Legislative Bulletin

This weekly e-Bulletin will hopefully 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 questions about any bills, please call us at the office and we will try to help you. 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 Schedules

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 web site. Most of these meetings are teleconferenced.

They also started to video stream all committee meetings in the state capitol. Check it out at http://akl.tv.

It is best if you go through your local LIO office. If you are unable to go through your local LIO office, you must call the Chair of the Committee in which the bill is being heard for "authorization" and the new off-net call in number.

Monday, March 17th, 2014
HB278 - Education: Funding/Tax Credits/Programs – 1:30 P.M. (H) Finance

Tuesday, March 18th, 2014
HB371 – State Land And Materials – 1:00 P.M. (H) Transportation
SB211 – State Land And Materials – 1:30 P.M. (S) Transportation
HB278 - Education: Funding/Tax Credits/Programs – 1:30 P.M. (H) Finance
HB278 - Education: Funding/Tax Credits/Programs – 5:30 P.M. (H) Finance

Wednesday, March 19th, 2014
HB266 – Approp: Operating/Loans/Funds – 9:00 A.M. (S) Finance
SB138 – Gas Pipeline; AGDC; Oil & Gas Prod. Tax – 1:00 P.M. (H) Resources
HB152 - PERS Termination Costs – 3:15 P.M. (H) Labor & Commerce

Thursday, March 20th, 2014
HB266 – Approp: Operating/Loans/Funds – 9:00 A.M. (S) Finance
HB266 – Approp: Operating/Loans/Funds – 1:30 P.M. (S) Finance
HJR10 – Const. AM: Transportation Fund – 1:30 P.M. (S) Transportation

Friday, March 21st, 2014
SB138 – Gas Pipeline; AGDC; Oil & Gas Prod. Tax – 1:00 P.M. (H) Resources
HB266 – Approp: Operating/Loans/Funds – 1:30 P.M. (S) Finance
This bill would increase the Base Student Allocation (BSA) in FY15 by $85 per student to $5,765, FY16 by $58 per student to $5,823 and FY17 by $58 per student to $5,881. It will also remove the High School Exit Exam, require that a school district provide a high school student an opportunity to “test out” of a class and allow students to earn course credits in math, language arts, science, social studies, and world languages by demonstrating mastery of content through a district-approved assessment. This bill will give tax credits to a private sector business for partnering with a local school district to provide scholarships to students earning dual credits. It will extend the sunset date of the technical vocational education program until 2024. This bill will also require a school board to provide a written approval or denial of a charter school application with relevant findings and allow the denied applicant to appeal the denial to the commissioner for reconsideration. Lastly, this bill would require the Department of Education and Early Development to open an annual application period for Residential Schools. This bill was heard and moved out of House Education with a Committee Substitute.

**Companion bill to HB278. This bill was heard and moved out of Senate Education.**

**SB138 - TITLE:** "An Act relating to the purposes of the Alaska Gasline Development Corporation to advance to develop a large-diameter natural gas pipeline project, including treatment and liquefaction facilities; establishing the large-diameter natural gas pipeline project fund; creating a subsidiary related to a large-diameter natural gas pipeline project, including treatment and liquefaction facilities; relating to the authority of the commissioner of natural resources to negotiate contracts related to North Slope natural gas projects, to enter into confidentiality agreements in support of contract negotiations and implementation, and to take custody of gas delivered to the state under an election to pay the oil and gas production tax in kind; relating to the sale, exchange, or disposal of gas delivered to the state under an election to pay the oil and gas production tax in kind; relating to the duties of the commissioner of revenue to direct the disposition of revenues received from gas delivered to the state in kind and to consult with the commissioner of natural resources on the custody and disposition of gas delivered to the state in kind; relating to the authority of the commissioner of natural resources to propose modifications to existing state oil and gas leases; making certain information provided to the Department of Natural Resources and the Department of Revenue exempt from inspection as a public record; making certain tax information related to an election to pay the oil and gas production tax in kind exempt from tax confidentiality provisions; relating to establishing under the oil and gas production tax a gross tax rate for gas after 2021; making the alternate minimum tax on oil and gas produced north of 68 degrees North latitude after 2021 apply only to oil; relating to apportionment factors of the Alaska Net Income Tax Act; authorizing a producer’s election to pay the oil and gas production tax in kind for certain gas and relating to the authorization; relating to monthly installment payments of the oil and gas production tax; relating to interest payments on monthly installment payments of the oil and gas production tax; relating to settlements between producers and royalty owners for oil and gas production tax; relating to annual statements by producers and explorers; relating to annual production tax values; relating to lease expenditures; amending the definition of gross value at the point of production for gas for purposes of the oil and gas production tax; adding definitions related to natural gas terms; clarifying that credit may not be taken against the in-kind levy of the oil and gas production tax for gas for purposes of the exploration incentive credit, the oil or gas producer education credit, and the film production tax credit; making conforming amendments; and providing for an effective date."

**SB139—TITLE:** "An Act increasing the base student allocation used in the formula for state funding of public education; repealing the secondary student competency examination and related requirements; relating to high school course credit earned through assessment; relating to a college and career readiness assessment for secondary students; relating to charter school application appeals and program budgets; relating to residential school applications; increasing the stipend for boarding school students; extending unemployment contributions for the Alaska technical and vocational education program; relating to earning high school credit for completion of vocational education courses offered by institutions receiving technical and vocational education program funding; relating to education tax credits; making conforming amendments; and providing for an effective date."

**COMPANION bill to HB278. This bill was heard and moved out of House Education with a Committee Substitute.**
This bill lays out all of the “workings” between the partners in the advancement of a large-diameter natural gas pipeline. It deals with: what funding may be used for this pipeline; the creation of subsidiaries for the pipeline project; the creation of a public corporation; defines a subsidiary board for the pipeline; allocates certain powers to those board members; allowing for the share of royalty gas leases; the confidentiality of tax information; the authority of the Revenue Commissioner and the DNR Commissioner. This bill was heard and moved out of Senate Finance with a Committee Substitute.

HB152 - TITLE: "An Act requiring certain employers who terminate participation in the defined benefit retirement plan or the defined contribution retirement plan of the Public Employees' Retirement System to make contributions related to past service liability and pay termination costs; repealing a requirement that employers who terminate participation in the defined contribution retirement plan or the defined benefit retirement plan of the Public Employees' Retirement System pay for a termination cost study; and providing for an effective date."

This bill would eliminate termination costs providing municipalities flexibility to effectively manage the delivery of programs and services while maintaining the 22% contribution requirement. A Committee Substitute was offered for HB152 causing it only to become effective conditionally upon the Legislature making a contribution of $1,200,000,000 or more to stabilize the accrued liability in the PERS fund. This bill was heard and held in House Labor and Commerce and is scheduled for a hearing on Wednesday, March 19th @ 3:15 in House Labor and Commerce.

HB371 - TITLE: "An Act providing for the Department of Transportation and Public Facilities to hold the surface estate of certain state land; relating to the transfer of certain state land and materials from the Department of Natural Resources to the Department of Transportation and Public Facilities for the construction or maintenance of the state highway system, state airports, and state public buildings and facilities; relating to the lease or sale of certain marine or harbor facilities; relating to the lease or disposal by the Department of Transportation and Public Facilities of rights-of-way, property interests, or improvements that are no longer required; relating to the grant of certain easements over submerged state land to the federal government; relating to the transfer of certain maintenance stations on the James Dalton Highway to the Department of Transportation and Public Facilities; relating to the conveyance of land for right-of-way purposes from the Alaska Railroad Corporation to the Department of Transportation and Public Facilities; and providing for an effective date."

This bill allows Department of Natural Resources to transfer land or materials for public purposes or airports, highways, harbors, and public buildings to the Department of Transportation and Public Facilities that are categorized as ‘disposal’ under the Alaska Lands Act. Concerns were raised that because DOT is very project oriented they are not set up to address the multiple use resource issues that DNR is constitutionally required to address. Another concern would be that if land and materials are just handed over to DOT then DNR’s current management that allows sites to be used by other agencies, individuals, municipalities and industry will no longer be allowed. This bill was heard and held in House Transportation and will be heard on Tuesday, March 18th @ 1:00 in House Transportation.

HB266 - TITLE: "An Act making appropriations for the operating and loan program expenses of state government and for certain programs, capitalizing funds, and making re-appropriations; making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska, from the constitutional budget reserve fund."

We will continue to watch this bill for any cuts to Revenue Sharing or the Governor’s Proposed PERS Infusion as it moves through Senate Finance. This bill moved out of House Finance and a hearing is scheduled for Senate Finance for Wednesday and Thursday at 9:00 A.M.

SB116 - TITLE: "An Act relating to service of citations; amending Rule 3(f), Alaska Rules of Minor Offense Procedure; repealing Rule 3(g), Alaska Rules of Minor Offense Procedure; and providing for an effective date."

This bill will fix the problem with Alaska law that forced law enforcement to be less effective and less fair with minor offenses. The law that requires all citations to be “personally served.” This bill will allow law enforcement to leave a ticket on the personal property that is subject to the minor infraction or violation. This bill was heard and moved out of Senate State Affairs with a committee substitute.

HB19 - TITLE: "An Act relating to permanent motor vehicle registration in the unorganized borough and in a municipality that has elected to allow permanent registration; relating to the registration fee for noncommercial trailers and to the motor vehicle tax for trailers; and providing for an effective date."

This bill was heard and passed from the House floor and was sent to Senate State Affairs.