

SENATE FINANCE COMMITTEE

April 15, 2016

6:16 p.m.

6:16:35 PM

CALL TO ORDER

Co-Chair MacKinnon called the Senate Finance Committee meeting to order at 6:16 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; Joshua Banks, Staff, Representative Talerico; Representative Louise Stutes, Sponsor; Jim Pound, Staff, Representative Keller; Konrad Jackson, Staff, Representative Olson; Jerry Burnett, Deputy Commissioner, Treasury Division, Department of Revenue.

PRESENT VIA TELECONFERENCE

Cheryl Brooking, Department of Law, Anchorage; Ron Long, City of Seward, Seward.

SUMMARY

HB 137 HUNT/FISH/TRAP: FEES;LICENSES;EXEMPTIONS

SCS CSHB 137(FIN) was REPORTED out of committee with a "do pass" recommendation and with one new fiscal impact note from the Department of Fish and Game.

HB 156 SCHOOL ACCOUNTABILITY MEASURES; FED. LAW
HB 156 was HEARD and HELD in committee for further consideration.

HB 254 EXTEND BIG GAME COMMERCIAL SERVICES BOARD
SCS HB 254(FIN) was REPORTED out of committee with a "do pass" recommendation and with one previously published fiscal impact note: FN 2(CED).

HB 290 EXTENDING THE REAL ESTATE COMMISSION
HB 290 was SCHEDULED but not HEARD.

HB 370 MUNICIPAL TAX EXEMPTIONS
HB 370 was HEARD and HELD in committee for further consideration.

HB 375 ELECTRONIC TAX RETURNS & REPORTS
HB 375 was HEARD and HELD in committee for further consideration.

#hb137
CS FOR HOUSE BILL NO. 137(FIN) am

"An Act raising certain fees related to sport fishing, hunting, and trapping; relating to the fish and game fund; providing for the repeal of the sport fishing surcharge and sport fishing facility revenue bonds; replacing the permanent sport fishing, hunting, or trapping identification card for certain residents with an identification card valid for three years; relating to hunting and fishing by proxy; relating to fish and game conservation decals; raising the age of eligibility for a sport fishing, hunting, or trapping license exemption for state residents; raising the age at which a state resident is required to obtain a license for sport fishing, hunting, or trapping; and providing for an effective date."

6:17:16 PM

Co-Chair MacKinnon recounted the hearing history of the legislation.

[6:18:16 PM](#)

AT EASE

[6:19:46 PM](#)

RECONVENED

ERIN SHINE, STAFF, SENATOR ANNA MACKINNON, clarified a remark she had made earlier in the day. She relayed that the conforming language pertaining to the age discrepancy between 60 and 65 years old would not be required, according to the Division of Legislative Legal.

[6:20:33 PM](#)

Vice-Chair Micciche discussed the fiscal note attached to the bill.

[6:21:55 PM](#)

Co-Chair MacKinnon asked whether the Department of Law had any concerns with the CS.

CHERYL BROOKING, DEPARTMENT OF LAW, ANCHORAGE (via teleconference), replied no.

Co-Chair MacKinnon asked whether the sponsor was satisfied with the CS.

JOSHUA BANKS, STAFF, REPRESENTATIVE TALERICO, responded that the sponsor was satisfied with the current bill version.

[6:22:40 PM](#)

Vice-Chair Micciche MOVED to report SCS CSHB 137(FIN) out of Committee with individual recommendations and the accompanying fiscal note.

SCS CSHB 137(FIN) was REPORTED out of committee with a "do pass" recommendation and with one new fiscal impact note from the Department of Fish and Game.

[6:23:19 PM](#)

AT EASE

[6:24:56 PM](#)

RECONVENED

#hb254

HOUSE BILL NO. 254

"An Act extending the termination date of the Big Game Commercial Services Board; and providing for an effective date."

Co-Chair MacKinnon recounted the hearing history of the legislation.

REPRESENTATIVE LOUISE STUTES, SPONSOR, stated that she was satisfied with the current version of the bill.

Vice-Chair Micciche discussed the fiscal note attached to the bill.

[6:26:25 PM](#)

Vice-Chair Micciche pointed out to the sponsor that the bill required the board to submit to the legislature a written report that outlined, in detail, the boards plan to be financially solvent by October 31, 2016. He said that the committee held the expectation that the board would be fully solvent by December 31, 2019.

Representative Stutes replied that the board was confident in the ability to resolve the large debt, and welcomed the legislative oversight.

[6:27:38 PM](#)

Vice-Chair Micciche MOVED to report SCS HB 254(FIN) out of Committee with individual recommendations and the accompanying fiscal note.

SCS HB 254(FIN) was REPORTED out of committee with a "do pass" recommendation and with one previously published fiscal impact note: FN 2(CED).

[6:28:03 PM](#)

AT EASE

[6:29:38 PM](#)

RECONVENED

#hb156

CS FOR HOUSE BILL NO. 156(EDC) am

"An Act relating to the duties of the State Board of Education and Early Development, the Department of Education and Early Development, school boards, and school districts; relating to public school curriculum and assessments; relating to compliance with federal education laws; relating to public school accountability; relating to a statewide assessment plan and review of education laws and regulations; and providing for an effective date."

6:29:38 PM

Vice-Chair Micciche MOVED to ADOPT proposed committee substitute for CSHB 156(EDC) am, Work Draft 29-LS0566\R (Glover, 4/15/16).

Co-Chair MacKinnon OBJECTED for discussion.

ERIN SHINE, STAFF, SENATOR ANNA MACKINNON, spoke to the changes in the current bill version \R.

6:31:45 PM

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

6:32:06 PM

JIM POUND, STAFF, REPRESENTATIVE KELLER, informed the committee that the bill sponsor was satisfied with the current bill version.

6:32:43 PM

Co-Chair MacKinnon explained that an accurate fiscal note would be forthcoming to accompany the bill; additionally, she was allowing for a time extension for amendments to the bill. She stated that it was her intention to move the bill from committee the following morning.

HB 156 was HEARD and HELD in committee for further consideration.

6:33:23 PM

AT EASE

[6:34:52 PM](#)

RECONVENED

#hb375

CS FOR HOUSE BILL NO. 375(FIN)

"An Act requiring the electronic submission of a tax return or report with the Department of Revenue; and providing for an effective date."

[6:35:03 PM](#)

KONRAD JACKSON, STAFF, REPRESENTATIVE OLSON, explained that the legislation had been introduced to assist the Department of Revenue in collecting taxes from businesses licensed under Title 43.

[6:35:54 PM](#)

AT EASE

[6:36:10 PM](#)

RECONVENED

Mr. Jackson stated that the bill highlighted the growing practice of electronic tax filing of returns and reports. He stressed that electronic filing would increase efficiency within the department. He noted that Section 1 of the bill would establish the electronic filing of returns or reports and allowed for waivers. He related that the house had amended the bill, changing the 2 year waiver to a 5 year waiver. He said that Section 2 of the legislation would allow for civil penalties for failure to file. He concluded that the remaining sections included conforming amendments, transitional language, and an effective date.

[6:37:49 PM](#)

JERRY BURNETT, DEPUTY COMMISSIONER, TREASURY DIVISION, DEPARTMENT OF REVENUE, related that 71 percent of taxpayers in the state currently used electronic filing. He felt that increasing that percentage would lead savings within the department. He relayed that the department had the capability to receive electronic filings for all tax types.

[6:39:07 PM](#)

Co-Chair MacKinnon asked whether the technical language in the bill had been accurately drafted.

Mr. Burnett replied that the language would work as intended for the department.

[6:39:39 PM](#)

Senator Dunleavy asked whether there were incentives for electronic filing.

Mr. Burnett stated that current statute included incentives for early filing. He said that discomfort had been expressed for offering incentives for online filing. He noted that the legislation offered a penalty for paper filing, rather than an incentive for online filing.

[6:40:42 PM](#)

Co-Chair MacKinnon asked whether there was extra expense to the business owner for online filing.

Mr. Burnett replied that there should not be any extra expense for business owners for filing online. He said that most tax payers were capable of online reporting. He stated that if online filing would cost a business extra money, the department could grant an exemption for filing online. He thought that in the future the language should be amended for individual tax payers.

[6:41:43 PM](#)

Senator Bishop understood that Section 1 (b) pertained to the exemption for people living "off the grid" without access to computers.

Mr. Burnett replied in the affirmative.

[6:42:11 PM](#)

Co-Chair MacKinnon OPENED public testimony.

[6:42:37 PM](#)

Co-Chair MacKinnon CLOSED public testimony.

Vice-Chair Micciche discussed FN 1, noting that // The bill provided for a penalty of one percent (see back). // He noted that the only change was the in

[6:43:30 PM](#)

Co-Chair MacKinnon set aside the bill.

HB 375 was HEARD and HELD in committee for further consideration.

#hb370

CS FOR HOUSE BILL NO. 370(CRA) am

"An Act relating to military facility zones; and relating to a municipal tax exemption or deferral for economic development property."

[6:44:26 PM](#)

AT EASE

[6:45:27 PM](#)

RECONVENED

Co-Chair MacKinnon OPENEDd the public testimony.

[6:45:55 PM](#)

RON LONG, CITY OF SEWARD, SEWARD (via teleconference), testified in support of the legislation and the changes that had been made to the bill throughout the process. He believed that ordinances should be carefully and thoughtfully drafted in order to set out appropriate protections, performance standards, remedies, and defaults.

[6:47:23 PM](#)

Co-Chair MacKinnon CLOSED public testimony.

CSHB 370(CRA)am was HEARD and HELD in committee for further consideration.

Co-Chair MacKinnon discussed housekeeping.

[6:48:31 PM](#)

AT EASE

6:48:58 PM

RECONVENED

Co-Chair MacKinnon clarified that HB 156 would be on the agenda for the following day.

#hb290

HOUSE BILL NO. 290

"An Act extending the termination date of the Real Estate Commission; and providing for an effective date."

HB 290 was SCHEDULED but not HEARD.

#

6:49:35 PM

ADJOURNMENT

The meeting was adjourned at 6:49 p.m.