



## Strengthening Alaska Municipalities Through Advocacy & Education

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## Legislative Information

The purpose of this newsletter is to help each and every one of you keep up with the legislation that could potentially have a positive or negative impact on your municipality. If you have any questions about any bills, please call us at the AML office. If you hear about legislation that we have missed, please let us know. Sometimes, with the huge flurry of issues, we might miss something.

## Legislative Committee Meeting Schedule

The following list of committee meetings address issues and bills important to Municipalities for the upcoming week. For a complete list of bills visit the [BASIS](#) website. Most of the meetings are teleconferenced. It is best to go through your local LIO office to testify:

### Monday, April 13

NONE – at this point. We are now, however, under the “24 hour” rule, which allows the Legislature to post hearings on bills in a MUCH quicker manner. In other words, if you are waiting to testify on a VERY important bill, one must “camp” in the building, as committee meetings can come up VERY quickly.

### Tuesday, April 14

3:30 p.m. – [HB 75](#) – Muni; marijuana regs. – (S) CRA – Beltz 105

3:30 p.m. – [SB 100](#) – North Slope gas tax assessment – (S) CRA – Beltz 105

### Wednesday, April 15

All the rest of the week is listed as “bills previously heard.” This is when true craziness really starts.

### Thursday, April 16

Bills previously heard.....again.

Friday, April 17

Bills previously heard.....one dang more time.

## Bills on the Move

**[HB1](#)– An Act declaring the Arctic policy of the State.** This bill is still awaiting a schedule to move to Senate Rules where it will be scheduled for the Senate floor and then be transmitted to the Governor (as VERY few bills ever go on to the floor before they are totally convinced that the bill will pass). Two important changes to this bill is deletion of the reference to the Law of the Sea. As you might remember, this has been a priority of AML for a number of years. The Law of the Sea gives the U.S. a seat at the table when it comes to making decisions about the Arctic. However, many more conservative officials feel the Law of the Sea would give away U.S. sovereignty. Also added, was an interesting section that states, “Nothing in this Act is meant to support, endorse, or reestablish the Alaska Coastal Management Program that expired in 2011 and was rejected by state voters in 2012.”

**[HB 30](#) – An Act requiring school districts to develop and require completion of a history of American constitutionalism curriculum segment; and providing for an effective date.** This bill moved out of (H) Education on 02/27/15 and on to (H) Finance. This bill is basically an unfunded mandate on municipal and REAA schools. However, I think the fiscal note submitted by the Department of Education says it best. “The bill places the responsibility with the local school districts to develop and review the curriculum segment. A student must successfully complete a course in which the curriculum segment is taught in order to receive a diploma. A district may not grant a student waiver of this requirement.” It is NOT about the subject matter (constitutionalism, etc.), but about the fact that the State feels free to, in a time of drastically shrinking budgets, require us to develop a new class that will be required for graduation. This bill has not had much activity in the last couple of weeks. It may be one of those that slips through in the last week or it will die a slow, but painless death.

**[HB 47](#) - An Act requiring each municipality with a population that decreased by more than 25 percent between 2000 and 2010 that participates in the defined benefit retirement plan of the Public Employees' Retirement System of Alaska to contribute to the system an amount calculated by applying a rate of 22 percent of the total of all base salaries paid by the municipality to employees of the municipality who are active members of the system during a payroll period; reducing the rate of interest payable by a municipality with a population that decreased by more than 25 percent between 2000 and 2010 that is delinquent in transmitting employee and employer contributions to the defined benefit retirement plan of the Public Employees' Retirement System of Alaska; giving retrospective effect to the substantive provisions of the Act; and providing for an effective date.** This bill is one that Ray and I and Kent Dawson have been working on for over three years. It is finally moving. It was heard in (H) L&C on 04/06/15 and was

moved out and is now sitting in (H) Finance. We finally got a fiscal note. We have had many pertaining to this bill. Some of them have been so wildly extravagant, that they had no basis in reality. This bill still may not make it through before the Legislature gavel out, but there is always next year to make this bill better. Meanwhile, the costs continue to escalate!

**HB 53 – An Act relating to the application of pesticides and broadcast chemicals in certain public places near fish habitat or water used for human consumption and on state-owned land, land leased by or to the state, state highways, and state-owned rights-of-way.** This bill attempts to restore a public process to state pesticide and herbicide spraying programs and creates protective buffer zones around fish habitat and drinking water sources. This bill responds to regulatory changes made in March 2013 by DEC that eliminated opportunities for public comment on pesticide spraying programs, weakened public notice provisions, and removed requirements that agencies identify water bodies that could be harmed by pesticide application. This bill was heard in (H) Transportation on 03/10/15 where it was held. Meanwhile it is “languishing in (H) Transportation, where it is not necessarily a good place to “languish.” Very few things come out of a “languishment” alive in the Transportation committee.

**HB 58 – An Act making an entity that is exempt from federal taxation under 26 U.S.C. 501 (c)(3) (Internal Revenue Code) and a federally recognized tribe eligible for a loan from the Alaska energy efficiency revolving loan fund; and relating to loans from the Alaska energy efficiency revolving loan fund.** – This bill was heard on 03/05/15 in House Energy. This bill would make it possible for tribal organizations, non-profits and REAAs eligible for a loan from the Alaska Energy Authority revolving loan fund. This bill was heard in (H) L&C on 03/20/15 where it moved out of that committee and is currently in (H) Finance waiting to be put on the schedule. (They better hurry; time is getting short).

**HB 59 – An Act relating to marijuana concentrates; and providing for an effective date.** This bill delays, for a year, regulations regarding manufacturing and commercialization of marijuana concentrates to allow for a smooth implementation of the initiative and charges the Alcoholic Beverage Control Board with creating regulations relating to marijuana concentrates that include labeling and packaging requirements and prohibitions on the combining of marijuana concentrates with nicotine and alcohol. On 03/10/15, this bill was heard and moved out of (H) Health & Social Services and on to (H) Judiciary. It also picked up another sponsor. However, since then it has not received a hearing. I think the Legislature has basically said, “Oh, marijuana concentrates be damned. We’re not gonna address that.”

**HB 65 An Act relating to the disclosure of financial information by persons who are subject to the Legislative Ethics Act and by certain public officers, public employees, and candidates for public office.** This bill was interesting in that it suddenly attracted a brand new section. Apparently, this section was added at the request of APOC, who stated that this change was requested by municipalities. The current law states that all municipalities with a population of 15,000 or above are

required to submit all local public official financial disclosure statements electronically to APOC. The language inserted by APOC changed that to say that all municipalities with a population of more than 5,000 would meet this requirement. This change would affect twelve municipalities that are not included at this time. Now, these municipalities MAY have candidates file electronically if the candidate wishes. However, that is different than a requirement. This new requirement would have affected some communities that may have had a difficult time meeting that requirement (Bethel, Kotzebue, etc.). AML requested that the language be stricken from the bill. It was. We are happy. The amended bill passed out of House Judiciary and is now on its way to the Senate. Since this bill does not have a fiscal note, the only referral it has in the Senate is (S) Judiciary. A hearing, with public testimony, has been scheduled for 04/10/15 (see above).

**HB 72 "An Act making appropriations for the operating and loan program expenses of state government and for certain programs, capitalizing funds, making reappropriations, and making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska, from the constitutional budget reserve fund; and providing for an effective date."** This past week, public testimony was heard throughout the state on this Operating Budget bill. We encouraged members to call about Revenue Sharing, even though it is not currently found in the operating budget that they are addressing. The reason for that, as you hopefully heard during our legislative meeting, is that the \$60 million which has, in the past, been in the budget for deposit into the Revenue Sharing fund, has not been put into the operating budget. The \$57 million that is "slated" to go to municipalities, is actually the result of the \$52 million that was deposited during last years' budget. Still, we must be vigilant in reminding them that municipalities need that Revenue Sharing and we want to be sure that they do not reappropriate those funds for other uses. After a full week of testimony, they are now offering amendments based on testimony they have heard (at least we HOPE that is what is going on). I would list all of the amendments, however I am baffled, as there are 99 pages of amendments. I wouldn't know where to start. I will wait until the new operating budget is accepted and printed and THEN I will tell you what the scoop is. If any of you desire to spend a few days going over all of the amendments, please feel free to do so. It did pass out of (H) Finance on a 25/14 vote. This bill moved out of (S) Finance on 04/02/15. The bill made many, many cuts to many, many programs. We will attempt to do a complete analysis of that bill as soon as possible.

**HB 75 – An Act relating to the regulation of marijuana by municipalities; and providing for an effective date.** If you have read this ebulletin for the last couple of weeks (and that is an issue we must address, as many people are asking us questions day in and day out, which reflects the fact that VERY few members are reading these) you have noticed that I have gone back and forth between saying this bill is dead and then this bill is not dead and then.....this bill is dead. Either I am totally unclear as to what is going on up on the hill, or the Legislators are bouncing around like tennis balls. I refuse to make a decision on the above quandary. However, this bill is now.....as we speak.....not dead. It passed in the House and has been "sped" over to the Senate where it had a hearing in (S) CRA on 04/07/15 where it was held.

[HB 78](#) – **An Act bearing the short title of the “Alaska Competitive Energy Act of 2015”; and relating to the Regulatory Commission of Alaska.** This bill would give boroughs and cities the ability to regulate, fix, establish and change the rates and charges imposed by a utility that is not subject to regulation. It appears to make changes to ensure that the “end user” is offered an affordable, competitive pricing schedule and to bring unregulated utilities in line with the state energy policy (AS 44.99.115). This bill was heard and held in (H) Energy on 03/31/15.

[HB 79](#) – **An Act relating to controlled substances; relating to marijuana; relating to driving motor vehicles when there is an open marijuana container; and providing for an effective date.** This is the companion bill to SB 30. It was to be heard on Monday, 03/09/15, however, the hearing was canceled. Now, there is a hearing scheduled for March 18<sup>th</sup> (see above), which is really focused on SB 30 which appears to be the vehicle of choice for this legislation.

[HB 86](#) – **An Act relating to investment of the Power Cost Equalization Endowment Fund; and providing for an effective date.** This extends the language of the Power Cost Equalization Fund to no longer require a stated return (7%), but to have the investments done in a manner that will, “meet the objectives of the power cost equalization and rural electric capitalization fund.” This bill was scheduled to be heard on 04/03/15, however the hearing has been canceled.

[HB 104](#) – **An Act relating to immunity for a fire department and employees or members of a fire department.** This is the companion bill for SB 43. This bill was heard in (H) CRA on 03/10/15. It was passed and referred to (H) Judiciary where it is on the schedule for 04/03/15.

[HB 105](#) – **An Act relating to the programs and bonds of the Alaska Industrial Development and Export Authority; related to the financing authorization through the Alaska Industrial Development and Export Authority of a liquefied natural gas production plant and natural gas energy projects and distribution systems in the state; amending and repealing bond authorizations granted to the Alaska Industrial Development and Export Authority; and providing for an effective date.** This bill has no hearings scheduled at this time, but it has been referred to House Resources. The referral to (H) L&C has been removed.

[HB 115](#) - **An Act relating to the transfer of public land from the federal government to the state and to the disposal of that land; and providing for an effective date.** Introduced on 2/18/2015 and referred to House Resources where it easily moved out and then on to (H) Finance. It is now scheduled for Third Reading on the (H) Floor. While this bill has many merits, something to think about is what is the State going to do with this public land if they DID happen to get it, as we have no money.

[HB 118/SB56](#) - **An Act adopting the Municipal Property Assessed Clean Energy Act; authorizing municipalities to establish programs to impose assessments for**

**energy improvements in regions designated by municipalities; imposing fees; and providing for an effective date.** – This bill would allow building owners to either borrow money from a municipality or a private lender to implement energy efficiency measures by making property tax assessments available to ensure repayment of the debt. Municipalities may issue bonds to fund a municipal lending. Building owners would voluntarily allow the local municipality to impose a tax assessment on their property. This assessment would be payable annually with property taxes, with the proceeds used to repay the lender or bond holders over the full life of the loan. Due to the assured revenue source, the financing costs should be reduced. This bill had a hearing in (H) Energy on 03/25/15 where it was moved out of committee. It is now sitting in (H) CRA. AML testified in support of this bill, as it is voluntary and simply provides options for municipalities and owners of commercial businesses to make energy efficient changes to the structure. This bill moved out of (H) Energy on 03/24/15 and moved on to (H) CRA where it was heard and held on 03/26/15. It had some “issues” which were ironed out, which enabled it to move out of (H) CRA. This bill was heard and held in (H) Finance on 04/07/15. Its companion bill (SB 56) moved out of (S)CRA on 03/18/15 and was moved on to (S) Finance where it was heard on 04/09/15 and held in committee.

**[HB123](#) - An Act establishing the Marijuana Control Board; relating to the powers and duties of the Marijuana Control Board; relating to the appointment, removal, and duties of the director of the Marijuana Control Board; relating to the Alcoholic Beverage Control Board; and providing for an effective date.** This bill seems to be moving a bit quickly now, as the session is nearly over. I think the Legislature realized that this is a task they must get done in order to avoid marijuana chaos. Marijuana and chaos should NOT be in the same sentence. Marijuana and *layed back* should be in the same sentence. It will now be heard in (H) Finance on 04/10/15, where I bet it sails through. This bill has caused some consternation in the newspapers, as this is the one bill that should be passed long before the actual marijuana regulations are passed. As most of the marijuana bills are going nowhere fast, it is probably a bit crucial to at least put a Marijuana Control Board into place so that there is someone minding the store. This bill was introduced by the Governor and intends to set up a “hybrid” board under the DCCED and shall operate like the Alcohol Beverage Board

**[HB 146](#) – An Act relating to a municipal tax exemption for certain subdivided property.** This bill addresses land that has been subdivided. If the “owner” of the land has currently been paying taxes on an (i.e.) 10 acre plot and then subdivides the property until 10 – 1 acre plots, he may have a portion or all of the “increase” of his taxes, due to that subdivision action, partially or wholly exempted from taxation. The municipality must put this exemption into place through ordinance. The exemption on the increased taxes expires when the lots are sold or when a building is built on the property. If any of these lots are sold or built upon, the exemption still stands for the other lots in that subdivision. This bill has cleared the House and is now on the Senate side. It was heard on 04/07/15 in (S) CRA where it was then held for the next meeting. It was also combined with another bill that deals with optional exemptions – SB 87 – **An**

**Act relating to the optional exemption from and deferral of payment of municipal taxes on deteriorated property (see below).**

**[HB 148/SB 78](#) – An Act relating to medical assistance reform measures; relating to eligibility for medical assistance coverage; relating to medical assistance cost containment measures by the Department of Health and Social Services; and providing for an effective date.** This is the much awaited for “Governor’s Medicaid Bill.” This bill takes advantage of available federal resources by accepting an estimated \$146 million in federal Medicaid expansion money; and lays out the Governor’s plans to reform the state’s Medicaid system to ensure the program is affordable over the long term. It would also make health coverage available through Medicaid to Alaskans who earn about \$20,314 or less (\$9.76 per hour) or married couples who earn \$27,490 or less. Through 2016, the federal government will pay 100% of the costs for newly covered Alaskans. After that, the federal match transitions to 90% in 2020 and beyond. An estimated 42,000 Alaskans will become eligible for Medicaid under this bill and it is expected to bring \$146 million in new federal money to Alaska in FY16. It is also expected to generate an estimated 4,000 jobs and \$1.2 billion in wages and salaries. Alaska can opt out with no penalties if state match goes above the 10% written into federal law. This bill is currently being held in (H) Finance where it was heard on 04/07/15 and 04/09/15. It is scheduled for Statewide Public Hearing on 04/11/15.

**[HCR 1](#) – Urging the Governor to acknowledge officially the sovereignty of Alaska tribal governments, to create clear and consistent policies for increased state collaboration and partnership with tribes, and to direct the attorney general to conduct a complete review of the state’s litigation against Alaska Native tribes; urging the Governor to acknowledge the inherent criminal jurisdiction of Alaska tribal governments over tribal members within the boundaries of their villages; urging the Governor to cooperate with tribes’ efforts to transfer Native land to trust; and urging the Governor to support multilateral negotiations between tribal governments, nontribal municipalities, and the state government to delineate clearly tribal geographical jurisdictions.** This bill very simply lays out the following: 1) stop the lawsuits against Alaska Native tribes; 2) acknowledge the criminal jurisdiction that tribes have over their members within their village boundaries; 3) help tribes with the on-going effort to transfer Native land to trust; 4) support negotiations to define geographical jurisdiction; and 5) issue a proclamation officially acknowledging the sovereignty of Alaska tribal governments with clear and consistent policy. This bill has moved through (H) CRA and Judiciary.

**[HCR 10](#) - Supporting the Alaska Maritime Workforce Development Industry Advisory Committee and further efforts to carry out the Alaska Maritime Workforce Development Plan.** This resolution will be heard in (H) Fisheries on 04/07/15.

**[HJR 3](#) – Urging members of the Alaska delegation to the United State Congress to introduce substantially similar legislation to the Alaska Safe Families and Villages Act of 2013; urging the United States Congress to affirm the criminal**

**jurisdiction of Alaska tribal governments over tribal members within the boundaries of their villages; urging the United States Congress to cooperate with tribes' efforts to transfer Native land to trust; and supporting multilateral negotiations between tribal governments, nontribal municipalities, and the state and federal governments to delineate clearly tribal geographical jurisdictions.**

This resolution intends to acknowledge tribal governments by the state to be forthcoming. It also urges Congress to introduce new legislation to go along with the discussion begun during 2013 which showed less than desirable conditions in many of the Native Alaska villages. One of the main "asks" is for the U.S. Congress to affirm the criminal jurisdiction of Alaska tribal governments over tribal members and to expedite the transfer of Native land to trust. This bill has moved through (H) CRA and Judiciary.

**[HJR 4/SJR 8](#) – Urging the United States Congress to provide a means for consistently and equitably sharing with all oil and gas producing states adjacent to federal outer continental shelf areas a portion of revenue generated from oil and gas development on the outer continental shelf to ensure that those states develop necessary infrastructure to support outer continental shelf development and preserve environmental integrity.** This bill causes me to chuckle. It is great for one's soul to listen to the Legislative list ALL of the reasons why Revenue Sharing, paid by the federal government to the State government is SO BLASTED IMPORTANT!!!! Why do the feds not get that? DUH!!!! It was heard and held in Senate Resources. It also gathered a "plethora" of sponsors. Keep a sharp eye on those supporters. We would assume that they will also feel local Revenue Sharing is VERY important. If one had not noticed, resolutions, which don't REALLY require the Legislators to take much action, are REALLY popular. Just an observation. Also, think about this resolution from a municipal standpoint. They (the State) would like to see 27% of the revenue from oil and gas from the Outer Continental Shelf, go to the State. Perhaps, listening to their heart-felt argument, we should request 27% of the money given to the State, if this resolution ever comes to fruition, go to municipalities. This bill has "whizzed" through both houses ("whizz" is a technical lobbying term). It was GREAT listening to all of them talk about how important Revenue Sharing is. Of course, it is the Revenue Sharing that goes TO them, not FROM them.

**[HJR 7](#) – Opposing the proposed designation of an Aleutian Islands National Marine Sanctuary.** – This resolution declares opposition to a nomination made by a Washington D.C. based Public Employees for Environmental Responsibility (PEER) for the creation of an Aleutian Islands National Marine Sanctuary. Under the PEER proposal, all current restrictions on fishing and other commerce in the region would be made permanent and new restrictions that would likely prove burdensome to present and future economic activity would be added. In its information on the nomination process, NOAA states that "every nomination starts at the community level" and calls for "community-based support for the nomination." However, it appears that the groups led by PEER never consulted the dozens of local communities that would bear the brunt of the creation of a sanctuary. This bill was heard in Senate Resources on 03/11/15 where it passed and was moved out of the committee. It is now awaiting transmittal to the Governor for signature. Another resolution with HUGE support.

**HJR 8** – (SJR 4) **Urging the federal government to empower the state to protect the state’s access to affordable and reliable electrical generation.** This is another “federal overreach” message attempting to encourage the federal government to “empower” the state to regulate its own energy production and use, in order to protect access to affordable and reliable electrical generation for residents of the state. This resolution has passed out of (H) Energy and (H) Resources. It is now sitting in Rules.

**SB 1** – **An Act prohibiting smoking in certain places; relating to education on the smoking prohibition; and providing for an effective date.** This bill prohibits smoking in enclosed areas in public places; in vehicles used for public transportation; at transportation facilities and depots; at retail stores or shopping centers; and on property owned by local government or by the state. It also prohibits smoking in office buildings, hotels, motels, restaurants, bars, retail stores, common areas in apartments and multiple family dwellings, places of employment, at public or private educational facilities, at adult care residences, at healthcare residences or on a marine vessel operating as a business. Also impacted will be state or municipal parks designated as children’s play areas, in public stadiums or amphitheatres and within 20 feet of a doorway, open window or heating/ventilation system. It does allow smoking at a retail tobacco store or e-cigarette store and on a fishing vessel used exclusively by one person. Smoking in private clubs is only allowed if that club does not serve alcohol. The party responsible for administration and enforcement will be the Department of Health and Social Services, as well as peace officers. This bill was heard in (S) Health & Social Services on 03/11/15 where it passed and moved out of committee. It also picked up many sponsors. It also picked up a few additional referrals. This bill was heard in (S) State Affairs on 04/09/15 where it was held after a TON of public testimony.

**SB 19** – **An Act relating to Road Service Area Boundary Changes.** This legislation was introduced to help Fairbanks (who has a gazillion service areas) not find lots split between two service area. This would allow the borough assembly to place the tax lot into one of the service areas. This bill was heard and held in (H) CRA on 03/24/15 and again on 04/02/15 when it passed out of committee. It is now scheduled for Rules before it goes to the floor of the House.

**SB 22** – **An Act relating to the collection costs for the municipal motor vehicle registration tax; and providing for an effective date.** Approximately 16 municipalities throughout the State levy an Motor Vehicle Registration Tax. The State collects that tax and remits it to the municipality where that vehicle is registered. The State also keeps an 8% administrative fee. The sponsor of the bill feels that technology as enabled administration costs to decrease. Therefore, this bill would lower that percentage to 5.5% of the total tax. This bill was heard in (S) State Affairs (03/26/15) where it was passed and moved out of committee. This bill had no other referrals, but apparently picked one up as of 03/27/15. It now has been referred to (S) Finance where a hearing is scheduled for 04/09/15.

**SB 26** – **An Act making appropriations, including capital appropriations and other appropriations; making appropriations to capitalize funds; and providing for an effective date.** This is the first “flurry” of hearings on the capital budget and has mostly consisted of hearing about capital requests from presenters representing the different state agencies. It has been heard the first four days of this week and will also be heard on Friday (after this ebulletin goes to “press”). You can bet that this budget will be much, much smaller than any budget we have seen before. CAPITAL BUDGET TIME!!! This bill has hearings scheduled in (S) Finance next week on 04/06/15, 04/08/15 and 04/09/15. It will be a busy week. I am sure many of you will be calling in on projects that relate to your community and seeking out ways to split the \$531.26 that will be split between everyone in the State.

**SB 30** – **An Act relating to controlled substances; relating to marijuana; relating to driving motor vehicles when there is an open marijuana container; and providing for an effective date.** This bill is moved over to the House side after MUCH controversy while it was being heard on the Senate side. It was first heard in (H) Judiciary on 04/06/15 and again on 04/07/15, 04/08/15 and 04/10/15. Well, it is controversial again.....or still. The big controversy while it was in the Senate, was whether the entire Senate would adopt the Senate Judiciary version or the Senate Finance version. The Senate Finance version won. But, it has some stricter parts to it that many do not like. Now, the House Judiciary is arguing about whether they should pass the (S) Judiciary version on or the (S) Finance version that they were handed. On 04/10/15, public testimony will be heard in (H) Judiciary.

**SB 43** – **An Act relating to immunity for a fire department and employees or members of a fire department.** Employees of municipal fire departments are immune from liability, however, contract fire departments, made up mostly of volunteers, are not. This bill extends that immunity to contract fire departments. This bill was heard and held in (S) Judiciary on 03/18/15 where there was “invited” and public testimony. On 04/01/15, it was transmitted to the House and referred to (H) CRA. That referral was then removed and it was referred, instead, to (H) Judiciary where it was held.

**SB 45** – **An Act relating to parks and recreation service area boundary changes.** This bill provides municipalities with a method for collecting taxes from property owners currently benefiting from services provided by taxes paid from others in the service area. As development occurs, “doughnut holes” are often left in service areas. These areas can continue to carry a vote to keep themselves from paying the taxes that others in their area already pay. This bill was scheduled to be heard in (S) C&RA, but was not heard last week. The most this bill has seen is to be scheduled and then canceled. I would assume it is not going anywhere fast.

**SB 60/HB 116** - **An Act establishing the Marijuana Control Board; relating to the powers and duties of the Marijuana Control Board; relating to the appointment, removal, and duties of the director of the Marijuana Control Board; relating to the Alcoholic Beverage Control Board; and providing for an effective date.** This is a companion bill to HB 123. Under this bill, the Director of the Alcoholic Beverage Control

Board will also be the director of the Marijuana Control Board. The Marijuana Control Board will have 5 members, represented by public health; rural; public safety; and the marijuana industry. This board will be under the Department of Commerce, Community & Economic Development (or Chris, as we now call it). It would also allow for “transition” regulations such that if the Alcoholic Control Board adopts any regulations before the Marijuana Control Board is created, those regulations can be implemented, enforced, amended, or repealed by the Marijuana Control Board. This bill was heard in (S) Labor & Commerce on 03/12/15 and held. The companion bill (HB 116) was heard and held in (H) Finance on 03/19/15. The Legislature better hurry if they want any sort of Board. This would lead one to believe, perhaps they don’t WANT a board.

**SB 62 – An Act relating to the regulation of marijuana, marijuana testing, marijuana products, and marijuana accessories; relating to the licensing of marijuana retailers, producers, processors, boutique producers, brokers, and home growers; relating to taxation of marijuana; and providing for an effective date.** This bill was heard in Senate State Affairs for a LONGGGGGGGGGGGGG time on 03/05/15, where it was held. It was again scheduled for 03/12/15, but they never got to it. However, because I reported that I thought it was dead, the Legislative Gods scheduled it for 04/07/15 in (S) State Affairs where it was heard and held. It is currently not on the schedule for any hearings. Maybe it is “re-dead.” I have to say, I think the Legislature is having a bit of trouble on the marijuana legislation (all of it). They are not sure what to do and there seems to be a strong push and shove going on between those who want to regulate everything and the public, who says.....”chill.” The marijuana initiative specifically stated that the registration fee for a business applicant, be capped at \$5,000, with one-half of that fee being forwarded to the local government. I know you will find this hard to believe, but that section to share that application fee has been removed (the estimate for that amount is about \$6 million shared by municipalities that allow sales/testing of some sort).

**SB 64/HB 136 – An Act relating to school bond debt reimbursement; and providing for an effective date.** Due to the deficit, this bill would see the state put a five-year moratorium on the school bond debt reimbursement program. When this moratorium expires in 2020, the reimbursement rates for school construction would be reduced from 70% to 50% for some projects and for others (criteria is found in AS 14.11.100) from 60% to 40%. There was a substantial amendment submitted and accepted in (S) Finance which would move the “effective” date of this legislation from May 1, 2015 back to January 1, 2015. This bill moved onto the Senate Floor on 03/25/15. There were more than a few amendments offered by the minority representing Anchorage. As MOST municipalities have their elections in October, Anchorage has theirs in April. Had this bill gone through as initially written, Anchorage, who has a school bond proposition on their ballot, would have (in the words of a majority member) “squeaked” through and received reimbursement. So, the bill was “backdated” or made retro to January 1 so that no matter what happens in the Anchorage election, the State does not have to reimburse. The bill goes to House Finance next and is already on the schedule for 03/26/15, as they are in a hurry to have this bill settled before the election. The Municipality of Anchorage will have to inform it

residents that if they accept the bond package, the taxpayers will be responsible for paying back all of the bonds. This bill passed out of (H) Finance on 03/30/15. It was then read on the floor where there was a PLETHORA of debate. It passed the floor except for the “effective date,” which if you remember was moved back to January 1, 2015. Many argued that it did not cast a good light on Legislators to be passing bills that reached back into the past. YOU THINK????? Another vote was taken on the effective date. The House majority thought they had enough votes to get it through, but they did not. This basically means, that the vote up in front of the people of Anchorage, which has a school bond on the ballot, will enable Anchorage to be reimbursed for a large portion of that bond. However, the House Speaker has said they have another “remedy” up their sleeve to prohibit that from happening. They will have to move fast if that is true, as they Anchorage election is Tuesday, 04/07/15.

**SB 83 – An Act relating to the Protective Occupation Retirement Council; and relating to participation of certain employees in the defined benefit and defined contribution plans of the public employees’ retirement system; and providing for an effective date.** This bill allows for the formation of a special “group” made up of public safety employees, that would set new parameters as to cost-of-living allowances, etc. and would also allow them to “advise” the Alaska Retirement Management Board on PERS/TRS issues affecting Public Safety employees. This bill was heard on 04/09/15 in (S) State Affairs where it was held.

**SB 86/HB 158 – An Act relating to a refined fuel surcharge; relating to the motor fuel tax; relating to a qualified dealer license; and providing for an effective date.** This bill intends to fill the deficit in the Oil and Hazardous Substance Release Prevention and Response Fund by filling it with an additional surcharge tax levied on the supplier of “refined fuels.” In the past, the money to fund these response activities has come from oil produced. Now it will come from refined fuels distributed throughout the State. This bill was heard in (S) Finance on 04/06/15 and then moved on to the Senate floor on 04/08/15 and held in third reading. The House companion bill went to (H) Rules on 04/07/15 and had the third reading on 04/08/15. This bill will now go on the Governor for a signature upon a positive vote on the House floor (which seems eminent).

**SB 87 – An Act relating to the optional exemption from and deferral of payment of municipal taxes on deteriorated property.** This bill was brought forward by construction and development people who believe that having to pay taxes on abandoned buildings and deteriorated property might keep them from making improvements to the property. This is an optional bill. However, if developers go to a Legislature and they (the Legislature) passes a bill to help these developers, you can bet the municipality that chooses NOT to take up this option is going to get plenty of heat. Also, it can be argued that continued taxes ALSO give incentive to a property owner to fix up that property. One to watch. It was heard and held on 03/31/15 in (S) CRA.

**[SB 88](#) – An Act relating to new defined benefit tiers in the public employees’ retirement system and the teachers’ retirement system; providing certain employees an opportunity to choose between the defined benefit and defined contribution plans of the public employees’ retirement system and the teachers’ retirement system; and providing for an effective date.** This bill is a resubmission from prior years. This gives new employees and option on whether to choose defined contribution (new system) and defined benefit (which is our current closed older system). There is conflicting figures out there as to how much this would cost the system. We have not heard yet from the new administration’s people in the Retirement and Benefits Division. I will attempt to get some numbers. This bill was heard in (S) CRA on 04/09/15 where it was held in committee.

SR 1, 2, and 3 – **Establishing a Senate Special Committee on [World Trade \(1\)](#), [Arctic \(2\)](#), and [Energy \(3\)](#).** These three resolutions would set up (refer to HR 2, 3, and 4) Special Senate Committees to sunset at the end of the 2<sup>nd</sup> year of the 29<sup>th</sup> Legislature. All three of these resolutions have passed and are being transmitted to the Governor.

**[SJR 13](#) – Supporting oil and gas exploration and development on the outer continental shelf offshore of the state; opposing attempts to prohibit future oil and gas development in the Beaufort and the Chukchi Seas, including the Hanna Shoal area; and requesting that the federal Administration cease and desist from restrictions that adversely affect active or future leases in high petroleum potential areas in the Beaufort and Chukchi Seas, including the Hanna Shoal area.** Some areas in Alaska have previously been excluded from oil and gas leasing programs. Hanna Shoal was NOT included in that prohibition. This area was then added at a later date. This resolution attempts to exclude it from the oil and gas leasing ban. This resolution has picked up some steam recently and after going through both the House and the Senate, it has now been assigned to a conference committee.

## **Bills Introduced**

**\* this week**

**[SB 34](#) – An Act relating to investment of the Power Cost Equalization Endowment Fund; and providing for an effective date.** This extends the language of the Power Cost Equalization Fund to no longer require a stated return (7%), but to have the investments done in a manner that will, “meet the objectives of the power cost equalization and rural electric capitalization fund.”

**[SB 61](#) – An Act establishing a museum construction grant program in the Department of Commerce, Community, and Economic Development.**

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