

SENATE JOURNAL
ALASKA STATE LEGISLATURE
THIRTY-FIRST LEGISLATURE
SECOND SESSION

Juneau, Alaska

Wednesday

January 22, 2020

Second Day

Pursuant to adjournment the Senate was called to order by President Giessel at 11:07 a.m.

The roll showed twenty members present.

The prayer was offered by the Chaplain, Pastor Tom Matthews, Douglas Island Bible Church. Senator Coghill moved and asked unanimous consent the prayer be spread. Without objection, it was so ordered.

Dear Lord:

It doesn't take us too long reading a newspaper or watching the news to realize that we live in tumultuous political times. Yet, in the midst of it all, there are those who have committed themselves to serving in spite of the chaos. I so appreciated and was blessed yesterday by the comments and farewell to Senator Birch. Those will indeed be big shoes to fill. I pray for Senator Revak, who was willing to step up and establish himself as a new voice in this body. Help him to develop his own sense of identity and value to this group. I pray that you would help this body of men and women to develop a genuine love and respect for each other as the session moves forward. I pray that there would be that "little touch of sweetness" as relationships are developed.

God, I thank you for your mercy and grace, and your promise of help in our time of need. The Psalmist reminded us of this by writing, *God is our refuge and strength, an ever-present help in trouble. (Psalm 46:1)* It gives me hope when I realize that you take an active part in providing us help, even if we might not deserve it or sometimes even know we need it. Our forefather, Benjamin Franklin said it well when he stated at the Constitutional Convention, “the longer I live, the more convincing proofs I see of this truth—that God governs in the affairs of men.”

So Lord, I pray that this would be a profitable day for each of these Senators. I pray that they would realize the importance of the roles that you have given them. Thank you for their constituents that put them here. I ask that you would help these Senators to represent them well.

In the name of Your Son, Jesus Christ, I lift this prayer today. Amen.

Senator Revak led the Senate in the Pledge of Allegiance.

Certification

Senator Hoffman moved and asked unanimous consent the journal for the first legislative day be approved as certified by the Secretary. Without objection, it was so ordered.

Messages from the House

Message dated January 21 was read stating:

The Senate is invited to meet with the House for a Joint Session on Wednesday, February 12, 2020, at 11:00 a.m. for the purpose of Chief Justice Joel H. Bolger's annual State of the Judiciary address in the House Chambers.

Senator Hoffman moved and asked unanimous consent the Senate accept the House invitation to meet in Joint Session. Without objection, it was so ordered.

The Secretary was requested to notify the House.

Communications

Memorandum dated August 20 stating President Giessel made the following appointment:

Redistricting Planning Committee

Jane Conway

The following reports are on file in the Office of the Secretary of the Senate:

HCR 101

Bicameral Permanent Fund Working Group Report

January 20, 2020

in accordance with Legislative Resolve No. 13

SB 19

Department of Corrections

2018 Offender Profile

2019 Offender Profile

Statistical Review 2019

in accordance with ch. 3, FSSLA19

Joint Armed Services Committee

Biennial Report for 2018-2019

in accordance with AS 24.20.675

The following Budget and Audit Reports were received from Kris Curtis, Legislative Auditor, in accordance with AS 24.20.311 and are on file in the Office of the Secretary of the Senate:

2019 Annual Report, Unabridged

2019 Annual Report, Condensed

Introduction and Reference of Senate Bills**SB 156**

SENATE BILL NO. 156 BY THE SENATE RULES COMMITTEE
BY REQUEST OF THE GOVERNOR, entitled:

"An Act relating to unemployment insurance contribution rates; and providing for an effective date."

was read the first time and referred to the Labor and Commerce and Finance Committees.

The following fiscal information was published today:

Fiscal Note No. 1, Department of Labor and
Workforce Development

Governor's transmittal letter dated January 21:

Dear President Giessel:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill relating to unemployment insurance employer contribution rates.

In Alaska, the Unemployment Insurance Tax is one of the primary taxes that employers must pay. Alaska is the only state that currently has a fixed minimum tax rate contribution of one percent. This minimum tax is assessed on businesses, irrespective of an employers' experience factor.

Currently, AS 23.20.290(c) requires employers to make contributions of not less than one percent in unemployment insurance taxes. This bill lowers the minimum tax rate for employers in rate classes 1-9 from the existing one percent, to a rate correlated to the employer's experience factor. Experience factors for classes 1-9 range from 0.4 to 0.9 percent. These changes are intended to address the disproportionately high employer tax rate contributions for small business employers.

This legislation reduces the tax burden on Alaska businesses and employers, while preserving the health of the Alaska Unemployment Trust Fund, ensuring that Alaska workers are able to access benefits when necessary.

I urge your prompt and favorable action on this measure.

Sincerely,

/s/

Mike Dunleavy

Governor

SB 157

SENATE BILL NO. 157 BY THE SENATE RULES COMMITTEE
BY REQUEST OF THE GOVERNOR, entitled:

"An Act relating to professional licensing; relating to temporary licenses for some professions; relating to audiologists and speech-language pathologists; relating to the regulation of hair braiding; relating to the demonstration of traditional Alaska Native tattoo techniques; relating to home inspector licensing; relating to collection agency licensing; relating to hearing aid dealer licensing; repealing requirements for certification of professional geologists; repealing the requirements for registration of concert promoters; repealing the athletic commission; relating to boxing, sparring and wrestling contests, matches, and exhibitions; relating to dental radiological equipment; repealing certain oil and gas business bonding and cash deposit requirements; and providing for an effective date."

was read the first time and referred to the Labor and Commerce, Health and Social Services, Resources and Finance Committees.

The following fiscal information was published today:

Fiscal Note No. 1, zero, Department of Natural Resources

Fiscal Note No. 2, zero, Department of Natural Resources

Fiscal Note No. 3, Department of Health and Social Services

Fiscal Note No. 4, Department of Commerce, Community, and
Economic Development

Governor's transmittal letter dated January 21:

Dear President Giessel:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill regarding professional licensing reform.

This bill would streamline professional licensing provisions and increase the efficiency of the Department of Commerce, Community, and Economic Development, as well as multiple boards that oversee professional licensing. This bill would eliminate outdated requirements, align requirements with federal law, and eliminate burdensome regulation.

The bill addresses current inconsistencies in the rules regarding temporary professional licenses and reworks language to institute one clear, fair, and responsible standard for allowing qualified persons to begin practice under a temporary license. This will ensure efficiency, remove barriers to workforce entry and improve availability of licensed professionals, while protecting public safety.

Amendments clarify when a previous brush with the law would disqualify a person from entering a licensed profession. The bill also repeals many obsolete statutes, including the Athletic Commission, a body that has not been funded or active for many years.

Finally, this bill addresses areas, such as the oversight of dental radiological equipment, by moving oversight to the Department of Health and Social Services, an agency much more appropriate for this task.

Together, we can keep our citizens safe, but allow a streamlined, efficient, and robust professional licensing. This bill is an important first step towards that goal.

I urge your prompt and favorable action on this measure.

Sincerely,

/s/

Mike Dunleavy

Governor

SB 158

SENATE BILL NO. 158 BY THE SENATE RULES COMMITTEE
BY REQUEST OF THE GOVERNOR, entitled:

"An Act relating to fees levied by resource agencies
for designated regulatory services; and providing for
an effective date."

was read the first time and referred to the Resources and Finance
Committees.

The following fiscal information was published today:

Fiscal Note No. 1, zero, Department of Natural Resources
Fiscal Note No. 2, indeterminate, Department of
Environmental Conservation

Governor's transmittal letter dated January 21:

Dear President Giessel:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill relating to fees levied by resource agencies for designated regulatory services. Designated regulatory services include control of solid waste facilities, disposal of waste into state waters, certification for federal permits under the Clean Water Act, authorization for use of appropriation of water, administration of emission control for air quality programs, and regulation of registered pesticides and broadcast chemicals.

Currently, resource agencies can only assess a fee based on the "direct costs" incurred by the agency. This bill adds "indirect costs" to the basis of the fee. Adding indirect costs more accurately reflects the real costs that an agency incurs for services rendered. Applying an indirect rate to fees for regulatory services will allow resource agencies to recover overhead costs, such as accounting, procurement, operations, information technology and centralized service costs. An indirect rate fee also allows resource agencies to recoup the full direct cost of personal services salary and benefits, which is currently capped at 149 percent of the base salary. Application of an indirect rate fee would

enhance program receipt revenue, which could reduce unrestricted general fund expenditures in program areas within our resource agencies.

I urge your prompt and favorable action on this bill.

Sincerely,
/s/
Mike Dunleavy
Governor

SB 159

SENATE BILL NO. 159 BY THE SENATE RULES COMMITTEE
BY REQUEST OF THE GOVERNOR, entitled:

"An Act relating to salt water sport fishing operators and salt water sport fishing guides; and providing for an effective date."

was read the first time and referred to the Resources and Finance Committees.

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

Governor's transmittal letter dated January 21:

Dear President Giessel:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill regarding sportfish guide and operator licensing.

This bill would reinstitute the salt water sport fishing guide and operator licensing standards, salt water guide and operator fees, and logbook reporting requirements for salt water guides. The logbook data provided by salt water fishing guides provides critical information that informs in season management. The Board of Fisheries management plans also benefit from updated and complete information.

The data obtained through the logbook reporting requirement is critical for the Department of Fish and Game to successfully uphold the State of Alaska's Pacific Salmon Treaty obligations. Under the treaty the state is required to issue logbooks and collect data, however the mandate is unfunded. This bill would re-establish the license fees for sport salt water fishing guide services to cover the costs of the mandated program.

I urge your prompt and favorable action on this measure.

Sincerely,

/s/

Mike Dunleavy
Governor

SB 160

SENATE BILL NO. 160 BY THE SENATE RULES COMMITTEE
BY REQUEST OF THE GOVERNOR, entitled:

"An Act relating to forest land use plans; relating to forest land use plan appeals; relating to negotiated timber sales; and providing for an effective date."

was read the first time and referred to the Resources and Finance Committees.

The following fiscal information was published today:

Fiscal Note No. 1, zero, Department of Natural Resources

Governor's transmittal letter dated January 21:

Dear President Giessel:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill relating to timber sales and harvests.

Under current law, negotiated timber sales are authorized by three different statutes. This bill creates one comprehensive negotiated timber sale statute to provide the commissioner of the Department of

Natural Resources with the flexibility to negotiate timber sales to balance the evolving economics of the timber industry with the Alaska Constitution's mandate for resource development in the public interest.

The bill also amends statutes on forest land use plans. Under current law, such plans can be appealed or reconsidered under AS 44.37.011, and a timber sale contract entered into based on the commissioner's best interest finding may be appealed in the process outlined in AS 38.05.035. This leaves a timber sale subject to appeals at multiple stages, creating the risk of delays in timber harvests, and raising uncertainty among timber purchasers, processors and investors.

The bill addresses this situation by making forest land use plans non-appealable or subject to reconsideration under AS 44.37.011, while leaving intact other significant public process protections, including: the right to appeal a commissioner's best interest finding concerning a timber sale; the public notice and written best interest finding requirements in AS 38.05.035; public notice requirements for negotiated sales of 500,000 board feet of timber or less in 38.05.945; and the requirement for public notice of disposal of state interests in Article VIII, Section 10 of the Alaska Constitution.

The bill also leaves intact limiting a single purchaser to one negotiated sale per year of more than 500,000 board feet of timber under AS 35.05.118, and exempting negotiated sales of more than 500,000 board feet of timber from the written best interest finding requirement.

This bill will result in more efficient land use planning and more predictable timber harvests, while retaining robust public and agency participation in the process.

I urge your prompt and favorable action on this measure.

Sincerely,

/s/

Mike Dunleavy
Governor

SB 161

SENATE BILL NO. 161 BY THE SENATE RULES COMMITTEE
BY REQUEST OF THE GOVERNOR, entitled:

"An Act relating to geothermal resources; relating to the definition of 'geothermal resources'; and providing for an effective date."

was read the first time and referred to the Resources and Finance Committees.

The following fiscal information was published today:

Fiscal Note No. 1, zero, Department of Commerce, Community, and Economic Development

Fiscal Note No. 2, zero, Department of Natural Resources

Fiscal Note No. 3, Department of Natural Resources

Governor's transmittal letter dated January 21:

Dear President Giessel:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill revising statutes related to the State's geothermal resources.

This bill removes obstacles for exploration and development of Alaska's geothermal resources. Current law provides companies only two to three years to prove a commercial discovery, which then allows the company to apply for a more long-term lease. The bill increases the time available for exploration to five years to better account for the time needed to complete an exploration program. The bill more clearly defines what constitutes geothermal resources available for lease. It reclassifies the current permit system as a license system similar to that for oil and gas exploration. The bill's proposed five-year exploration license term in the bill allows explorers more time to conduct background research, acquire surface use permits, and perform the field work necessary to locate a resource and produce the data necessary to convert a license to a lease.

This bill also nearly doubles the maximum acreage a person may have under lease for geothermal projects from 51,200 acres to 100,000 acres, to account for the tendency of geothermal resources to be dispersed over large areas. The proposed acreage increase in the bill will attract greater interest in geothermal resources because developers will have a greater opportunity to explore the appropriate area to delineate geothermal systems. With enactment of this measure, our state will continue to responsibly manage our natural resources in a manner to provide maximum benefits to our citizens through development of needed energy sources.

I urge your prompt and favorable action on this measure.

Sincerely,

/s/

Mike Dunleavy
Governor

Consideration of the Calendar

Second Reading of House Resolutions

HJR 9

CS FOR HOUSE JOINT RESOLUTION NO. 9(STA) Requesting the United States Secretary of the Treasury to mint not less than 5,000,000 \$1 coins honoring Elizabeth Peratrovich under the Native American \$1 Coin Act, was read the second time.

Updated fiscal information was published today:

Fiscal Note No. 2, zero, Legislative Agency

Senator Hoffman moved and asked unanimous consent the resolution be advanced to third reading and placed on final passage. Without objection, it was so ordered.

CS FOR HOUSE JOINT RESOLUTION NO. 9(STA) was read the third time.

Senators Hoffman, Bishop, Stedman, Hughes, von Imhof, Coghill, Micciche, Gray-Jackson, Stevens, Begich, Wielechowski, Olson, Wilson, Revak, Kiehl, Kawasaki, Costello, Shower, Giessel moved and asked unanimous consent to be shown as cross sponsors on the resolution. Without objection, it was so ordered.

The question being: "Shall CS FOR HOUSE JOINT RESOLUTION NO. 9(STA) Requesting the United States Secretary of the Treasury to mint not less than 5,000,000 \$1 coins honoring Elizabeth Peratrovich under the Native American \$1 Coin Act, pass the Senate?" The roll was taken with the following result:

CSHJR 9(STA)

Third Reading - Final Passage

YEAS: 20 NAYS: 0 EXCUSED: 0 ABSENT: 0

Yeas: Begich, Bishop, Coghill, Costello, Giessel, Gray-Jackson, Hoffman, Hughes, Kawasaki, Kiehl, Micciche, Olson, Reinbold, Revak, Shower, Stedman, Stevens, von Imhof, Wielechowski, Wilson

and so, CS FOR HOUSE JOINT RESOLUTION NO. 9(STA) passed the Senate, was signed by the President and Secretary and returned to the House.

Unfinished Business

SB 130

Senator Kiehl moved and asked unanimous consent to be shown as a cosponsor on SENATE BILL NO. 130 "An Act relating to a seafood product development tax credit; providing for an effective date by repealing secs. 32 and 35, ch. 61, SLA 2014; and providing for an effective date." Without objection, it was so ordered.

Senator Wilson moved and asked unanimous consent to be excused from a call of the Senate from afternoon plane time, January 23 through evening plane time, January 26. Without objection, Senator Wilson was excused.

Announcements

Announcements are at the end of the journal.

Adjournment

Senator Hoffman moved and asked unanimous consent the Senate stand in adjournment until 10:30 a.m., January 24, 2020. Without objection, the Senate adjourned at 11:28 a.m.

Liz Clark
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

COMMUNITY & REGIONAL AFFAIRS

Jan 23	Thursday No Meeting Scheduled	Beltz 105 (tsbldg)	3:30 PM
Jan 28	Tuesday No Meeting Scheduled	Beltz 105 (tsbldg)	3:30 PM
Jan 30 +	Thursday Presentation: Hydroelectric Projects in Alaska by Curtis Thayer, Executive Director & Bryan Carey, Hydro Power Manager of Alaska Energy Authority	Beltz 105 (tsbldg)	3:30 PM

EDUCATION

Jan 23	Thursday	Senate Finance 532	3:30 PM
	-- Please Note Time & Location --		
	-- Teleconference Listen Only --		
+ SB 6	PRE-K/ELEM ED PROGRAMS/FUNDING; READING		
	-- Testimony <Invitation Only> --		
+ SB 151	PRE-K/ELEM ED PROGRAMS/FUNDING; READING		
	-- Testimony <Invitation Only> --		
	Streamed live on AKL.tv		
+	Bills Previously Heard/Scheduled		

EDUCATION (continued)

Jan 29 Wednesday Capitol 106 8:30 AM
 -- Please Note Time & Location --
 - Joint with House Education Committee -
 + Presentation:
 "The State of the University" by UA President
 Jim Johnsen
 Detailed Agenda Forthcoming
 -- Teleconference Listen Only --
 -- Testimony <Invitation Only> --
 Streamed live on AKL.tv

FINANCE

Jan 22 Wednesday Senate Finance 532 9:00 AM
 + Production Forecast - Department of Natural
 Resources
 - Deputy Commissioner Sara Longan
 - Division of Oil & Gas, Director Tom Stokes &
 Pascal Umekwe, Petroleum Reservoir Engineer

Jan 23 Thursday Senate Finance 532 9:00 AM
 + Revenue Forecast - Department of Revenue
 - Acting Commissioner Mike Barnhill
 - Director Dan Stickel, Chief Revenue Economist
 - Director Colleen Glover, Tax Division

Jan 24 Friday Senate Finance 532 9:00 AM
 + Status Update - State Debt Summary & Credit
 Review by Deven Mitchell, State Debt Manager

HEALTH & SOCIAL SERVICES

Jan 22 Wednesday Butrovich 205 1:30 PM
 No Meeting Scheduled

Jan 24 Friday Butrovich 205 1:30 PM
 No Meeting Scheduled

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JUDICIARY

Jan 22	Wednesday No Meeting Scheduled	Beltz 105 (tsbldg)	1:30 PM
Jan 24	Friday No Meeting Scheduled	Beltz 105 (tsbldg)	1:30 PM

LABOR & COMMERCE

Jan 23	Thursday No Meeting Scheduled	Beltz 105 (tsbldg)	1:30 PM
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STATE AFFAIRS

Jan 23	Thursday -- MEETING CANCELED -- -- Testimony <Invitation Only> -- + Department of Corrections Overview	Butrovich 205	3:30 PM
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Jan 28	Tuesday + Presentation: Future of Citizens Advisory Commission on Federal Areas (CACFA) Presenters TBA -- Testimony <Invitation Only> --	Butrovich 205	3:30 PM
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Jan 30	Thursday + Overview: Department of Corrections -- Testimony <Invitation Only> --	Butrovich 205	3:30 PM
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TRANSPORTATION

Jan 23	Thursday No Meeting Scheduled	Butrovich 205	1:30 PM
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SPECIAL COMMITTEES

RAILBELT ELECTRIC SYSTEM

Jan 24 Friday Butrovich 205 3:30 PM
 + Organizational Meeting
 SB 123 ELECTRIC RELIABILITY ORGANIZATIONS
 -- Testimony <Invitation Only> --

Jan 27 Monday Senate Finance 532 3:30 PM
 ++ SB 123 -- Please Note Location Change --
 ELECTRIC RELIABILITY ORGANIZATIONS
 -- Testimony <Invitation Only> --

Jan 29 Wednesday Senate Finance 532 3:30 PM
 ++ SB 123 -- Please Note Location Change --
 ELECTRIC RELIABILITY ORGANIZATIONS
 -- Testimony <Invitation Only> --

Jan 31 Friday Butrovich 205 3:30 PM
 ++ SB 123 ELECTRIC RELIABILITY ORGANIZATIONS
 -- Teleconference <Invitation Only> --

JOINT COMMITTEES

JOINT ARMED SERVICES COMMITTEE

Feb 06 Thursday Senate Finance 532 12:00 PM
 + Presentations by:
 Brigadier General Torrence Saxe, Adjutant General
 Alaska National Guard Commissioner,
 Alaska Department of Military and Veterans'
 Affairs
 TBA, Alaska North American Aerospace Defense
 Region, Alaska Command, Eleventh Air Force
 TBA, U.S. Army Alaska
 TBA, Seventeenth U.S. Coast Guard District

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LEGISLATIVE BUDGET & AUDIT

Jan 22 **Wednesday** **Adams Room 519** **1:00 PM**
-- Teleconference <Listen Only> --
+ Legislative Audit Contract for IT Review of
 State Accounting System
+ Executive Session
 - Legislative Fiscal Analyst Interviews
+ Other Committee Business

VPSO WORKING GROUP

Jan 24 **Friday** **Beltz 105 (tsbldg)** **2:00 PM**
+ Review Draft Report
 Participants:
 - Aleutian Pribilof Islands Association
 - Alaska Village Council Presidents
 - Bristol Bay Native Association
 - Tlingit & Haida
 - Chugachmiut
 - Copper River Native Association
 - Kodiak Area Native Association
 - Kawerak
 - Northwest Arctic Borough
 - Tanana Chiefs Conference
 - Department of Public Safety

OTHER MEETINGS

JOINT SESSION

Jan 27 **Monday** **House Chamber** **7:00 PM**
 State of the State Address by the Honorable
 Michael J. Dunleavy, Governor of Alaska

Feb 12 **Wednesday** **House Chamber** **11:00 AM**
 State of the Judiciary Address by the Honorable
 Joel H. Bolger, Chief Justice

MISCELLANEOUS MEETINGS

- Jan 23** **Thursday** **Capitol 106** **12:00 PM**
Lunch & Learn:
"Youth 360 & the Icelandic Model for Youth
Substance Abuse Prevention" by Dr. Alfgeir
Kristjansson
Sponsored by Senator Wilson
- Jan 23** **Thursday** **Butrovich 205** **12:01 PM**
Lunch & Learn:
"Trade & Economic Collaboration in the Pacific
NorthWest Region" by the Pacific NorthWest
Economic Region (PNWER)
Sponsored by Senator Costello
- Jan 29** **Wednesday** **Capitol 106** **12:00 PM**
Lunch & Learn:
Alaska Commission on Postsecondary Education -
Alaska Student Loan Corporation: "What We Do -
2020 Update: Higher Education in Alaska" by
Stephanie Butler, Executive Director; Kerry
Thomas, Director of Operations & Patricia
Nickell-Zimmerman, Executive Secretary
Sponsored by Senator Stevens