

SENATE FINANCE COMMITTEE

March 8, 2019

9:02 a.m.

9:02:25 AM

CALL TO ORDER

Co-Chair von Imhof called the Senate Finance Committee meeting to order at 9:02 a.m.

MEMBERS PRESENT

Senator Natasha von Imhof, Co-Chair  
Senator Bert Stedman, Co-Chair  
Senator Click Bishop  
Senator Lyman Hoffman  
Senator Peter Micciche  
Senator Donny Olson  
Senator Mike Shower  
Senator Bill Wielechowski  
Senator David Wilson

MEMBERS ABSENT

None

ALSO PRESENT

Nancy Meade, General Counsel, Alaska Court System; Rynniva Moss, Staff, Senator John Coghill; Radames Mercado, Staff, Senator John Coghill; Senator John Coghill, Sponsor; Mike Lesmann, Legislative Liaison, Department of Transportation and Public Facilities; Edra Morledge, Staff, Senator Peter Micciche; Senator Cathy Giessel.

PRESENT VIA TELECONFERENCE

Brandy Johnson, Surviving Spouse, Sergeant Scott Johnson; Dave Stancliff, Self, Tok; Bud Johnson, Father, Sergeant Scott Johnson; Elizabeth Zabielski, Self, Tok; Richard Schultz, Self, Tok; Brian Wassman, Self, Fairbanks; Jerome Hertel, General Manager, Alaska State Fair, Palmer; Bob Klein, Alaska Beverage Control Board, Anchorage; Codie Costello, Vice-President, Development and Communications, Alaska Center for the Performing Arts; Paul Shadura II, Self, Kenai; Marna Sanford, Self, Fairbanks; Josea Busby,

Self, Chicken; Ken Peltier, Self, Palmer; Erika McConnell, Director, Alaska and Marijuana Control Office.

SUMMARY

SB 4 NAMING SCOTT JOHNSON MEMORIAL BRIDGE

SB 4 was HEARD and HELD in committee for further consideration.

SB 16 ALCOHOL LIC:FAIRS,THEATRES,CONCERTS;BONDS

SB 16 was HEARD and HELD in committee for further consideration.

SB 25 EXTEND BOARD OF DENTAL EXAMINERS

SB 25 was REPORTED out of committee with a "do pass" recommendation and with one previously published fiscal impact note: FN 1(CED).

SB 29 EXTEND BOARD OF MARINE PILOTS

SB 29 was REPORTED out of committee with a "do pass" recommendation and with one previously published fiscal impact note: FN 1(CED).

SB 41 NUMBER OF SUPERIOR COURT JUDGES

SB 41 was HEARD and HELD in committee for further consideration.

#sb25

SENATE BILL NO. 25

"An Act extending the termination date of the Board of Dental Examiners; and providing for an effective date."

[9:04:02 AM](#)

Senator Bishop MOVED to REPORT SB 25 out of committee with individual recommendations at attached fiscal impact note.

[9:04:12 AM](#)

AT EASE

[9:04:25 AM](#)

RECONVENED

Co-Chair von Imhof asked whether there was objection on moving the bill. There being NO OBJECTION, it was so ordered.

[9:04:38 AM](#)

AT EASE

[9:06:26 AM](#)

RECONVENED

SB 25 was REPORTED out of committee with a "do pass" recommendation and with one previously published fiscal impact note: FN 1(CED).

#sb29

SENATE BILL NO. 29

"An Act extending the termination date of the Board of Marine Pilots; and providing for an effective date."

[9:06:59 AM](#)

Co-Chair Stedman MOVED to REPORT SB 29 out of committee with individual recommendations at attached fiscal impact note. There being NO OBJECTION, it was so ordered.

SB 29 was REPORTED out of committee with a "do pass" recommendation and with one previously published fiscal impact note: FN 1(CED).

#sb41

SENATE BILL NO. 41

"An Act relating to the number of superior court judges in the third judicial district; and providing for an effective date."

[9:07:57 AM](#)

NANCY MEADE, GENERAL COUNSEL, ALASKA COURT SYSTEM, stated that the bill increased the allotted number of Superior Court judges by two, and specified that they would be in the third judicial district. The converted seats were in

Homer and Valdez. She announced that it was a general belief that this is an appropriate move forward.

[9:14:36 AM](#)

Senator Wielechowski queried the size of the case load in Homer and Valdez.

Ms. Meade replied that the Superior Court caseload in Homer was approximately 300 cases, which was less than Kenai or Anchorage. The substitution allowed for the Homer judge to carry the District Court cases. She stated that Valdez had approximately 200 Superior Court cases, but there were many District Court cases.

Senator Wielechowski queried the average on strikes, and how the time would be used during those strikes.

Ms. Meade responded that a party always had a right to challenge the judge once. She stated that there were many single judge locations, and if a party preempted that judge, coverage would be found elsewhere.

Senator Wilson queried the future anticipated frequency of other district courts stepping in. He wondered whether there were other courts where the Alaska Court System would make a similar move from the Superior Court to the District Court.

Ms. Meade replied in the negative. These were the last two locations that were anticipated.

[9:21:24 AM](#)

Ms. Meade reviewed the fiscal note.

[9:22:28 AM](#)

Co-Chair von Imhof OPENED public testimony.

Co-Chair von Imhof CLOSED public testimony.

Co-Chair von Imhof announced that amendments were due by 5pm on Monday, March 11.

SB 41 was HEARD and HELD in committee for further consideration.

#sb4

SENATE BILL NO. 4

"An Act naming the Scott Johnson Memorial Bridge."

9:24:03 AM

RYNNIEVA MOSS, STAFF, SENATOR JOHN COGHILL, introduced herself.

9:24:18 AM

RADAMES MERCADO, STAFF, SENATOR JOHN COGHILL, introduced the legislation. He stated that Sergeant Scott Johnson died on Thursday, May 14, 2014. He shared the bill was intended as a memorialization. The bill would rename the Tok River Bridge. Scott Johnson grew up in Tok. He noted the strong support of the bill. He stated that the widow of Mr. Johnson wanted to honor the people of Tok.

9:25:56 AM

Senator Shower highlighted that the widow of Mr. Johnson initially was not in support of the legislation. He stressed that it was important to involve the family members in similar decisions.

9:27:53 AM

BRANDY JOHNSON, SURVIVING SPOUSE, SERGEANT SCOTT JOHNSON (via teleconference), shared stories of using the bridge with her now deceased husband. She appreciated reading support of the community. She felt that testimony of family, friends, and coworkers limited the space for community participation. She spoke against the naming of the bridge, but she understood the support of the community.

9:30:58 AM

DAVE STANCLIFF, SELF, TOK (via teleconference), spoke in support of the bill.

9:34:38 AM

SENATOR JOHN COGHILL, SPONSOR, introduced himself, and stated that the bill was meant to honor a man who paid the ultimate price to protect the people.

Co-Chair von Imhof OPENED public testimony.

[9:36:24 AM](#)

BUD JOHNSON, FATHER, SERGEANT SCOTT JOHNSON (via teleconference), spoke in support of the bill.

[9:37:06 AM](#)

ELIZABETH ZABIELSKI, SELF, TOK (via teleconference), testified in support of the legislation.

[9:38:17 AM](#)

RICHARD SCHULTZ, SELF, TOK (via teleconference), spoke in support of the bill.

[9:40:04 AM](#)

Senator Hoffman noted that Mr. Schultz had the best sign for a campaign.

Senator Bishop appreciated the efforts on the memorial bridge.

[9:41:13 AM](#)

BRIAN WASSMAN, SELF, FAIRBANKS (via teleconference), testified in support of the legislation.

Co-Chair von Imhof CLOSED public testimony.

[9:44:46 AM](#)

MIKE LESMANN, LEGISLATIVE LIAISON, DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES, stated the department had an ongoing project to replace the Tok River Bridge. The project was federally funded for which the legislature had already appropriated a state match of approximately \$900,000, therefore the department had a zero fiscal note.

Co-Chair von Imhof announced that amendments were due by 5pm on Monday, March 11.

SB 4 was HEARD and HELD in committee for further consideration.

#sb16

SENATE BILL NO. 16

"An Act relating to certain alcoholic beverage licenses and permits; and relating to the bond requirement for certain alcoholic beverage license holders."

[9:46:42 AM](#)

SENATOR PETER MICCICHE, SPONSOR, introduced himself.

EDRA MORLEDGE, STAFF, SENATOR PETER MICCICHE, introduced herself.

Senator Micciche explained the bill.

[9:50:46 AM](#)

Senator Wielechowski wondered whether bowling alleys were considered in the legislation.

Senator Micciche replied that the bowling alley issue was not currently in the bill, but could be added at the will of the committee.

Senator Shower noted several communities that had regular events, and wondered whether the smaller towns would be affected.

Senator Micciche replied that the bill would allow for the license at those events.

Senator Wilson wondered who would qualify for the fair license in the one borough.

Senator Micciche deferred to Ms. Morledge, and felt that it could be adjusted. He expressed concern about the bill becoming a "Christmas tree" for potential untraditional new uses.

Ms. Morledge explained that the bill provided for one fair license per borough.

Senator Wilson noted that there were a myriad of issues with the Board and the audit recommendations and the reinterpretations of laws. He remarked that the Alaska State Fair had been in operation for almost twenty years. He was afraid that the other vendors that had been operating in good faith, with no issues with local law enforcement, and the efficacy issues that the bill may not cover.

Co-Chair von Imhof stated there were representatives from the Board available for questions.

Senator Micciche felt that the alcohol statutes "were a mess."

Co-Chair von Imhof asked for a Sectional Analysis.

[9:58:15 AM](#)

Ms. Morledge discussed the Sectional Analysis (copy on file):

Section 1: Amends AS 04.11.080 - Types of Licenses and Permits - to add 'performing arts theater license,' 'fair license,' and 'concert permit.' (Page 1 beginning on Line 5)

Section 2: Adds a new section (AS 04.11.205) Performing arts theater license. This section defines this type of license, the biennial fee for the license, and the circumstances for issuance and compliance. (Page 2, beginning on Line 19)

Section 3: Amends AS 04.11.210(a) to use the word "activities" rather than "events" as being allowed under a recreational site license. (Page 3, lines 19-22)

Section 4: Amends AS 04.11.210(c) to list sporting activities such as skiing and snowboarding activities are allowable under a recreational site license. (Page 3, lines 23-27)

Section 5: Adds a new section (AS 04.11.215) Fair license. This section defines this type of license, the biennial fee for the license, and the

circumstances for issuance and compliance. (Page 3, beginning on line 28)

Section 6: Adds a new section (AS 04.11.235(a-c)) Concert permit. This section allows the holder of a recreational site license to obtain a concert permit, disallows transfer or renewal, and sets the fee at \$50. (Page 4, lines 9-17)

Section 7: Amends AS 04.11.330(d) to allow a performing arts theater license renewal, notwithstanding other requirements, if the license was exercised at least once during each of the previous two calendar years. (Page 4, lines 18-22)

Section 8: Amends AS 04.11.400(a) to specify that the board may prohibit a new license or relocation of an existing license in accordance with population limits. (Page 4, beginning on line 23)

Section 9: Establishes under AS 04.11.400(o) that only one fair license may be issued per borough. (Page 5, lines 24-26)

Section 10: Adds the new licenses/permit to the list of those required post notice on the designated premise. (Page 5, beginning on line 27)

Sections 11-13: Amends AS 43.60.040 Administration and Enforcement of Tax, to add subsection (i). This section provides an incentive for filing timely monthly tax returns and paying taxes on time over the most recent three years. Specifically, it removes the \$25,000 surety bond requirement if all other requirements of compliance are met. (Page 6, beginning on line 21, through page 7, line 21)

Section 14: Immediate effective date (Page 7, line 22)

[10:03:02 AM](#)

JEROME HERTEL, GENERAL MANAGER, ALASKA STATE FAIR, PALMER (via teleconference), spoke in support of the bill.

[10:06:39 AM](#)

BOB KLEIN, ALASKA BEVERAGE CONTROL BOARD, ANCHORAGE (via teleconference), stated that he was available for questions. He remarked that Senator Wilson described the activities of the Alaska Beverage Control (ABC) Board.

[10:09:56 AM](#)

Co-Chair von Imhof OPENED public testimony.

[10:10:08 AM](#)

CODIE COSTELLO, VICE-PRESIDENT, DEVELOPMENT AND COMMUNICATIONS, ALASKA CENTER FOR THE PERFORMING ARTS (via teleconference), spoke in support of the bill.

[10:11:20 AM](#)

PAUL SHADURA II, SELF, KENAI (via teleconference), spoke in support of the current version of the bill.

[10:12:52 AM](#)

MARNA SANFORD, SELF, FAIRBANKS (via teleconference), spoke against the current version of the bill. She felt that the bill did not provide clarity for the small events in the state. She stated that she had worked with the Chicken Stock Music Festival.

[10:15:26 AM](#)

JOSEA BUSBY, SELF, CHICKEN (via teleconference), testified against the current version of the bill. She stated that there should be amendments.

Senator Micciche stated that he was interested in the lack of success in using a caterers permit. He wanted to find a solution.

[10:18:28 AM](#)

KEN PELTIER, SELF, PALMER (via teleconference), spoke in support of the bill.

Senator Bishop thanked Mr. Peltier for her volunteer work with music for cancer survivors and veterans.

Mr. Peltier replied that he had recently been asked to perform for the troops in Qatar.

Co-Chair von Imhof CLOSED public testimony.

Senator Wilson noted that the 2014 stated that there were a number of licensees that had issues that may not have been covered in the recreational licenses. He wondered whether the board had sent notices to the entities that their licenses may not continue.

[10:21:43 AM](#)

ERIKA MCCONNELL, DIRECTOR, ALASKA AND MARIJUANA CONTROL OFFICE (via teleconference), replied that she could not speak to that, but she did not believe that notices were sent at that time.

Senator Wilson assumed that the only way that a licensee could know that they would not be noticed was when they applied without knowing that their licenses would be denied. He wondered whether there could be a temporary renewal.

Ms. McConnell replied that when the first audit reached the conclusion in 2014, she believed that notices were not sent at that time. The board began to look more closely at the licenses during the renewal period for 2017 and 2018 licenses. At that time, the Board identified several recreational site licenses that they determined were not compliant with the statute. Therefore, the Board told the licensee that they would be renewed for one final time, so there could be two years to examine what to do in the future.

Senator Wilson wondered whether the Alaska State Fair had received that notice.

Ms. McConnell replied that she did not believe so.

Senator Micciche stated that the bill was designed as a "catch all" for the specific license types. He queried the Chicken Stock situation.

Ms. McConnell replied that it might be better to examine further research on the issue.

Co-Chair von Imhof announced that amendments were due by 5pm on Monday, March 11. She discussed the agenda for the next scheduled meeting.

SB 16 was HEARD and HELD in committee for further consideration.

#

ADJOURNMENT

10:26:48 AM

The meeting was adjourned at 10:26 a.m.