HOUSE FINANCE COMMITTEE
February 19, 2018
1:37 p.m.

1:37:33 PM

CALL TO ORDER

Co-Chair Foster called the House Finance Committee meeting to order at 1:37 p.m.

MEMBERS PRESENT

Representative Neal Foster, Co-Chair
Representative Paul Seaton, Co-Chair
Representative Les Gara, Vice-Chair
Representative Jason Grenn
Representative David Guttenberg
Representative Scott Kawasaki
Representative Dan Ortiz
Representative Lance Pruitt
Representative Steve Thompson
Representative Cathy Tilton
Representative Tammie Wilson

MEMBERS ABSENT

None

ALSO PRESENT

Marie Marx, Director, Division of Workers' Compensation, Department of Labor and Workforce Development; Paloma Harbour, Director, Division of Administrative Services, Department of Labor and Workforce Development; David Teal, Director, Legislative Finance Division; Scott Jordan, Director, Risk Management, Department of Administration; Caroline Schultz, Office of Management and Budget, Office of the Governor; Representative Jennifer Johnston, Sponsor; Elizabeth Rexford, Staff, Representative Jennifer Johnston; Representative Chuck Kopp, Sponsor; Erick Cordero-Giorgana, Staff.

PRESENT VIA TELECONFERENCE

Rob Carter, Manager, Plant Materials Center, Division of Agriculture, Department of Natural Resources.

SUMMARY

HB 79 OMNIBUS WORKERS' COMPENSATION

CSHB 79(FIN) was REPORTED out of committee with three "do pass," two "do not pass," three "no recommendation," and two "amend" recommendations; and with two new fiscal impact notes from the Department of Labor and Workforce Development; one new fiscal impact note from the Office of the Governor; and one new fiscal impact note from the Department of Administration.

HB 197 COMMUNITY SEED LIBRARIES

HB 197 was HEARD and HELD in committee for further consideration.

HB 216 TRANSFERS FROM DIVIDEND FUND; CRIMES

HB 216 was HEARD and HELD in committee for further consideration.

Co-Chair Foster reviewed the meeting agenda.

#hb79
HOUSE BILL NO. 79

"An Act relating to workers' compensation; repealing the second injury fund upon satisfaction of claims; relating to service fees and civil penalties for the workers' safety programs and the workers' compensation program; relating to the liability of specified officers and members of specified business entities for payment of workers' compensation benefits and civil penalties; relating to civil penalties for underinsuring or failing to insure or provide security for workers' compensation liability; relating to preauthorization and timely payment for medical treatment and services provided to injured employees; relating to incorporation of reference materials in workers' compensation regulations; relating to proceedings before the Workers' Compensation Board; providing for methods of payment for workers'

compensation benefits; relating to the workers' compensation benefits guaranty fund authority to claim a lien; excluding independent contractors from workers' compensation coverage; establishing the circumstances under which certain nonemployee executive corporate officers and members of limited liability companies may obtain workers' compensation coverage; relating to the duties of injured employees to report income or work; relating to misclassification of employees and deceptive leasing; defining 'employee'; relating to the Workers' Compensation Board's approval of attorney fees in a settlement agreement; and providing for an effective date."

1:38:59 PM

Co-Chair Foster noted the committee had adopted committee substitute (CS) version R and two amendments at the previous meeting.

MARIE MARX, DIRECTOR, DIVISION OF WORKERS' COMPENSATION, DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT, was available for questions.

Co-Chair Foster referenced the two fiscal notes from the Department of Labor and Workforce Development (DLWD).

PALOMA HARBOUR, DIRECTOR, DIVISION OF ADMINISTRATIVE SERVICES, DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT, addressed the first fiscal note: OMB Component Number 344 for the Division of Worker' Compensation. The note reflected a revenue change for the department of $1.8 million from general funds to the Workers' Safety and Compensation Administration Account beginning in FY 19. The note also reflected a savings of $59,800 beginning in FY 20 resulting from a switch to electronic filing.

Representative Wilson pointed to page two of the fiscal note where it specified the state would mandate the electronic filing of documents. She asked for verification that mandate was no longer required as a result of an amendment that had been passed by the committee.

Ms. Harbour believed the department had the option to set the method for filing. She believed the division director could set the method as electronic filing.

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Representative Wilson stated that perhaps she had misunderstood the amendment. She asked whether the commissioner or someone in the department could mandate the filing method.

Ms. Harbour answered that it was pertaining to insurance companies or self-insured employers filing reports of injury. She recalled that Ms. Marx had specified that if an individual working through their employer was not getting their incident report filed, the division would work with the individual to receive their report in whatever way they could provide it.

Representative Wilson stated that the money had previously come from general funds, which the bill would change to a designated general fund (DGF) account. She asked for verification that no savings would occur and that the switching of accounts merely constituted a fund source change.

DAVID TEAL, DIRECTOR, LEGISLATIVE FINANCE DIVISION, answered that the fiscal note maintained the 2.7 percent premium tax; employers would not be paying any more than they had been. He elaborated that a larger percentage or $1.8 million of the 2.7 percent tax would go into the Workers' Safety Fund. There was a loss of GF revenue of $1.8 million because of the fund source change. The Legislative Finance Division (LFD) questioned the reason for the change - it did not see any spending of the fund, only a change of revenue. He questioned what good it did to merely put revenue into a fund. He asked where and how it got spent. He turned to a table on page 3 of the fiscal note [OMB Component Number 344] and referred to the bottom row "revenue less appropriations (negative indicates unsustainable spending)." He pointed out there were numerous negative numbers in the row, which meant that prior to FY 09 the Workers' Safety Fund had been building a balance as high as $11 million. Through higher expenditures than revenue, the balance had been spent down and it had fallen to $3 million in FY 18. Roughly over a ten-year period, the fund had been overspent by $8 million. He pointed out that by FY 20 there would be no balance.

Mr. Teal explained that although there was no appropriation of the money, Workers' Compensation would continue to spend at approximately the current levels. The tables on page 3 and 4 of the fiscal note showed a slightly negative cash flow. He explained that LFD had asked why only $1.8 million would be taken because it looked like there was overspending by $2 [million] to $2.1 [million]. The answer from DLWD had been that it anticipated additional efficiencies. He noted that the only efficiencies shown on the fiscal note were on page 1 in the amount of $59,800 [annually) due to the elimination of one staff position. He did not know how additional savings would be shown; they should occur, but they were not on the fiscal note. He explained the division was already spending money and it was an awkward fiscal note to prepare.

Mr. Teal summarized that the direct answer to Representative Wilson's question was yes - $1.8 million previously classified as GF would flow to the Workers' Safety Fund.

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Representative Wilson referenced the deficit shown in the fiscal note tables and asked if committee members could assume that undesignated general funds (UGF) would be utilized. She reasoned that it was not possible to spend in the negative; therefore, she wondered if a growth in UGF would occur to make up the difference.

Mr. Teal replied that the table on page 4 of the fiscal note showed several options including the governor's budget. He pointed out that the FY 23 beginning balance was highly negative [$5.4 million], which was not possible. Under the second option [column 2] that included the governor's budget with the Appeals Commission (HB 69), the account went negative as well. Under HB 79, the balance would remain positive. If both HB 69 and HB 79 passed, the balance would hold up well. He anticipated a $2 million request for GF if HB 79 did not pass.

Representative Wilson surmised the $2 million request would be the same - instead of putting the money in the GF, it would go to "what it's being paid on behalf of."

Mr. Teal answered in the affirmative. He detailed $1.8 million would be diverted from GF into the Workers' Safety

Fund, which would spend as a designated fund; or the GF could be spent - it came out the same.

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Ms. Harbour addressed DLWD fiscal note OMB Component Number 2342 related to the elimination of the Second Injury Fund. The note reflected savings anticipated in the future related to eliminating the Second Injury Fund program. She reported it would take time to realize savings because many of the injuries were permanent, partial disabilities; therefore, benefits to individuals lasted the recipient's lifetime. She explained that the eventual savings would be realized by employers - their premium costs would decrease. Self-insured employers (e.g. State of Alaska) would experience savings as savings occur.

Co-Chair Foster asked to hear from the Department of Administration (DOA) and the Office of the Governor in relation to their fiscal notes.

SCOTT JORDAN, DIRECTOR, RISK MANAGEMENT, DEPARTMENT OF ADMINISTRATION, addressed the DOA fiscal note, OMB Component Number 71. The costs in the note reflected the requirement to electronically file reports of injury. The cost in FY 19 would be $40,000 to cover forms that were billed out at $1.25 by a third-party administrator as well as the programming for the first year. The outyears were $12,900 that would cover $1.25 per form - the department anticipated about 1,900 forms per year submitted to the Division of Workers' Compensation.

Representative Wilson remarked that the electronic filing would cost more. She asked if the electronic filing savings would be reflected on the Division of Workers' Compensation fiscal notes.

Mr. Jordan answered that he could not comment on savings on the Division of Workers' Compensation side. Currently, doing the work manually was not costing DOA any more. Doing the work electronically would cost the department $1.25 per form to submit to the Division of Workers' Compensation

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Representative Wilson wondered if it would cost the state more money to do the process electronically. She wondered

if there would be savings as the committee had been told in one of the other fiscal notes. She surmised that DOA was fast at the forms and could do them manually just as quickly as it could electronically.

Mr. Jordan answered that the process would not cost the department any more, but the third-party administrator submitting the forms to the Division of Workers' Compensation charged a $1.25 fee per form. It would cost DOA more to process the forms, but it would not require additional personnel.

Representative Wilson asked which department would be paying interagency receipts.

Mr. Jordan deferred to the Office of Management and Budget (OMB).

Co-Chair Foster asked OMB to address fiscal note OMB Component Number 0.

CAROLINE SCHULTZ, OFFICE OF MANAGEMENT AND BUDGET, OFFICE OF THE GOVERNOR, relayed that the interagency receipt funds that would go to the Division of Risk Management would come from all executive branch agencies. The Division of Risk Management was the state's self-insured workers' compensation manager. The division charged rates for all personal service budgets for all agencies. The rates were calculated annually; therefore, OMB had elected to reflect the costs in an OMB various note.

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Co-Chair Seaton asked if overall, electronic filing would cost the state more or less.

Mr. Teal answered that Risk Management would be spending an additional $12,900 per year to pay a third-party to handle the forms. The charge did not go only to the Division of Workers' Compensation - it went to every allocation in every agency. The change would mean a small percentage increase in the working reserve rate. The legislature could fund the fiscal note (the money would go to OMB to spread out to various agencies). He explained that the Division of Risk Management would incur costs that would be passed to other agencies (it reflected the nature of interagency receipts). He elaborated there had to be cash backing the

payments to Risk Management - each agency would pay a small portion. Even if the legislature did not fund the fiscal note in FY 19, the rates would be built into personal service costs beginning in FY 20. The rates would go into the adjusted base - the committee really would not see them - it would see the transactions, but the committee would not discuss them because they were automatically assumed to be approved and each agency would receive a small amount of money to pay the costs. He reiterated it would cost an additional $12,900 to process the forms.

Representative Wilson surmised that the increase was due to the third-party. She thought the purpose of the bill was to save money. She was trying to determine where the savings would come in. She wondered why the bill should be passed if there were no savings.

Mr. Teal believed the question was probably better answered by DLWD. He stated that the Division of Workers' Compensation anticipated savings and the elimination of one position. Based on a table attached to DLWD fiscal note, OMB Component Number 344, anticipated savings were around $200,000 per year. Additionally, there was the elimination of the Second Injury Fund, which would save money for all employers including the state. Putting it all together was more difficult than one may think. He explained that every fiscal note was prepared by a single allocation and there had been some coordination problems trying to make them match.

1:59:19 PM

Co-Chair Seaton MOVED to REPORT CSHB 79(FIN) out of committee with individual recommendations and the accompanying fiscal notes.

Representative Wilson OBJECTED. She supported portions of the bill that she thought were needed. She was concerned about the representation of the person. She stated the representation of who it could be was based on the same committee the person would be in front of. She thought it was a conflict of interest. She thought it was better but had hoped an amendment would address the issue in a different way.

Co-Chair Seaton clarified his motion pertained to version R as amended.

Representative Wilson MAINTAINED her OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Grenn, Guttenberg, Ortiz, Kawasaki, Foster, Seaton
OPPOSED: Pruitt, Thompson, Tilton, Wilson

Vice-Chair Gara was absent from the vote.

The MOTION PASSED (6/4).

There being NO further OBJECTION, CSHB 79(FIN) was REPORTED out of committee with three "do pass," two "do not pass," three "no recommendation," and two "amend" recommendations; and with two new fiscal impact notes from the Department of Labor and Workforce Development; one new fiscal impact note from the Office of the Governor; and one new fiscal impact note from the Department of Administration.

2:01:51 PM
AT EASE

2:03:21 PM
RECONVENED

#hb197
HOUSE BILL NO. 197

> "An Act relating to the duties of the commissioner of natural resources; relating to agriculture; and relating to community seed libraries."

2:03:28 PM

REPRESENTATIVE JENNIFER JOHNSTON, SPONSOR, provided an explanation of the bill:

> Mr. Chairman and members of the Finance committee thank you for taking the time in your busy schedule to hear HB 197, a bill relating to Community Seed Libraries.
>
> This bill came from members of my community, as a way to legalize the sharing of small amounts of seeds.

Currently, a seed cannot be sold, shared, or exchanged without going through costly testing and labeling.

Seed sharing and libraries have the potential to contribute significant value to the health and heritage in our communities by providing a place to share regionally-adapted and heirloom seeds as an alternative to outside genetically modified seeds, and will help to increase biodiversity and plant resilience in our state.

Seed libraries have been sprouting up throughout Alaska and this bill will allow them to operate legally without burdensome and unnecessary government regulation.

This bill will help grow an organic sense of community and increase Alaskan food security.

ELIZABETH REXFORD, STAFF, REPRESENTATIVE JENNIFER JOHNSTON, read from prepared remarks:

Thank you, chairmen and members of the house finance committee, for hearing HB 197.

HB 197 reduces onerous labeling and testing regulations for small batches of noncommercial seeds. Currently, all seeds in Alaska fall under commercial regulations, including the seeds that are traded amongst friends or saved from the prior year's harvest. This bill will change this, allowing the Alaskan gardening and farming communities the opportunity to continue expanding seed sharing without breaking the law.

The new labeling guidelines would require 5 sections:

- the seeds' species and variety,
- name and address of seed library
- year the seed was packaged
- the weight of the packaged contents
- and the statement, "Not authorized for commercial use and not classified, graded, or inspected by the State of Alaska."

While this may seem like overkill for a small local seed exchange, five requirements for labeling is less

than the two pages of requirements we currently have. Because of the way the current statute is written, any seed that is used at any capacity in the state has to go through the commercial process of extensive testing, germinating percentages and labeling. In the scale of things, the new requirements would be pretty limited.

This bill also broadens the duties of the DNR Commissioner to allow the department to administer and promote the creation of community seed libraries. A community seed library is not currently defined in statute, so this bill carves out a space in statute and says that seed libraries can exist and provides guidelines. Alaska has been experiencing a severe food security challenge, where residents now spend close to $2 billion each year buying food produced from outside of the state. Community seed libraries encourage self-sufficiency and preserve agricultural knowledge. Now that we have planted the seed, please join us in supporting HB 197. Rob Carter, whom is the state's plant materials center manager, is on the line to answer any questions. Thank you for taking the time to hear the bill.

2:06:39 PM

Representative Kawasaki stated there were letters in members' packets from individuals who were currently part of the seed library in Alaska. He asked if the bill sponsor was saying the individuals were running illegal operations.

Representative Johnston answered "quietly." The bill would help the individuals do the work on a more orderly and legal basis.

Representative Kawasaki stated that based on conversations with individuals with seed libraries, the bill looked onerous for people with noncommercial seed libraries. He asked for detail.

Representative Johnston deferred the question to the Department of Natural Resources (DNR).

Representative Kawasaki repeated his question. He was trying to determine whether it was not acceptable for

individuals to operate seed libraries without enabling legislation.

ROB CARTER, MANAGER, PLANT MATERIALS CENTER, DIVISION OF AGRICULTURE, DEPARTMENT OF NATURAL RESOURCES (via teleconference), answered that current regulations prohibited all seed sales and transportation being offered for sale in Alaska. The operations had to meet a very defined set of testing and labeling requirements. Currently all of the individuals operating seed libraries, including anyone sharing or transporting seed, for personal noncommercial use, were breaking current regulations. He explained that if DNR went to a seed library to issue a notice of violation or an order and the seed library failed to follow through, under AS 03.05.090 a person violating one of the provisions was guilty of a Class A misdemeanor and a fine of up to $500 for each violation. He noted violations could get expensive if a library contained a couple hundred packets of seed.

Representative Kawasaki asked if the requirements were statutory or regulatory.

2:10:58 PM

Mr. Carter responded that the requirement was currently in regulation under the duties of the commissioner. Statute currently allowed DNR's Division of Agriculture to regulate the sale, transport, importation, or exportation of seed within the state.

Representative Kawasaki remarked on current regulation that gave DNR and the commissioner the ability to regulate. He asked if it was possible to amend regulation to allow DNR to regulate seed libraries or transfers of seed grown and traded in the state.

Mr. Carter replied it could be effective to change regulation to allow for personal use, noncommercial seed distributions or transportations around the state. He observed that regulations could be changed much easier than statute. To protect the industry in perpetuity having the requirement in statute was beneficial because of the protection it would provide to Alaska's small and larger personal use seed exchanges or transportations. Currently it was not in the best interest of the division or the state for food security and biodiversity reasons for DNR to

issue notices of violation for non-commercial seed use, but that was because it was the way he operated the division. Knowing that regulations could be changed by whoever was sitting in his position (with a lengthy process of public scoping and through the Department of Law (DOL)), he believed for long-term food security and sustainability, establishing statute would protect seed libraries and noncommercial seed trading.

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Representative Grenn pointed to page 3 of the legislation pertaining to community seed libraries [subsection (c) at the bottom of the page] "Seed given, exchanged, or offered for giving or exchange under (b) of this section must be packaged for sale and labeled." He noted the subsection listed several things that needed to be on the label. He asked for verification that someone still needed to label their seeds if they were giving them away versus selling them.

Representative Johnston replied, "currently yes." She noted that the labeling could be merely having a label on the table or next to the seeds suggesting what the seeds were; it did not have to be for each individual packaging.

Representative Grenn asked for verification that the requirement to package and label was not per package.

Representative Johnston replied in the affirmative.

Representative Grenn referenced page 4 of the bill and asked why there was a one-pound limitation.

Representative Johnston deferred to DNR.

Mr. Carter replied that the issue had been discussed at length - it had initially been a smaller weight. He reported that the industry had reached out and communicated that the weight was too small. He did not believe it was a benefit or hurdle for anyone sharing seed. He used cauliflower as an example and specified there were 70,000 seeds per pound. He believed it was plenty for noncommercial use. He thought that if people started noncommercial sharing of cereal grains or larger seed, it may become a burden, but he believed the weight limit in the bill was per package. He elaborated that a person could

easily write "not authorized for commercial use in the state of Alaska" on the packages and could follow the other labeling requirements to overcome the hurdle.

Representative Grenn asked for verification that he would need five separate, one-pound bags if he wanted five pounds of one type of seed. He thought a limitation sounded strange for community sharing.

Mr. Carter answered there was a reasonable way to work around the issue. The intent behind the bill was to make sure the use was noncommercial. He elaborated that seed laws existed to protect individuals who based their livelihood on the quality of the seed. Federal and state seed laws regulated the quality of seeds farmers needed or purchased because their business operations depended on it - that was where labeling requirements for germination and purity came into play as a protection for farmers. There were many workarounds to ensure individuals sharing seeds could do so easily.

2:18:38 PM

Representative Guttenberg referenced two emails in members' packets sent to his staff the previous year [email of opposition from P.S. Holloway sent on April 7, 2017 (copy on file)]. He detailed that the author of the email, Dr. Holloway was the retired director of the University of Alaska experimental farm. He emphasized that no one had been more active in promoting agriculture in Alaska than Dr. Holloway. He explained that in addition to her cynicism, Dr. Holloway did not get the bill. He detailed that Dr. Holloway was in the middle of the commercial and free trade of seeds and plants and was still active at the University's experimental farm. He asked if the bill addressed the concerns. He referred to DNR's zero fiscal note. He commented that DNR's budget was strapped and he questioned where the money would come from to oversee the changes made by the bill.

Representative Johnston answered that the email had been sent on April 7 [2017]. The concerns had been addressed by the House Resources Committee in an amendment process on April 28 [2017].

Representative Guttenberg referenced the one-pound limitation and the fact that noncommercial seed libraries

would still be regulated. He mentioned the ability for people to swap seeds. He thought it appeared the bill did a substantial amount without a fiscal note. He saw the bill as a tamping down of people's ability to sell seeds at a farmer's market or other. He stressed the state did not have enough agriculture at present to dictate that people could not experiment and if they did experiment they had to label and have accurate accounting for what they were doing. He was concerned the bill would do the opposite of enhancing.

2:22:16 PM

Representative Johnston replied that Alaska would be the fifth or sixth state to do the work. She stated that it appeared to be making things more difficult; however, it would bring the business of seed exchange into a place of respect and biodiversity, where it would be possible to buy seeds from local people at a farmer's market. She stated that while it seemed cumbersome to some, she believed it would be better to legitimize the activity by passing statute.

Representative Guttenberg asked how DNR expected to implement the bill without a fiscal note. He stated that normally there was a fiscal note when writing regulation was required.

2:23:49 PM

Mr. Carter replied that nowhere in the bill was there language specifying someone "shall" do something, whereas, there were numerous provisions specifying that the department "may" do something if it chose. The division was currently reviewing its seed regulations. If the statute moved forward during its next regulation process, DNR would make sure it addressed the community seed libraries and the personal noncommercial transfer of seed within the regulations. He noted that DNR's current purview was commercial only. He cited the department's belief it would not have to regulate the issue as its reason for the zero fiscal note. He elaborated there would not be a need for another staff. There may be some education and the bill provided the opportunity for DNR to create an additional webpage; however, the department already had a website. He did not believe the additional work in the bill would place an undue burden on the division or department. At present,

if the bill passed, DNR would not have to police the noncommercial seed sharing activities; it would reduce any work hours, trips, or inspections the department would currently have to do if someone brought noncommercial use to its attention via a complaint.

Representative Guttenberg believed there were too many contradictions associated with the bill.

Representative Wilson asked if Mr. Carter had participated in the House Resources Committee meetings the past April. Mr. Carter answered in the affirmative.

Representative Wilson asked if Mr. Carter had told the House Resources Committee that the issue was in regulation and DNR could choose to make changes.

Mr. Carter replied that he believed so. He believed the concerns could be addressed through a regulation change. He was uncertain it would provide longevity and protection to the noncommercial seed sharing activities in Alaska, but it very well could be done.

Representative Wilson asked why the department had not done anything in regulation. She surmised that the department could have elected to implement regulation and the legislature could have changed it via statute if it did not like the outcome.

2:27:00 PM

Mr. Carter replied that the duties of the commissioner of DNR under AS 03.05.010 pertained to the development of a commercial agriculture industry. The department did not see the noncommercial seed sharing activities as commercial; therefore, it did not see the noncommercial activity as falling under its purview at present.

Representative Wilson stated that Mr. Carter had testified that DNR wrote regulations and could change them if it chose to. She thought he was now saying that DNR had no legal authority to write regulations for noncommercial seed sales or trade.

Mr. Carter confirmed that DNR did not have the purview of noncommercial use, but it did have purview to protect and enhance an agricultural industry in the state. The

regulations that were likely last updated in the 1980s oversaw and regulated all seed throughout the state, which included personal use.

Representative Wilson asked how DNR was enhancing if it was not allowing.

Mr. Carter clarified the department was enhancing commercial industry. He detailed the department was providing seed testing and sampling and was regulating the control, transport, and seeds being offered for sale to the commercial industry within the state. The department was not enhancing noncommercial use at present.

Representative Wilson pointed to page 5, lines 18, 19, 23, and 24 pertaining to the duties of the department with respect to agriculture. She asked if the language read "the Department of Natural Resources shall not control and regulate the entry and transportation of noncommercial seeds, plants, and other horticulture products," whether it would take care of the problem that DNR would not be regulating the noncommercial industry.

Mr. Carter asked for clarification on the line numbers.

Representative Wilson replied that page 5, lines 18 and 19 designated that DNR shall do certain things. Lines 23 and 24 currently read "control and regulate the entry and transportation of seeds, plants, and other horticulture products." She believed Mr. Carter was saying that the language pertained to commercial activity only and that DNR should not be regulating noncommercial. She asked if the legislature wanted to ensure DNR was not regulating noncommercial activity, it should be clarified in statute.

Mr. Carter believed it would be a way to address noncommercial seed distribution within the state.

2:31:02 PM

Representative Johnston thought Representative Wilson had an excellent point. The mission of the division was a commercial one. She spoke to the discussion about the weight limit discussion (i.e. one to five pounds) and reasoned it brought up what constituted commercial versus noncommercial. She believed it was important to keep in

mind the intent of the division to protect commercial while not standing in the way of the exchanges.

Co-Chair Seaton pointed out that one of DNR's duties listed on page 5, line 25, was to control and eradicate pests injurious to plants. He believed allowing individuals to import anything they wanted would be in opposition to efforts to control invasive plants. He thought getting too broad would create problems. He noted that Section 4 (page 3) was new to the legislation and included language about giving or exchanging seeds. He pointed language on lines 23 and 24 "...from a plant grown (1) outside the state, and imported into the state in compliance with AS 03.05.010(a)(5)." He remarked that the bill would change language on page 2 from "into" the state, to "in" the state. He wondered why the provision on page 3 would be necessary, which would allow for importation from outside the state, if page 2 specified the bill applied only to seed from within the state.

Representative Johnston answered that House Resources Committee had discussed there were occasional chances for seed libraries to exchange seeds with commercial entities. She did not want to prevent seeds from being available to seed libraries.

2:34:17 PM

Mr. Carter agreed. For example, if he placed a seed order for his garden and ordered one ounce of broccoli seed (any remaining seed would have met the requirements within AS 03.05.010(a)(5)) he could leave the seed in its commercial package or repackage it and label it accordingly and could noncommercially share it with individuals in his community or in other regions around the state. There were numerous individuals throughout Alaska who had relatives outside the state who bought and shared commercial seeds that met DNR's current regulations to contain no noxious weeds and have high purity and good germination. There were also numerous crop varieties that were not great producers within the state (e.g. some could not be overwintered); therefore, as long as the materials met the state's labeling requirements in their original container, the seed could be disseminated in Alaska.

Co-Chair Seaton referenced page 2, line 12 that read "regulate and control the entry in the state" instead of

the previous "regulate and control entry into the state." He asked if the language change did not change the regulation of importing seed or distributing within the state.

Mr. Carter agreed. He viewed it as a language change that would still allow DNR to regulate seed being brought into the state to ensure it met the needs of commercial users and to prevent invasive species from being brought in. The language would still allow seeds that could not be viably produced in Alaska to be noncommercially traded or distributed around the state.

2:37:35 PM

Representative Pruitt stated that his concerns about ensuring the state maintained its control over any type of invasive or noxious seeds. He pointed to language intending to protect from the issue on page 4 under applicability of other laws. He noted the language specified that nothing authorized a person to possess or exchange [invasive or toxic] seeds. He asked how to maintain the control. He had no problem with individuals sharing heirloom or other seeds with no issues; however, he reasoned that individuals may think that something looked pretty or had a value, but ultimately it could have a negative impact on the [non-native] environment it was brought to. He used Hawaii as an example and noted that much of the plants on the islands were invasive. He asked how to maintain controls through the new exchange even if there was good intention involved.

Mr. Carter remarked on the importance of the question about not allowing invasives to include non-native species into the state. He referred to earlier testimony that people were going under the radar. He believed the intent of the language to provide some guidelines to follow for noncommercial use, gave the state the ability to try to cut off any invasive species from being brought into the state. He remarked on the difficulty of the task because vehicles, planes, boats, lawn mowers from out-of-state, and other could have seeds attached when brought in. He referenced Alaska's large size and remoteness. The department would continue to utilize its current invasive and restrictive noxious weed list, which it planned on enhancing to include other species of concern it was hearing about from other state and federal agencies. The goal was to stop the seeds preferably before they reached the state's border or if

they made it into the state and were brought to the department's attention.

Representative Pruitt asked if there was language to include that would enable DNR to shut down a seed library or act to prevent someone from bringing in invasive species or other. He did not see specific language in the bill and asked if the department was able to take action.

2:42:07 PM

Mr. Carter answered that DNR would take all of the assistance it could get controlling non-native invasive species in Alaska. He referenced page 4, lines 16 pertaining to the applicability of other laws, which did not allow a person to violate the PVP Act [Plant Variety Protection Act], distribute or exchange seeds classified as controlled substances, and anything considered noxious, invasive, or toxic under AS 03 or a regulation adopted under those chapters. He believed the bill left all tools the department currently had in place to go in, issue notice of violations and stop sales to have the seeds destroyed in a manner at the discretion of the director of the Division of Agriculture. He did not believe the bill hindered the department's ability to continue to control the entry into the state of invasive or non-native plant species of concern.

Co-Chair Foster OPENED and CLOSED public testimony.

Representative Wilson was disturbed the bill had been around since the past May. She stated the Division of Agriculture was supposed to be helping agriculture. She referenced a letter from a person in Homer related to growing pumpkins. She hoped there would be more discussion about how the bill was enhancing agriculture. She believed there was currently a huge loss occurring.

Co-Chair Foster asked members to provide any amendments by the coming Wednesday.

HB 197 was HEARD and HELD in committee for further consideration.

#hb216
HOUSE BILL NO. 216

"An Act relating to transfers from the dividend fund; creating the restorative justice account; relating to appropriations from the restorative justice account for payments for and services to crime victims, operating costs of the Violent Crimes Compensation Board, operation of domestic violence and sexual assault programs, mental health services and substance abuse treatment for offenders, and incarceration costs; and providing for an effective date."

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Co-Chair Seaton MOVED to ADOPT the proposed committee substitute for HB 216, Work Draft 30-LS0572\M (Martin, 2/12/18).

Representative Wilson OBJECTED for discussion.

REPRESENTATIVE CHUCK KOPP, SPONSOR, introduced himself.

ERICK CORDERO-GIORGANA, STAFF, REPRESENTATIVE CHUCK KOPP, read the changes in a prepared statement (copy on file):

- Section 3 - Clarified that the Attorney General's office can commence assisting a crime victim with collecting restitution when the victim accepts assistance or at the end of the 90-day opt-out period, whichever is earlier.
- Section 4 - Clarified language regarding the priorities for the Office of Victims' Rights when helping crime victims with restitution payments through the Restorative Justice Account.
- Section 6 - Switched priorities 3 and 4, making "organizations to provide grants for services for crime victims and domestic violence and sexual assault programs" the higher priority over "nonprofit organizations to provide grants for mental health services and substance abuse treatment for offenders". The blank CS adds percentage ranges for appropriations to each priority.
- Sections 8, 9, & 10 - Added the ability for Alaskans to donate to the crime victim compensation fund that resides within the Violent Crimes Compensation Board

Representative Wilson requested to hear additional detail from bill sponsor about the changes. She wondered if he supported or opposed the changes and why.

Representative Kopp explained that the changes were all policy calls. He believed all of the changes advanced the intent of the bill.

Representative Wilson WITHDREW her OBJECTION. There being NO further OBJECTION, Work Draft 30-LS0572\M was ADOPTED.

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Representative Kopp thanked the committee for hearing the legislation. He believed many thousands of Alaskans in an unrestored condition after being the victim of a crime were tracking the bill. He reported that currently more than 70 percent of all court ordered restitution for crime victims remained unpaid since 1980. He added that in 2017 the Alaska Criminal Justice Commission had found the number to be closer to 76 percent. A 2013 Legislative Research Services report was included in members' packets (copy on file) that had been written in response to a question asking why the state's restitution collection system was broken. The report determined the system was broken due to broken communication. He elaborated there were so many entities involved with restitution, the state had drifted from the fund that had been implemented to address restitution and it had not insisted in the criminal justice process that restitution be paid.

Representative Kopp continued that HB 216 sought to improve the percentage of restitution and compensation paid to victims in two ways. First, it prioritized compensation and restitution for victims from the Restorative Justice Account, which was part of the original Crime Victim Compensation Fund established by the legislature in 1988. Members' packets included a background document of HB 245 passed by the legislature in 1988 to get restitution for victims. Second, the bill would increase opportunities for victim restitution from the fund. The original HB 245 was important because the legislature had declared people who were incarcerated or convicted during the qualifying year as ineligible for a Permanent Fund Dividend and the money was deposited into a Crime Victim Compensation Fund. He remarked on how memory could fade and explained he had been speaking with members of the current executive and judicial branches and they had told him it had never been the Crime Victim Compensation Fund. He had directed the individuals to HB 245.

Representative Kopp explained that since the passage of HB 245 the legislature had added worthy recipients such as the Office of Victims' Rights (OVR), domestic violence and sexual assault shelters, other crime victim service agencies, and the Department of Corrections (DOC) for the costs of incarceration and probation. He did not believe the legislature had ever envisioned that by adding certain eligible recipients, that the intent of the fund would be decimated and would turn into something that it would turn into something it was never intended to be. He explained that HB 216 was about process and getting back to helping to restore victims to a pre-offense condition.

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Representative Kop introduced a presentation titled "House Bill 216: Establishing the Restorative Justice Account and Prioritizing Help for Victims of Crimes." He began with slide 1:

> Restoring crime victims to a pre-offense condition through the Criminal Fund established in 1988.

Representative Kopp moved to slide 2:

- 59% of adult women in Alaska have experienced domestic violence or sexual violence throughout their lifetime. (CDVSA Report)
- Compensation claims continue to increase yearly. (VCCB Report) and in 2017, the majority of victims were women and children.
- The outstanding balance of restitution orders is over $129 million.

Representative Kopp pointed out that members' packets included a court system breakdown starting at 1980 going forward ["Restitution Data - Including both State and Municipal prosecutions as of 12/31/2017" (copy on file)]. The document showed the amount collected and still owed; the collection rate was 27.9 percent or over 70 percent uncollected. He added if the Alyeska Pipeline shooting incident was removed, which had resulted in a claim of about $20 million, the amount owed was still about $100 million. He addressed the difference between compensation and restitution. He detailed that compensation included bridging/emergency funds. For example, the funds helped a

person pay medical bills and recover lost wages from work immediately after a DUI accident or serious assault. The Violent Crimes Compensation Board could award up to $40,000 for a person, but it may not help a person with a property loss. Whereas, restitution was a court ordered payment that went to victims, post-conviction. He detailed that sometimes it took five to six years to get a felony prosecution through the system and get the court order for restitution issued. He stated the funds were very different. He explained that HB 216 would help with both measures [compensation and restitution].

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Representative Kopp continued to a bar graph showing the criminal fund over the years and how funds had been distributed (slide 4). The left side of the graph showed a parallel distribution between DOC for cost of incarceration and probation (shown in red) and crime victim services (shown in green). In FY 12 the lines diverged dramatically and even more sharply in FY 15 - the fund completely became oriented toward the cost of inmate healthcare and victim services remained at the very bottom.

Representative Kopp moved to a bar graph on slide 5 that showed how the funds had previously been shared more equally [up to FY 11] between DOC and victims' services (shown in yellow and blue respectively). More recently, 94 percent of the funds went to inmate healthcare and 6 percent went to victims' services.

Representative Kopp explained that the bill would return to a priority in a way that would not unfairly impact financially other agencies eligible for the funds. He was sensitive to the fact that inmate healthcare needed to be paid for; however, the bill focused on improving the process of getting restitution to victims of crime in a timely way. He believed that by introducing some key pieces into the bill, one being OVR, which had never taken an active role in helping victims get restitution orders filled, would improve the service dramatically.

Mr. Cordero-Giorgana highlighted that compensation was an emergency bridging fund that could be obtained immediately by crime victims. He turned to slide 6 and reported that the number of new claims had increased steadily from 2000 to 2017 - the number usually correlated with how much money

was available to the Violent Crimes Compensation Board. He turned to slide 7 and reported the majority of claims were for victims of domestic violence, sexual assault, and child abuse. He detailed that child abuse was one of the highest percentages at 34 percent, the majority of which involved some type of sexual assault.

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Mr. Cordero-Giorgana moved to slide 8 and addressed annual outstanding restitution balances. He explained that restitution was ordered by the court and could take a long time for someone to receive. The annual outstanding balance had steadily increased; a major spike in the balance in FY 14 was related to the Alyeska Pipeline shooting.

Mr. Cordero-Giorgana turned to slide 9 and specified that approximately 40 to 50 percent of restitution orders were for individuals. He detailed that about 50 percent of the individuals were owed less than $1,000. The average restitution payment to a person ranged between $500 and $700. The remaining 50 percent of the individuals were usually owed less than $10,000. The bill would put a $10,000 cap on the amount OVR could assist victims with. He added that the sponsor had reviewed what other states were doing and Vermont's system was close to the same as the bill proposal.

Representative Kopp noted that the $10,000 applied on a per restitution order basis.

Mr. Cordero-Giorgana turned to slide 11 and provided highlights of the bill compared to current law. The bill created a mechanism for the Permanent Fund Dividend Division to set aside an amount calculated annually for the Restorative Justice Account. The legislature would have the ability to appropriate money to entities and state agencies, which would be prioritized with a percentage. He explained that OVR would have the ability to assist victims with restitution payments. He clarified that compensation would remain paramount because victims needed immediate help with bridging funds. The bill would allow direct appropriations to nonprofit agencies to assist victims of crimes including domestic violence and sexual assault. The sponsor realized that compensation and restitution would not make a victim whole; therefore, some nonprofits provided other services a victim may need. The bill also

authorized funds for mental health and substance abuse treatment for offenders.

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Mr. Cordero-Giorgana moved to slide 12 and continued to address highlights of current law and changes under HB 216. The bill would require the court system to share restitution orders with OVR. Currently DOL received the orders and notified victims about their rights and that they may qualify for restitution. Currently a victim could notify DOL if they want assistance or assistance was automatic unless they opted out within 30 days. He noted it was rare for a person to opt-out; opt-out reasons could be that a person did not want to deal with it, they moved and could not be located by the state, or they wanted to hire a private company to assist with financial collection. For many years the DOL Restitution Unit had been the entity helping victims with collecting restitution; however, it had lost funding. He furthered that DOL had never helped victims of crimes through a criminal fund established 30 years back; it only assisted victims with restitution, things that could be garnishable, volunteer payments by the offender, or prepayments. The bill would allow use of the funds through OVR as well.

Mr. Cordero-Giorgana reported the bill would expand the opt-out period from 30 to 90 days to give victims more time to make a decision. He detailed that crime could be traumatizing and individuals could need more time to make a decision on the assistance. Lastly, the bill allowed Alaskans to donate to the Crime Victims Compensation Fund though the Pick.Click.Give program when filing for their Permanent Fund Dividend.

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Representative Kopp expounded that under current law and the bill, the offenders were liable to pay back any payout made from the Restorative Justice Account for restitution and any payout made by the Violent Crimes Compensation Board for compensation. He specified that offenders would not be off the hook just because a bridging fund had offered compensation or restitution.

Representative Guttenberg asked about language on the bottom left of slide 11 [under current law] that addressed

appropriation of funds without priority. He referenced a bullet point designating the use of funds by percentages [under HB 216, lower right side of slide 11]. He asked for further detail.

Representative Kopp answered there was currently no priority or law designating what the legislature wanted the state to look at first when distributing funds. Currently, there was nothing to guide OMB, when establishing the governor's budget, on determining the highest priority. He reported there had been years the Violent Crimes Compensation Board had fallen off dramatically and when the Council on Domestic Violence and Sexual Assault and OVR had not been entirely funded. The bill made a policy call that would direct OMB to prioritize inmate healthcare and look at what may be left over for the other victims' service agencies.

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Representative Guttenberg asked what the bill would change the priority to.

Representative Kopp answered that the priority order was in the bill.

Mr. Cordero-Giorgana directed attention to Section 6, page 6 of the bill [version M].

Representative Kopp continued the bill established the Crime Victim Compensation Fund as the highest priority, then OVR for payments to crime victims and operating costs of the program, then nonprofit organizations to provide grants for services for crime victims and domestic violence and sexual assault programs, then nonprofits for mental health and substance abuse treatment, and then DOC. He pointed out the priority order included a percentage range, which was based on historical needs drawn from the fund. The numbers were all policy calls. He highlighted that in review of the bill draft, he realized DOC should have been 65 to 78 percent to accommodate the scenario of all four of the higher agencies either getting the low end of the range or the high end of the range. A substantial majority of the funds would still go to inmate healthcare. The bill would give victims services agencies - that had been [previously] removed entirely - more budget certainty out of the fund. Most importantly, the bill introduced OVR as a recipient.

He explained that OVR was the most aggressive advocate in state government for victims. He believed the state would start turning the curve of getting victims back on their feet if OVR followed up with restitution orders and saw that they received the money.

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Representative Grenn thanked Representative Kopp for introducing the bill. He believed prioritizing for victims was a great thing for the fund. He asked about Sections 8 through 10, which he believed had come from the House Judiciary Committee. He remarked that the Pick.Click.Give program was a new mechanism for giving to the fund. He noted that the provisions would mean new duties for the Department of Revenue (DOR) as the administrator and he wondered if the sponsor had spoken with the department about the new work the provisions would entail.

Representative Kopp replied in the affirmative. He reported that DOR "loved" the idea. He detailed that the House Judiciary Committee had exempted the normal 7 percent administrative fee that would be deducted. He elaborated that the only other exempt fund was the Peace Officer and Firefighter Survivor's Fund.

Representative Kawasaki spoke the historical restitution data handout. He asked why the restitution percentage had dropped significantly after 2008.

Representative Kopp replied that the 2013 report from Legislative Research Services did the best job summarizing that information. The report specified the breakdown was occurring because there was not a good mechanism between the courts and DOC. He elaborated that when the court issued an order for restitution it was sent to DOC where probation officers were supposed to make the restitution order part of successfully completing probation and parole, which was often not happening. In some cases there was not a high level of insistence that it happen for successful completion and in other cases the money was collected but not passed on to the victim. He explained that perhaps the victim could not be located to give the money to. He addressed restitution orders on people who were not incarcerated and conjectured that it could be more difficult to locate people. He believed the biggest reason was the absence of a recovery unit - a team of attorneys at

DOL, which had existed in the past. He did not claim the recovery unit had ever done a fantastic job - the DOL unit had recently been defunded in 2016.

Representative Kopp continued that for various reasons there had been a lack of communication between state agencies and a lack of follow through, which had made it very difficult for victims to get compensation. He underscored that victim compensation was a constitutional right under Article I, Section 24. He remarked that legislators had all seen the lack of follow through on other things such as Medicaid issues and justice issues. The bill aimed to put a process in the law reestablishing the highest priority and introducing OVR to help facilitate the restitution payments. He elaborated that OVR was made up of a skilled team of attorneys who attended sentencing hearings and advocated for victims. He added that Taylor Winston [OVR director] had been extraordinarily helpful and ready to engage in helping victims access restitution orders from the court and working with DOR.

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Representative Kopp continued to answer the question. He had worked with aforementioned agencies on the bill to refine the process and prevent another breakdown from occurring.

Representative Kawasaki referenced the restitution data and observed that prior to 2008 it appeared an average of 40 to 50 percent up to 60 percent had been recovered. He observed that beginning in 2008 going forward the restitution percentage dropped to single digits. He wondered if a systemic issue had occurred after 2008.

Mr. Cordero-Giorgana answered that the decline in [restitution] recovery rates was a national trend - all states were challenged in finding new ways to increase recovery rates. Some states created independent collection units to recover the money.

Representative Kawasaki appreciated the intent of the legislation. He asked how to ensure the department and OMB adhere to the legislation and appropriate money the way intended.

Representative Kopp answered that the question struck at the heart of the bill. He believed the answer was to establish a priority order in statute. He pointed to language on page 6, lines 1 and 2 of the bill:

> The legislature may appropriate amounts from the account to the following recipients in the priority order and percentages listed

Representative Kopp believed the departments would have to be knowingly circumventing the legislative will [if they did not comply with the bill's intent]. He detailed that the legislature had never spelled out the information so clearly in terms of a priority order. Legislative Legal Services had specified that the bill did not unduly tie the administration's hands or violate dedicated funds. Legislative Legal Services had stated there could be no successful claim that perhaps a lower priority was filled and maybe not every higher priority need was. He explained there was still some discretion built in, but the legislation made it very clear the legislature wanted the top priority to be considered first. He elaborated that it would involve calling the Violent Crimes Compensation Board to enquire about outstanding claims for the coming year. Second, OVR would be called to determine the number of restitution orders ready to go. The average restitution order was between $500 and $700. He added he was not talking about large numbers, but about immediately moving the needle on helping victims get back on their feet.

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Representative Kawasaki believed in the importance of restitution. He found fiscal note 5 was troubling. He pointed to the last sentence on page 2 [OMB Component Number 2952]: "As such, the fund change in the Department of Corrections may shift to the "Restorative Justice Account" rather than the general fund." He stated that the note talked about that in practice in FY 11, funding had been used that was either in crime victim compensation or DOC. He was trying to determine ways to ensure restitution was the top priority. He surmised it was for the legislature to dedicate itself to during the budget process as well.

Representative Kopp answered that new fiscal notes would accompany the CS. He added that the fiscal notes had

evolved. He appreciated the comments and relayed [restitution] was a constitutional right and should be a priority. He believed the legislative body had not followed through and insisted on the law. He noted the bill would not remove the liability of the offender to pay the money back. He concluded the legislature was in a position to improve it, which was the goal of the legislation.

Representative Wilson stated that Permanent Fund Dividends would go to a person if they had not committed a crime. She wondered if the state was paid back if it paid restitution on behalf of a person.

Representative Kopp answered that when restitution was paid on behalf on an incarcerated individual, the individual would be liable to pay the money back. The individual would be eligible for a PFD once released, which could be garnished directly. He noted PFD garnishment was the highest return on any recovery effort.

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Representative Wilson asked if it included personal injury on behalf of or restitution only.

Representative Kopp answered that individuals were also liable to pay violent crimes compensation claims to the Violent Crimes Compensation Board. Restitution was also repaid to the General Fund - the legislature would have to reappropriate the funds. The liability for compensation and restitution did not go away merely because a claim had been paid.

Mr. Cordero-Giorgana added that currently if a victim received compensation funds, the court took it into consideration and sent any restitution to the Violent Crimes Compensation Board. The offender was liable to pay the money back through the violent crime compensation fund.

Representative Wilson provided a scenario where a person was incarcerated for several weeks, meaning they were ineligible for a PFD. She asked if an individual's duty to pay back DOC was tracked and by whom.

Representative Kopp replied that the duty to return the restitution orders was always with the person, even if incarcerated for a short time. He stated that current law

specified if a person was incarcerated and became ineligible. He elaborated it was a policy call (e.g. law could be changed where a person would become ineligible if they were incarcerated more than 30 days). The pros would be that more people were eligible to receive their PFD, which was the fastest way to get recoveries back. Additionally, the criminal fund was growing because under SB 54 [crime reform legislation passed in 2017] the state was putting many more people back in prison. He remarked that the state's jails were filling up again. The criminal fund was replenished annually with new people incarcerated. If the goal was to have the dividend be more accessible, the legislature could look at the length of stay [in jail] versus taking a person's PFD if they were incarcerated for any length of time.

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Representative Wilson countered that jails were not growing. On the contrary, she believed prison populations were decreasing. She remarked that the populations would go down even more if halfway houses and electronic monitoring were utilized more. She was trying to understand when a person went to jail and had hurt someone or took property, whether the state was utilizing a large fund with pooled money where no one got credited or if the state tried to recoup as much cost as possible when people left prison. She understood much of the money could not be recouped because two out of three individuals released from prison went back to prison. She stated the bill was telling the administration and the legislature the priorities. She remarked that the bill did not require the legislature to appropriate funds. She stated that corrections was one of the fastest growing costs in the state. She wanted to have a better understanding of how the fund worked to start with. She furthered that if someone paid restitution on their own it went to the General Fund, not the Restorative Justice Account. She wanted to know how it all worked together. She was fine with the bill, but she wanted to know how the state was tracking all of the components involved.

Mr. Cordero-Giorgana answered that currently the court system tracked the information. When the court worked with DOL they would track whether an offender paid restitution. He detailed that DOC had a priority on the type of fines and costs that an incarcerated offender had to pay. He

relayed that child support restitution, cost of incarceration, and other fines was typically the priority. When an individual was released from jail they still owed the money to the state through DOC. The bill allowed for the legislature to appropriate back any repayment of restitution funds from one account into the Restorative Justice Account to continue helping victims. He deferred to DOC for further detail.

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Representative Wilson was hoping to receive something in writing. She believed the things could all be done without the bill. She clarified her support for the bill. She stated that as the appropriator, the legislature could use designated general funds, undesignated, or make up its own funds to decide where to put or pay out money. She asked why the funds were not put back into the Restorative Justice Account versus the General Fund when recouped. She believed it would be helpful in order to have an understanding on how much money got paid back. She thought putting the money into the General Fund meant it got bogged up with all the other funds. She reasoned the state did not know whether people released from jail were not being held responsible to pay restitution to people or property they damaged.

Representative Kopp responded there was a precise accounting of every restitution order paid back. The money returned each year came to the attention of the budget director, so they knew what was available for reappropriation. He explained that Legislative Legal Services had advised that if the funds went automatically to the Restorative Justice Account it would be a violation of dedicated funds and would be subject to challenge. Therefore, the bill specified the funds would go to the General Fund for reappropriation by the legislature.

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Co-Chair Foster remarked that many policy calls needed to be made. Additionally, the committee needed to hear from the departments and have an in-depth conversation about the fiscal notes.

Representative Kopp shared that the effective date of the bill should be amended to 2019. He explained there were

processes involved that needed time to implement. He furthered that a 2019 effective date (January or July) would allow time for the departments to forecast the amount of money available for distribution associated with persons deemed ineligible.

HB 216 was HEARD and HELD in committee for further consideration.

Co-Chair Foster reviewed the schedule for the following day.

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ADJOURNMENT

3:29:46 PM

The meeting was adjourned at 3:29 p.m.