



**Strengthening Alaska
Municipalities Through
Advocacy & Education**

Legislative Bulletin # 30-21

April 6, 2018

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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 9, 2018

None at this time.

Tuesday, April 10, 2018

1:30 pm – [HB 385](#) ENHANCED 911: MULTI-LINE TELEPHONE SYSTEMS (H) Finance, Adams Room 519

1:30 pm – [SB 97](#) PENSION OBLIGATION BONDS (H) Finance, Adams Room 519

1:30 pm – [HB 286](#) APPROP: OPERATING BUDGET/LOANS/FUNDS (S) Finance, Room 532

1:30 pm – [HB 301](#) ALCOHOL LICENSES: BEV DISP/RESTAUR./LODGE (S) Labor & Commerce, Beltz 105

3:30 pm – [SB 18](#) NEW CLASS OF BOROUGH (S) Community & Regional Affairs, Beltz 105

3:30 pm – [SB 190](#) ENERGY EFFICIENCY OF PUBLIC BUILDINGS (S) State Affairs, Butrovich 205

Wednesday, April 11, 2018

9:00 am – [HB 286](#) APPROP: OPERATING BUDGET/LOANS/FUNDS (S) Finance, Room 532

1:30 pm – [HB 286](#) APPROP: OPERATING BUDGET/LOANS/FUNDS (S) Finance, Room 532

Thursday, April 12, 2018

9:00 am – [HB 386](#) VESSELS: REGISTRATION/TITLES; DERELICTS (H) Finance, Adams Room 519

9:00 am – [HB 286](#) APPROP: OPERATING BUDGET/LOANS/FUNDS (S) Finance, Room 532

9:00 am – [HB 176](#) EMER. MEDICAL TRANSPORT SERVICE PAYMENTSFUNDS (S) Finance, Room 532

Friday, April 13, 2018

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 of Interest

[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.

This is an OLDDDDDDDD bill that we have been working on for approximately 5 years. The issue, by now, is not currently so onerous as it was then. This bill started out quite different five years ago when we found a sponsor to help us address the termination study issue. As often happens, it was watered down and watered down and watered down as it went through the system. It began as a solution to termination studies and ended up a bill that simply lowers the cost of interest charged by the state to those municipalities that can’t pay those dang termination studies. Meanwhile, approximately five years have passed while these communities have been paying 12.5% interest. Oh.....the wheels of government!! This bill was heard on 04/05/18 in Senate State Affairs where it was held due to delay of a fiscal note from the Department of Admin.

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 was moved out of House State Affairs on 04/05/18. It is currently not on the schedule for any further hearings. There is not enough time for this bill to make it, so as of now, this bill is probably dead.

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. This yukky bill has moved through the House and is now sitting in House Rules waiting for a schedule on the House Floor. It may be totally stalled by “some” in House Rules. Let’s hope so. As this is the last week and the bill is not scheduled, I think we may be able to count this one as “buried.”

HB 123 – An Act relating to disclosure of health care services and price information; and providing for an effective date.

This bill would enable consumers to make informed decisions about their health care options by ensuring accessible information on medical pricing. Health care

providers would be required to publish health care price information in public spaces and on their website on their 25 most commonly provided services and procedures. Larger facilities would be required to provide costs on their 50 most common health care services and procedures. I am currently running this by municipally-owned hospitals, as there could be ramifications from this we do not see. Stay tuned! This bill was moved out of Senate Health & Human Services on 04/04/18. It will next go to Senate Judiciary, but is not on their schedule at this time. This bill could actually get through the whole process. Our final report will be a lot more explanatory.

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. 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. This bill has gone through the House and is now in the Senate. It moved out of Senate Health & Human Services on 03/28/18 and has been referred to Senate Finance where it will be heard on 04/12/18. There is a good chance that this bill will make it all the way through the system.

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 was heard and passed out of House Finance on 03/30/18 and has now been referred to House Rules who has sent it on to House Finance. The hearing for 04/05/18 was canceled, so things are looking slim for this bill making it through.

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 is still held up in House Labor & Commerce (and we hope it dies there!!!!), where it is ONCE again scheduled for a hearing on 04/06/18 (later today). I don't think (thank goodness) that this bill can make it. While most people agree with the concept of the bill (an attempt to control the "plethora" of plastic bags littering everything), we believe this should be a local decision made at the local level.

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!!!! I have attended every hearing held on this bill. The part that makes one SOOOOO dang angry, is the mistrust from the Legislature that some "local government people" will "blab about the information they receive from the State. Maybe they will add an amendment that says if a local government official "blabs" about the information, they may be hung at sundown. This bill has passed on the House Floor and has been transmitted to the Senate, but is not scheduled for a hearing. Despite the need by municipalities, it will be difficult for this bill to make it through at this point.

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. It doesn't appear to have ANY movement, at this time. This bill is "finished" (dead).

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 has moved through the House and has been transmitted to the Senate. This bill was heard in Senate Finance on 04/03/18 where it was held. They better get to crackin’ on this, as it is not on the schedule for next week.

HB 284 – 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. The base capital budget is a whopping total of \$1.3 million. The Alaska Economic Recovery Act is included in this years’ budget and funds items such as deferred maintenance and critical infrastructure repairs and upgrades. This includes the Port of Anchorage, the Municipal Harbor Facility Grant Fund, the Weatherization Program and AEA bulk fuel upgrades. This bill was heard in House Finance on 04/03/18 where it was held. It is not currently on the schedule for next week.

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. However, this last issue was “fixed” in HB 321. HB 286 is currently being debated on the House Floor and amendments are flying left and right. As of today, the House had debated 84 amendments. This is much like driving home a new Buick, replacing parts in your driveway and ending up with a Volkswagon. It is an entirely different bill than it started out. This bill has finally passed the House and is now in Senate Finance. Many

changes were made, which will be changed again as this bill moves through the Senate. The brief moment in time when the PFD was \$2,700 passed like a ship in the night and is now back to \$1,600 in the proposal they passed out. The schedule shows this bill being heard in Senate Finance on 04/10/18, 04/11/18, and 04/12/18. Don't forget, the regular Session ends on Sunday 04/15/18. If the budget has not been passed by then, a Special Session will be called (one might be called even IF the budget is passed).

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 is moving once again and is scheduled for two hearings in Senate Finance TODAY (04/06/18). At this point, the Senate Finance has agreed with the House on the pre-funding of K-12. This is a BIG DEAL. We will deal with this more at the end of the Regular Session. This agreement is contingent on some other budget "happenings" (leverage game).

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 02/21/18 in House Labor & Commerce and was moved out of committee and referred to House Finance. It is now scheduled for House Finance and public testimony on 04/09/18.

[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 where it is scheduled for a hearing on 04/12/18.

[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. I would pronounce this bill legally "dead" at this time!!!

HB 385 – An Act relating to multi-line telephone systems.

This bill would require a municipality to install an enhanced 911 system in all multi-line telephone system if the municipality upgrades their existing system or installs a new system. There were some VERY helpful amendments offered on this bill this past week. The first one would set this requirement up as an "opt-in." Another words, if your municipality wanted to take part in this new technology, you would have to pass the approval of that through an ordinance. This would alleviate small municipalities that do not even have the availability of the technology from going through all of the wasted time and effort to "opt-out" which is what the bill required in the past. The second amendment took the Regulatory Commission out of the mix. They were intended to be the "overseer" of this program. However, they do not oversee individual municipal 911 systems; but simply the "providers" that offer those systems to municipalities. The intent of the bill is to allow emergency personnel to be able to track from which exact phone (within a large system or large building) a 911 call has been received. Apparently, a federal law was JUST recently signed into law which will require multi-line phone systems to have this technology in place by 2020. This federal bill will also require any system that requires dialing a "9" to get out of the system, to drop that "9" for "911" purposes. This bill was heard in House C&RA on 03/22/18. It passed out of committee at that time and is now scheduled for House Finance on 04/10/18. The companion bill is SB 215.

HB 386 – 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 is a companion bill to SB 92. It was heard in House Finance on 03/28/18 where it was held. It is now rescheduled for a hearing again on 04/12/18.

HJR 23 – Proposing amendments to the Constitution of the State of Alaska relating to the Alaska permanent fund.

This resolution would set up the Earnings Reserve Fund as a separate account within the Permanent Fund. It would create a transfer of 4.75% from that new separate account to the General fund and directs that 33% of the transfer be used for PFD checks. Any additional draws can only happen if there is a $\frac{3}{4}$ vote of both the House and the Senate. The resolution also allows for appropriations from the newly created fund to the principal of the fund to ensure it is protected against inflation. The Earnings

Reserve Fund has only been used for paying the PFD to Alaskans and for inflation proofing the principal of the fund. Though the principal of the fund is protected, the Earnings Reserve Fund can be used for any purpose. If this resolution is approved by Alaskans, it will put the PFD in the constitution, and will protect the Earnings Reserve Fund by limiting the amount of the annual draw. There was a hearing scheduled on 03/14/18, but that meeting was canceled and there are no further hearings scheduled at this time. There doesn't seem to be much interest in this bill, so this is probably the last we will hear on this proposal.

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. This resolution was scheduled to be heard on 03/20/18, but the meeting was canceled. This resolution required NOTHING of the Legislature, while providing many millions of dollars to municipalities. However, for some reason they cannot even make the effort to support us on this issue. However, meanwhile, back at the ranch.....Timber Receipts have been "reauthorized" in Congress. There will be an email later today with more specifics. The author of the resolution says he will send this to the federal government anyway to help encourage them to make SRS funding a reliable and consistent fund for Alaska forest municipalities. This resolution has passed out of House Finance and has been referred to House Rules. It is currently not on the schedule, however. So.....to summarize, they (the Legislature) came up with a resolution two years too late, couldn't even get the "impetus" to pass it, and meanwhile, we got a re-authorization of Secure Funding for Rural Schools (Timber Receipts) without them!!

SB 18 – An Act relating to third class boroughs.

This bill proposes to add a borough "option" to help address high energy costs in rural Alaska. This would allow for taxation on a non-renewable resource within the borough and the ability to bond based on the revenue from the tax base. This new borough would have limited powers, which would include the ability to levy a limited property tax, enter into PILT agreements and issue bonds backed by the PILT agreement to finance energy infrastructure projects. This proposed borough would NOT provide education or allow for taxes on individual private property. This bill will be heard in Senate C&RA on 04/10/18.

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 (Bills On the Move), this bill is NOT on the move. It appears that this bill will die due to the ongoing “disagreement” about this bill between Rep. LeDoux and Sen. Micciche. The Legislative skits got a LOT of traction about this issue!!!

SB 76 – An Act relating to alcoholic beverages; relating to the regulation of manufacturers, wholesalers, retailers, and common carriers of alcoholic beverages; relating to licenses, endorsements, and permits involving alcoholic beverages; relating to the Alcoholic Beverage Control Board; relating to offenses involving alcoholic beverages; amending Rule 17, Alaska Rules of Minor Offense Procedure; and providing for an effective date.

This Bill is another attempt to get this re-write of Title 4, passed. It failed in the 29th Legislature, so they are trying again. The intent is to improve the structure, organization, policies and implementation issues in alcohol regulation. Our request has been (duh) LOCAL CONTROL!!!! This bill is 114 pages long. It is a bit difficult to condense all of that into a newsletter. Listen to the hearings for a better understanding of what is being discussed. Thus far, they have discussed (ad nauseum), change to the ABC board, changes to penalties, regulation of internet sales, policies designed to reduce underage drinking and a few others. The upcoming hearing should deal with licensing, permits, population limits and the application process. Those are probably the sections that will be most beneficial to municipalities, as it will directly impact economic development and/or drinking issues in your community. This bill was moved out of Senate Labor & Commerce on 04/03/18 and is scheduled in Senate Judiciary on 04/11/18 and 04/13/18.

SB 78 – An Act creating the education endowment fund and the dividend raffle fund; authorizing donations from the permanent fund dividend for educational purposes and to enter the permanent fund dividend raffle; relating to transfers

from the dividend raffle fund and the education endowment fund; relating to the duties of the Department of Revenue; relating to the definition of “gambling”; and providing for an effective date.

This bill basically sets us an education raffle as a way to raise money for supporting education. Alaskans will be able to donate all or part of their PFDs in a manner similar to the “Click. Pick. Give” program. Those who use paper applications will also be able to donate. When any Alaskan helps raise money for education through a donation from their PFD check, they will also have a chance to win a percentage of the total money donated through an education raffle. This bill has passed through the Senate and is currently on the House side, where it is scheduled for a hearing in House Finance on 04/09/18.

SB 86 – An Act relating to the sale or other disposal, leasing, or encumbrance of Alaska Railroad Corporation land; and providing for an effective date.

This bill appears to be of interest for those municipalities that have railroads passing through their boundaries. It creates a pilot project to allow the Alaska Railroad Corporation to manage their non-corridor real estate portfolio and enhance their ability to be self-sustaining, as required by state statute. It also repeals the current requirement for legislative approval prior to the Railroad Corporation selling or leasing land. This should allow the railroad more flexibility and opportunity. The railroad could then sell land for private development, which has been difficult to do as development does not usually happen on leased land. The municipalities involved, see this as an opportunity for them to develop and expand on land not available to them in the past while under leasing agreements only. This bill was heard in Senate Finance on 03/28/18 and is now scheduled for the Senate Floor later today (04/06/18). It must then go to the House.

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 was heard on 02/16/18 in Senate Resources and moved out of committee. It was heard in Senate Finance and passed out of that committee on 04/05/18. It will now be scheduled on the Senate Floor.

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 is not currently on the schedule, however and has been canceled more than a few times. However, it is back on the schedule and will be heard in House Finance on 04/10/18.

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 was referred to Senate Finance on 02/26/18, but has not moved since. I think the Senate has a strong enough belief that there will be NO NEW TAXES, so even bringing it up to the public for a vote has been disregarded by most of them. This bill has been referred to Senate Finance, but it has not even crossed their minds. DEAD!

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. This bill was heard and held on 2/23/18 in Senate Finance where it was held. Nothing has happened since then. I would say this bill has died a quiet death.

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. This bill was heard and held in Senate Finance on 04/03/18. It is not currently on the schedule for next week.

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.

The is the Governor's Operating Budget. As far 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. This bill was heard and held on 2/19/18 in Senate Finance where it was held. Nothing is currently scheduled. This bill has probably met its end!

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) and seems to be the "vehicle" of choice. This appears to now be the vehicle of this issue as compared to HB 293. This bill has passed through the Senate and all scheduled House committees and has been referred to House Rules (03/29/18). From there it will proceed to the House Floor and after passage (which VERY few get to the House Floor if they are not going to pass), it will become law. However, Rules has not scheduled it as of yet.

SB 159 – 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 attempt to remove the list of disbursement options from statute and move the options to regulations. New language removes the list of disbursement options and replaces it with general language authorizing a lump sum payment of the entire balance or a periodic payment option authorized by the regulations. This change will allow more flexibility to the Plan Administrator, with adoption by the ARM Board, to add new options as they become available and are of benefit to participants. Future disbursement options will go through the regulatory process with public notice to all stakeholders and interested parties. This legislation will have no actuarial impact to the TRS or PERS since any costs incurred when electing a distribution option is borne by the participant. This bill was heard in Senate State Affairs on 04/05/18 where it passed out of committee. It will now move to the Senate Floor.

SB 165 – An Act relating to the Alaska Comprehensive Health Insurance Fund; and providing for an effective date.

This bill would extend the sunset provision on the Alaska Comprehensive Health Insurance Fund by six years, from June 30, 2018 to June 30, 2024. This legislation would also remove the requirement that funds collected as a “tax on insurers;” unauthorized insurance premium tax; surplus line tax; and annual tax on insurance premiums are to be deposited into the Alaska Comprehensive Health Insurance Fund within the general fund. If this legislation passes, the Centers for Medicare and Medicaid Services estimate that the federal pass-through funding for Alaska’s innovation Waiver will total \$322.7 million in FY18 to FY22. The Innovation Waiver and pass-through funds were granted in FY18. If this legislation is not enacted, these funds will not be received. The overall purpose of this bill is to stabilize the individual health care market in Alaska. This bill was heard in House Labor & Commerce on 03/26/18 where it was heard and held. It was passed out of L&C on 03/30/18 and is now scheduled for House Finance and public testimony on 04/09/18.

SB 192 - An Act relating to the confidentiality of voters’ addresses; and relating to the fees charged by the division of elections for providing a copy of the state’s master voter registration list or a copy of the list of individuals who voted in an election.

This bill would attempt to protect citizens who are opposed to having their addresses and/or POB information available to all as listed on the State voter registration lists. This would have an impact on municipalities due to the fact that is “confidentiality” request would also cover all public records to include assessment information on municipal websites. One “generic” POB would be given to all people who filed for confidentiality, with the State or local government (assessor, for instance), then redirecting the information to the recipient. This would prohibit campaigners from also accessing these records. This bill is currently in Senate Finance where it was heard and held on 03/30/18. Nothing further is scheduled at this time.

SB 215 – An Act relating to multi-line telephone systems. This is a companion bill to HB 385. You can read the “jist” of that bill, above. This bill was passed out of Senate C&RA on 04/03/18. It has now been referred to the Rules Committee, but no movement on that as of yet.

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