



## Strengthening Alaska Municipalities Through Advocacy & Education

Legislative Bulletin # 30-16

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### Contact Us:

One Sealaska Plaza, St. 200  
Juneau, AK 99801  
877-636-1325  
kathie@akml.org

## 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 19, 2018**

9:00am - [SB142](#) APPROP: CAPITAL BUDGET (S) Finance 532  
9:00am - [SB144](#) APPROP: OPERATING BUDGET/LOANS/FUNDS (S) Finance 532  
3:15pm - [HB 83](#) TEACHERS & PUB EMPLOYEE RETIREMENT PLANS (H) Labor & Commerce, Barnes 124

### **Tuesday, February 20, 2018**

Nothing at this time.

### **Wednesday, February 21, 2018**

8:30am – [HB212](#) REAA & SMALL MUNI SCHOOL DISTRICT FUND  
1:30pm – [SB97](#) PENSION OBLIGATION BONDS (H) Finance, House Finance 519  
1:30pm - [HB 176](#) GROUND EMER. MEDICAL TRANSPORT PAYMENTS (H) Finance, House Finance 519  
3:15pm – [HB306](#) PERS/TRS (H) Labor & Commerce, Barnes 124

### **Thursday, February 22, 2018**

1:30pm - [HB 286](#) APPROP: OPERATING BUDGET/LOANS/FUNDS (H) Finance, House Finance 519

### **Friday, February 23, 2018**

9:00am [HB287](#) APPROP: PUPIL TRANSPORTATION; EDUCATION (S) Finance 532

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 of Interest**

**[HB 83](#) – An Act relating to a 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 benefit and defined contribution plans of the public employees’ retirement system and the teachers’ retirement system; and providing for an effective date.**

This bill attempts to allow newly hired PERS and TRS members to choose which system they wish to join. It also promises to save the state money. The Sponsor’s statement says that since Alaska’s teachers and many of the PERS members do not earn Social Security, this would provide a reason for them to wish to choose a defined benefit system; while others either do not wish to make their PERS/TRS job a long-term career field or they prefer the flexibility of moving their account, they might opt for the defined contribution system. This bill will be heard in House Labor and Commerce on Friday, 02/16/18, which is after this ebulletin has been sent out. It will also be heard next week on 02/19/18, again in House Labor & Commerce.

**[HB 91](#) – An Act relating to fees for certain persons filing disclosure statements or other reports with Alaska Public Offices Commission; relating to a tax on legislative lobbyists; and providing for an effective date.**

This is not a bill that all of you need to be twitterpated about. But, some of you may want to sit up and take notice. This bill deals with two issues, brought about by one other issue. Are you following me here? Since the State is “low on funds,” it was stated by a committee person last year when this bill first surfaced, that part of the intent was to bring more money to APOC, which is a state agency. So, how to do that? Make those seeking to run for a Borough Assembly or City Council (with populations of \$1,000 or above) pay APOC for the privilege of running for a time-consuming voluntary position. Also, tax lobbyists on the amount of money they might make. I don’t care about the dang tax (even though I will have to pay it). The sponsor of the bill says it is not actually a tax on lobbyists (though it calls it a tax in the title of the bill). Here is what it does to those wishing to run for political office within your local government. Before

you could run for political office in your municipality (unless your municipality is less than 1,000 people OR unless your municipality has already put this issue to a vote and your constituents have voted for your local officials to NOT be under APOC), you would be required to pay a \$100 fee to APOC, as, at this time, “funding for APOC has been reduced from \$1.3 million to \$866 thousand. This will lead to further staff reductions and an inability for APOC to adequately perform their statutory fee limits.” So, we have a State agency, which should be funded by the State and now they are going to pass this cost on to municipalities indirectly. There are no further hearings scheduled at this time.

**HB 176 – An Act relating to medical assistance reimbursement for ground emergency medical transportation services; and providing for an effective date.**

This bill was initially requested by the Alaska Fire Chief’s Association. This bill would help to direct medical assistance funds (Medicaid funds) to emergency medical transportation service providers (mostly fire departments who operate ambulance services and/or those who operate water and/or air ambulance services, other than private providers) for reimbursement of their costs. Again, this reimbursement would only be provided to ambulance providers that are owned or operated by the state, a political subdivision of the state or a federally recognized tribe or tribal organization. This money would pass through the State Department of Health, who would be allowed to retain an administrative fee. Since last week, you might “recall” that Rep. Fansler is in a bit of a “pickle.” He had agreed to sponsor this bill for the Alaska Fire Chief’s Association. For now, Fansler is gone and until another sponsor is found, HB 176 is dormant. This is a great example of how far-reaching the actions of some of the people we elect to office can be. Rep. Fansler did not only disappoint and dis-engage the people of Bethel, but also people around the State who had put their trust and confidence in him. Rep. Wool has agreed to sponsor this bill as of 02/05/18. It has also picked up a few co-sponsors in the house. A hearing is scheduled in House Finance on Friday, 02/16/18, after this ebulletin has been sent out. It will again be heard in House Finance on 02/21/18.

**HB 212 – An Act relating to funding for school construction and major maintenance; and relating to the regional educational attendance area and small municipal school district fund.**

This bill adds the words “major maintenance” to those items which can be funded under the Regional Educational Attendance Area and Small Municipal District School Fund. I do not see where the fund actually increases, but it will endeavor to cover more needs. Probably a good thing with the needs out there for all major maintenance. However, we are still in the spot of doing more with less. This bill will be heard in House Education on Wednesday, 02/21/18.

**HB 264 – An Act relating to a fee for disposable shopping bags; relating to the sale of reusable shopping bags; relating to the recycling of disposable shopping bags; and providing for an effective date.**

This bill would impose a fee of 20 cents per disposable bag provided to a customer from any retail business that 1. Is located in a permanent building; 2.

Operates year-round; and 3. Sells retail household; meat; produce; dairy products or snack foods. If a municipality adopted a shopping bag fee, the amount collected by the state would decrease by that amount. If the municipality imposed a fee of over 20 cents per bag, the state would not impose a bag fee on businesses within that municipality. The retail business would be responsible for keeping all records of the amount of bags they purchase and the number of bags for which they charged. Of those funds, 75% would be collected from the State, while the remaining 25% would go back to the retail business. One could consider that 25% could be applied towards the additional cost of the business that arises from keeping records on all bags. However, the businesses would also be required to have a drop-off point for customers to dispose of their old disposable shopping bags which the retail business would then be responsible for recycling. This bill was heard and held in House C&RA on 02/13/18. I was not aware that any few people could discuss the pluses and negatives of disposable shopping bags for SOOOOOOOOO long. But, obviously, they didn't discuss it long enough. However, this bill is not on a future schedule.

**HB 267 – An Act requiring the release of certain records relating to big game hunters, guided hunts, and guided sport fishing activities to municipalities for verification of taxes payable; and providing for an effective date.**

This bill intends to allow municipalities that bring in revenues through levies on fish and game guiding to have access to reporting records collected by the State for the purpose of verifying taxes payable that relate to big game hunters, guided hunts and guided sport fishing. Local governments already have the ability to review certain records, reports and returns to verify payment of local commercial fishing taxes. This bill, at the very least, shows that some Legislators “get it.” This bill is sponsored by House Speaker Edgmon who states that, “With State-government cutbacks resulting in greater responsibilities and costs being borne by local governments, all necessary resources should be made available to our municipalities to ensure they are receiving the revenues due to them according to their local ordinances.” WOW! HE GETS IT!!!! This bill will be held in House Resources on Friday, 02/16/18 (which is after this ebuletin “hits the press,”) and again on 02/23/18.

**HB 271 – An Act prohibiting smoking in certain places; relating to education on the smoking prohibition; relating to municipal regulation of smoking in certain places; relating to established villages and local option elections to allow smoking in public places; and providing for an effective date.**

This bill is modeled after SB63 EXCEPT it allows for a vote in municipalities and communities that have opted to permit smoking in certain places. There are financial fines listed in the legislation of both HB 271 and SB 63. However, during testimony, the Department said enforcement in small communities would be done by a letter to the smoker? This bill has not had a hearing yet, but is currently in House Judiciary.

**HB 273 – An Act extending the termination date of the Marijuana Control Board; and providing for an effective date.**

This bill will hopefully pass, as due to the latest “word” coming from the federal government, they are no longer willing to “look the other way” when it comes to states

that have legalized marijuana. There will be many decisions to make if and when the federal government begins to press this ideology. This bill is still in House Finance after being heard once. This bill was heard in House Finance on 02/13/18 where it was held. There are no further hearings scheduled on this bill.

**[HB 286](#) – An Act making appropriations for the operating and loan program expenses of state government and for certain programs; capitalizing funds; amending appropriations; making supplemental appropriations; 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 is the Governor's Operating Budget. This bill will generate much discussion in House and Senate Finance over the next couple of weeks. There are a few lines in this budget that are important to all municipalities; to include: the funding for Alaska Land Mobile Radio to the tune of \$4,263,100. Without this funding, there is always the outside chance that the Legislature will require this operational amount from municipalities. This years' funding is higher than last years' funding; Village Public Safety Officer Program to the tune of \$13,458,700. This is also higher than last years' funding. Without these VPSO funds, many rural communities will have NO law enforcement. Remember, however, that the funding listed in this years' budget is what is printed BEFORE the Legislature deals with this budget. What comes out in the end is more like the figures from last years' budget which are much lower than we see in this new budget. The amount transferred from the PCE funding into Community Assistance is \$30 million. This leaves Community Assistance \$8 million short of last years' funding. Further, there is no backfilling into that fund, therefore leaving the potential of next years' Community Assistance funding of amounting to only \$20 million. There are some discrepancies about actually how much money is allocated for this coming year and the next. Ray and Dianne and I will have all of those questions answered by the time you all get down here on February 20/21/ and 22. This bill will be heard again in House Finance on Friday, 02/16/18, after this ebulletin has been sent out.

**[HB 287](#) – An Act making appropriations for public education and transportation of students; 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 bill intends to make education funds transportation funds a bit more reliable than they have been in the past. Transportation cost has always been targeted as a place to save money. Hopefully, this can help alleviate that risk for school districts/municipalities. This bill has made it through the House and has been transmitted to the Senate. It will have a much harder time making it through Senate Finance, where it is currently sitting. The really controversial part of this bill is that this would allow for school funding (at this point K-12) to be funded separately and early in order to avoid pink-slipping teachers due to the inability for boroughs, first class cities and school districts to plan. The Senate is arguing that this bill would give "favor" to school districts and wouldn't everyone in the state love to have a budget number in advance. Well, maybe they would!!!! I think we could count municipalities in that number. Is that a bad thing????? This would also prohibit the Legislature from using

schools as a “lever” at the end of session. This bill will be heard in Senate Finance on Friday, 02/23/18.

**HB 293 – An Act relating to powers of the Alaska Police Standards Council; and relating to background checks for admission to police training programs and certification as a police officer.**

This bill did not even make it to my “radar” screen, as I saw it as a public safety issue rather than a municipal issue. However, while attending the hearing to testify on another bill, the committee was still in the “throes” of discussing HB 293 when I walked in. As lawmakers can do, they were getting totally wrapped around an axle about this bill which simply intends to give the Alaska Police Standards Council the ability provide a national criminal history record check by the submission of a person’s fingerprints who has been admitted to a police training program or for certification as a police officer. Currently, smaller communities that employ VPOs (Village Police Officers) are not required to certify them. The Governor, meanwhile, has inserted this bill that would give the communities the ability to send these VPOs to the State Academy, but background checks and fingerprinting would be required first. In the committee hearing, some of the legislators felt it would be a good idea to “allow” these small municipalities to do background checks and fingerprinting. WOW! Thanks, Legislature. The small communities, with very few employees, could then learn how to fingerprint and fill out reams of federal forms. On the outside chance that a few wanted to do this, did it ever enter the Legislature’s mind to ask them first? The discussion got crazy!! The other “rub” is that local governments do NOT have a government-to-government relationship with the feds. So, if these checks and fingerprints were run, they still have to go through the State as the State must then pass them on to the feds. For instance, the City of Anaktuvuk Pass cannot call up the FBI and order a fingerprint run. This bill was heard on 02/15/18 in House State Affairs and was moved out of committee to House Judiciary. There are no hearings scheduled at this time.

**HB 306 – An Act relating to disbursement options under the Public Employees’ Retirement System of Alaska and the Teachers’ Retirement System of Alaska for participants in the defined contribution plan; and providing for an effective date.**

This bill would give retirees the option of receiving their distribution of their share of their individual retirement account in a lump sum payment or a **periodic distribution authorized by regulation**. This then, give the DOA the ability to adopt regulations necessary to implement this Act. A hearing was held on this bill on 02/12/18 in House Labor & Commerce where the bill was held and will be heard again on 02/21/18.

**HB 333 – An Act authorizing a municipality to adopt an ordinance prohibiting the use of cellular telephones while driving in school zones or on school property.**

This bill attempts to give “permission” for municipalities to adopt an ordinance prohibiting anyone from driving in a school zone or on school property. While I understand the concept, there may be some issues with a municipality adopting this provision in that “school property” will have to be clearly marked (school bus parking lots, etc.?) and all municipalities in the Unorganized Borough do not have a court system AND don’t we already have a prohibition against “driving while distracted?” The

sponsor put this bill forward from a request from a constituent. They have stated that they have not done the background work on this bill yet. Again, it is “optional” so we probably should not waste a whole lot of time on this. However, we also must pay attention to the “operation” of bills that are passed that we would be responsible for implementing. No hearings are scheduled for this bill at the current time, but it has been referred to House C&RA.

**HB 348 – An Act relating to the Legislative Budget and Audit Committee; requiring state departments, agencies, municipalities, school districts, Native Corporations, the University of Alaska, and other entities that receive state funds to report on federal receipts; and relating to the increase of an appropriation item based on additional federal or program receipts.**

This gosh-dang bill has surfaced again! The sponsor of this bill submitted this bill a couple of years ago and we fought it like mad. The same thing is going to happen this year!! Trust me!! This bill would require that each municipality submit a report that states the total amount of federal receipts (payments) received by that municipality for the previous state fiscal year. We would also be required to identify all conditions or requirements that must be met to receive the receipts AND state whether each individual receipt required a match, supplement or replacement upon acceptance of the receipts AND state the percentage of the entity’s total budget that the federal receipts fulfill AND if the amount of federal funds are 5% more of the municipalities total budget, you would be required to describe an operating plan if a federal reduction in those funds were to happen.

This money is between the federal government and the municipality. We already have requirements on that money. I vote that we say, “NO.” Luckily, there is no hearing scheduled for this crazy bill.

**[HJR 29](#) – A resolution urging the United States Congress to reauthorize the Secure Rural Schools and Communities Self-Determination Act of 2000.**

This resolution is FINALLY an acknowledgement from someone in the Legislature that Alaska’s municipalities have not only seen a decrease in Revenue Sharing and an increase in costs, but many communities have also lost the federal funding previously supplied from the Secure Rural Schools Act (Timber Receipts). The loss of these funds has been a heavy hit on many municipalities. I have requested, many times, that the state should help us lobby/advocate with the federal government for reinstatement of this program, but it has historically fallen on deaf ears. Well, hallelujah, someone paid attention. We often discuss these at AML meetings, so hopefully all of you within the Tongass or Chugach Forests remember that the Secure Rural Schools Act expired in 2015 and it has still not been reauthorized. I really don’t think it will ever come back in the form it once took. The Legislature is probably a bit behind the curve on where this discussion is going on the federal level. However, at least they sat up and took notice. I will attempt to bring them up to speed. This bill was heard in House State Affairs on 01/30/18 and 02/01/18 when it was passed out to House Judiciary.

**SB 63 – An Act prohibiting smoking in certain places, relating to education on the smoking prohibition; and providing for an effective date.**

This bill continues to have a hard time getting out of different committees due to a few legislators who seem adamantly opposed to this bill. AML has also been conflicted by this bill. Many seem to think that this is a health issue solution of which we can be a part. Many see this as a local control issue. Due to these conflicts, AML has not taken part in the hearings on this bill. The bill was heard this week a number of times in House Judiciary. The issues that took up most of the discussion centered around the fact that the fiscal note listed \$0. Questions were asked how enforcement could take place with no money being spent. The other issue was enforcement, itself. This bill was heard on 01/22/18 and 01/24/18 in House Judiciary where it was then passed out. This is the last committee of referral, so the bill will go to the floor if allowed by the House Rules Committee chairman who is opposed to this bill. The companion bill is HB 271. Since January, this bill has been held up by the House Rules Committee. It has passed all scheduled committees and now would go (under usual circumstances, but when is anything “usual” in the Legislature these days) to the House floor for a vote. However, it is getting stalled. I am thinking there might be some deal making coming up with regards to this bill and others. So, actually, in conflict with the above heading, this bill is NOT on the move.

**SB 92 – An Act relating to abandoned and derelict vessels; relating to the registration of vessels; relating to certificates of title for vessels; relating to the duties of the Department of Administration; relating to the duties of the Department of Natural Resources; establishing the derelict vessel prevention program; establishing the derelict vessel prevention program fund; and providing for an effective date.**

This bill is one of our legislative priorities and would allow for a more efficient and timely process for municipalities to dispose of abandoned and derelict vessels in our harbors. We sent letters in support last year and testified in favor of this bill, which we will continue to do. This bill was scheduled for a hearing on 02/12/18. However, the discussion on the bill being held prior to this bill ended up in a mind-numbing discussion. Many municipal harbormasters had flown to Juneau to testify, but the Legislature did not hear the bill. It was re-scheduled for 02/14/18 where it was heard and held. This bill has been sitting in Senate Resources since March of 2017. It has zero fiscal notes (so, basically will not cost the State any money). However, for some sad reason, this bill does not move. This bill is scheduled for a hearing on late Friday, 02/16/18 in Senate Resources, after this ebulletin has already been sent into space.

**SB 97 – An Act relating to pension obligation bonds.**

This bill was introduced last year by Senate Finance. The intent of the bill is to lower the current pension obligation bond authority from \$5 billion to \$2.5 billion. This also requires the Governor to issue POBs up to \$2.5 billion after first submitting a proposal to the Legislature. At the current time, that is not a requirement to which the Governor must abide. This bill has made its way through the Senate and is now in House Finance. It will be heard on Wednesday, 02/21/18.

**SB 130 – An Act relating to a vote of the people before a broad-based individual income tax or statewide sales tax takes effect.**

This bill seems to be a way for Legislators to avoid implementing a tax requested by the Governor and push it off to the public. I don't believe this bill will go anywhere, as the majority of the Senate probably don't intend to even consider a tax anyway. This bill is currently sitting in Senate State Affairs and it is NOT moving at all, right now.

**SB 131 – An Act relating to a separate appropriation bill for operating expenses for public education and establishing a date by which the bill must be passed by the Legislature and transmitted to the Governor each year; relating to the budget responsibilities of the Governor; and providing for an effective date.**

This bill provides for a separate appropriation bill for the succeeding fiscal year relative to education. This bill intends to do away with the issue facing school districts of having to pink slip teachers due to uncertainty about their upcoming budgets. It seems fairly obvious that this would be a good business practice, doesn't it? However, this issue has been used as a "leverage point" with the minority (no matter which party is in the minority). This bill will have a hard time passing (my opinion), but as boroughs and First Class cities help pay for education, those municipalities should be able to plan on the amounts of funds that will be provided by the State. This bill is currently in Senate Finance. Public testimony was held on 01/25/18. The bill was passed out and will now go to Senate Finance. This bill is fairly close to Rep. Seaton's bill – HB 287. It has not been scheduled in Senate Finance yet.

**SB 142 – An Act making appropriations, including capital appropriations, supplemental appropriations, reappropriations, and other appropriations; making appropriations to capitalize funds; and providing for an effective date.**

This is the Governor's Capital budget. This bill will be held for the first time in Senate Finance on Monday, 02/19/18. It appears that Pat Pitney will be providing an interesting power point on Deferred Maintenance which is the core of the Governor's Capital Budget. According to Ms. Pitney, the total of the deferred maintenance needs are \$1.87 billion, statewide. The total of his proposed budget is \$1.23 billion. This will also be an interesting line of hearings to which to listen.

**SB 144 – An Act making appropriations for the operating and loan program expenses of state government and for certain programs; capitalizing funds; amending appropriations; making supplemental appropriations; 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 is the Governor's Operating Budget. As far as our interests, the dilemma of Community Assistance has been a problem in the Governor's Budget. David Teal, from Legislative Finance seems very confident that Sen. Hoffman and/or Senate Finance will make sure the back funding is performed with regards to the Community Assistance total fund (\$90 million), allowing a \$30 million draw in both years (FY 19 and 20). We will certainly watch substitutes as they arise on this bill. A hearing is scheduled for Monday, 02/19/18 in Senate Finance. As far as interesting hearings, the operating and capital budgets submitted by the Governor receive VERY pointed questions from the

Senate Finance members. Many of those in that committee do not have warm, fuzzy feelings about the Governor.

**SB 148 – An Act relating to powers of the Alaska Police Standards Council; and relating to background checks for admission to police training programs and certification as a police officer.**

This is a companion bill to HB 293 (above). This bill was heard in Senate State Affairs On 02/08/18 and passed out of committee on to Senate Judiciary. It currently is not on the schedule.

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