

***From The Desk
Of Representative Paul Seaton
Weekly Legislative Newsletter – May 5, 2003***

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Recent Actions of Interest

HB 69: Regulation of Shallow Natural Gas Leasing HB 69, allowing for operational waivers of permit requirements for shallow well gas(coal bed methane), came back to the House for a concurrence vote. The Senate made a large number of changes to this House bill and it was necessary for us to take another look at it.

Unfortunately, the new version of HB 69 states that the commissioner of the Department of Natural Resources may approve a waiver of local planning authority approval and requirements relating to compliance with local ordinances and regulations. The DNR must clearly demonstrate an overriding state interest and issue specific findings giving reasons for granting the waiver.

I have vigorously opposed giving an unelected official the right to essentially void local ordinances for a private developer. The only situation that comes close is the Governor's ability to grant a waiver for a public project such as a highway, airport or bridge. The difference is that the Governor is elected and the project is public not private. Both Seward and Homer have indicated staunch opposition to the loss of local authority.

Another concurrence vote is scheduled for today. If we do not concur again, the bill will go to conference committee to remove sections four and six. All members of the House originally voted for the bill, but after the Senate's changes the concurrence vote failed 18 to 19. Twenty-one votes are needed for passage and 27 votes are needed to pass the immediate effective date clause.

Click here to read HB 69 online:

<http://www.legis.state.ak.us/pdf/23/Bills/HB0069B.PDF>

Senate Passes Operating Budget

Last week the Senate gave its approval to the Fiscal Year 2004 state operating budget. The Senate restored millions in K-12 cuts first proposed by Murkowski, and also increased the state's foundation formula using money from grants to districts. This year's budget debate has been driven by calls to cut state spending. Governor Murkowski initially proposed a \$55 million reduction in the operating budget in an effort to draw less than \$400 million from the state's dwindling reserve account. The House increased the governor's spending proposal by rejecting some of the most unpopular cuts.

Budget highlights include:

Education: The House restored some of the money to schools. The Senate proposes a \$159 per-pupil increase in the state's foundation formula by using the Learning opportunity grants.

The Senate rejected the governor's plan to reduce the state's share of debt reimbursement to schools.

University of Alaska: Murkowski proposed a \$10.3 million increase in university spending. The House cut that amount too, but the Senate added \$9.5 million back.

Alyeska Central School: Murkowski proposed closing the state's correspondence school to save the \$1.2 million cost of the school's summer program. The Senate plan cuts the summer school program and leaves the school intact.

Longevity Bonus: The Governor proposed ending the bonus paid to eligible seniors, a \$44 million cut. Elderly Alaskan recipients from all over the state have vocally opposed the cut. The House and Senate both rejected fully eliminating the bonus.

Longevity Bonus Bill changed to needs based

[Senate Bill 117](#) would cut off the payments to single seniors making more than \$16,824 a year, or couples making more than \$22,716. A single adult could have assets, such as a savings account up to \$4,000. A couple could have assets of \$6,000. Currently there is not a limit on the amount of money an older Alaskan can make and still receive monthly payments ranging up to \$250.

Several years ago, legislators decided to phase out the payments, but grandfathered in seniors who turned 65 by 1996 and were living in Alaska then.

The Senate Finance Committee proposal would keep the program but save about \$27 million in fiscal year 2004 by basing eligibility on financial need. Currently enrolled seniors would continue to get the checks through August of this year. Governor Murkowski said he would accept a needs-based approach. The income limits under the Finance Committee bill are about \$4,500 a year higher than the limits for senior citizens to qualify for the Adult Public Assistance welfare program. Some types of income and assets, such as permanent fund dividends and some Native corporation dividends, would not count toward the income and asset limits. Currently, about 18,000 people receive the bonus statewide. Approximately 4,300 would still qualify if [SB 117](#) passed both the Senate and the House.

House Bills Passed This Week

[HB 61](#) creates a new income tax credit for exploration and development of natural gas reserves south of the Brooks Range.

[HB 86](#) requires that a party of a lawsuit causing a work stoppage on a major construction project assume liability for construction costs if the court determines the court action was improper.

[HB 97](#) allows the Alaska Railroad to extend a land lease beyond the current 55-year maximum for one specific project and waives the railroad's right to terminate the lease. This allows for a developer to apply for HUD funding that requires a minimum lease time frame of 75 years.

[HB 105](#) allows fishermen to obtain state Commercial Fishing Revolving Loan Fund loans for Internal Revenue Service (IRS) tax obligations.

[HB 124](#) conforms the Alaska commercial driver law to federal standards. The change will allow for the continuance of federal funding between \$20 and \$40 million. HB 124 requires certain commercial vehicles to approach with flashers and stop at all highway railroad crossings. The bill prohibits an employer of a commercial vehicle from knowingly allowing, authorizing, or encouraging the driver to violate any federal, state, or municipal code or regulation relating to highway railroad crossings. HB 124 also requires the court to disqualify a commercial motor vehicle driver for certain periods of time upon conviction of such violations.

[HB 170](#) equalizes registration fees between pick-up trucks and passenger vehicles, adjust commercial and private vehicle registration fees, and update vehicle recording and lien fees.

[HB 171](#) discontinues the state start-up grants for charter schools because of the availability of new federal start-up programs.

[HB 266](#) amends the state election code statutes as required to comply with a recently enacted federal law, the "Help America Vote Act of 2002."

[HCR 11](#) proclaims July 2, 2003 as "Alaska Wild Salmon Week" to recognize the salmon industry's significance to the state.

[HB 10](#) allows non-affiliated employers, including non-profit businesses and the self-employed, to be eligible for group health insurance. Group health insurance allows employees to include dependent family members in their health insurance coverage. Under this bill, a pool of non-affiliated employers can form an association to become eligible for group health coverage.

[HB 61](#) provides a state tax credit to gas exploration operators on investments made for the purpose of gas exploration. The credit applies only to exploration south of 68-degrees Latitude.

HESS Information

HESS only met once this last week because the Chair, Rep. Wilson was ill. We did pass two bills out of committee during our one meeting. We passed [HB 10](#) (mentioned above), which allows employers and self-employed folks to pool together to form an association to help negotiate lower cost health insurance. We also moved out [HB 233](#), increasing the base student allocation for K-12 education.

Fisheries Committee

This week in the House Fisheries Committee we had two full hearings on [HB 281](#), a Moratorium on Charter Vessel Licenses. As written, this bill would place a temporary moratorium on charter vessel licenses in Southeast Alaska. The intent of the bill is to address the recent overcrowding of charter vessels in some southeast communities. This bill would place a moratorium on charter licenses issued to catch all species of fish, which includes all communities in Southeast.

Testimony from the public suggested that there was indeed overcrowding in some communities and that there were too many charters angling for king salmon. Fish & Game testified that there were no serious conservation concerns associated with the southeast charter industry except with regards to King Salmon. Many smaller communities testified in hopes of expanding or entering the charter fishing business.

The Dept of Law and the Commercial Fisheries Entry Commission questioned whether HB 281 raises other administrative and constitutional issues. It is unclear if limiting access to the charter industry would be constitutional under the present Limited Entry Amendment to the state constitution.

The committee, the various departments, the industry, and the public all seem to believe that in certain areas and for certain species, something must be done to better manage the commercial charter industry. The committee made it clear that this bill, as written, was not the best way to address an expanding charter industry. A working group comprised of committee members, the sponsor of the bill, and members of the public, may get together during the interim to work out some of the problems associated with the bill.

Education Committee

The House Special Committee on Education met once this past week to discuss [SB 95](#): 72-hour notice for teacher strikes. This bill amends current law so that teacher's unions must provide at least a 72-hour notice to the school district before they go on strike. The sponsor of the bill stated notice was necessary, because students could be left unsupervised, when their teachers suddenly go on strike.

Teacher's unions stated that they would be willing to give notice and they had no problem with the bill. SB 95 was moved from committee and will be heard next in the House Labor and Commerce Committee.

State Affairs Committee

This past week we have been primarily working on [HB 157](#). This bill re-writes Alaska Public Office's Commission oversight of state elections.

This bill was originally introduced as the APOC elimination bill, but was changed by the Governor's office later. Currently, the bill raises the amount of money that can be contributed in a campaign. In most situations the amounts were doubled. The bill also re-writes the law so lobbyists can contribute to people outside their home districts.

Most members of the committee and I feel that this bill opens the door towards large contributions flowing into campaigns with little or no disclosure. This week we will be working on our amendment and we are moving in the direction of keeping existing campaign limits, while streamlining the reporting process.

Salmon Revitalization Plan

Here is the elusive link to the Governor's Salmon Revitalization Plan:
http://gov.state.ak.us/whitepapers/salmon_strategy.pdf

Bill Access System

All bills can be found on the State's BASIS system. You will find the system to be accessible at the website below.

<http://www.legis.state.ak.us/basis/start.asp>

Live on the Web

Remember that you can hear just about any committee hearing or tune into just about any legislative session-present or past-by going to Gavel to Gavel, TV and public radio broadcasts of the state legislature as it occurs.

Click on the link below to connect to Gavel to Gavel.

<http://www.ktoo.org/gavel/schedule.cfm>

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