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 website. 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 24th, 2014
HB278 - Education: Funding/Tax Credits/Programs – 1:30 P.M. (H) Finance
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
HB278 - Education: Funding/Tax Credits/Programs – 1:30 P.M. (H) Finance

Tuesday, March 25th, 2014
HB278 - Education: Funding/Tax Credits/Programs – 8:30 A.M. (H) Finance
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
SB211 – State Land And Materials – 1:30 P.M. (S) Transportation
SB138 – Gas Pipeline; AGDC; Oil & Gas Prod. Tax – 4:30 P.M. (H) Resources

Wednesday, March 26th, 2014
HB278 - Education: Funding/Tax Credits/Programs – 8:30 A.M. (H) Finance
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

Thursday, March 27th, 2014
HB317 – Traffic Control Devices Near Schools – 8:00 A.M. (H) Community & Reg. Affairs
HB270 – Service of Citations – 8:00 A.M. (H) State Affairs
SB116 – Service of Citations – 8:00 A.M. (H) State Affairs
HB278 - Education: Funding/Tax Credits/Programs – 8:30 A.M. (H) Finance
HB199 – VPSO Firearms – 9:00 A.M. (S) Finance
HB266 – Approp: Operating/Loans/Funds – 9:00 A.M. (S) Finance
HB19 – Perm. Mot. Veh. Registration/Trailers – 9:00 A.M. (S) State Affairs
SB138 – Gas Pipeline; AGDC; Oil & Gas Prod. Tax – 4:30 P.M. (H) Resources

Friday, March 28th, 2014
HB278 - Education: Funding/Tax Credits/Programs – 8:30 A.M. (H) Finance
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
This bill will require all municipalities to post signs for all school zones to include public, private and religious schools. This bill will also require all municipalities to post a sign indicating each school zone is a drug free school as well. This bill was heard and held in House Community and Regional Affairs and will be heard again at 8:00 a.m. on Thursday, March 27th.

**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."

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 held in House Resources.

**HB278 - 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."

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 held in House Finance.

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."

Thank you to all who took the time to call in to testify in regards to the $3 Billion Cash Infusion and Revenue Sharing. This week, the Senate took the following actions:

- The $3 Billion Cash Infusion into the PERS Retirement Trust proposed by Governor Parnell was ZEROED OUT in HB266
- $10 Million was deleted from the Revenue Sharing Deposit in HB266.

We urge each of you to continue to talk with your senators to restore the $3 Billion infusion to help keep communities at a predictable, affordable rate of 22% and the $10 Million in Revenue Sharing and explain how the proposed deletions will impact your community. This bill was heard and held in Senate Finance.

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.

SB213 - TITLE: "An Act relating to the appointment of municipal election boards."

This bill would clarify in Statute that election boards are only required for elections and precincts in which cast ballots in person. This bill was heard and moved out of Senate Community and Regional Affairs.