

**SENATE JOURNAL**  
**ALASKA STATE LEGISLATURE**  
**TWENTY-THIRD LEGISLATURE**  
**FIRST SPECIAL SESSION**

**Juneau, Alaska**

**Wednesday**

**June 23, 2004**

**Second Day**

Pursuant to adjournment the Senate was called to order by President Therriault at 9:44 a.m.

The roll showed eighteen members present. Senator Cowdery was excused from a call of the Senate. Senator Ogan was absent.

The prayer was offered by the Chaplain, Senator Olson. Senator Hoffman moved and asked unanimous consent that the prayer be spread. Without objection, it was so ordered.

Heavenly Father, we thank You for this time where we can gather together to enjoy the sunshine, the beauty that you've created around us, especially the health that we have, Lord.

Lord, as we get together and start to deal with some of the issues that are presented, may we use wisdom, may we use good sense, may we use collegiality and cooperation. That is so important. Lord, may we as legislators be examples of people that are indeed leaders able to make tough decisions and able to carry on what's best for the people.

Be with our family and friends that we wish we were with throughout the country, throughout the world, throughout the state.

Continue to guide us. Keep them safe. Keep us safe, Lord.

In Your Name.

Amen.

Senator Davis led the Senate in the Pledge of Allegiance.

### **Certification**

Senator Ben Stevens moved and asked unanimous consent that the journal for the first legislative day of the First Special Session be approved as certified by the Secretary. Without objection, it was so ordered.

### **Introduction of Chamber Staff**

Senator Elton introduced the Senate chamber staff for the First Special Session as follows:

Linda Bruce, Page  
Rachel Cohen, Assistant Sergeant-at-Arms  
John Farleigh, Page  
Kaleb Froehlich, Page  
Eric Gullufsen, Page  
Jamiann Stevens, Sergeant-at-Arms

### **Standing Committee Reports**

#### **SB 1001**

The Labor and Commerce Committee considered SENATE BILL NO. 1001 "An Act relating to taxes on cigarettes and tobacco products, to tax stamps on cigarettes, to forfeiture of cigarettes and of property used in the manufacture, transportation, possession, or sale of unstamped cigarettes, to accounting for and use of part of the proceeds of the additional cigarette tax, and to licenses and licensees under the Cigarette Tax Act; relating to unfair cigarette sales; and providing for an effective date." Signing do pass: Senator Bunde, Chair; Senators Gary Stevens, Seekins, French, Davis.

The following fiscal information was published today:

Fiscal Note No. 3, Department of Health and Social Services

The following previously published fiscal information applies:  
Fiscal Note No. 1, Department of Revenue  
Fiscal Note No. 2, Department of Public Safety

President Therriault added a Finance Committee referral to the bill.

The bill was referred to the Finance Committee.

**SB 1002**

The Judiciary Committee considered SENATE BILL NO. 1002 "An Act providing for a special deposit for workers' compensation insurers; relating to assigned risk pools and workers' compensation insurers; relating to the board of governors of the Alaska Insurance Guaranty Association; stating the intent of the legislature, and setting out limitations, concerning the interpretation, construction, and implementation of workers' compensation laws; relating to restructuring the Alaska workers' compensation system; eliminating the Alaska Workers' Compensation Board; establishing a division of workers' compensation within the Department of Labor and Workforce Development and assigning certain Alaska Workers' Compensation Board functions to the division and the Department of Labor and Workforce Development; establishing a Workers' Compensation Appeals Commission; assigning certain functions of the Alaska Workers' Compensation Board to the Workers' Compensation Appeals Commission and the office of administrative hearings; relating to agreements that discharge workers' compensation liability; providing for administrative law judges in workers' compensation proceedings; relating to workers' compensation awards; relating to an employer's failure to insure and keep insured or provide security; providing for appeals from compensation orders; relating to workers' compensation proceedings; providing for supreme court jurisdiction of appeals from the Workers' Compensation Appeals Commission; providing for a maximum amount for the cost-of-living adjustment for workers' compensation benefits; providing for administrative penalties for employers uninsured or without adequate security for workers' compensation; relating to fraudulent acts or false or misleading statements in worker's compensation; and providing for an effective date." Signing no recommendation: Senator Seekins, Chair; Senators Therriault, Ogan. Signing do not pass: Senators Ellis, French.

The following previously published fiscal information applies:

Fiscal Note No. 1, Alaska Court System

Fiscal Note No. 2, Department of Administration

Fiscal Note No. 3, Department of Labor and Workforce  
Development

Fiscal Note No. 4, indeterminate, Department of Administration

President Therriault added a Finance Committee referral to the bill.

The bill was referred to the Finance Committee.

The presence of Senator Ogan was noted.

#### **Recess**

Senator Ben Stevens moved and asked unanimous consent that the Senate stand in recess. Without objection, the Senate recessed at 9:50 a.m.

#### **After Recess**

The Senate reconvened at 1:19 p.m.

#### **Standing Committee Reports (continued)**

##### **SB 1001**

The Finance Committee considered SENATE BILL NO. 1001 "An Act relating to taxes on cigarettes and tobacco products, to tax stamps on cigarettes, to forfeiture of cigarettes and of property used in the manufacture, transportation, possession, or sale of unstamped cigarettes, to accounting for and use of part of the proceeds of the additional cigarette tax, and to licenses and licensees under the Cigarette Tax Act; relating to unfair cigarette sales; and providing for an effective date." Signing do pass: Senator Wilken, Cochair, Senators Dyson, Olson, Bunde, Ben Stevens. Signing do not pass: Senator Green, Cochair.

The following previously published fiscal information applies:

- Fiscal Note No. 1, Department of Revenue
- Fiscal Note No. 2, Department of Public Safety
- Fiscal Note No. 3, Department of Health and Social Services

The bill is on today's calendar.

**SJR 103**

The Finance Committee considered SENATE JOINT RESOLUTION NO. 103 Proposing amendments to the Constitution of the State of Alaska relating to an appropriation limit, and recommended it be replaced with

CS FOR SENATE JOINT RESOLUTION NO.  
103(FIN)  
(forthcoming)

Signing no recommendation: Senator Wilken, Cochair; Senator Hoffman. Signing amend: Senator Green; Cochair, Senators Olson, Ben Stevens. Signing do pass: Senators Dyson, Bunde.

The following previously published fiscal information applies:

- Fiscal Note No. 1, Office of the Governor

The bill was referred to the Rules Committee.

**Introduction and Reference of Senate Resolutions**

**SCR 101**

SENATE CONCURRENT RESOLUTION NO. 101 BY THE SENATE FINANCE COMMITTEE,

Relating to offsetting the projected annual general fund revenue shortfall through equal appropriations from the constitutional budget reserve fund and the earnings reserve account.

was read the first time and referred to the Finance Committee.

**Consideration of the Calendar****Second Reading of Senate Bills****SB 1001**

SENATE BILL NO. 1001 "An Act relating to taxes on cigarettes and tobacco products, to tax stamps on cigarettes, to forfeiture of cigarettes and of property used in the manufacture, transportation, possession, or sale of unstamped cigarettes, to accounting for and use of part of the proceeds of the additional cigarette tax, and to licenses and licensees under the Cigarette Tax Act; relating to unfair cigarette sales; and providing for an effective date" was read the second time.

Senator Ben Stevens moved and asked unanimous consent that the bill be considered engrossed, advanced to third reading and placed on final passage. Without objection, it was so ordered.

SENATE BILL NO. 1001 was read the third time.

The question being: "Shall SENATE BILL NO. 1001 "An Act relating to taxes on cigarettes and tobacco products, to tax stamps on cigarettes, to forfeiture of cigarettes and of property used in the manufacture, transportation, possession, or sale of unstamped cigarettes, to accounting for and use of part of the proceeds of the additional cigarette tax, and to licenses and licensees under the Cigarette Tax Act; relating to unfair cigarette sales; and providing for an effective date" pass the Senate?" The roll was taken with the following result:

**SB 1001**

Third Reading - Final Passage

Effective Dates

**YEAS: 14 NAYS: 5 EXCUSED: 1 ABSENT: 0**

Yeas: Bunde, Davis, Dyson, Ellis, Elton, French, Guess, Lincoln, Olson, Seekins, Stedman, Stevens B, Stevens G, Wilken

Nays: Green, Hoffman, Ogan, Therriault, Wagoner

Excused: Cowdery

and so, SENATE BILL NO. 1001 passed the Senate.

Senator Ben Stevens moved and asked unanimous consent that the vote on the passage of the bill be considered the vote on the effective date clauses. Without objection, it was so ordered and the bill was referred to the Secretary for engrossment.

### **Unfinished Business**

Senator Ogan moved and asked unanimous consent to be excused from a call of the Senate from afternoon plane time, June 23 to morning plane time, June 27. Without objection, Senator Ogan was excused.

### **Announcements**

Announcements are at the end of the journal.

### **Engrossment**

#### **SB 1001**

SENATE BILL NO. 1001 "An Act relating to taxes on cigarettes and tobacco products, to tax stamps on cigarettes, to forfeiture of cigarettes and of property used in the manufacture, transportation, possession, or sale of unstamped cigarettes, to accounting for and use of part of the proceeds of the additional cigarette tax, and to licenses and licensees under the Cigarette Tax Act; relating to unfair cigarette sales; and providing for an effective date" was engrossed, signed by the President and Secretary and transmitted to the House for consideration.

### **Enrollment**

#### **SB 232**

CS FOR SENATE BILL NO. 232(FIN) "An Act relating to federal tax requirements for and other provisions of the teachers' retirement system, the public employees' retirement system, and the judicial retirement system; removing village public safety officers from the public employees' retirement system; eliminating the public

employees' retirement system conditional duty to refund contributions under \$1,000 to inactive employees; limiting service credit for village public safety officer service in the public employees' retirement system to five years; and providing for an effective date" was enrolled, signed by the President and Secretary, Speaker and Chief Clerk and the engrossed and enrolled copies transmitted to the Office of the Governor at 5:07 p.m., June 22, 2004.

Memorandum from the Division of Legal and Research Services, Legislative Affairs Agency, reporting the following manifest errors in CS FOR SENATE BILL NO. 232(FIN), which have been corrected in enrolling:

Page 2, line 5:  
Delete "(b)"

Page 4, line 16:  
Delete "AS"

Page 5, line 13:  
Delete the first occurrence of "the"  
Insert "this"

### **Adjournment**

Senator Ben Stevens moved and asked unanimous consent that the Senate stand in adjournment until 9:00 a.m., June 24, 2004. Without objection, the Senate adjourned at 1:49 p.m.

Kirsten Waid  
Secretary of the Senate

June 2004



**Announcements**

Americans with Disabilities Act Notice - Persons with disabilities who require special accommodation or alternative communication formats to access committee meetings may contact the appropriate committee office or the Legislative Information Office in their community. Reasonable advance notice is needed to accommodate the request. For further information, call the ADA Coordinator at 465-3854 Voice/465-4980 TDD.

**STANDING COMMITTEES**

+ indicates teleconference

= indicates bill previously heard/scheduled

**FINANCE**

**Jun 23            Wednesday            Senate Finance 532            9:30 AM**

-- Recessed to 2:00 PM --

- + SB1003 DISTRIBUTIONS OF APPROPS FROM PERM FUND
- + SB1004 G.O. BONDS FOR UNIVERSITY PROJECTS
- + SB1005 G.O. BONDS FOR SURFACE TRANS. PROJECTS
- + SJR101 CONST. AM: PERM FUND P.O.M.V.
- + SJR102 CONST. AM: PERM FUND P.O.M.V.; DIVIDENDS
- + SJR103 CONST AM: APPROPRIATION LIMIT
- + SB1001 TOBACCO TAX; LICENSING; PENALTIES
- + SB1002 INSURANCE & WORKERS' COMPENSATION SYSTEM
- + SCR101 FISCAL GAP APPROP FROM EARNINGS RESERVE

**Jun 24            Thursday            Senate Finance 532            10:00 AM**

+ Bills Previously Heard/Scheduled

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**JUDICIARY**

**Jun 23            Wednesday            Butrovich 205            8:00 AM**

= SB1002 INSURANCE & WORKERS' COMPENSATION SYSTEM

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**JOINT COMMITTEES****LEGISLATIVE BUDGET & AUDIT**

**Jun 23**      **Wednesday**                      **House Finance 519**                      **1:00 PM**  
-- Meeting Canceled --  
RPL - Alaska Aviation Safety Project  
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**OTHER MEETINGS****JOINT LEGISLATIVE HEALTH CAUCUS**

**Jun 23**      **Wednesday**                      **Butrovich 205**                      **1:00 PM**  
"Getting Injured Alaskan Workers Back  
on the Job...is it Working?"  
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**MAJORITY CAUCUS**

**Jun 23**      **Wednesday**                      **Butrovich 205**                      **9:45 AM**