

HOUSE FINANCE COMMITTEE  
May 13, 2021  
9:06 a.m.

9:06:36 AM

CALL TO ORDER

Co-Chair Merrick called the House Finance Committee meeting to order at 9:06 a.m.

MEMBERS PRESENT

Representative Neal Foster, Co-Chair  
Representative Kelly Merrick, Co-Chair  
Representative Dan Ortiz, Vice-Chair  
Representative Ben Carpenter  
Representative DeLena Johnson  
Representative Andy Josephson  
Representative Bart LeBon  
Representative Sara Rasmussen  
Representative Steve Thompson  
Representative Adam Wool

MEMBERS ABSENT

Representative Bryce Edgmon

PRESENT VIA TELECONFERENCE

Heather Hebdon, Executive Director, Alaska Public Offices Commission, Anchorage

SUMMARY

HB 85 FINANCIAL INSTITUTIONS; LIABILITY

CSHB 85(L&C) was REPORTED out of committee with a "do pass" recommendation and with one new zero fiscal note from the Department of Environmental Conservation and two previously published zero fiscal notes: FN1 (CED) and FN2 (CED).

HB 157 APOC; REPORT REFERENDA/RECALL CONTRIBUTOR

CSHB 157(FIN) was REPORTED out of committee with four "do pass" recommendations and five "no recommendation" recommendations and with one previously published fiscal impact note: FN1 (ADM).

Co-Chair Merrick reviewed the meeting agenda.

#hb157

HOUSE BILL NO. 157

"An Act requiring the disclosure of the identity of certain persons, groups, and nongroup entities that expend money in support of or in opposition to an application filed for a state referendum or recall election; and providing for an effective date."

[9:07:12 AM](#)

Co-Chair Merrick OPENED and CLOSED public testimony.

[9:07:23 AM](#)

Co-Chair Merrick relayed that amendments to the bill had been due to her office on May 5. The committee would address two amendments.

Representative Rasmussen MOVED to ADOPT Amendment 1, 32-LS0669\A.3 (Lemons/Bullard, 5/5/21) (copy on file) [note: due to the length of the amendment it is not included here].

Representative Wool OBJECTED for discussion.

Representative Rasmussen explained the amendment included cleanup language to allow the Alaska Public Offices Commission (APOC) to run more efficiently and find cost savings. She stated that the amendment did not modify any of the existing language in the bill. The amendment would remove a requirement for an APOC office to be located in each Senate district. Additionally, the amendment would remove the word "all" from the phrase "examine, investigate, and compare [ALL] reports, statements, and actions required by this chapter" [Section 3(7) of the bill]. The amendment clarified that contributions and expenditures were in a calendar year instead of being left open-ended.

Representative Rasmussen explained that the amendment made requests for advisory opinions to be returned in seven business days instead of seven calendar days, giving APOC personnel more time to work through reports. The amendment would provide for publication of reports and archival of the statements and reports to be posted on the APOC website as well copies to be available at the central office. The amendment would repeal the duplicative reporting requirements with respect to ballot initiative groups. She noted that the same language was located in AS 15.13.040(k) and AS 15.13.110(g). She highlighted that the executive director from APOC was available for any questions.

Vice-Chair Ortiz referenced the amendment's removal of the requirement for APOC to have an office in each of the Senate districts. He asked if APOC currently had an office in each Senate district.

Representative Rasmussen replied in the negative. She clarified that the amendment language provided cleanup to enable the state to comply with statute.

Vice-Chair Ortiz asked how many APOC offices there were.

Representative Rasmussen deferred the question to APOC.

HEATHER HEBDON, EXECUTIVE DIRECTOR, ALASKA PUBLIC OFFICES COMMISSION, ANCHORAGE (via teleconference), answered that APOC currently had a small satellite office in Juneau and a primary office in Anchorage.

Vice-Chair Ortiz asked for verification that the current office locations had been in place for a number of years.

Ms. Hebdon answered in the affirmative. She added that she did not know the specific length of time, but it had been quite some time.

[9:10:58 AM](#)

Representative Wool remarked that the amendment specified APOC would establish a central office. He asked if the amendment would close the Juneau office and result in a loss of positions and functionality.

Ms. Hebdon replied that APOC did not anticipate closing the Juneau office or a loss in positions.

Representative Wool referenced the amendment language that "the commission shall establish a central office." He asked how Ms. Hebdon interpreted the language.

Ms. Hebdon answered that APOC would interpret the language to mean the central office was in located Anchorage. The commission did not interpret the language to mean APOC would be limited to a single location.

Representative Rasmussen asked for support on the amendment that had been brought by members of the House Judiciary Committee after the Judiciary referral had been waived.

Representative Wool WITHDREW his OBJECTION.

There being NO further OBJECTION, Amendment 1 was ADOPTED.

[9:12:34 AM](#)

Representative Josephson MOVED to ADOPT Amendment 2, 32-LS0669\A.6 (Klein/Bullard, 5/6/21) (copy on file):

Page 1, line 3, following "election;":  
Insert "relating to contribution limits and recall campaigns;"

Page 2, lines 11 - 25 :  
Delete all material and insert:  
"\* Sec. 3. AS 15.13.065(c) is amended to read:  
(c) Except for reports required by AS 15.13.040 and 15.13.110 and except for the requirements of AS 15.13.050, 15.13.060, and 15.13.112 - 15.13.114, the provisions of AS 15.13.010 - 15.13.116 do not apply to limit the authority of a person to make contributions to influence the outcome of a ballot proposition. In this subsection, [IN ADDITION TO ITS MEANING IN AS 15.80.010,] "proposition"

- (1) includes, in addition to its meaning in AS 15.80.010,
  - (A) [(1)] an issue placed on a ballot to determine whether
    - (i) [(A)] a constitutional convention shall be called;
    - (ii) [(B)] a debt shall be contracted;

- (iii) [(C)] an advisory question shall be approved or rejected; or
  - (iv) ((D)] a municipality shall be incorporated;
  - (B) [(2)] an initiative proposal application filed [WITH THE LIEUTENANT GOVERNOR] under AS 15.45.020; and
  - (C) a referendum application filed under AS 15.45.260;
- (2) does not include a recall application filed under AS 15.45.480 or a recall question."

Co-Chair Merrick OBJECTED for discussion.

Representative Josephson relayed that he was very likely to vote for the legislation on the House floor and believed HB 157 was a good bill. He explained that the amendment addressed an issue flagged by his staff. He detailed that Alaska had a \$500 limit on individual contributions to campaigns. He highlighted that there had been litigation on the issue in the 2017 to 2018 timeframe. He referenced an article titled "Judges open door wider for out-of-state money in Alaska elections" (published by James Brooks in the Anchorage Daily News on November 27, 2018). He clarified that judges had affirmed the \$500 per person limit on regular campaigns.

Representative Josephson stated that one concern flagged in the bill was that the \$500 limit would not apply to recall applications, meaning that a well-funded person from out-of-state could decide to come after someone. He stated in defense of the governor and an assemblyman in his district that recall was a new budding frontier of troublemaking. He believed some of the four allegations against the governor were dubious, while he believed one was not. He shared that the assemblyman had been forced to recall because as chair, there had been 17 people in the assembly hall instead of the allowed 15. He added that the assembly hall was a large room, but it had been seen as a violation of law sufficient to cause a recall campaign.

Representative Josephson pointed lines 22 and 23 of Amendment 2. He explained that spending limits did not apply to propositions because propositions were ideas, while recalls were people. He believed consistent with Citizen's United it was acceptable to limit direct donations involving people from individuals. Currently,

there was a \$500 limit on individual contributions to campaigns. He clarified that the amendment would implement the same \$500 limit on recall campaigns at a signature stage.

[9:15:50 AM](#)

Co-Chair Merrick WITHDREW her OBJECTION.

There being NO OBJECTION, Amendment 2 was ADOPTED.

Co-Chair Foster MOVED to REPORT CSHB 157(FIN) out of committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

CSHB 157(FIN) was REPORTED out of committee with four "do pass" recommendations and five "no recommendation" recommendations and with one previously published fiscal impact note: FN1 (ADM).

[9:16:33 AM](#)

AT EASE

[9:22:40 AM](#)

RECONVENED

#hb85

HOUSE BILL NO. 85

"An Act relating to the Alaska Banking Code; relating to mutual savings banks; relating to interstate state banks and international banks; relating to the pledging of bank assets as collateral security to tribal organizations; relating to the pledging of bank assets for interest swap agreements; relating to state business licenses; relating to persons who make loans secured by interests in vessels or facilities; relating to liability for the release or threatened release of hazardous substances; relating to the Model Foreign Bank Loan Act; and providing for an effective date."

[9:22:44 AM](#)

Representative LeBon summarized the bill with the word "parity." He explained that a bank could seek a national or

state charter. He elaborated that the Alaska Banker's Association, comprised of the seven banks (some national charter and some state charter) were all in support of the bill. Additionally, the Alaska Division of Banking and the Department of Environmental Conservation supported the legislation. He urged committee approval.

Co-Chair Foster MOVED to REPORT CSHB 85(L&C) out of committee with individual recommendations and the accompanying fiscal notes. There being NO OBJECTION, it was so ordered.

CSHB 85(L&C) was REPORTED out of committee with a "do pass" recommendation and with one new zero fiscal note from the Department of Environmental Conservation and two previously published zero fiscal notes: FN1 (CED) and FN2 (CED).

Co-Chair Merrick reviewed the schedule for the following meeting.

#  
ADJOURNMENT

[9:24:20 AM](#)

The meeting was adjourned at 9:24 a.m.