

**HB**

**160**

**SFIN**

**FILE**

# SENATE FINANCE COMMITTEE REPORT

REPORTED OUT

APR 16 2003

SENATE FINANCE  
COMMITTEE

DATE: 4/8/03

FURTHER:

DATE TURNED  
IN TO OFFICE: 16 April 2003

Finance Committee considered CS FOR HOUSE BILL NO. 160(FIN)

## HB 160 EMISSION CONTROL PERMIT PROGRAM

"An Act relating to the emission control permit program; relating to fees for that program and to the accounting of receipts deposited in the emission control permit receipts account; and providing for an effective date."

and recommends:

- be replaced with \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to \_\_\_\_\_ Committee

**Senate Bill:**

- same title
- new title

**House Bill:**

- same title
- technical title
- new: SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#
DEC	3/14/03		✓	#2

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>Adrian Taylor</i>	✓			
<i>Ben Starnes</i>				
<i>Ben Starnes</i>				
COCHAIR: <i>Gregg Wren</i>	✓			
COCHAIR: <i>Lynne Green</i>	✓			

APR 16 2003

SENATE FINANCE COMMITTEE

# FISCAL NOTE

STATE OF ALASKA  
2003 LEGISLATIVE SESSION

Fiscal Note Number: 2  
Bill Version: CSHB 160(FIN)  
(H) Publish Date: 3/28/03

Revision Date/Time (Note if correction): March 26, 11:30a Dept. Affected: Environmental Conservation  
Title: Emission Control Permit Program BRU: Air & Water Quality  
Component: Air Quality  
Sponsor: Rules Committee  
Requester: House Finance Component No.: 2061

**Expenditures/Revenues (Thousands of Dollars)**

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1093 Clean Air Protection Fund	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2003) cost: 0.0  
Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

**POSITIONS**

Full-time	0	0	0	0	0	0
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This revised fiscal note is zero as the cost of reinvigorating the air permit program is in the Governor's FY 2004 operating budget request.

This legislation removes roadblocks preventing predictable, reliable and rational permitting, while the budget increment provides staff to execute these legislative reforms and issue permits in a timely manner.

The result is a permitting program that is predictable, protective of air quality and flexible enough to take advantage of fast changing business opportunities. This achieves the governor's goal of enhancing resource development while maintaining environmental protection.

Prepared by: John Kuterbach Phone 465-5103  
Division: Air & Water Quality Date/Time 3/26/03 11:42 AM  
Approved by: Ernesta Ballard, Commissioner Date 3/26/2003  
Agency: Department of Environmental Conservation

COMMITTEE COPY

# STATE OF ALASKA

FRANK H. MURKOWSKI, GOVERNOR

## DEPT. OF ENVIRONMENTAL CONSERVATION OFFICE OF THE COMMISSIONER

410 Willoughby Ave., Ste 303  
Juneau, AK 99801-1795  
PHONE: (907) 465-5065  
FAX: (907) 465-5070  
<http://www.state.ak.us/dec/>

April 8, 2003

The Honorable Lyda Green  
Co-Chair, Senate Finance Committee  
Alaska State Senate  
State Capitol, Room 516  
Juneau, AK 99801

The Honorable Gary Wilken  
Co-Chair, Senate Finance Committee  
Alaska State Senate  
State Capitol, Room 518  
Juneau, AK 99801

Dear Senators Green and Wilken:

The Department of Environmental Conservation requests a hearing on HB 160 an Act relating to the emission control permit program – Air Quality Program. The State of Alaska has responsibility for management of air quality and we believe that air permits are necessary to maintain Alaska's excellent air quality. However "one size fits all" permits do not protect the environment nor do they meet the goal of having a predictable, reliable and rational program.

This legislation does not change our current protective air quality standards. What it does do is ensure that when sources of air pollution are in close proximity, the cumulative effects will be investigated. It establishes standardized permit conditions based on best management practices. It differentiates between major and minor sources of air pollution and focuses our resources accordingly. This bill has a zero fiscal note.

CSHB 160(FIN) passed the house and has been referred to Senate Finance to meet up with the senate companion CSSB 116(RES). The bills are identical and have zero fiscal notes.

Tom Chapple, Director of the Division of Air and Water Quality will represent the department on this. For additional information, please contact Mr. Chapple at 269-7634 or Mary Siroky, the department's legislative liaison at 465-5355. Thank you for your consideration.

Sincerely,



Ernesta Ballard  
Commissioner

cc: Mike Tibbles, Legislative Director, Office of the Governor  
Tom Chapple, Director, Division of Air & Water Quality, DEC  
Mary Siroky, Legislative Liaison, DEC

FRANK H. MURKOWSKI  
GOVERNOR  
GOVERNOR@GOV.STATE.AK.US



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

HB160  
P.O. Box 110001  
JUNEAU, ALASKA 99811-0001  
(907) 465-3500  
FAX (907) 465-3532  
WWW.GOV.STATE.AK.US

March 5, 2003

The Honorable Pete Kott  
Speaker of the House  
Alaska State Legislature  
State Capitol, Room 208  
Juneau, AK 99801-1182

Dear Speaker Kott:

Under Authority of article III, section 18, of the Alaska Constitution, I am transmitting a bill related to the state's air quality control program.

The State of Alaska has responsibility for management of air quality and recognizes that air permits are necessary to maintain Alaska's excellent air quality. The bill achieves protection of air quality while reforming the permit review process to make permitting predictable, reliable and rational. Specifically, the bill will:

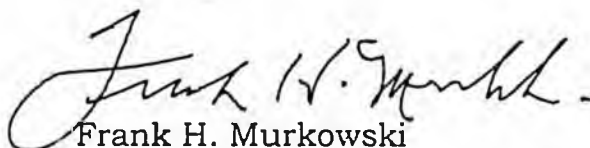
- Allow DEC's program to reflect national precedents, court decisions, and incorporate best practices from other states into our permits.
- Differentiate major source from minor source permits.
- Regulate minor sources based on standardized permit conditions that incorporate best management practices.
- Exempt sources based on standardized permit conditions that incorporate best management practices.
- Exempt sources from permitting to the extent allowed under federal law.
- Achieve efficiency through adopting federal rules by reference.

The Honorable Pete Kott  
March 5, 2003  
Page 2

In the end, the reform that this bill initiates will result in more efficient review of permits and more "hard-hat time" for field inspectors working to make sure standards are protective and permits are enforced.

I urge your prompt and favorable consideration of this important legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "Frank H. Murkowski". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

Frank H. Murkowski  
Governor

SENATE FINANCE COMMITTEE

SIGN-IN

HB160: EMISSION CONTROL PERMIT PROGRAM  
~~HB 160: EMISSION CONTROL PERMIT PROGRAM~~

NAME: Tom Chapple Subject/Bill No: HB160

Co./Dept./Title: DEC Phone: 465-5265

Address: \_\_\_\_\_ Zip: \_\_\_\_\_

Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_

Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_

Address: \_\_\_\_\_ Zip: \_\_\_\_\_

Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_

Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_

Address: \_\_\_\_\_ Zip: \_\_\_\_\_

Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_

Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_

Address: \_\_\_\_\_ Zip: \_\_\_\_\_

Do you wish to testify?  Yes  No  Respond To Questions



