NO. 143

"An Act authorizing the Alaska Industrial Development and Export Authority to issue bonds to finance the infrastructure and construction costs of the Sweetheart Lake hydroelectric project; and relating to legislative approval for a loan from the power project fund to the Lynn Canal Transmission Corporation."

HB 143 was SCHEDULED but not HEARD.

Co-Chair Thompson discussed the agenda for the afternoon meeting.

#

ADJOURNMENT

[10:57:43 AM](#)

The meeting was adjourned at 10:57 a.m.