

SENATE FINANCE COMMITTEE

April 6, 2016

9:06 a.m.

9:06:05 AM

CALL TO ORDER

Co-Chair MacKinnon called the Senate Finance Committee meeting to order at 9:06 a.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

Senator Mia Costello, Sponsor; Brandon Brefczynski, Staff, Representative Bill Stolze; Brett Huber, Staff, Senator Pete Kelly; Laura Cramer, Staff, Senator Anna MacKinnon.

PRESENT VIA TELECONFERENCE

Amy Erickson, Director, Division of Motor Vehicles, Department of Administration.

SUMMARY

SB 91 OMNIBUS CRIM LAW & PROCEDURE; CORRECTIONS

SB 91 was SCHEDULED but not HEARD.

SB 126 SMALL SECURITY OFFERINGS

SB 126 was REPORTED out of committee with a "do pass" recommendation and with one previously published zero fiscal note: FN 1(CED).

SB 154 BLOOD BANK OF ALASKA LICENSE PLATES

SB 154 was REPORTED out of committee with a "do pass" recommendation and with one new zero fiscal note by the Senate Finance Committee for the Department of Administration.

SB 208 ELIMINATE AK PERFORMANCE SCHOLARSHIP

SB 208 was HEARD and HELD in committee for further consideration.

SB 210 COMM. REV. SHARING;PROP. TAX EXEMPTIONS

SB 210 was HEARD and HELD in committee for further consideration.

Co-Chair MacKinnon discussed the agenda for the day. She relayed that SB 91 would not come before the committee during the meeting. She furthered that she was working on an amendment to the bill, based on the fiscal notes she had received the previous day. She would be advancing a new proposed fiscal note and a spreadsheet after working with all the departments.

#sb126

SENATE BILL NO. 126

"An Act establishing an exemption for the offering and sale of certain securities."

[9:07:34 AM](#)

SENATOR MIA COSTELLO, SPONSOR, mentioned that there were people available for testimony in the case that there was questions from the committee members.

Co-Chair MacKinnon discussed FN 1 (OMB component 2808), which showed zero fiscal impact for FY 17 through FY 22. There was no capital appropriation indicated; but the bill would require a regulation change, which would be drafted by December 1, 2016.

Vice-Chair Micciche MOVED to report CSSB 126 (L&C) out of Committee with individual recommendations and the

accompanying fiscal note. There being NO OBJECTION, it was so ordered.

SB 126 was REPORTED out of committee with a "do pass" recommendation and with one previously published zero fiscal note: FN 1(CED).

[9:09:54 AM](#)

AT EASE

[9:13:26 AM](#)

RECONVENED

#sb154

SENATE BILL NO. 154

"An Act relating to special registration plates commemorating the Blood Bank of Alaska."

[9:13:30 AM](#)

Vice-Chair Micciche discussed the fiscal note (OMB component 2348), from the Department of Administration. He conveyed that it was essentially a zero fiscal note, but reflected the revenue (exceeding plate issuance costs) "that may be appropriated by the legislator" to the Blood Bank of Alaska. He acknowledged that Co-Chair MacKinnon intended to zero out the fiscal note.

Co-Chair MacKinnon clarified that the \$3,000 in operating expense listed on the note would go to zero. [She incorrectly read \$300 to be \$3,000.]

BRANDON BREFCZYNSKI, STAFF, REPRESENTATIVE BILL STOLZE, clarified that the actual amount was \$250, and the fiscal note analysis was written as \$300.

Co-Chair MacKinnon suggested amending the fiscal note from \$300 to \$0 for total operating expenditures in FY 17.

AMY ERICKSON, DIRECTOR, DIVISION OF MOTOR VEHICLES, DEPARTMENT OF ADMINISTRATION, (via teleconference), explained that the Division of Motor Vehicles had no opposition to the proposed zero fiscal note.

Vice-Chair Micciche asked for an explanation regarding the text on the draft fiscal note which read, "Fiscal note updated to reflect that revenue exceeding plate issuance cost may be appropriated by the legislator to the blood bank of Alaska."

Ms. Erickson thought the text was due to the fact that the prior version of the bill did not allow for the legislature to appropriate the funds to the blood bank.

Vice-Chair Micciche pondered the zero fiscal note, and was not certain of the reason for the text.

[9:17:21 AM](#)

AT EASE

[9:18:42 AM](#)

RECONVENED

Co-Chair MacKinnon clarified that the committee had a discussion regarding the language in the fiscal note and the financial impact of the bill.

Vice-Chair Micciche clarified that there was a zero fiscal note; and some of the proceeds of the license plate may be appropriated to the blood bank, over and above any cost to the state. He specified that the box at the bottom of the fiscal note should be edited to state, "Fiscal note updated to reflect that revenue exceeding plate issuance costs may be appropriated by the legislature to the blood bank of Alaska."

Vice-Chair Micciche MOVED to report CSSB 154(STA) out of Committee with individual recommendations and the accompanying fiscal note.

SB 154 was REPORTED out of committee with a "do pass" recommendation and with one new zero fiscal note by the Senate Finance Committee for the Department of Administration.

[9:20:14 AM](#)

AT EASE

[9:24:20 AM](#)

RECONVENED

#sb208

SENATE BILL NO. 208

"An Act eliminating the Alaska education grant program and the Alaska performance scholarship program; and providing for an effective date."

9:24:25 AM

Vice-Chair Micciche MOVED to ADOPT proposed committee substitute for CSSB 208(FIN), Work Draft 29-LS1581\E (Glover, 4/4/16).

Co-Chair MacKinnon OBJECTED for discussion.

BRETT HUBER, STAFF, SENATOR PETE KELLY, discussed the committee substitute (CS), which contained technical changes from the original bill. He specified that in conversations with the Department of Education and Early Development, as well as the Alaska Commission on Postsecondary Education; the sponsor had learned that the practical application of the program did not function with the deadline dates that had been selected. He pointed out that the sponsor had moved the deadline dates to October 31, 2016; and the academic year-end of 2021 and 2022. The CS maintained the intent of the original bill, in that both the Alaska Performance Scholarship and the Alaska Educational Grant Program would be open through the current graduating high school class, and then would be repealed following the 2021/2022 academic year.

Mr. Huber discussed the changes to the bill. He highlighted the following sections: Section 2, page 3, line 4; Section 3, page 4, lines 1 through 3; and Section 4, page 4, lines 7 through 8. He stated that there was a new sectional analysis for the committee's review.

Co-Chair MacKinnon REMOVED her objection. There being NO further OBJECTION, it was so ordered.

SB 208 was HEARD and HELD in committee for further consideration.

#sb210

SENATE BILL NO. 210

"An Act relating to the community revenue sharing program; changing the name of the community revenue sharing program to the community assistance program; and relating to the municipal property tax exemption on the residence of a senior, a disabled veteran, and a widow or widower of a senior or disabled veteran."

9:27:15 AM

9:27:27 AM

AT EASE

9:27:38 AM

REVONVENED

Vice-Chair Micciche MOVED to ADOPT proposed committee substitute for CSSB 210(FIN), Work Draft 29-LS1593/H (Shutts, 4/4/16).

Co-Chair MacKinnon OBJECTED for discussion.

LAURA CRAMER, STAFF, SENATOR ANNA MACKINNON, explained that the CS had removed the language relating to the property tax exemption for seniors and disabled veterans. As a result, the bill was much smaller. There had been a couple of small changes to the Community Revenue Sharing program, which under the bill would become the Community Assistance Program. She directed attention to page 4 of the bill, and noted the first changes started on line 14. The CS would change the amount that was deposited into the fund; to the greater of \$30 million or the amount, when added to the fund balance on June 30 of the previous fiscal year, equaled \$90 million.

Ms. Cramer continued discussing the CS, noting that the second change was on page 5, subsection b, starting on line 7. She explained that after consulting with the Division of Legislative Finance, it was realized that there could be a negative balance in the fund if the revenue sharing payment was not rounded to the nearest dollar.

Senator Hoffman asked if the program was in continuance or still had an expiration date.

Ms. Cramer relayed that the program would continue as long as the legislature continued to appropriate funds into the fund.

Senator Olson asked if the funding numbers had changed for communities.

Ms. Cramer stated that because the balance in the fund was less than what the legislature had previously appropriated, the amounts to communities would be reduced. She noted that the specific monetary amounts had been distributed to committee members.

Senator Olson clarified that his question pertained to whether the amounts for communities had changed between the two previous versions of the bill.

Ms. Cramer answered in the negative.

Co-Chair MacKinnon WITHDREW her OBJECTION. There being NO OBJECTION, it was so ordered.

SB 210 was HEARD and HELD in committee for further consideration.

Co-Chair MacKinnon reiterated that the committee was working on the fiscal notes and materials for SB 91, and would bring the bill back before the committee at a later time so the public would have the opportunity to review the changes.

Co-Chair MacKinnon discussed the afternoon schedule, which would include public testimony for the capital budget.

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ADJOURNMENT

9:32:08 AM

The meeting was adjourned at 9:32 a.m.