

SENATE JOURNAL
ALASKA STATE LEGISLATURE
THIRTIETH LEGISLATURE
FOURTH SPECIAL SESSION

Juneau, Alaska

Monday

October 23, 2017

First Day

Pursuant to the September 22 Proclamation of the Governor calling for the convening of the Fourth Special Session of the Thirtieth Alaska Legislature (page 1602), the Senate was called to order by President Kelly at 11:20 a.m.

The roll showed eighteen members present. Senator Hughes was excused from a call of the Senate. Senator MacKinnon was absent.

Senator Micciche moved and asked unanimous consent Senator Hughes be excused from a call of the Senate from October 23 through evening plane time, November 2. Without objection, Senator Hughes was excused.

Senator Micciche moved and asked unanimous consent Senator MacKinnon be excused from a call of the Senate from October 23 through evening plane time, October 30. Without objection, Senator MacKinnon was excused.

The prayer was offered by the Chaplain, Senator Coghill. Senator Hoffman moved and asked unanimous consent that the prayer be spread. Without objection, it was so ordered.

Oh God my Father, maker of heaven and earth, lover of our souls, redeemer of our life through the gracious gift given to us through Jesus Christ the Lord:

I come before you today grateful for the place I live in and the life I get to share with my fellow Alaskans.

This legislative place is where we are called upon to answer governance questions that are important, tough and timely for our people.

Would you please guide us in our hearts and minds with nobleness and clarity as we do our best to propose and debate the issues before us this special session.

As we go to the work of the day I ask that your Spirit guide us with truth, mercy and justice - and with respect for one another.

I pray in the name of Jesus Christ my Lord. Amen.

Senator Gardner led the Senate in the Pledge of Allegiance.

Messages from the Governor

Executive Proclamation

Under the authority of Article II, Section 9, and Article III, Section 17, Constitution of the State of Alaska, and in the public interest, I call the Thirtieth Legislature of the State of Alaska into its fourth special session in the legislative chambers in Juneau, Alaska, on October 23, 2017, at 11:00 a.m., to consider passage of bills on the following subjects:

1. SB 54 - Crime and Sentencing.
2. An act or acts enacting a tax on wages and net earnings from self-employment; and relating to the administration and enforcement of the wages and net earnings from self-employment tax.

Dated this 22nd day of September 2017.

/s/

Bill Walker
Governor

Communications

The following report is on file in the Office of the Secretary of the Senate:

Alaska Gasline Development Corporation
Semi-Monthly Report
October 13, 2017
in accordance with Chapter 14, SLA 2014

Recess

Senator Micciche moved and asked unanimous consent the Senate stand in recess to a call of the Chair. Without objection, the Senate recessed at 11:25 a.m.

After Recess

The Senate reconvened at 1:09 p.m.

Special Committee Reports

Report dated October 23 was read stating:

Mr. President:

Your Committee on Committees has met and submits to the Senate for its consideration the following changes to the Committee on Committees reports adopted January 17 and April 12:

Finance Committee

Senator Stevens replaces Senator Hughes as a member

Labor and Commerce Committee

Senator Micciche replaces Senator Hughes as a member

Resources Committee

Senator Bishop replaces Senator Hughes as a member

The report was signed by Senator Kelly, Chair; Senators Micciche, Meyer, Gardner.

Senator Micciche moved and asked unanimous consent the Committee on Committees report be adopted. Without objection, the Committee on Committees report was adopted.

**Introduction and Reference of
Senate Resolutions**

SCR 401

SENATE CONCURRENT RESOLUTION NO. 401 BY THE
SENATE RULES COMMITTEE,

Suspending Rules 47 and 55, Uniform Rules of the Alaska State Legislature, relating to the carry-over of bills from the First Regular Session to the Fourth Special Session, concerning Senate Bill No. 54.

was read the first time and was before the Senate on final passage.

The question being: "Shall SENATE CONCURRENT RESOLUTION NO. 401 Suspending Rules 47 and 55, Uniform Rules of the Alaska State Legislature, relating to the carry-over of bills from the First Regular Session to the Fourth Special Session, concerning Senate Bill No. 54, pass the Senate?" The roll was taken with the following result:

SCR 401
Final Passage

YEAS: 17 NAYS: 0 EXCUSED: 2 ABSENT: 1

Yea: Begich, Bishop, Costello, Dunleavy, Egan, Gardner, Giessel, Hoffman, Kelly, Meyer, Micciche, Olson, Stedman, Stevens, von Imhof, Wielechowski, Wilson

Excused: Hughes, MacKinnon

Absent: Coghill

and so, SENATE CONCURRENT RESOLUTION NO. 401 passed the Senate and was referred to the Secretary for engrossment.

Introduction and Reference of Senate Bills**SB 4001**

SENATE BILL NO. 4001 BY THE SENATE RULES COMMITTEE
BY REQUEST OF THE GOVERNOR, entitled:

"An Act imposing a tax on wages and net earnings from self-employment; relating to the administration and enforcement of the wages and net earnings from self-employment tax; and providing for an effective date."

was read the first time and referred to the Finance Committee.

The following fiscal information was published today:
Fiscal Note No. 1, Department of Revenue

Governor's transmittal letter dated September 22:

Dear President Kelly:

Under the authority of art. III, sec. 18, Constitution of the State of Alaska, I am transmitting a bill relating to taxation of wages and earnings in the state.

The bill would impose a tax on wages and net self-employment income earned in Alaska by resident and nonresident individuals. The tax rate would be 1.5 percent annually, and would be capped at the greater of \$2,200 (adjusted for inflation) or two times the amount of the permanent fund dividend distributed in the previous calendar year. The tax would take effect in calendar year 2019 and is expected to raise \$300-325 million by FY2020.

Under this bill, employers would be required to pay to the Department of Revenue withholdings that approximate the amount of the tax. Through regulation, the withholding would stop when the statutory cap is reached. This protects individuals working multiple jobs and insulates vulnerable populations, such as single parents, by limiting each Alaskan's tax burden, and keeps us the lowest-taxed state in the nation.

This tax is a simple and efficient measure to address our state's budget shortfall. Over the past six years, state budgets have been reduced by 44 percent, but state revenues have fallen faster. To cover the gap, key state savings accounts have been drawn down by \$14 billion, and are expected to be depleted by the end of FY 2019. It is vital that these savings accounts not go any lower and in accordance with the constitution must be replenished over time. New revenues are needed to support critical public services such as education, public safety, and reliable transportation.

We need a fiscal plan that includes prudent operating and capital budgets, the judicious use of investment earnings, and revenues necessary to balance the budget. This tax will get us closer to balancing the state's budget and enable Alaska's economy to grow.

Sincerely,

/s/

Bill Walker
Governor

Unfinished Business

President Kelly made the following appointments:

Legislative Council

Senator Costello, Alternate
(AS 24.20.040)

Joint Armed Services Committee

Senator MacKinnon replaces Senator Hughes
(AS 24.20.650)

Announcements

Rule 23(d) of the Alaska State Legislature Uniform Rules is currently in effect.

Announcements are at the end of the journal.

Engrossment**SCR 401**

SENATE CONCURRENT RESOLUTION NO. 401 Suspending Rules 47 and 55, Uniform Rules of the Alaska State Legislature, relating to the carry-over of bills from the First Regular Session to the Fourth Special Session, concerning Senate Bill No. 54, was engrossed, signed by the President and Secretary and transmitted to the House for consideration.

Adjournment

Senator Micciche moved and asked unanimous consent the Senate stand in adjournment until 11:00 a.m., October 25, 2017. Without objection, the Senate adjourned at 1:22 p.m.

Julianna Singh
Deputy Secretary of the Senate

Announcements

Americans with Disabilities Act Notice - Persons with disabilities who require special accommodation or alternative communication formats to access committee meetings may contact the appropriate committee office or the Legislative Information Office in their community. Reasonable advance notice is needed to accommodate the request. For further information, call the ADA Coordinator at 465-3854 Voice/465-4980 TDD.

STANDING COMMITTEES

+ indicates teleconference

= indicates bill previously heard/scheduled

FINANCE

Oct 23	Monday	Senate Finance 532	3:00 PM
+	Joint with Senate Judiciary Committee		
	Crime and Justice Policy Review		
Oct 24	Tuesday	Senate Finance 532	10:30 AM
+	Joint with Senate Judiciary Committee		
	Crime and Justice Policy Review		

JUDICIARY

Oct 23	Monday	Senate Finance 532	3:00 PM
+	Joint with Senate Finance Committee		
	Crime and Justice Policy Review		
Oct 24	Tuesday	Senate Finance 532	10:30 AM
+	Joint with Senate Finance Committee		
	Crime and Justice Policy Review		

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JOINT COMMITTEES

LEGISLATIVE BUDGET & AUDIT

Oct 26	Thursday	House Finance 519	9:00 AM
+	Call to Order		
	Approval of Agenda		
	Executive Session		
	Legislative Audit Procurement - AMHTA Audit		
	Other Committee Business		
	Adjournment		

LEGISLATIVE COUNCIL

Oct 25	Wednesday	House Finance 519	9:00 AM
+	Ratification of Charitable Events:		
	Junior Achievement of Alaska, Inc.:		
	Alaska Business Hall of Fame		
	Contract Approval:		
	Lease Extension - Homer		
	Lease Extension - Eagle River		
	Executive Session		

LEGISLATIVE WORKING GROUP ON OIL & GAS

Oct 24	Tuesday	Senate Finance 532	9:00 AM
+	ORGANIZATIONAL MEETING		
	Composition of Working Group Members		
	Opening Remarks, General Scoping		
	-- Testimony <Invitation Only> --		

SELECT COMMITTEE ON LEGISLATIVE ETHICS

Oct 30	Monday	Anch Lio Conf Rm	8:30 AM
+	FULL COMMITTEE: Open Session		
	Approval of Agenda		
	Approval of Minutes		
	Public Comment		
	(Continued on Next Page)		

SELECT COMMITTEE ON LEGISLATIVE ETHICS
(continued)

(Continued from Previous Page)

Chair/Staff Report
Executive Session
Public Session
Other Business
Adjourn

Oct 30	Monday	Anch Lio Conf Rm	12:30 PM
+	SENATE SUBCOMMITTEE		
	Public Comment		
	Executive Session		
	Public Session		
	Adjourn		