



**Strengthening Alaska
Municipalities Through
Advocacy & Education**

Legislative Bulletin # 30-3

February 3, 2017

In this issue:

- Legislative Committee Meeting Schedules
- Bills on the Move
- Bills Introduced

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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, February 6, 2017

- 9:00 a.m. – [SB 39](#) – Muni Energy Improvement Assessments/Bonds –Senate Finance
1:30 p.m. - [HB 60](#)– Motor Fuel Tax, Transportation Maintenance Fund –House
Transportation, Barnes 124
3:30 p.m. – [SB 3](#)– Small Vessel Wastewater Exemption, 1% art –Senate Resources,
Butrovich 205

Tuesday, February 7, 2017

- 8:00 a.m. – [HB 80](#) – Muni Energy Improvement Assessments/Bonds –House C&RA –
Barnes 124
1:30 p.m. – [HB 60](#) – Motor Fuel Tax; Transportation Maint. Fund – House
Transportation-Barnes 124
1:30 p.m.- [HB 23](#)– Ins. For Depends. Of deceased Fire/Police– House Finance

Wednesday, February 8, 2017

- 9:00 a.m. – [SB 39](#)– Muni Energy Improvement Assessments/Bonds –Senate Finance

Thursday, February 9, 2017

- 1:30 p.m. – [HB 23](#)– Ins. For depends. Of deceased fire/police –House Finance
1:30 p.m. – [HB 51](#)– Small Vessel Wastewater Exemption –House Finance
1:30 p.m. – [SB 25](#)– Motor Fuel Tax; Transportation Maint. Fund –Senate
Transportation – Butrovich 205
1:30 p.m. – [HB 60](#)– Motor Fuel Tax, Transportation Maintenance Fund –House
Transportation – Barnes 124
3:00 p.m. – [HB 50](#)– Professional Services in State-Funded Contracts –House State
Affairs – Gruenberg 120

Friday, February 10, 2017

None at this time.

In order to testify at any of the above hearings, please either go to an LIO, if you have one close to you, or call the nearest LIO OR the LIO in Juneau (907) 465-4648. If you have trouble getting through, please let us know. We will continue to push on this issue until we are confident that all Alaskans are able to take part in the Legislative process.

Bills on the Move

[HB 23](#) – An Act relating to major medical insurance coverage under the Public Employees' Retirement System of Alaska for certain surviving spouses and dependent children of peace officers and firefighters; and providing for an effective date.

This bill was heard on Wednesday, February 1 in House Finance at which time it was held. Before I give you TOOO much information, let me give you a brief description of the bill. THIS IS AN UNFUNDED MANDATE!!! There is not much information given on line about this bill, but it would simply mandate municipalities to deposit funds into a State account, which the State MAY use, after a police officer or firefighter has died in the line of duty, to pay the health insurance fees for dependent spouses and children of the officer/firefighter.

1. An unfunded mandate!
2. We have not had any information given to us as to how much this would cost us. The bill states that the amount required by the community would be health insurance costs plus an “appropriate administrative fee.” We have no idea what that means.
3. We would be required to pay until the spouse remarries or the children reach the age of 26.
4. There are many funds set up to do this already and to date, no municipality has failed to help out the families of fallen officers. We are NOT arguing about the honorable idea behind the concept. We are saying, however, keep this bill optional and let municipalities do what they can.

This bill is not scheduled at this time for a further hearing. A few legislators are beginning to sour on this bill, as since it was submitted, many other “career fields” are attempting to get counted in this. Local elected officials have not yet been mentioned!

HB 51 – An Act relating to the regulation of wastewater discharge from small commercial passenger vessels in state waters; and providing for an effective date.

This bill would reinstate statutes that exempt the state ferries and other small passenger vessels from large cruise ship wastewater discharge requirements, instead allowing them to discharge wastewater under Best Management Practices (BMP) plans.

An exemption in the statute was made for smaller ships – including the state ferries - in recognition of the problems they would have installing AWTS on board their smaller vessels. The exemption language in the statute expired on January 1, 2016, leaving the small vessels without a viable means to comply with the statutory permitting provisions. This bill would restore the statutory exemption along with DEC’s authority to require the alternative requirements such as BMP for the smaller vessels. Without the changes in the proposed bill, state ferries and small cruise ships would have to install AWTS technology, which would be cost and space prohibitive. Additionally, most cruise ships and state ferries lack available space and weight capacity to install AWTS, creating potential stability issues. DOT&PF estimates the cost to retrofit ferries is over \$5 million.

This bill is a companion bill to SB 3. It was heard in House Transportation on Thursday, Feb 2 where it was moved out of committee and referred to House Finance. It is scheduled for House Finance on Thursday, February 9.

HB 60– An Act relating to the motor fuel tax; relating to the disposition of revenue from the motor fuel tax; relating to a transportation maintenance fund; and providing for an effective date – This bill was submitted by the Governor and is part of his fiscal plan. It was heard on Tuesday, January 31 in House Transportation where it was held. Public testimony was also heard on Friday, February 6 and will be ask for public testimony again on Monday, February 9. This bill would raise the motor fuel tax on July 1, 2017 and a second increase on July 1, 2018. This bill would raise the motor fuel tax rate (which has not been raised in over 45 years) close to the current national average of 25 cents a gallon. This raise would affect all motor fuels sold or transferred within the state, aviation gasoline, aviation fuel other than gasoline, and motor fuel tax used in and on watercraft.

HB 80 – An Act adopting the Municipal Property Assessed Clean Energy Act5; 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 is a companion bill to SB 39 (below). This bill was heard in House Energy on Thursday, Feb 2. It was moved out of committee into House C&RA where it will be heard on Tuesday, Feb. 7.

HB 81 – An Act making an entity that is exempt from federal taxation under 26 U.S.C. 501 (c)(3), (4), (6), (12), or (19) (Internal Revenue Code) and a federally recognized tribe eligible for a loan from the Alaska energy efficiency revolving loan fund; related to loans from the Alaska energy efficiency revolving loan fund; and relating to the annual report published by the Alaska Housing Finance Corporation – This bill was heard in House Energy on Tuesday, January 31, where it was held. This bill intends to help non-profits become more energy efficient and self-sufficient. This bill would authorize Alaska Housing to accept applications from non-profits (soup kitchens, arts organization, American Legion posts, etc.) and federally recognized tribes for energy efficient improvements to their buildings. This bill does not currently have another date for a hearing.

SB 3– An Act relating to the regulation of wastewater discharge from small commercial passenger vessels in state waters; relating to art requirements for certain public facilities; and providing for an effective date – This bill was heard in Senate Resources on Wednesday, February 1 where it was held. It now has another hearing scheduled for Monday, February 6. This bill reinstates the statutory exemption from large cruise ship discharge requirements for small commercial passenger vessels. This legislation specifically exempts 3 new construction AMHS vessels from the 1% for art requirement. Without the exemption, small cruise ships and ferries would be required to install and operate Advanced Wastewater Treatment Systems which would be cost and space prohibitive. DOT estimates the cost to retrofit ferries to be over \$5 million.

SB 14– An Act relating to transportation network companies and transportation network company drivers. This bill allows for Rideshare companies (Lyft and Uber) to operate in Alaska. Despite what you might think of Uber (pro or con), local transportation regulation has always been handled by the individual municipalities. This bill appears to remove the local regulation and make it a state regulation. As per AML, this bill takes away local control. Each municipality is different and may want to deal with their transportation needs differently (cabs and Uber/Lyft). This bill was heard and held in Senate Labor & Finance on Thursday, February 2. There are no further hearing scheduled at this time.

SB 25 – An Act relating to the motor fuel tax; relating to the disposition of revenue from the motor fuel tax; relating to a transportation maintenance fund; and providing for an effective date. This bill is a companion bill to HB 60 (above). It is scheduled for a hearing on Thursday, February 9 in Senate Transportation.

SB 39 – 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 was heard on Tuesday, January 31 in Senate C&RA where it was held. A Finance referral was added, as well. It was heard again in C&RA on Thursday, February 1. At time of this newsletter, we do not know the results of that hearing. This bill sets up a system to allow municipalities and commercial

property owners to participate in a Commercial Property Assessed Clean Energy finance program. This bill allows municipalities to assess a fee to a commercial property owner's annual property tax bill to repay a PACE loan (a type of energy efficiency loan) by a third party such as a commercial bank or through a program sponsored by the municipality.

Bills of Interest

[HB 11](#) - An Act relating to retirement incentives for members of the defined benefit retirement plan of the teacher's retirement system and the defined benefit retirement plan of the Public Employees' Retirement System of Alaska; and providing for an effective date.

[HB 21 \(SB 1\)](#) – An Act making a special appropriation from the earnings reserve account for the payment of permanent fund dividends; and providing for an effective date.

[HB 22 \(SB 2\)](#) – An Act increasing the amount of the 2016 permanent fund dividend and directing the Department of Revenue to pay a supplemental dividend to eligible individuals; and providing for an effective date.

These two bills (SB 1 and SB 2) gained a few more sponsors. The intent is to create a special appropriation that would restore the vetoed portion of the 2016 Permanent Fund Dividend (PFD) to every eligible Alaskan in the amount of \$1,030. As per the adopted "Sustainability Plan" and AML Resolution #2017-01, these bills take an entirely different position than that for which we have advocated. The bills were heard in Senate State Affairs on Tuesday, 01/24 where they were held. The next hearing will be on Saturday, 01/28, again in State Affairs.

[HB 23](#) – An Act relating to major medical insurance coverage under the Public Employees' Retirement System of Alaska for certain surviving spouses and dependent children of peace officers and firefighters; and providing for an effective date.

[HB 30](#) – An Act relating to the payment of sick leave by employers; and providing for an effective date.

[HB 34](#) – An Act relating to sales of alcoholic beverages near a school or church.

[HB 35](#) – An Act creating the safer Alaska streets and communities fund; and providing for an effective date.

[HB 42](#) – An Act relating to seizure of property; relating to forfeiture to the state; relating to criminal law; amending Rules 3,4,11,12,16,32,32.2,32.3,39,39.1,and 42, Alaska Rules of Criminal Procedure, Rules 501, 801, and 803, Alaska Rules of Evidence, and Rules 202, 209, and 217, Alaska Rules of Appellate Procedure; and

providing for an effective date. This bill was heard in House Judiciary on Monday, 01/23 where it was held. The intent of this bill is to change the current statutes which do not necessarily allow seized property to go back to the land owner if he is found innocent of the crime for which his property was originally seized. Seized property may end up being in the State's hands for a number of months or years while court cases are being settled. If the defendant is found guilty, the State may then sell the seized property and put the funds from that sale into the general fund. If the defendant is found not guilty, the State would be obligated to turn the property back over to the land owner. Our concern (and we have called the sponsor for clarification, but as of yet, we have not received an answer) is who is responsible for paying municipal property taxes while this land is being held by the State? Also, if the State is in the position of having to sell this property, will they forward past due property taxes to the proper municipality before they deposit the funds into the State general fund? As soon as someone gets back to us, we will let you know. There are no further hearings scheduled at this time.

HB 45 – An Act relating to an annual report concerning the payment of equal pay for comparable work; increasing the minimum wage; and providing for an effective date.

HB 47 – An Act requiring certain municipalities with a population that decreased by more than 25 percent between 2000 and 2010 that participate 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; authorizing the administrator of the defined benefit retirement plan of the Public Employees' Retirement System of Alaska to reduce the rate of interest payable by certain municipalities that are delinquent in transmitting employee and employer contributions to the retirement plan; and providing for an effective date.

HB 50 – An Act relating to the procurement of architectural, engineering, or land surveying services for state-funded contracts.

HB 51 – An Act relating to the regulation of wastewater discharge from small commercial passenger vessels in state waters; and providing for an effective date. This bill would reinstate statutes that exempt the state ferries and other small passenger vessels from large cruise ship wastewater discharge requirements, instead allowing them to discharge wastewater under Best Management Practices (BMP) plans. An exemption in the statute was made for smaller ships – including the state ferries - in recognition of the problems they would have installing AWTS on board their smaller vessels. The exemption language in the statute expired on January 1, 2016, leaving the small vessels without a viable means to comply with the statutory permitting provisions. This bill would restore the statutory exemption along with DEC's authority to require the alternative requirements such as BMP for the smaller vessels. Without the changes in the proposed bill, state ferries and small cruise ships would have to install AWTS

technology, which would be cost and space prohibitive. Additionally, most cruise ships and state ferries lack available space and weight capacity to install AWTS, creating potential stability issues. DOT&PF estimates the cost to retrofit ferries is over \$5 million.

[HB 57](#) ([SB 22](#)) – An Act making appropriations for the operating and loan program expenses of state government and for certain programs; capitalizing funds; amending appropriations; repealing appropriations; making supplemental appropriations and 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.

[HB 58](#) ([SB 23](#)) – An Act making appropriations, including capital appropriations, supplemental appropriations, reappropriations, and other appropriations; making appropriations to capitalize funds; and providing for an effective date.

[HB 60](#) ([SB 25](#)) – An Act relating to the motor fuel tax; relating to the disposition of revenue from the motor fuel tax; relating to a transportation maintenance fund; and providing for an effective date.

[HB 65](#) – An Act increasing the amount of the 2016 permanent fund dividend and directing the Department of Revenue to pay a supplemental dividend to eligible individuals; and providing for an effective date.

[HB 66](#) – An Act making a special appropriation from the earnings reserve account for the payment of permanent fund dividends; and providing for an effective date.

[HB 80](#) – An Act adopting the Municipal Property Assessed Clean Energy Act⁵; authorizing municipalities to establish programs to impose assessments for energy improvements in regions designated by municipalities; imposing fees; and providing for an effective date

[HB 81](#)– An Act making an entity that is exempt from federal taxation under 26 U.S.C. 501 (c)(3), (4), (6), (12), or (19) (Internal Revenue Code) and a federally recognized tribe eligible for a loan from the Alaska energy efficiency revolving loan fund; related to loans from the Alaska energy efficiency revolving loan fund; and relating to the annual report published by the Alaska Housing Finance Corporation

[HJR 2](#) ([SJR 1](#)) – Proposing an amendment to the Constitution of the State of Alaska relating to an appropriation limit.

[SB 3](#) ([HB 51](#)) – An Act relating to the regulation of wastewater discharge from small commercial passenger vessels in state waters; relating to art requirements for certain public facilities; and providing for an effective date.

SB 7 – An Act establishing a museum construction grant program in the Department of Commerce, Community, and Economic Development.

SB 8 – An Act allowing federally recognized tribal governments to receive contributions from permanent fund dividends.

SB 14– An Act relating to transportation network companies and transportation network company drivers

SB 18 – An Act relating to third class boroughs.

SB 21 – An Act relating to appropriations from the income of the Alaska Permanent Fund; relating to the calculation of permanent fund dividends and providing for an effective date.

SB 25 – An Act relating to the motor fuel tax; relating to the disposition of revenue from the motor fuel tax; relating to a transportation maintenance fund; and providing for an effective date.

SB 39 – 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

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