

*Bradners'*  
**Alaska Legislative Digest**  
 - *Commentary on Alaska issues and policy*

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## Senate's capital budget is lean; now it's the turn of the House, then conference

The Senate Finance Committee has put the capital budget on the table and it is leaner than expected, largely due to its overseer, Senate Finance Cochair Sen. Bert Stedman, R-Sitka. The bill, SB-75, is on the Senate floor as we go to press. The bill will likely be reported to the House Monday, and that body will then leave its mark on the bill before it proceeds to a conference committee between the House and Senate. The capital budget totals just short of \$1.9 billion, in its preliminary draft, but \$1.3 billion share is federal funds. The direct draw on the general fund is \$221 million, with another \$262 million coming from so-called "other funds." This designation generally means these funds are usually various kinds of restricted state receipts, but they are still state revenues. Even if the House adds projects, and they are expected to do so, the capital budget will likely be of acceptable size given current economic circumstances. What has perhaps helped keep the capital budget size down is that oil prices have remained under \$50 per barrel.

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The Senate has included all federal stimulus funding, and has also previously passed resolutions of acceptance, a process that bypasses Gov. Palin's rejections. The governor can still veto the stimulus funding, and can use other devices, such as instructing agencies not to complete necessary letters of agreement required by the federal government.

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## Seven days to go! What's the end-of-session mix?

With seven days to do before the required Sunday, April 19 adjournment, lawmakers are scrambling to see which bills might make it through the end-of-session logjam. The minimum wage hikes, extension of the motor fuel tax suspension, extension of the PCE \$1 "cap" for rural communities, a backstop for the state student loan corporation so bonds can be sold, an extension on waivers for cruise ships to meet rigid discharge mandates, a tax credit to help ramp up tourism promotion – all are in play the last week of the session. What's surely on the "hold" list is the administration's bill to restructure railbelt utilities (needed but too complex, came in too late, legislators say). Chances are a bill expanding the Attorney General's powers to levy penalties in cases of fuel "price gouging" are highly uncertain, and at this point looks like it's on the "hold" list. Much of legislators' attention and energy in the last few weeks has been focused on efforts to get the state's maximum share of federal stimulus money amid uncertainties on Gov. Sarah Palin's position. (*See our Supplement for more.*)

## . . . Municipal/Rural . . .

### **PCE bills, HB-150, SB-88, poised for passage, but part of session-end adjournment package**

Senate legislation removing the June 30 sunset on the \$1 ceiling on Power Cost Equalization residential electricity cost assistance is “poised to catapult” to passage, House Finance Cochair Rep. Bill Stoltze said after an hour-long hearing in the committee on the twin bills HB-150 and the Senate-passed SB-88, April 10. The bill is still part of the end-of-session negotiating package, however. If the bill is not passed PCE assistance will not cover any generating costs over 52.5 cents per kwh. SB-88, sponsored by Senate Finance Cochairman Lyman Hoffman, has become an end-of-session hostage in the view of some and was not on the agenda for Saturday’s committee session. Stoltze declined to call it a “bargaining chip” and said it has strong support in his committee, but he added, “We’re not in a strategic rush to pass it right now.” The bill passed the Senate 15-4, and opposing voters were cast by the four members of the Senate Republican minority: Therriault, Dyson, Wagoner and Bunde.

Without passage of the bill the PCE limit, which is allowed only on the first 500 kwh of electricity used, will revert to the longstanding limit of 52.5 cents per kwh on June 30. Residents would pay the cost above that amount. Sen. Hoffman, the sponsor, said monthly electricity bills of \$85 per month for 500 kwh would rise to \$300 and more in some rural villages if the new cap expires.

### **Damp village alcohol import bill, SB-85, is watered down**

No action yet on this bill, a governor’s priority. The provision reducing by 50 percent or more the amount of alcohol that can be imported for personal use to so-called damp villages was removed by the Senate Judiciary Committee, April 7. Chairman Hollis French (D-Anch.) said local opposition and the ability in current law for communities to reduce import limits below state requirements led to the removal of the language from SB-85. The bill is now in the Senate Finance Committee. The bill still includes a \$1,000 civil fine on bar or package store owners for a second sale to minor conviction, cumulatively, by employees of the business. Among other clarifications of previously passed laws, the measure imposes the same mandatory minimum penalty for a felony bootlegging conviction as for felony drunk driving; 120 days in jail and a \$10,000 fine. HB-91, the original House version, is awaiting its first hearing in the House Community and Regional Affairs Committee.

### **House passes wood-stove municipal tax credit, HB-121**

After a caucus-line vote defeating an amendment to remove language that effectively limited the option to Fairbanks and Juneau, the House passed HB-121, April 10. Sponsored by Rep. John Coghill (R-North Pole), the bill gives municipalities which violate a specific Environmental Protection Agency air quality standard authority to offer credits against property taxes for abatement measures. Only municipalities failing to meet EPA standards for fine particulate matter less than 2.5 “micrometers” would be allowed to provide the credit. That currently includes only the Fairbanks North Star Borough and, occasionally, the Mendenhall Valley in Juneau. Fairbanks lawmakers portrayed the measure as a response to EPA “jack-boots” in both cities, but neither citizens or public officials from Juneau ever testified in support of the bill. The amendment moved by Rep. Les Gara (D-Anch.) would have removed the so-called “PM 2.5”

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## Ross will likely win confirmation as AG, maybe narrowly

Gov. Palin's choice of Wayne Anthony Ross as attorney general is already proving controversial within the Legislature. Ross tangled with Democratic lawmakers during Senate Judiciary confirmation hearings this past week. The odds are he will make it through confirmation, but perhaps just barely. The hearings chaired by Sen. Hollis French, seemed to start off as more an inquisition than a hearing. They got in his face, and Ross got right back into their faces. The House and Senate vote in confirmations as one unicameral body, and confirmation requires a majority of the 60 members of the House and Senate voting together. This means the Ross confirmation will require 31 votes of 60. House and Senate Republicans, perhaps with one exception, will likely stick together supporting Ross, just as Democrats might oppose him across-the-board. The vote could be as close as a one vote margin for Ross, but that's all it takes.

This controversy should come as no surprise. Ross has long been a colorfully outspoken advocate of his clients and those interests for which he has worked. His personality alone evokes controversy. He is a long time board member and former vice president of the National Rifle Association. He is also seen as a spokesperson for Alaska hunting and sports organizations. He is strongly pro-life, and has also frequently tangled with Alaska Native organizations over land issues, tribal sovereignty and rural subsistence questions. He is described as cryptic, opinionated, eccentric, belligerent, flamboyant, colorful, and confrontational, but also as a straight-shooter strongly committed to clients and their causes.

This is a difficult situation politically for Democrats, because even if they win they lose. Ross is seen as a chief spokesperson on gun questions and issues of Alaska sporting groups. The Ross confirmation may energize these groups. The political risk for Democrats is that these organizations know exactly who their constituents are and where they live. The result could be well-focused voter targeting against Democrats in "close districts," were the incumbent votes against Ross. In addition, the kinds of issues Ross champions are especially sensitive in rough-and-ready Fairbanks. *The confirmation vote is now scheduled for April 16.*

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## Governor invades Legislature's turf, chews out staffer to Speaker Chenault

In a serious breach of respect Gov. Palin suddenly appeared in House Speaker Mike Chenault's office last Friday and "forcefully" scolded at Chenault's chief-of-staff Tom Wright. Apparently the governor heard that Wright, one of the Legislature's longest serving staff members, had printed up the governor's schedule that included her forthcoming trip back East to a national right-to-life convention. Why she should care we're not sure. It's also public record.

*Luckily for Palin, House Speaker Mike Chenault was elsewhere.*

This may not seem a big item to the public, but it is a terrible breach of respect of the Legislature by Gov. Palin. This kind of lack of decorum has never happened before. In fact, no Legislator would ever enter the offices of another lawmakers and start yelling at a staff member. Legislators may yell at each other and their own staff, but not people who work for others. *This isn't tolerated in the private sector, either.*

# ... Status of Bills ...

## Introduced in the House

- SB-24: Name bridge over Hammer Slough in Petersburg the Louis Miller Bridge (From Senate) .....To TRANS, FIN
- SB-142: Convey land from Ak. Railroad Corp. to DOTPF (From Senate) .....To TRANS
- HB-214: DEC to award grants for air quality control programs (By H. FIN) .....To FIN
- HB-215: Students counts for school funding programs, repeal school experience for salary scales (By Wilson) .....To EDUC
- SB-25: Name South Mitkof Island ferry terminal the Richard "Dewey" Duvall Ferry Terminal (From Senate) .....To TRANS, FIN
- SB-57: Charter, alternative school funding (From Senate) .....To EDUC, FIN
- SB-165: Transfer two parcels of land from Ak. Railroad Corp. to the Muni. of Anchorage (From Senate) .....To TRANS
- HB-216: Prohibit power assisted retrieval of sport fish (By Thomas) .....To RES, FIN
- HB-217: Tax production natural gas used in the state as fuel or feedstock for manufactured end product (By Neuman) ...To RES, FIN
- HB-218: Establish a Department of Energy; transfer AEA, ANGDA (By ENERGY) .....To ENERGY, FIN
- HB-219: Renewable energy grant fund (By ENERGY) .....To ENERGY, RES, FIN
- SB-13: Eligibility requirements medical assistance children, pregnant women (From Senate) .....To H&SS, FIN
- HB-220: Game management of bison (By Harris) .....To RES, FIN
- SB-32: Medical assistance for home, community-based services (From Senate) .....To H&SS, FIN
- SB-88: Repeal certain provisions for calculating power cost equalization (From Senate) .....To FIN
- HB-221: State's participation in federal Nationwide Mortgage Licensing System and Registry (By L&C) .....To L&C, FIN
- HB-222: Discrimination by health care insurers based on genetic info. (By Holmes) .....To L&C
- HB-223: Qualifications residential psychiatric treatment center staff (By H&SS) .....To H&SS
- SB-1: Minimum hourly wage increase (From Senate) .....To FIN
- SB-148: Limitation of state liability on certain federal highway programs (From Senate) .....To TRANS, JUD
- HB- 224: Tax exemption for real property improvement eligible for federal energy efficiency tax credit (By Kawasaki) .....To C&RA, FIN
- HB-225: State Procurement Code (By Fairclough) .....To SA, FIN
- HB- 226: Rename Seldon Rd., portion Bogard Rd. between Palmer and Meadow Lakes as Veterans' Way (By Keller) .....To TRANS, FIN
- HB-227: Create Holitna River Basin Hunting, Fishing, and Trapping Reserve (By Herron) .....To FISH, RES
- SB-96: Child support, Uniform Interstate Family Support Act, Ak. Native family assist. prog. (From Senate) .....To JUD, FIN
- HB-228: Repeal special subaccount in the CBR fund (By Doogan) .....To FIN

## House Committee Actions

- HB-13: Property crimes (2 do pass, 1 do not pass, 3 no rec) .....JUD to FIN
- HB-90: Bonding limitations, records confidentiality AIDEA (6 do

## House Committee Actions (Cont.)

- pass, 3 no rec) FIN to RLS
- HB-153: Exempt admin. mtgs. of muni. boards, committees, commissions etc, from open mtg. reqs. (6 do pass) .....JUD to RLS
- HB-171: Transfer two parcels of land from Ak. Railroad Corp. to Muni. of Anchorage (1 do pass, 3 no rec) .....C&RA to TRANS
- HB-173: Convey land from Ak. Railroad Corp. to DOTPF (1 do pass, 3 no rec) .....C&RA to TRANS
- HB-201: Expiration date of concealed handgun permit (6 do pass) .....JUD to RLS
- HB-3: Identification cards, issuance of driver's license (4 do pas, 3 no rec, 1 amend) .....FIN to RLS
- HB-70: Establish farm-to-school program in DNR (2 do pass, 6 no rec) .....RES to FIN
- HB-98: Minor consuming, repeat minor consuming (3 do pass, 3 no rec, 1 amend) .....FIN to RLS
- HB-204: Increase no. of medical students pursuing medical education (4 do pass, 1 no rec) .....EDUC to FIN
- HJR-2: Amend state constitution to remove gender denotations (2 do pass, 5 no rec) .....JUD to FIN
- HB-121: Muni property tax credit for improving air quality (6 do pass, 2 no rec, 1 amend) .....FIN to RLS
- HJR-13: Amend constitution to limit approp. from certain mineral revenues (2 do pass, 3 do not pass, 1 no rec, 1 amend) .....SA to JUD
- HB-105: State training, employment program (4 do pass, 1 no rec) .....L&C to FIN
- HB-108: Real property foreclosures, sale property on execution, deeds of trust (2 do pass, 4 no rec, 1 amend) .....JUD to RLS
- HB-113: Suppl., capital appropriations (7 do pass, 3 no rec) .....FIN to RLS
- HB-114: State trans. facilities and modes deliver compassionate aid (6 do pass, 1 no rec) .....FIN to RLS
- HB-161: Ak. Perm. Fund transfer mental health trust funds to construct Subport Office Bldg. (6 do pass, 5 no rec) .....FIN to RLS
- HB-177: Marine and motorized recreation products (7 do pass) .....L&C to RLS
- HB-186: Exempt certain firearms, accessories from federal regulation (4 do pass, 2 no rec) .....JUD to FIN
- HB-193: Lobbyists expenditures, Leg. Ethics Act (1 do pass, 6 no rec) .....JUD to FIN
- HB-199: Supplemental and capital appropriations (5 do pass, 3 no rec) .....FIN to RLS
- HB-137: Interstate compact on educational opportunity for military children (10 do pass, 1 no rec) .....FIN to RLS
- HB-167: Tax credit for contributions from passenger vessel owners to trade assoc. (5 do pass, 1no rec, 1 amend) .....L&C to FIN
- HB-214: DEC grants for air emissions control, develop air quality programs (6 do pass, 2 do not, 2 no rec) .....FIN to RLS
- SB-3: Use Ak. Commercial Fisheries Entry Comm. as an informational resource (4 do pass, 2 no rec) .....C&RA to FIN
- SB-24: Bridge over Petersburg's Hammer Slough named the Louis Miller Bridge (5 do pass) .....TRANS to FIN
- SB-57: Charter, alternative school funding (4 do pass, 1 no rec) .....EDUC to FIN

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# ... Status of Bills ...

## House Committee Actions (Cont.)

-- SB-142: Convey Ak. Railroad Corp. lands to DOTFPF (3 do pass, 2 no rec) .....TRANS TO RLS  
-- HJR-31: Congress pass the Honor the Written Intent of our Soldier Heroes Act (3 do pass, 2 no rec) .....M&VA to SA  
-- HB-9: Imposition of the death penalty (3 do pass, 3 do not pass, 1 no rec) .....JUD to FIN  
-- HB-24: Public procurement preference for Alaska veterans (5 do pass) .....SA to RLS  
-- HB-59: Establish statewide early childhood education plan (7 do pass) .....EDUC to FIN  
-- HB-89: Create state vocational rehabilitation committee (3 do pass, 1 amend) .....L&C to H&SS  
-- HB-123: Extend Suicide Prevention Council termination date (7 do pass, 2 no rec) .....FIN to RLS  
-- HB-162: Establish the Southeast State Forest (7 do pass, 1 amend) .....RES to FIN  
-- HB-194: Operation of low-speed vehicles (2 do pass, 3 no rec) .....JUD to RLS  
-- HB-210: Designate Kinzarof Lagoon as part of the Izembek State Game Refuge (6 do pass, 3 no rec) .....RES to RLS  
-- SB-3: Use Ak. Commercial Fisheries Entry Comm. as informational resource (7 do pass, 2 no rec) .....FIN to RLS  
-- SB-25: Name South Mitkof Island ferry terminal the Richard "Dewey" Duvall Ferry Terminal (5 do pass) .....TRANS to FIN  
-- SB-45: State employment pref. veterans, POWs, establish Ak. veterans' cemeteries (9 do pass) .....FIN to RLS  
-- SB-165: Transfer two parcels of land from Alaska Railroad Corp. to Muni. of Anchorage (2 do pass, 3 no rec) .....TRANS to RLS  
-- HB-163: Clarify the purpose of the Alaska Natural Gas Dev. Auth. (3 do pass, 3 no rec) .....ENERGY to RES  
-- HB-207: Payments from the fisherman's fund for injury, disability, or heart attack (3 do pass, 3 no rec) .....FISHERIES to L&C  
-- HB-69: Pre-school voluntary parent education home visiting prog. (4 do pass, 1 do not pass, 1 no rec) .....EDUC to FIN  
-- HB-85: Extend termination date Bd. of Registration Architects, Engineers, Land Surveyors (9 do pass, 2 no rec) .....FIN to RLS  
-- HB-130: Public school questionnaires, surveys (5 do pass, 1 no rec) .....EDUC to H&SS  
-- HB-215: Repeal school experience for salary scales provisions (3 do pass, 3 no rec) .....EDUC to RLS  
-- HB-44: Alaska Perm. Fund Corp. make in-state energy project investments (3 do pass, 6 no rec) .....FIN to RLS  
-- HB-141: Interstate Compact for Juveniles (8 do pass, 1 no rec) .....FIN to RLS  
-- HB-175: Insurance omnibus bill (5 do pass, 4 no rec) ..FIN to RLS  
-- HB-221: State's participation in federal Nationwide Mortgage Licensing System and Registry (3 do pass, 2 no rec) .....L&C to FIN  
-- HB-222: Prohibit discrimination by health care insurers based on genetic info. (4 do pass) .....L&C to RLS  
-- SB-58: February 2 of each year as Marmot Day (4 do pass, 3 no rec) .....SA to JUD  
-- SB-125: Change name of Alaska Aerospace Dev. Corp. to Alaska Aerospace Corp. (6 do pass) .....L&C to FIN

## House Floor Actions

-- HB-35: Notice and consent for a minor's abortion .....PASSED 22-14  
-- HB-134 Permits to passenger vessels for discharge graywater, treated sewage etc. ....PASSED 32-2  
-- HB-156: Muni. fees for waste disposal from deteriorated property .....PASSED 35-0  
-- HB-170: Repeal authority for day fines .....PASSED 34-2  
-- HB-86: Extend termination date Board of Veterinary Examiners .....PASSED 36-0  
-- HB-101: Exempt full value of life insurance, annuity contracts from levy to satisfy unsecured debt .....PASSED 36-0  
-- HB-139: Public utility vehicles drivers operate with screen devices operating and visible .....PASSED 36-0  
-- SB-89: Retirement benefits members Ak. Territorial Guard .....PASSED 36-0  
-- HB-14: Designate Alaskan Malamute official state dog....PASSED 32-6  
-- HB-43: Geoduck farming, seed transfers between hatcheries, aquatic farms .....PASSED 31-5  
-- HJR-27: Sovereign powers of the state .....PASSED 37-0  
-- HJR-28: Congress not adopt policy restricting offshore oil, gas development .....PASSED 32-6  
-- HB-161: Ak. Perm. Fund transfer mental health trust funds to construct Subport Office Bldg .....PASSED 38-1  
-- HJR-22: U.S. Senate ratify Law of the Sea Treaty .....PASSED 34-4  
-- HB-20: Commercial fishing loans for energy efficiency upgrades .....PASSED 40-0  
-- HB-121: Muni property tax credit for air quality improvement .....PASSED 40-0  
-- HB-184: University of Alaska debt authorization.....PASSED 39-0  
-- SB-29: Name Capitol Annex the Thomas B. Stewart Legislative Office Building .....PASSED 40-0  
-- HB-90: Bonding limitations, confidentiality of records, information of AIDEA .....PASSED 37-0  
-- HB-113: Supplemental, capital and other appropriations. PASSED 39-0  
-- HB-113: CBR appropriation .....FAILED 26-14  
-- HB-123: Membership and voting privileges, extend termination date Statewide Suicide Prevention Council .....PASSED 38-0  
-- HB-137: Interstate compact on educational opportunity for military children .....PASSED 38-0  
-- HB-210: Designate Kinzarof Lagoon as part of the Izembek State Game Refuge .....PASSED 38-0  
-- HB-108: Real property foreclosures, sale of property on execution, deeds of trust .....PASSED 34-0

## Introduced in the Senate

-- HB-35: Notice and consent for a minor's abortion (From House) .....To H&SS, JUD, FIN  
-- HB-7: Extend termination date of Board of Public Accountancy (From House) .....To FIN  
-- HB-134: Permits to passenger vessels for discharge graywater, treated sewage etc. (From House) .....To RES, FIN  
-- HB-156 Muni. fees for waste disposal from deteriorated property (From House) .....To SA, JUD

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# . . . Status of Bills...

## Introduced in the Senate (Cont.)

- SB-179: Notice of minor's abortion (By Huggins) ..To H&SS, JUD
- SB-180: Misconduct involving weapons in the third degree (By French) .....To SA, JUD
- HB-86: Extend termination date Board of Veterinary Examiners (From House) .....To FIN
- HB-101: Exempt full value of life insurance, annuity contracts from levy to satisfy unsecured debt (From House) .....To L&C, JUD
- HB-139: Allow public utility vehicles drivers operate with screen devices operating and visible (From House) .....To SA
- SB-181: Ultrasound, informed consent for abortions (By Dyson) .....To H&SS, JUD
- SB-183: DEC grants for air emissions control, develop air quality programs (By S. FIN) .....To FIN
- HJR-27: Sovereign powers of the state (From House) .....To RES
- SJR-19: Withdraw Ak. Nat'l Guard members from Iraq (By Davis) .....To SA, JUD
- SJR-20: Sovereign powers of the state (By Huggins) .....To RES
- SB-184: Public access to leg. comm. meetings, Internet broadcast (By French) .....To SA, FIN
- HJR-28: Congress not adopt policy restricting offshore oil, gas development (From House) .....To RES
- HB-14: Designate Alaskan Malamute official state dog (From House) .....To SA, RES
- HB-43: Geoduck farming, seed transfers between hatcheries, aquatic farms (From House) .....To RES
- SB-185: Establish Department of Energy; transfer AEA, ANGDA (By S. ENERGY) .....To ENERGY, RES, FIN
- SB-186: Renewable energy grant fund (By S. ENERGY) .....To ENERGY, RES, FIN
- SB-187: State's participation in federal Nationwide Mortgage Licensing System and Registry (By S. LABOR) .....To LABOR, FIN
- HJR-22: U.S. Senate ratify Law of the Sea Treaty (From House) .....To RES
- HB-161: Ak. Perm. Fund transfer mental health trust funds to construct Support Office Bldg. (From House) .....To FIN
- SJR-21: Increase House members to 48, Senate to 24 (By S. C&RA) .....To SA, JUD, FIN
- SJR-22: Oppose litigation to eliminate Kenai, Kasilof, Chitina persona use dip netting (By Huggins) .....To RES, JUD
- SB-188: Qualifications residential psychiatric treatment ctr. staff (By H&SS) .....To H&SS, FIN
- SB-189: Misconduct involving weapons in the third degree (By Huggins) .....To SA, JUD
- SB-190: Biometric information (By Wielechowski) ....To SA, JUD
- SB-191: State pipeline lease act (By McGuire) .....To ENERGY, RES, FIN
- HB-20: Energy efficiency upgrade loans, increase maximum fishing loan amount (From House) .....To RES, FIN
- HB-90: AIDEA bonding limitations, confidentiality of records, information (From House) .....To FIN
- HB-121: Muni property tax credit for air quality improvement (From House) .....To FIN
- HB-184: University of Alaska debt authorization (From House) .....To EDUC, FIN

## Introduced in the Senate (Cont.)

### Senate Committee Actions

- SB-126: Amend State Personnel Act to place certain DOR and DNR positions in exempt service (5 do pass) .....SA to L&C
- SB-157: Ak. Perm. Fund transfer mental health trust funds to construct Support Office Bldg. (4 do pass) .....SA to FIN
- SB-159: Increase maximum funeral expenses payable as a workers' comp death benefit (4 do pass) .....L&C to FIN
- SB-163: Increase allowances for injury, disability, or heart attack payable from fisherman's fund (5 do pass) .....L&C to FIN
- SB-37: Restrict state investment in companies doing business in Sudan (4 do pass) .....TRADE to SA
- SB-38: Managed care health insurance plans (2 do pass, 1 amend) .....H&SS to L&C
- SB-88: Repeal certain provisions for calculating power cost equalization (5 do pass) .....L&C to RLS
- SB-105: Education homeless students, foster care, tuition waivers (1 do pass, 2 no rec, 1 amend) .....EDUC to H&SS
- SB-150: Emerging energy technology fund (4 do pass, 1 no rec) .....RES to FIN
- SB-156: Interstate Compact for Juveniles (3 do pass) .....H&SS to JUD
- HJR-21: License limitation prog. license holder fish for cod in Gulf of Alaska (1 do pass, 4 no rec) .....RES to RLS
- SB-1: Increase minimum hourly wage (3 do pass, 3 no rec) .....FIN to RLS
- SB-2: Internet website to provide finance info. (5 do pass) .....SA to FIN
- SB-27: Child out-of-home care (4 do pass, 1 no rec) H&SS to L&C
- SB-85: Sale alcoholic beverages to persons under 21 (4 no rec).....JUD to FIN
- SB-110: Preservation of evidence, DNA id. system (1 do pass, 3 no rec) .....JUD to FIN
- SB-139: Loan repayment prog. for state health care professionals (4 do pass, 1 amend) .....H&SS to FIN
- SB-171: Permanent Fund dividend for person dying during qualifying year (4 do pass, 1 no rec) .....SA to FIN
- HB-2: Issuance of cert. of birth for a stillbirth (3 do pass, 2 no rec) .....H&SS to RLS
- SJR-17: 2009 Year of the Noncommissioned Officer Corps of U.S. Army (5 do pass) .....SA to RLS
- SJR-18: Congress pass the Honor the Written Intent of our Soldier Heroes Act (4 do pass) .....SA to RLS
- SB-14: extend motor fuel tax suspension period (4 do pas s) .....TRANS to FIN
- SB-34: Prepare report on CNG use to power state vehicles (5 do pass) .....TRANS to ENERGY
- SB-174: Professional student exchange programs, loan forgiveness (1 do pas, 3 amend) .....EDUC to FIN
- HB-10: Municipal property tax exemption widows, widowers (4 do pass) .....C&RA to FIN
- HJR-9: Ak. Aviation Heritage Museum headquarter for Centennial of Flight Celebrations (5 do pass).....TRANS to RLS
- SB-37: Restrict state investment in companies doing business in

*Continued on page 7*

# . . . Status of Bills . . .

## Senate Committee Actions (Cont.)

Sudan (4 do pass, 1 no rec) ..... SA to FIN  
 -- SB-96: Child, medical support, Ak. Native family assistance program (3 do pass, 2 no rec) .....FIN to RLS  
 -- HB-139: Public utility vehicles drivers operate with screen devices operating and visible (1 do pass, 4 no rec) .....SA to RLS  
 -- HB-170: Repeal day fines (5 do pass) .....SA to JUD  
 -- SB-137: Board of Fisheries meetings (2 do pass, 2 no rec) .....C&RA to RES  
 -- SB-187: State's participation in federal Nationwide Mortgage Licensing System and Registry (5 do pass) .....L&C to FIN  
 -- HB-129: Real Estate Comm. revoke licenses of persons convicted of certain crimes (5 do pass) .....L&C to JUD  
 -- HB-156: Municipal fees to dispose waste material from deteriorated property (2 do pass, 2 no rec) .....C&RA to SA  
 -- SB-35: Extend Suicide Prevention Council termination date (6 do pass) .....FIN to RLS  
 -- SB-48: Open meetings laws exemption for certain meetings of muni. service area boards (1 do pas, 3 no rec) .....JUD to RLS  
 -- SB-59: Operation of low-speed vehicles (1 do pass, 3 no rec).....JUD to RLS  
 -- SB-114: Extend termination date Bd. of Registration Architects, Engineers, Land Surveyors (4 do pass, 2 no rec) .....FIN to RLS  
 -- SB-170: Modify Ak. unemployment insurance statutes (6 do pass) .....FIN to RLS  
 -- HB-81: Operating budget .....SENATE to CONF COMM  
 -- HB-83: Mental health prog. budget .....SENATE to CONF COMM  
 -- SB-176: Interstate compact on educational opportunity for military children(2 do pass, 2 no rec).....JUD to FIN  
 -- SB-177: Licensing, regulation sport fishing operators, guide, vessels (2 do pass, 4 no rec) .....RES to FIN  
 -- SB-183: DEC grants to develop air quality control prog., control air emissions (4 do pass, 2 no rec) .....FIN to RLS  
 -- HB-86: Extend the termination date Bd. of Veterinary Examiners (5 do pass, 1 no rec) .....FIN to RLS  
 -- HB-134: Passenger vessels permits to discharge graywater, treated sewage etc. (1 do pass, 2 amend, 2 no rec) .....RES to FIN

## Senate Floor Actions

-- SB-13: Eligibility requirements medical assistance children, pregnant women .....PASSED 13-3  
 -- SB-25: Name South Mitkof Island ferry terminal the Richard "Dewey" Duvall Ferry Terminal .....PASSED 16-0  
 -- SB-57: Charter school funding .....PASSED 16-0  
 -- SB-165: Transfer two parcel of Ak. Railroad Corp. land to the Muni. of Anchorage .....PASSED 16-0  
 -- SB-88: Repeal certain provisions for calculating power cost equalization .....PASSED 15-4  
 -- SB-1: Minimum wage increase .....PASSED 17-2  
 -- HB-1: Issuance of certificate of birth for a stillbirth .....PASSED 18-1  
 -- SJR-17: 2009 Year of the Noncommissioned Officer Corps of U.S. Army .....PASSED 19-0  
 -- SB-148: Limit state liability on certain federal highway programs .....PASSED 19-0

## Senate Floor Actions (Cont.)

-- HJR-9: Ak. Aviation Heritage Museum headquarter for Centennial of Flight Celebrations .....PASSED 19-0  
 -- SB-148: Limitations of state liability on certain federal highway programs .....PASSED 19-0  
 -- SB-96: Child support, Uniform Interstate Family Support Act, Ak. Native family assist. prog. ....PASSED 19-0  
 -- HB-139: Public utility vehicles drivers operate with screen devices operating and visible .....PASSED 19-0  
 -- SB-75: Amend capital, supplemental appropriations ..PASSED 16-3

### Committee code

Finance..... FIN  
 Rules.....RLS  
 Labor and Commerce.....L&C  
 Resources.....RES  
 Judiciary.....JUD  
 Health and Social Services.....H&SS  
 Transportation.....TRANS  
 Community & Regional Affairs ..C&RA  
 Energy .....ENERGY  
 Fisheries (Special Comm.).....FISH  
 World Trade, tourism .....TRADE  
 Governor.....GOV

### HB-108, home foreclosures, passes House

Rep. Jay Ramras' bill to expand advertising and bid options on non-judicial real property foreclosure sales, and allow persons losing their homes to recover some of the equity, passed the House on a 34-0 vote, April 11. "If people are going to lose a home, banks, as banks are only concerned about their position as lender," Ramras said before the floor vote on HB-108. The bill will get its Senate committee referrals on Monday, April 13.

No Senate version was introduced. The bill allows foreclosure sales to be advertised on court-approved websites as well as traditional newspapers and auction bids to be submitted by email, Internet or telephone. The bill includes procedures for dealing with deceased borrowers. It imposes bond requirements on trustees and allows them to nullify sales if the integrity of a transaction is compromised.

## . . . Business . . .

*Continued from page 2*

particulate criterion. SB-93, the Senate twin introduced by Sen. Joe Paskvan (D-Fairbanks) is in the Senate Finance Committee. The House bill went to Senate Finance.

### **Senate passes two-step minimum wage bill, SB-1**

SB-1, raising the Alaska minimum wage to \$7.25 per hour on July 24 and, indirectly, to \$7.75 next Jan. 1 passed the Senate on a 17-2 vote. The bill does not directly raise the rate next year but sets it at 50 cents above the federal minimum wage, which rises to \$7.25 on July 24. Sen. Con Bunde (R-Anch.), who voted against the bill with Sen. Fred Dyson (R-Eagle River), said it would have been “perfect” if it had included a tip credit, which it specifically prohibits. Sen. Bill Wielechowski (D-Anch.), sponsor of the bill, said tip credits really force employees whose good service brings more business to restaurants to receive less pay for doing so, because the tips are deducted from their pay. The House version, sets the state minimum at the higher of \$7.15 or 50 cents above the federal minimum.

**Cruise ship tax credit, HB-167, now in House Finance:** Legislation allowing cruise ship operators to claim dollar-for-dollar credits against their corporate income taxes for contributions to marketing programs of the Alaska Travel Industry Assoc. could cost the state up to \$15.8 million annually in tax revenues, according to the April 8 fiscal note on HB-167. The Alaska Travel Industry Assoc. said the credit could allow it to increase tourism marketing from \$11 million to about \$20 million per year, the minimum needed for Alaska to regain some marketing clout. The bill is effective July 1, so ATIA could ramp up marketing in time to help this year’s season, which is challenged. The bill got unanimous “do pass” recommendations from the House Labor and Commerce Committee and awaits a House Finance review. The bill allows creditable contributions for the full amount of a vessel operator’s tax but requires that credits be claimed in their originating tax year. Statutory confidentiality requirements protecting identification of the small number of cruise ship operators limit the information the Dept. of Revenue can disclose. The bill’s fiscal note said corporate income tax receipts from the entire tourism industry rose from \$3.5 million in fiscal 2007 to \$15.8 million in FY 08. That was the first full year cruise ship operators were subject to the corporate income tax imposed by the 2006 initiative petition.

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## . . . Business . . .

### **Extension of fuel tax holiday, SB-14, still in Senate Finance**

After a warning from a consistent supporter of SB-14, the two-year extension of the motor fuel holiday moved from the Senate Transportation Committee to Senate Finance, April 7. Sen. Kevin Meyer (R-Anch.) said the bill and the Power Cost Equalization cap extension are “part of the balance” between urban and rural energy cost assistance. Meyer also said the Dept. of Transportation is signaling the fuel tax should be raised to 16 cents or even 32 cents per gallon to fund road repair. “That is something we are going to have to address at some point,” Meyer said.

### **Omnibus insurance bill ready for House vote**

Legislation updating, clarifying and streamlining a range of Division of Insurance procedures and giving the director summary power to suspend a person’s license was reported out of the House Finance Committee, April 11. HB-175 could be on Monday’s House calendar. The suspension provision arose from two incidents this year, including what Director Linda Hall said was the worst case of agent behavior she has ever seen. The bill requires the director to find that the suspension is necessary for public protection. Under current law suspension orders that are challenged have been delayed for up to 18 months. The incident involves an insurance agent who took policy payments from 72 victims without placing any policies. Hall said 32 felony charges are pending in the case.

Other provisions in the bill allow the division to:

- Accept other regulators’ decisions on a license applicant from a person with a felony conviction rather than conduct a new background check.
- Issue licenses to nonresident adjusters whose home state does not regulate adjusters.
- Tighten language controlling the disposition of deposits given to guarantee funds from domestic and other insurers.
- Replace multiple definitions of “working day” in state insurance law with a single definition.
- Extend existing confidentiality protect of financial documents to analysis ratios, examinations and other documents received from other insurances commissions.
- Update lines of travel insurance that may be sold in Alaska.

Hall also noted that her division recently completed its conversion to electronic processing of all agent licensing. She called it the “biggest streamlining we’ve done.”

### **2015 sunset imposed on cruise ship discharge waivers on HB-134**

An amendment imposing a Jan. 1, 2015 sunset on Dept. of Environmental Conservation authority to grant water quality waivers for cruise ship discharges was added to HB-134 by the Senate Resources Committee, April 10. Cochair Sen. Bill Wielechowski offered the amendment and Cochair Lesil McGuire was the lone opponent in the 4-1 vote to adopt. Sen. Charlie Huggins said he voted “reluctantly” for the amendment “because it’s important for this bill to move.” Sen. Bert Stedman said Saturday that he held the same view. Stedman is a Resources Committee member, but was not at Friday’s hearing and is cochair of the Senate Finance Committee, which now has the bill. Without its passage cruise ships face tougher wastewater discharge standards for the 2010 season that ongoing monitoring

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## . . . Business/General Legislation . . .

- Continued from preceding page

indicates few if any can meet with current filtration technology. *Surprisingly, Gov. Sarah Palin spoke against DEC's position against the sunset provision at a news conference Friday morning, endorsing a sunset date on the waiver authority. "I would rather see a timeframe there to have a deadline to revisit," Palin said.*

Shortly before the amendment vote McGuire said she was "troubled by a prevailing theme that has been running through the debate in Alaska the last five years that seem to be one of anti-industry, anti-those who want to come and spend money here and invest in our state." While tourism business operators have been in support of unlimited waivers, McGuire's comments followed testimony from representatives of three commercial fishing groups who said open-ended waivers risk biological harm to salmon and other stocks and threaten the market image of wild Alaskan seafood from pristine waters. Fishing groups asked for a three to five-year sunset to motivate vessel operators to develop effective and affordable technology.

### **Speaker's death-penalty bill, HB-9, moves from its first committee**

This week the House Judiciary committee moved one of the hot-button issues of the session, although it will not pass this year. The bill moved from committee was a substitute for HB-9, by Rep. Mike Chenault (R-Nikiski), the Speaker's death penalty bill. Committee changes added requirements the Attorney General must present a confession, DNA or video evidence before seeking the penalty. They also added a requirement defense attorneys must disclose character witnesses at least 30 days prior to sentencing and added emergency medical personnel to the list of aggravating circumstances. The bill now moves to the House Finance Committee with 7 fiscal notes. The bill is not scheduled for a hearing before session end and is expected to receive a tepid reception in the Senate if it does pass the House.

### **"Day fines" bill, HB-170, is being fast-tracked**

HB-170, legislation repealing Alaska's "day fines" statute moved from Senate Judiciary and will be heard in Senate Finance early next week. "Day fines" were intended to be applied to non-violent misdemeanor offenders in lieu of incarceration and based on the cost of incarceration to the state relative to the gross amount of the daily income of the offender. The statute, passed in 1994, has never been implemented by the courts due to complex administrative issues. It is being fast-tracked and is on the list of bills to be passed this session.

### **HB-194 would allow slow vehicles, like All-Terrain Vehicles, on public roads**

The House Judiciary committee moved HB-194, by Rep. Wilson (R-Wrangell), removing restrictions on "slow moving vehicles" on public roads outside the state's major highway system and major urban communities. The bill is now in the House Rules committee awaiting scheduling of a floor vote. Companion legislation, introduced by Sen. Stedman (R-Sitka), is also moving through the Senate.

## . . . Business . . .

### **Real estate sales license revocation, HB-129 in Senate Judiciary**

Rep. Jay Ramras' bill authorizing the Alaska Real Estate Commission to suspend, revoke or refuse to grant the licenses of real estate sales persons convicted of felony crimes got a quick and positive review in the Senate Labor and Commerce Committee, March 9. HB-129 is awaiting its last committee review in the Senate Judiciary Committee. Current law allows the commission to sanction real estate brokers and associate brokers, but not sales persons, who make up 62 percent of real estate licensees in Alaska.

### **House passes Juneau "sub-port" building; bill now in Senate Finance**

Lobbying by its sponsor on HB-161 was so intense it was called "stalking," in jest, by House Finance cochair Rep. Bill Stoltze. The House voted 39-0 for passage of the bill to approve financing for construction by the Alaska Mental Health Trust of a new state office building in Juneau, April 8. In the Senate, the bill was referred to the Finance Committee. HB-161, introduced by freshman Rep. Cathy Munoz (R-Juneau) allows the state to issue \$22.7 million worth of certificates of participation to fund construction of the so-called Subport Building, on the downtown Juneau waterfront. The bill also authorizes the Dept. of Administration to negotiate a 30-year lease for the structure to house the Depts. of Labor and Public Safety and the Southeast division offices of the Dept. of Fish and Game. Income from the state's lease payments and rental of commercial retail space on the ground will provide the revenue to repay the certificates. An unrelated provision added in the House Finance Committee allows the Alaska Housing Finance Corp. to buy the Anchorage office building that provides its headquarters using its own earnings. AHFC will pay the Tatitlek Village Native Corp. \$7.5 million and transfer two vacant Anchorage lots it owns for the building.

### **Southeast State Forest effort, HB-162, shifts to House after a stall in Senate**

With the Senate version of a Palin Administration priority bill to establish a Southeast State Forest apparently stalled in the Senate Resources Committee, the House version, HB-162, moved out of the House Resources Committee after a single hearing, April 8. Both bills establish a 25,291-acre "forest" that includes 20 parcels on Prince of Wales Island and includes five more parcels on other islands or the mainland. Creation of the forest clears the way "to actively manage the parcels for higher timber volumes per acre, shorter rotations and less impact on wildlife," according to the HB-162 fiscal note. Before April 8, HB-162 had received no attention since it was introduced on March 2. SB-167, the Senate version, has not had a hearing since it moved from the Senate Community and Regional Affairs Committee to Senate Resources on March 20.

### **New FY 2009-2010 estimates released by the Department of Revenue**

The Department of Revenue released new revenue estimates for FY 2009, the current fiscal year, and FY 2010. The new FY 2009 forecast is \$335 million more than that estimated in the department's last FY 2009 forecast in January. The new estimate for FY 2010 is only \$25 million up from the last FY 2010 forecast made in February. Total unrestricted revenues are now expected to be \$4.166 billion in FY 2010, down from \$6.03 billion in FY 2009, the current year.

## Capital budget: End-of-session priority (*Cont.*)

- *Continued from page 1*

The Senate Finance Committee axed Palin's priorities for support needs of a future gas pipeline, including \$8 million for planning, \$4 million for studies of the state's oil and gas reserves, and \$26 million for upgrade work on the Dalton Highway (the North Slope haul road).

SB-75 currently funds \$42.3 million for 23 school maintenance projects ranging from \$15.8 million for a school renovation on Little Diomedede Island to projects below \$100,000. In the budget is \$23 million in general funds for 16 municipal sewer/solid waste projects; \$66 million for village safe water/wastewater projects, \$52 million is federal dollars. These are boilerplate capital budget allocations. The Port of Anchorage is listed at \$10 million in two different budget sections - \$20 million total! The cruise ship tax program totals \$85 million, and it appears budget makers threw away questions of constitutionality, or the need to keep funding close to direct ship/passenger support.

Included in the capital budget are projects funded from the cruise ship \$50 head tax. Spread into three agency budgets, these projects total \$58 million, and include funds from the tax that will accrue in FY-10 and also funds left on the table in the current fiscal year due to Palin's vetoes last May. Note: One of the catches in the cruise ship tax is that federal constitutional restrictions prevent its use as general revenue, requiring some relationship of benefit to cruise vessels and passengers.

Many of these projects, being far from the ship, may bring down the tax if contested in court. However, the reasoning of lawmakers is why should they care if the governor won't be "up front" about the legal issues (many of the general projects were proposed in the administration's budget with no warning as to legal questions). In addition, while the state could be required to refund the tax, lawmakers know that local communities where projects were funded will never be asked to repay those funds. It is the state that holds the bag for refunds in any litigation, so if legislators can fund a project for their district, why not? Of course, this begs the question of any responsibility legislators have for the state's overall interests.

*– More coming in our Supplement and our daily Bulletins next week*

### **Commissioner of Revenue taking some flak over investment decisions**

The Senate Finance cochairs, Sens. Bert Stedman and Lyman Hoffman, are unhappy over a decision by the Department of Revenue last year to invest \$4 billion in surplus revenues aggressively. As luck would have it the investment was made just as the market tanked, so the Constitutional Budget Reserve lost over \$1 billion. Revenue Commissioner Galvin said the Finance cochairs in both Houses were consulted but Stedman and Hoffman said they told the department to keep the money in short-term assets. Galvin is taking some heat over this, but says the decision was really his to make. Watch for some "guidelines" to be set by lawmakers.