

**ALASKA STATE LEGISLATURE
HOUSE STATE AFFAIRS STANDING COMMITTEE**

March 2, 2017

3:09 p.m.

MEMBERS PRESENT

Representative Jonathan Kreiss-Tomkins, Chair
Representative Gabrielle LeDoux, Vice Chair
Representative Chris Tuck
Representative Adam Wool
Representative Chris Birch
Representative DeLena Johnson

MEMBERS ABSENT

Representative Gary Knopp
Representative Andy Josephson (alternate)
Representative Chuck Kopp (alternate)

COMMITTEE CALENDAR

HOUSE BILL NO. 97

"An Act repealing the insurance tax credit for gifts to the Alaska fire standards council; and providing for an effective date."

- MOVED CSHB 97(STA) OUT OF COMMITTEE

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 44

"An Act requiring a legislator to abstain from taking or withholding official action or exerting official influence that could benefit or harm an immediate family member or certain employers; requiring a legislator to request to be excused from voting in an instance where the legislator may have a financial conflict of interest; and providing for an effective date."

- HEARD & HELD

HOUSE CONCURRENT RESOLUTION NO. 1

Proposing an amendment to the Uniform Rules of the Alaska State Legislature relating to voting and abstention from voting.

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 97

SHORT TITLE: REPEAL AK FIRE STANDS. COUNCIL TAX CREDIT

SPONSOR(S): REPRESENTATIVE(S) THOMPSON

02/01/17 (H) READ THE FIRST TIME - REFERRALS
02/01/17 (H) STA, FIN
02/28/17 (H) STA AT 3:00 PM GRUENBERG 120
02/28/17 (H) Heard & Held
02/28/17 (H) MINUTE(STA)
03/02/17 (H) STA AT 3:00 PM GRUENBERG 120

BILL: HB 44

SHORT TITLE: LEGISLATIVE ETHICS: VOTING & CONFLICTS

SPONSOR(S): REPRESENTATIVE(S) GRENN

01/18/17 (H) PREFILE RELEASED 1/13/17
01/18/17 (H) READ THE FIRST TIME - REFERRALS
01/18/17 (H) JUD, FIN
01/23/17 (H) SPONSOR SUBSTITUTE INTRODUCED-REFERRALS
01/23/17 (H) READ THE FIRST TIME - REFERRALS
01/23/17 (H) JUD, FIN
01/25/17 (H) STA REPLACES FIN REFERRAL
01/25/17 (H) BILL REPRINTED 1/25/17
01/25/17 (H) JUD WAIVED PUBLIC HEARING NOTICE, RULE
23 FOR SSHB 44
01/25/17 (H) JUD AT 1:00 PM GRUENBERG 120
01/25/17 (H) -- Meeting Postponed to 1/27/17 --
01/27/17 (H) JUD AT 1:00 PM GRUENBERG 120
01/27/17 (H) -- Meeting Rescheduled from 1/25/17 --
01/30/17 (H) JUD AT 1:30 PM GRUENBERG 120
01/30/17 (H) Heard & Held
01/30/17 (H) MINUTE(JUD)
02/03/17 (H) JUD AT 1:30 PM GRUENBERG 120
02/03/17 (H) Moved CSSHB 44(JUD) Out of Committee
02/03/17 (H) MINUTE(JUD)
02/08/17 (H) JUD RPT CS(JUD) 1DP 3DNP 3AM
02/08/17 (H) DP: LEDOUX
02/08/17 (H) DNP: KOPP, EASTMAN, REINBOLD
02/08/17 (H) AM: KREISS-TOMKINS, FANSLER, CLAMAN
02/18/17 (H) STA AT 11:00 AM GRUENBERG 120
02/18/17 (H) Heard & Held
02/18/17 (H) MINUTE(STA)
02/21/17 (H) STA AT 3:00 PM GRUENBERG 120
02/21/17 (H) Heard & Held
02/21/17 (H) MINUTE(STA)
02/21/17 (H) STA AT 5:30 PM GRUENBERG 120

02/21/17 (H) Heard & Held
02/21/17 (H) MINUTE(STA)
03/02/17 (H) STA AT 3:00 PM GRUENBERG 120

BILL: HCR 1

SHORT TITLE: AMEND UNIFORM RULES: ABSTAIN FROM VOTING
SPONSOR(S): REPRESENTATIVE(S) GRENN

01/20/17 (H) READ THE FIRST TIME - REFERRALS
01/20/17 (H) STA, JUD
01/20/17 (H) JUD REFERRAL REMOVED
01/20/17 (H) JUD REFERRAL ADDED BEFORE STA
01/25/17 (H) JUD AT 1:00 PM GRUENBERG 120
01/25/17 (H) -- Meeting Postponed to 1/27/17 --
01/27/17 (H) JUD AT 1:00 PM GRUENBERG 120
01/27/17 (H) -- Meeting Rescheduled from 1/25/17 --
01/30/17 (H) JUD AT 1:30 PM GRUENBERG 120
01/30/17 (H) Heard & Held
01/30/17 (H) MINUTE(JUD)
02/03/17 (H) JUD AT 1:30 PM GRUENBERG 120
02/03/17 (H) Moved HCR 1 Out of Committee
02/03/17 (H) MINUTE(JUD)
02/08/17 (H) JUD AT 1:30 PM GRUENBERG 120
02/08/17 (H) Moved HCR 1 Out of Committee
02/08/17 (H) MINUTE(JUD)
02/10/17 (H) JUD RPT 1DP 3DNP 2AM
02/10/17 (H) DP: CLAMAN
02/10/17 (H) DNP: EASTMAN, KOPP, REINBOLD
02/10/17 (H) AM: KREISS-TOMKINS, FANSLER
02/21/17 (H) STA AT 3:00 PM GRUENBERG 120
02/21/17 (H) Heard & Held
02/21/17 (H) MINUTE(STA)
02/21/17 (H) STA AT 5:30 PM GRUENBERG 120
02/21/17 (H) Heard & Held
02/21/17 (H) MINUTE(STA)
03/02/17 (H) STA AT 3:00 PM GRUENBERG 120

WITNESS REGISTER

REPRESENTATIVE STEVE THOMPSON
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified on HB 97, as prime sponsor.

DAN WAYNE, Attorney
Legislative Legal and Research Services
Juneau, Alaska

POSITION STATEMENT: Answered questions on the proposed Amendment 1 to CSSSHB 44(JUD).

RYAN JOHNSTON, Staff
Representative Jason Grenn
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Answered questions on CSSSHB 44(JUD) on behalf of Representative Grenn, prime sponsor.

RYAN JOHNSTON, Staff
Representative Jason Grenn
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Answered questions on HCR 1 on behalf of Representative Grenn, prime sponsor.

ACTION NARRATIVE

[3:09:05 PM](#)

CHAIR JONATHAN KREISS-TOMKINS called the House State Affairs Standing Committee meeting to order at 3:09 p.m. Representatives Tuck, Birch, Johnson, and Kreiss-Tomkins were present at the call to order. Representatives LeDoux and Wool arrived as the meeting was in progress.

HB 97-REPEAL AK FIRE STANDS. COUNCIL TAX CREDIT

[3:12:59 PM](#)

CHAIR KREISS-TOMKINS announced that the first order of business would be HOUSE BILL NO. 97, "An Act repealing the insurance tax credit for gifts to the Alaska fire standards council; and providing for an effective date."

[3:13:41 PM](#)

REPRESENTATIVE JOHNSON moved to adopt Amendment 1, [labeled 30-LS0180\A.1, Nauman, 3/2/17], which read:

Page 1, line 12:
Delete "2022"
Insert "2019"

CHAIR KREISS-TOMKINS objected for the purpose of discussion.

[3:14:02 PM](#)

REPRESENTATIVE JOHNSON explained that Amendment 1 would change the effective date of the repeal of the insurance tax credit for gifts given to the Alaska Fire Standards Council (AFSC), from January 1, 2022, to January 1, 2019. She reminded the committee that the sponsor of HB 97 had testified [during the committee's 2/28/17 hearing on HB 97] that he supported the earlier effective date.

[3:14:30 PM](#)

REPRESENTATIVE STEVE THOMPSON, Alaska State Legislature, prime sponsor of HB 97, stated that he supported Amendment 1.

CHAIR KREISS-TOMKINS removed his objection to Amendment 1. There being no further objection, it was so ordered.

[3:15:38 PM](#)

REPRESENTATIVE BIRCH expressed his support for HB 97.

[3:16:02 PM](#)

REPRESENTATIVE TUCK moved to report HB 97, as amended, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSHB 97(STA) was reported out of the House State Affairs Standing Committee.

HB 44-LEGISLATIVE ETHICS: VOTING & CONFLICTS

[3:16:53 PM](#)

CHAIR KREISS-TOMKINS announced that the next order of business would be SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 44 "An Act requiring a legislator to abstain from taking or withholding official action or exerting official influence that could benefit or harm an immediate family member or certain employers; requiring a legislator to request to be excused from voting in an instance where the legislator may have a financial conflict of interest; and providing for an effective date." [Before the committee was CSSHB 44(JUD).]

[3:18:24 PM](#)

The committee took a brief at-ease at 3:18 p.m.

[3:18:29 PM](#)

REPRESENTATIVE LEDOUX moved to adopt Amendment 1, [labeled 30-LS0208\U.3, Wayne, 3/2/17], which read:

Page 2, lines 26 - 28:

Delete "a substantial class of persons to which the legislator or the family member who has the financial interest belongs as a member of a profession, occupation, industry, or region."

Insert "the general public of the state."

Page 2, line 31:

Delete "."

Insert "[A SUBSTANTIAL CLASS OF PERSONS TO WHICH THE LEGISLATOR BELONGS AS A MEMBER OF A PROFESSION, OCCUPATION, INDUSTRY, OR REGION]."

Page 3, lines 8 - 10:

Delete "a substantial class of persons to which the person belongs as a member of a profession, occupation, industry, or region"

Insert "the general public of the state"

REPRESENTATIVE WOOL objected for the purpose of discussion.

REPRESENTATIVE LEDOUX stated that Amendment 1 would make changes to page 2, lines 26-28, of CSSSHB 44(JUD). She explained that the proposed amendment would delete the language "a substantial class of persons to which the legislator or the family member who has the financial interest belongs as a member of a profession, occupation, industry, or region" and replace it with "the general public".

[3:21:01 PM](#)

The committee took a brief at-ease at 3:21 p.m.

[3:21:58 PM](#)

CHAIR KREISS-TOMKINS asked the drafter of the amendment to clarify the proposed changes to page 2, line 31, of CSSSHB 44(JUD).

[3:22:22 PM](#)

DAN WAYNE, Attorney, Legislative Legal and Research Services, stated that the change to page 2, line 31, is a conforming change due to the deletion of the language on page 2, lines 26-28. He mentioned that under Amendment 1, the deleted language would be moved to page 2, line 31, and displayed in uppercase letters and bracketed for clarity.

REPRESENTATIVE LEDOUX referred to page 3, lines 8-10, of CSSSHB 44(JUD) and stated that Amendment 1 would delete the language "a substantial class of persons to which the person belongs as a member of a profession, occupation, industry, or region" and insert "the general public". She explained the proposed amendment by giving the following example: A legislator who was a member of the alcohol industry considers proposed legislation that affects the entire alcohol industry but doesn't affect the legislator's business to a greater extent than the industry in general. Under CSSSHB 44(JUD), as currently written, the legislator would be allowed to vote on the proposed legislation. Under Amendment 1, if the proposed legislation affects the industry to a greater extent than the general public, the legislator would not be allowed to vote on the proposed legislation.

[3:24:46 PM](#)

REPRESENTATIVE TUCK gave an example for clarification of Amendment 1: Proposed legislation would reduce the cruise ship head tax. If the legislator was the owner of a cruise ship line, even though his/her cruise line would not be impacted differently from other cruise lines, he/she would not be permitted to vote because the cruise lines would be impacted "over the general public."

REPRESENTATIVE LEDOUX agreed.

[3:25:46 PM](#)

REPRESENTATIVE WOOL offered that [under Amendment 1] if a legislator was involved in any industry and proposed legislation affected that industry, with the assumption that the general public is not a part of that industry, the legislator would be required to abstain from voting on the proposed legislation.

REPRESENTATIVE LEDOUX agreed and added that the legislator would have to have "a financial interest" as defined by CSSSHB 44(JUD).

REPRESENTATIVE WOOL offered the possibility that the proposed amendment could affect non-financial issues for a class of workers, which is different from the general public. He suggested that a lawmaker in that class would have to declare a conflict of interest.

[3:27:51 PM](#)

REPRESENTATIVE TUCK referred to his trade as an electrician and asked if Amendment 1 would apply to legislation proposing new safety standards.

[3:28:20 PM](#)

RYAN JOHNSTON, Staff, Representative Jason Grenn, Alaska State Legislature, on behalf of Representative Grenn, prime sponsor of CSSSHB 44(JUD), confirmed that Amendment 1 refers only to situations involving financial gains or losses.

REPRESENTATIVE TUCK asked if, as a licensed electrician, he would have to abstain from voting on proposed legislation that reduced the required number of continuing education credits for license renewal, thus reducing the cost.

MR. WAYNE stated that Amendment 1 refers to financial decreases as well as increases. He added that regarding proposed legislation changing the requirements for accreditation, if the effect on the financial interest of the legislator is greater than the effect on the general public, then the legislator would be required to declare a conflict.

REPRESENTATIVE LEDOUX emphasized that the financial interest would have to be substantial, and there is no change in the proposed legislation in that regard. She stated that the change under Amendment 1 addresses the situation in which the effect of that interest is greater [for the legislator] than for the general public.

MR. WAYNE agreed.

REPRESENTATIVE LEDOUX cited the example of a legislator who owned \$100 in stocks in a cruise ship enterprise and suggested that this would not constitute a substantial interest.

MR. WAYNE agreed that it probably would not, but the Select Committee on Legislative Ethics is the final arbiter of those determinations.

[3:32:44 PM](#)

REPRESENTATIVE WOOL expressed his concern that these questions will all funnel into a logjam before the Select Committee on Legislative Ethics.

REPRESENTATIVE LEDOUX responded that these issues would not funnel into the Select Committee on Legislative Ethics, since the legislators would be voting on declared conflicts and subsequent recusals. She added that the declaration of ownership in stocks in an industry affected by proposed legislation would become a [conflict of interest] matter for the legislature to decide.

[3:34:18 PM](#)

REPRESENTATIVE BIRCH stated that he has concerns about the entanglements that CSSSHB 44(JUD) would engender on the House floor as legislators attempt to assess conflicts of interest. He added that every elected legislator in Alaska has something else going on in his/her life. He maintained that the public is aware of the other interests through the Public Official Financial Disclosure (POFD) and through the crucible of primary and general elections. He opined that the current process, in which the legislator declares a possible conflict on the legislative floor and a single objection from the body allows the vote, is sufficient. He mentioned the different procedure used in local governments: the conflict of interest determination is delegated to the presiding officer and can be overruled by the body. He opined that CSSSHB 44(JUD) would create huge delays, the current procedure works, and there are sufficient checks and balances for conflicts of interest.

[3:37:22 PM](#)

REPRESENTATIVE WOOL removed his objection to Amendment 1. There being no further objection, it was so ordered.

[CSSSHB 44(JUD) was held over.]

HCR 1-AMEND UNIFORM RULES: ABSTAIN FROM VOTING

[3:37:50 PM](#)

CHAIR KREISS-TOMKINS announced that the final order of business would be HOUSE CONCURRENT RESOLUTION NO. 1, Proposing an amendment to the Uniform Rules of the Alaska State Legislature relating to voting and abstention from voting.

[3:38:18 PM](#)

REPRESENTATIVE JOHNSON moved adopt Amendment 1, [labeled 30-LS0209\J.6, Gardner, 3/1/17], which read:

Page 2, line 6:

Delete "a majority of"

Insert "three-quarters of"

CHAIR KREISS-TOMKINS objected for the purpose of discussion.

REPRESENTATIVE JOHNSON stated that the intent of Amendment 1 is to avoid the possibility of a legislator agreeing to allow a member to abstain from voting to influence the passage of a bill or resolution. She maintained that requiring a three-quarters vote of 30 members instead of a simple majority would make it more likely that members of both the majority and minority would be needed for consent. She added that Amendment 1 would help to avoid the perception that a vote on abstention could be used as a tool to keep a legislator out of the voting process.

[3:40:13 PM](#)

REPRESENTATIVE LEDOUX asked if the sponsor of HCR 1 considers Amendment 1 a friendly or unfriendly amendment.

RYAN JOHNSTON, Staff, Representative Jason Grenn, Alaska State Legislature, on behalf of Representative Grenn, prime sponsor of HCR 1, stated that 28 states use a vote and 24 of those 28 use a majority vote [to decide abstentions due to conflict of interest]. He said that the use of "majority vote" in HCR 1 was for the sake of continuity, since current statutes require that at the municipal level.

[3:41:00 PM](#)

REPRESENTATIVE TUCK asked what the procedure was in the four states not using majority vote.

MR. JOHNSTON replied that 4 of the 28 states use a two-thirds vote. He confirmed for Representative LeDoux that he is not aware of a three-quarters vote being used in any state.

[3:41:29 PM](#)

REPRESENTATIVE JOHNSON stated that her intent was not to introduce an unfriendly amendment.

[3:41:43 PM](#)

REPRESENTATIVE WOOL expressed his support for not using a simple majority vote.

[3:42:15 PM](#)

REPRESENTATIVE TUCK moved to adopt conceptual Amendment 1 to Amendment 1 to replace "three-quarters vote" with "two-thirds vote".

REPRESENTATIVE JOHNSON objected for the purpose of discussion.

REPRESENTATIVE TUCK stated that there are very few legislative actions requiring a three-quarters vote. He offered that the only such vote is the one to spend the constitutional budget reserve (CBR). He opined that such a requirement is a very high standard, and a two-thirds vote requirement, such as for effective date clauses and court rulings, is already a high standard.

REPRESENTATIVE JOHNSON removed her objection to conceptual Amendment 1 to Amendment 1. There being no further objection, it was so ordered.

CHAIR KREISS-TOMKINS removed his objection to Amendment 1, [as amended]. There being no further objection, it was so ordered.

[3:45:04 PM](#)

The committee took a brief at-ease at 3:45 p.m.

[3:45:35 PM](#)

REPRESENTATIVE WOOL suggested a conceptual amendment to include a sunset date in the proposed legislation to "take it for a test drive." He asked if inserting a sunset date would be possible with the understanding that the current legislature cannot tell

a future legislature "what to do." He asked what the effective date was for the proposed legislation.

MR. JOHNSTON replied that as currently written, the proposed legislation would take effect at the beginning of next year's session [the second session of the Thirtieth Alaska State Legislature, 2017-2018], up until the Thirty-First Alaska State Legislature, 2019-2020. He stated that through discussions with Legislative Legal and Research Services staff, he learned that inserting a three-year sunset into the proposed legislation would bind the Thirty-First Alaska State Legislature, 2019-2020, to adopting Uniform Rule 34(b) outside of the normal procedures of adopting rules prior to the session. He said that technically the proposed legislation has a sunset, which is the start of the Thirty-First Alaska State Legislature, 2019-2020. He said that at that point, [the Uniform Rule] could be changed or adopted again for the Thirty-First Alaska State Legislature, 2019-2020.

REPRESENTATIVE WOOL asked for confirmation that [the Uniform Rule] would be in effect at the beginning of next year's session, and when the Thirty-First Alaska State Legislature, 2019-2020, begins, the rule would come before the legislature again for adoption.

MR. JOHNSTON confirmed that is correct.

MR. WAYNE, in response to Chair Kreiss-Tomkins, stated that to comment on the discussion, he would need to review the requirements for Uniform Rules to expire and be re-adopted.

CHAIR KREISS-TOMKINS recommended postponing introduction of the suggested amendment to the 3/7/17 House State Affairs Standing Committee meeting.

[3:49:16 PM](#)

REPRESENTATIVE LEDOUX asked if she is correct in her belief that the Uniform Rules will remain in effect until re-adopted by the Thirty-First Alaska State Legislature, 2019-2020, and all the rules together are adopted by the legislature at the beginning of the session.

MR. JOHNSTON said, "That is correct." He stated that there is an automatic sunset date on Uniform Rule 34(b) because it must be re-adopted by the Thirty-First Alaska State Legislature,

2019-2020. He expressed his understanding that the legislature can amend a Uniform Rule prior to adoption by the legislature.

MR. WAYNE cited Uniform Rule 53, which he said addresses the adoptions and amendments of Uniform Rules. He paraphrased Uniform Rule 53, which read as follows [original punctuation provided]:

The Uniform Rules of each legislature shall be adopted in joint session by a majority vote of the full membership of each house. Thereafter the Uniform Rules may be amended only by the adoption of a concurrent resolution by a two-thirds vote of the full membership of each house.

MR. WAYNE stated that he agreed with Mr. Johnston's explanation.

[HCR 1 was held over.]

[3:52:24 PM](#)

ADJOURNMENT

There being no further business before the committee, the House State Affairs Standing Committee meeting was adjourned at 3:52 p.m.