

SENATE FINANCE COMMITTEE

April 14, 2015

1:48 p.m.

1:48:58 PM

CALL TO ORDER

Co-Chair MacKinnon called the Senate Finance Committee meeting to order at 1:48 p.m.

MEMBERS PRESENT

Senator Anna MacKinnon, Co-Chair
Senator Pete Kelly, Co-Chair
Senator Peter Micciche, Vice-Chair
Senator Click Bishop
Senator Mike Dunleavy
Senator Lyman Hoffman
Senator Donny Olson

MEMBERS ABSENT

None

ALSO PRESENT

Erin Shine, Staff, Senator Anna MacKinnon; Crystal Koeneman, Staff, Representative Cathy Munoz; Ken Alper, Director, Tax Division, Department of Revenue; Kristin Ryan, Director, Division of Spill Prevention and Response, Department of Environmental Conservation.

SUMMARY

CSHB 158(FIN)

REFINED FUEL SURCHARGE;MOTOR FUEL TAX

CSHB 158(FIN) was HEARD and HELD in committee for further consideration.

#hb158

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."

[1:49:42 PM](#)

Vice-Chair Micciche MOVED to ADOPT the proposed committee substitute for CSHB 158(FIN), Work Draft 29-LS0608\G (Nauman, 4/11/15). Co-Chair MacKinnon OBJECTED for discussion.

[1:50:20 PM](#)

ERIN SHINE, STAFF, SENATOR ANNA MACKINNON, explained the changes in the work draft. She looked at page 1, line 11, and stated that the amount was previously 0.001, and was changed to 0.0095. She referred to page 2, line three, and stated that bonded fuel was removed, so there were new numbers 3, 4, and 5.

Co-Chair MacKinnon REMOVED her objection. There being NO further OBJECTION, the proposed committee substitute was adopted.

[1:51:14 PM](#)

CRYSTAL KOENEMAN, STAFF, REPRESENTATIVE CATHY MUNOZ, stated that Representative Munoz sent her regards as she was currently participating in another committee hearing.

[1:52:25 PM](#)

AT EASE

[1:52:45 PM](#)

RECONVENED

Co-Chair MacKinnon CLOSED public testimony.

Vice-Chair Micciche MOVED to ATTACH a Letter of Intent. Co-Chair MacKinnon OBJECTED for discussion.

[1:53:44 PM](#)

AT EASE

[1:54:01 PM](#)

RECONVENED

Vice-Chair Micciche explained that the reason for the rate reduction was to provide enough to manage the Spill Prevention and Response (SPAR) program. The Letter of

Intent was drafted in response to some concerns of Alaskans. He read from the letter (copy on file):

It is the intent of the Alaska State Legislature that the report required by A.S. 46.08.060 (a) be provided to the Legislature not later than the 10th day following the convening of each regular session and to include a comprehensive summary of department activities concerning the Prevention Account including

- A. Public outreach and education efforts to reduce the risk of spills.
- B. Performance measures relating to spill prevention and response to spills of non-crude products.
- C. Details of spill cleanup efforts including cost and the use of in-house personnel.
- D. Specific information for each spill cleanup on cost recovery efforts and results.
- E. Summary of policy guidelines for determination of appropriate cost recovery decisions.

Co-Chair MacKinnon wondered if Representative Munoz was aware of the Letter of Intent, and whether there was opposition or support of its inclusion. Ms. Koeneman replied that Representative Munoz was supportive of the changes in the committee substitute and the Letter of Intent.

[1:56:15 PM](#)

KEN ALPER, DIRECTOR, TAX DIVISION, DEPARTMENT OF REVENUE, introduced himself.

Co-Chair MacKinnon wondered if Mr. Alper was familiar with the Letter of Intent. Mr. Alper replied in the affirmative, and felt that it spoke to the role of Department of Environmental Conservation (DEC) in the operation of the program. He did not feel that DOR would have any issue with the language.

Co-Chair MacKinnon expressed concern regarding the public outreach and education efforts toward spill reduction. She queried the DEC's position on the Letter of Intent.

1:57:06 PM

KRISTIN RYAN, DIRECTOR, DIVISION OF SPILL PREVENTION AND RESPONSE, DEPARTMENT OF ENVIRONMENTAL CONSERVATION, replied that DEC was comfortable with the requirements outlined in the Letter of Intent. She stated that DEC already provided a biannual report, so the additional requirements would be included in that report. She stated that the educational outreach efforts would be documented in the biannual report.

Senator Bishop requested a meeting with a representative from DEC. He felt he would add some insight into the educational outreach.

Vice-Chair Micciche clarified that the Letter of Intent only required an annual report, and did not add any costs. Ms. Ryan agreed.

Co-Chair MacKinnon wondered if there were already funds available for educational outreach. Ms. Ryan replied that there were already funds for the program, and the report would be electronic, therefore requiring no additional costs.

Vice-Chair Micciche commented that he had put effort in the legislation. He had studied the many aspects of the SPAR program, and commended DEC on their educational outreach efforts.

Senator Dunleavy surmised that the letter would be attached to the legislation, but would not be incorporated as language in the bill. Co-Chair MacKinnon agreed.

Co-Chair MacKinnon REMOVED her objection. There being NO further OBJECTION, the Letter of Intent was adopted.

CSHB 158(FIN) was HEARD and HELD in committee for further consideration.

#

ADJOURNMENT

The meeting was adjourned at 2:00 p.m.