

HOUSE JOURNAL
ALASKA STATE LEGISLATURE
TWENTY-NINTH LEGISLATURE
SECOND SESSION
FOURTH AND FIFTH SPECIAL SESSIONS

Juneau, Alaska **Monday** **November 7, 2016**

Final Supplement

CERTIFICATION OF THE JOURNAL

As Chief Clerk I certify as to the correctness of the journal for the fifth legislative day of the fifth special session of the Twenty-Ninth Legislature and House Journal Supplement No. 6 and Senate and House Joint Journal Supplement No. 18.

ENROLLMENT

HB 100

The following was enrolled, signed by the Speaker and Chief Clerk, President and Secretary of the Senate, and the engrossed and enrolled copies were transmitted to the Office of the Governor at 9:17 a.m., August 23, 2016, with a manifest error memorandum (page 2809):

SENATE CS FOR CS FOR HOUSE BILL NO. 100(FIN) am S
"An Act establishing a credit against the net income tax for an in-state processing facility that manufactures urea, ammonia, or gas-to-liquid products; relating to establishing the value of the state's royalty share of gas production based on contracts with certain in-state processing facilities that manufacture urea, ammonia, or gas-to-liquid products; and providing for an effective date."

HB 107

The following was enrolled, signed by the Speaker and Chief Clerk, President and Secretary of the Senate, and the engrossed and enrolled

copies were transmitted to the Office of the Governor at 11:02 a.m., August 29, 2016:

CS FOR HOUSE BILL NO. 107(EDC) am

"An Act relating to the composition of the Board of Regents of the University of Alaska."

HB 126

The following was enrolled, signed by the Speaker and Chief Clerk, President and Secretary of the Senate, and the engrossed and enrolled copies were transmitted to the Office of the Governor at 3:40 p.m., July 20, 2016, with a manifest error memorandum (page 3166):

SENATE CS FOR CS FOR HOUSE BILL NO. 126(JUD)

"An Act relating to the administration of military justice; relating to the adoption of regulations by the adjutant general; relating to the authority of the adjutant general; relating to appeals of convictions and sentences of courts-martial; establishing the Military Appeals Commission; relating to the detention and incarceration of members of the militia; relating to the jurisdiction of the supreme court over petitions from the Military Appeals Commission; relating to involuntary commitment for evaluation or treatment of a mental disease or defect before court-martial proceedings; relating to offenses subject to court-martial proceedings; amending Rule 6, Alaska Rules of Criminal Procedure; and providing for an effective date."

HB 147

The following was enrolled, signed by the Speaker and Chief Clerk, President and Secretary of the Senate, and the engrossed and enrolled copies were transmitted to the Office of the Governor at 11:02 a.m., August 29, 2016, with a manifest error memorandum (page 2798):

CS FOR HOUSE BILL NO. 147(JUD)

"An Act relating to cruelty to animals; relating to the seizure of animals; relating to the destruction of animals; relating to the costs of care of animals that have been seized; relating to the inclusion of animals in protective orders and crimes and arrests for violating those protective orders; and relating to the ownership of animals upon divorce or dissolution of marriage."

Per request of the Speaker, CSHB 147(JUD) was returned August 30, 2016, at 1:51 p.m.

The engrossed and enrolled copies were again transmitted to the Office of the Governor at 11:13 a.m., September 29, 2016, with a manifest error memorandum (page 2798).

HB 188

The following was enrolled, signed by the Speaker and Chief Clerk, President and Secretary of the Senate, and the engrossed and enrolled copies were transmitted to the Office of the Governor at 4:21 p.m., July 15, 2016, with a manifest error memorandum (page 2799):

CS FOR HOUSE BILL NO. 188(FIN)

"An Act establishing a program for financial accounts for individuals with disabilities; exempting the procurement of contracts for the program from the State Procurement Code; exempting certain information on participants in the program from being subject to inspection as a public record; providing that an account under the program for an individual with a disability is not a security; allowing a state to file a claim against an individual's financial account under the program to recover Medicaid payments after the individual's death; and providing for an effective date."

HB 254

The following was enrolled, signed by the Speaker and Chief Clerk, President and Secretary of the Senate, and the engrossed and enrolled copies were transmitted to the Office of the Governor at 10:50 a.m., September 16, 2016:

SENATE CS FOR HOUSE BILL NO. 254(FIN)

"An Act extending the termination date of the Big Game Commercial Services Board; relating to the Big Game Commercial Services Board; and providing for an effective date."

HB 274

The following was enrolled, signed by the Speaker and Chief Clerk, President and Secretary of the Senate, and the engrossed and enrolled copies were transmitted to the Office of the Governor at 2:44 p.m., August 3, 2016, with a manifest error memorandum (page 2996):

CS FOR HOUSE BILL NO. 274(RES)

"An Act relating to extensions of certain state land leases; relating to the exchange of state land; and relating to the definition of 'state land.'"

MESSAGES FROM THE GOVERNOR**HR 6**

A message dated August 26, 2016, was received stating the Governor read the following resolution and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

HOUSE RESOLUTION NO. 6 am

Dedicating the House Judiciary Committee Room of the Alaska State Capitol to the late Representative Max F. Gruenberg, Jr.

House Resolve No. 6

HR 7

A message dated August 26, 2016, was received stating the Governor read the following resolution and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

HOUSE RESOLUTION NO. 7

Opposing the recent decisions of the Obama Administration to cancel future lease sales in the Chukchi and Beaufort Seas; urging the United States Department of the Interior to continue including the Chukchi Sea and Beaufort Sea lease sales in the 2017-2022 Outer Continental Shelf Oil and Gas Leasing Program; and urging the Obama Administration to support ongoing efforts to develop offshore oil and gas in the Arctic Outer Continental Shelf responsibly and to acknowledge the support of Alaskans.

House Resolve No. 7

HCR 4

A message dated September 23, 2016, was received stating the Governor read the following resolution and is transmitting the

engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

CS FOR HOUSE CONCURRENT RESOLUTION NO. 4(STA)

Relating to the duties of delegates selected by the legislature to attend a convention of the states called under art. V, Constitution of the United States, to consider a countermand amendment to the Constitution of the United States; establishing as a joint committee of the legislature the Delegate Credential Committee and relating to the duties of the committee; providing for an oath for delegates and alternates to a countermand amendment convention; providing for a chair and assistant chair of the state's countermand amendment delegation; providing for the duties of the chair and assistant chair; providing instructions for the selection of a convention president; and providing specific language for the countermand amendment on which the state's convention delegates are authorized by the legislature to vote to approve.

Legislative Resolve No. 46

HCR 10

A message dated August 16, 2016, was received stating the Governor read the following resolution and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

CS FOR HOUSE CONCURRENT RESOLUTION NO. 10(FSH)

Supporting the Alaska Maritime Workforce Development Industry Advisory Committee, the Alaska Workforce Investment Board, the Alaska Vocational Technical Education Center in Seward, and further efforts to carry out the Alaska Maritime Workforce Development Plan.

Legislative Resolve No. 31

HCR 17

A message dated September 23, 2016, was received stating the Governor read the following resolution and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

CS FOR HOUSE CONCURRENT RESOLUTION NO. 17(TRA)
Supporting the aviation industry; and urging the governor to make state-owned land available to the unmanned aircraft systems industry for the management and operation of unmanned aircraft systems and related research, manufacturing, testing, and training.

Legislative Resolve No. 47

HCR 22

A message dated August 16, 2016, was received stating the Governor read the following resolution and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

HOUSE CONCURRENT RESOLUTION NO. 22
Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, concerning Senate Bill No. 23, relating to opioid overdose drugs and to immunity for prescribing, providing, or administering opioid overdose drugs.

Legislative Resolve No. 32

HCR 28

A message dated September 23, 2016, was received stating the Governor read the following resolution and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

HOUSE CONCURRENT RESOLUTION NO. 28
Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, concerning Senate Bill No. 125, adding legislative nonvoting members to the board of directors of the Alaska Gasline Development Corporation.

Legislative Resolve No. 54

HCR 30

A message dated September 22, 2016, was received stating the Governor read the following resolution and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

HOUSE CONCURRENT RESOLUTION NO. 30

Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, concerning Senate Bill No. 74, relating to diagnosis, treatment, and prescription of drugs without a physical examination by a physician; relating to the delivery of services by a licensed professional counselor, marriage and family therapist, psychologist, psychological associate, and social worker by audio, video, or data communications; relating to the duties of the State Medical Board; relating to limitations of actions; establishing the Alaska Medical Assistance False Claim and Reporting Act; relating to medical assistance programs administered by the Department of Health and Social Services; relating to the controlled substance prescription database; relating to the duties of the Board of Pharmacy; relating to the duties of the Department of Commerce, Community, and Economic Development; relating to accounting for program receipts; relating to public record status of records related to the Alaska Medical Assistance False Claim and Reporting Act; establishing a telemedicine business registry; relating to competitive bidding for medical assistance products and services; relating to verification of eligibility for public assistance programs administered by the Department of Health and Social Services; relating to annual audits of state medical assistance providers; relating to reporting overpayments of medical assistance payments; establishing authority to assess civil penalties for violations of medical assistance program requirements; relating to seizure and forfeiture of property for medical assistance fraud; relating to the duties of the Department of Health and Social Services; establishing medical assistance demonstration projects; relating to Alaska Pioneers' Homes and Alaska Veterans' Homes; relating to the duties of the Department of Administration; relating to the Alaska Mental Health Trust Authority; relating to feasibility studies for the provision of specified state services; and amending Rules 4, 5, 7, 12, 24, 26, 27, 41, 77, 79, 82, and 89, Alaska Rules of Civil Procedure, and Rule 37, Alaska Rules of Criminal Procedure.

Legislative Resolve No. 40

HCR 31

A message dated September 22, 2016, was received stating the Governor read the following resolution and is transmitting the

engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

HOUSE CONCURRENT RESOLUTION NO. 31

Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, concerning Senate Bill No. 154, relating to special registration plates commemorating the Blood Bank of Alaska.

Legislative Resolve No. 41

HCR 32

A message dated September 22, 2016, was received stating the Governor read the following resolution and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

HOUSE CONCURRENT RESOLUTION NO. 32

Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, concerning Senate Bill No. 91, relating to criminal law and procedure; relating to controlled substances; relating to immunity from prosecution for the crime of prostitution; relating to probation; relating to sentencing; establishing a pretrial services program with pretrial services officers in the Department of Corrections; relating to the publication of suspended entries of judgment on a publicly available Internet website; relating to permanent fund dividends; relating to electronic monitoring; relating to penalties for violations of municipal ordinances; relating to parole; relating to correctional restitution centers; relating to community work service; relating to revocation, termination, suspension, cancellation, or restoration of a driver's license; relating to the excise tax on marijuana; establishing the recidivism reduction fund; relating to the Alaska Criminal Justice Commission; relating to the disqualification of persons convicted of specified drug offenses from participation in the food stamp and temporary assistance programs; relating to the duties of the commissioner of corrections; and amending Rules 32, 32.1, 38, 41, and 43, Alaska Rules of Criminal Procedure, and repealing Rules 41(d) and (e), Alaska Rules of Criminal Procedure.

Legislative Resolve No. 42

HCR 33

A message dated September 23, 2016, was received stating the Governor read the following resolution and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

HOUSE CONCURRENT RESOLUTION NO. 33

Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, concerning Senate Bill No. 158, relating to real estate broker licensure; and relating to the real estate commission.

Legislative Resolve No. 43

HCR 34

A message dated September 22, 2016, was received stating the Governor read the following resolution and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

HOUSE CONCURRENT RESOLUTION NO. 34

Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, concerning Senate Bill No. 24, relating to the applicability of the Legislative Ethics Act to legislative interns, legislative volunteers, legislative consultants, legislative independent contractors, sole proprietorships, and other legal entities.

Legislative Resolve No. 44

HCR 36

A message dated September 22, 2016, was received stating the Governor read the following resolution and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

HOUSE CONCURRENT RESOLUTION NO. 36

Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, concerning Senate Bill No. 165, relating to the presence of minors in the licensed premises of

manufacturers, wholesalers, and retailers of alcoholic beverages; relating to the Alcoholic Beverage Control Board; relating to background checks for persons applying to operate marijuana establishments; relating to the offense of minor consuming; relating to revocation of a driver's license for a minor consuming offense; relating to the effect of the revocation of a driver's license for a minor consuming offense on a motor vehicle liability insurance policy; and amending Rule 17, Alaska Rules of Minor Offense Procedure.

Legislative Resolve No. 45

HCR 401

A message dated September 22, 2016, was received stating the Governor read the following resolution and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

HOUSE CONCURRENT RESOLUTION NO. 401

Suspending Rules 47 and 55, Uniform Rules of the Alaska State Legislature, relating to the carry-over of bills to a special session.

Legislative Resolve No. 48

HJR 14

A message dated September 15, 2016, was received stating the Governor signed the following resolution and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

SENATE CS FOR CS FOR HOUSE JOINT RESOLUTION NO. 14(STA)

Making application to the United States Congress to call a convention of the states to propose a countermand amendment to the Constitution of the United States as provided under art. V, Constitution of the United States; and urging the legislatures of the other 49 states to make the same application.

Legislative Resolve No. 49

HJR 30

A message dated September 15, 2016, was received stating the Governor signed the following resolution and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

CS FOR HOUSE JOINT RESOLUTION NO. 30(STA)

Urging the American Psychiatric Association to change the term "post-traumatic stress disorder" or "PTSD" to "post-traumatic stress injury" or "PTSI"; urging the governor to support usage of the term "post-traumatic stress injury"; respectfully requesting that the Alaska delegation in Congress champion this change of designation in the United States Congress; and designating June 27, 2016, as Post-Traumatic Stress Injury Awareness Day.

Legislative Resolve No. 50

HB 8

A message dated July 28, 2016, was received stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

SENATE CS FOR CS FOR HOUSE BILL NO. 8(JUD)

"An Act relating to powers of attorney and other substitute decision-making documents; relating to the uniform probate code; relating to notaries public; and providing for an effective date."

Chapter No. 50, SLA 2016

Effective Date: January 1, 2017

HB 12

A message dated July 28, 2016, was received stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

SENATE CS FOR CS FOR HOUSE BILL NO. 12(L&C)

"An Act relating to mortgage lending, mortgage loan originators, and depository institutions; and providing for an effective date."

Chapter No. 51, SLA 2016

Effective Date: See Chapter

HB 27

A message dated July 26, 2016, was received stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

SENATE CS FOR CS FOR SS FOR HOUSE BILL NO. 27(HSS)
am S

"An Act relating to the duties of the Department of Health and Social Services; relating to hearings on and plans for permanent placement of a child in need of aid; relating to school placement and transportation for children in foster care; relating to foster care transition programs; relating to emergency and temporary placement of a child in need of aid; relating to transitional living arrangements for children in foster care; and amending Rule 17.2, Alaska Child in Need of Aid Rules of Procedure."

Chapter No. 7, 4SSLA 2016

Effective Date: October 24, 2016

HB 75

A message dated July 28, 2016, was received stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

CONFERENCE CS FOR HOUSE BILL NO. 75

"An Act relating to possessing, using, displaying, purchasing, growing, processing, transporting, and transferring marijuana; relating to assisting another person 21 years of age or older in activities related to marijuana; relating to established villages and to local option elections regarding the operation of marijuana establishments; and providing for an effective date."

Chapter No. 53, SLA 2016

Effective Date: July 29, 2016

HB 93

A message dated July 28, 2016, was received stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

SENATE CS FOR CS FOR HOUSE BILL NO. 93(JUD)

"An Act relating to the duties of probation officers; and relating to conditions of parole."

Chapter No. 49, SLA 2016

Effective Date: October 26, 2016

HB 100

A message dated September 12, 2016, was received stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

SENATE CS FOR CS FOR HOUSE BILL NO. 100(FIN) am S

"An Act establishing a credit against the net income tax for an in-state processing facility that manufactures urea, ammonia, or gas-to-liquid products; relating to establishing the value of the state's royalty share of gas production based on contracts with certain in-state processing facilities that manufacture urea, ammonia, or gas-to-liquid products; and providing for an effective date."

Chapter No. 58, SLA 2016

Effective Date: See Chapter

HB 107

A letter dated September 8, 2016, was received:

"Dear Speaker Chenault:

Under the authority vested in me by Article II, Section 15, Constitution of the State of Alaska, I have vetoed the following bill:

CS FOR HOUSE BILL NO. 107(EDC) am

"An Act relating to the composition of the Board of Regents of the University of Alaska."

This bill would amend the statutory qualifications for a person to qualify to be appointed to the Board of Regents of the University of Alaska by requiring that six of the Board of Regent members be from specified regions of the state. My objections to this bill are based on both policy and legal considerations.

As to policy, my view is that this change would not improve the governance of the University of Alaska system. At the onset, it is important to note that the University of Alaska system is designed to serve the needs of our diverse state. From the legislative testimony, the intended purpose of the statutorily designated regional representation was to correct a perceived assumption that not all areas of our state are adequately represented by the current statutory appointment process where the governor chooses, and the legislature confirms, qualified and willing candidates for this important role. Yet neither the history of the Board of Regents appointments nor their accomplishments on behalf of the university system compels the conclusion that the needs of some areas of the state are unheard. Instead, the Board of Regents continues to develop and implement initiatives designed to create a cost-efficient, integrated state education system. In my view, it is critically important that each regent respect and consider each area of the state in the consideration of policies. Only by valuing our diverse cultural experiences can our university system thrive. The appointment of regionally-based representatives would undermine the great efforts made to continue to develop the university system in a collaborative manner.

Further, the bill would prohibit a governor from appointing a regional member unless that person meets the residency requirements set out in the bill for at least two years before the date of appointment. Alaska is the land of opportunity, and to restrict a person interested in serving on the Board of Regents from moving from one area of the state to another for employment or family reasons is not consistent with our state's embrace of personal freedoms. Appointments should be made, as in the past, on a person's qualifications, interest, and willingness to commit to the Board of Regents, not on a person's address.

That said, I appreciated the discussion of the historical lack of appointees to the Board of Regents who are residents of the Matanuska-Susitna Valley. In fact, I was pleased to appoint a Regent from the Matanuska-Susitna Valley eight months prior to the passage of this legislation.

Next, the bill raises legal and practical issues, most notably the concern that it may overly restrict a governor's power of appointment.

The imposition of the regional residency requirements may create constitutional disputes that would delay or call into question whether a governor's appointee to the Board of Regents is from the specified regional area and has resided there for two years. Disputes or delays in appointments would not further the work of the Board of Regents. Further, a person aggrieved by a Board of Regents' action could claim that an action is invalid because a board member did not meet the regional residency requirements set out in the bill. The risk of dispute is not worth the perceived benefit of mandated regional representation.

Because of my objections as stated above, I have vetoed HB 107 relating to appointments of the Board of Regents of the University of Alaska.

Sincerely,

/s/

Bill Walker
Governor"

HB 126

A message dated August 6, 2016, was received stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

SENATE CS FOR CS FOR HOUSE BILL NO. 126(JUD)

"An Act relating to the administration of military justice; relating to the adoption of regulations by the adjutant general; relating to the authority of the adjutant general; relating to appeals of convictions and sentences of courts-martial; establishing the Military Appeals Commission; relating to the detention and incarceration of members of the militia; relating to the jurisdiction of the supreme court over petitions from the Military Appeals Commission; relating to involuntary commitment for evaluation or treatment of a mental disease or defect before court-martial proceedings; relating to offenses subject to court-martial proceedings; amending Rule 6, Alaska Rules of Criminal Procedure; and providing for an effective date."

Chapter No. 55, SLA 2016

Effective Date: August 7, 2016

HB 143

A message dated July 15, 2016, was received stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

CS FOR HOUSE BILL NO. 143(FIN)

"An Act authorizing the Alaska Industrial Development and Export Authority to issue bonds to finance the infrastructure and construction costs of the Sweetheart Lake hydroelectric project."

Chapter No. 37, SLA 2016

Effective Date: October 13, 2016

HB 147

A message dated October 19, 2016, was received stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

CS FOR HOUSE BILL NO. 147(JUD)

"An Act relating to cruelty to animals; relating to the seizure of animals; relating to the destruction of animals; relating to the costs of care of animals that have been seized; relating to the inclusion of animals in protective orders and crimes and arrests for violating those protective orders; and relating to the ownership of animals upon divorce or dissolution of marriage."

Chapter No. 60, SLA 2016

Effective Date: January 17, 2017

HB 156

The following letter dated July 28, 2016, was received:

"Dear Speaker Chenault:

Under the authority of Article II, Section 17, Constitution of the State of Alaska, I have let the following bill become law without signature:

SENATE CS FOR CS FOR HOUSE BILL NO.
156(FIN)(efd fld H)

"An Act relating to a parent's right to direct the education of a child; relating to the duties of the state Board of Education and Early Development, the Department of Education and Early Development, school boards, and school districts; relating to public school curriculum and assessments; relating to compliance with federal education laws; relating to public school accountability; relating to a statewide assessment plan and review of education laws and regulations; repealing the minimum expenditure for instruction for school districts; relating to sex education, human reproduction education, and human sexuality education; relating to suicide awareness and prevention training; relating to contracts for student assessments; relating to questionnaires and surveys administered in public schools; relating to physical examinations for teachers."

Chapter No. 54, SLA 2016

Effective Date: October 26, 2016

After much thought and input from many perspectives, I have decided to allow SCS CSHB 156(FIN)(EFD FLD H) to become law without signature. I thank all for their valuable input. In making my decision, I believe some of the bill's provisions have been the subject of misunderstanding and confusion. This is understandable for a complex subject, but I must focus on the actual effect of the bill in making my decision.

The bill addresses a number of education issues, including district responsibilities as to budgets, required training, assessments, and parental rights with regard to a child's education. The bill may not be perfect, but as a whole, I believe the potential advantages to school districts due to the bill should be given the chance to work. Some of the bill's provisions may have uncertain impacts, but the Administration and the Legislature are committed to education and will monitor the bill's effectiveness in practice. Further, my Administration will work with the federal government towards flexibility in testing requirements within the bounds of the law.

Let me highlight some areas of the bill that have been the subject of much discussion.

This bill repeals AS 14.17.520, a statute that is commonly referred to as the "70/30 requirement." In short, this statute requires each school district to spend a minimum of 70 percent of its school operating expenditures on the "instructional component" of its budget. A school district that fails to meet this goal must apply to the state Board of Education and Early Development for a waiver. I have no doubt this provision was enacted with the best of intentions, but in practice it has become burdensome, particularly for rural school districts whose high maintenance and operations costs have historically exceeded the 70 percent threshold. Waivers are routinely granted, yet the process adds an unnecessary burden for school districts and the State Board of Education and Early Development. Additionally, the mechanical focus on the ratio spending has not been proven to improve our educational outcomes and detracts from what our schools do best – educating students.

Further, the bill would modify some training requirements for school staff, including training on sexual abuse and assault, crisis response, alcohol or drug-related disabilities and recognition and reporting of child abuse and neglect. Adjusting the training schedule requirements from individual schools to the district as a whole would allow each district to better focus its training where needed. This change would lessen the logistical challenges of tracking training at a school level, yet would keep in place important training in areas critical to our children's health and safety. As a further benefit of the bill and in light of the importance of this issue in the state, more students will get the benefit of suicide awareness and prevention training. Under sec. 20, teachers, administrators, counselors, and specialists providing services to students in any grade (not just in grades 7 through 12) will be required to receive the training.

Next, I will address two particularly controversial provisions in the bill.

First, the bill would appear to limit the ability of the Department of Education and Early Development (Department) to require a school or

district to administer a statewide standards-based assessment for the next two school years. Further, the Department would be required to review and report to the Legislature on a final plan for developing and creating statewide assessments and for recommended law changes. Some have claimed that these provisions would result in a loss of federal funds. However, that outcome is not certain and would be preceded by notice from the United States Department of Education (USED). The bill also deletes some references to federal law in the school and district accountability statutes, but the Department of Law has noted that removal of those references does not lead to the conclusion that noncompliance with federal law would be intended or required by the bill. I am optimistic that the bill's assessment provisions will encourage cooperation with the USED in order to streamline and focus statewide assessments.

The bill also would ease procurement requirements for statewide testing by exempting assessment contracts of the Department from the State procurement code. While I fully support the financial protections of our State procurement code, I recognize that in some circumstances more flexibility is required to allow a timely and responsible procurement best suited to the agency's needs.

Next, I turn to the provisions on parental rights. The bill expands a parent's right to withdraw a child from standards-based testing or an activity, class, or program. Yet the bill also puts some sidebars on these provisions to assure that a child is not absent from activities categorically. This policy may increase parental involvement in a child's education. Most controversial, and in my view misunderstood, are provisions related to the teaching of a class or program in sex education, human reproduction, or human sexuality. The attention on these provisions highlights their importance and sensitivity. The bill would not prevent the teaching of these subjects, but it would require that those who do so be approved by the district's school board and have credentials available for review. Further, curriculum, literature, or materials on sex education, human reproduction, or human sexuality would need to be approved by the district school board and be available for parental review. Some feel these provisions will encourage parental involvement and foster helpful discussions between parents and their children. I, too, believe that the transparency and involvement offered by the bill will be beneficial. I have heard

concerns that important information on these sensitive topics will be withheld, but the bill does not compel that result. Instead, the bill's provisions recognize the need for thoughtful and knowledgeable instruction on these subjects. Indeed, these provisions appear not to be a significant departure from current school district practice.

Last, I note that the failure of the immediate effective date provisions causes a number of technical issues with the bill, but that those issues would not appear to have a significant legal effect.

For the reasons described above, I have not signed SCS CSHB 156(FIN)(EFD FLD H) but have allowed it to become law without my signature.

Sincerely,
/s/
Bill Walker
Governor"

HB 188

A message dated August 6, 2016, was received stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

CS FOR HOUSE BILL NO. 188(FIN)

"An Act establishing a program for financial accounts for individuals with disabilities; exempting the procurement of contracts for the program from the State Procurement Code; exempting certain information on participants in the program from being subject to inspection as a public record; providing that an account under the program for an individual with a disability is not a security; allowing a state to file a claim against an individual's financial account under the program to recover Medicaid payments after the individual's death; and providing for an effective date."

Chapter No. 56, SLA 2016
Effective Date: See Chapter

HB 200

A message dated July 26, 2016, was received stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

CS FOR HOUSE BILL NO. 200(HSS) am

"An Act establishing procedures related to a petition or proxy for adoption or guardianship of a child in state custody; adding a definition of 'proxy for a formal petition'; amending Rules 5 and 6(a), Alaska Adoption Rules, and adding Rule 17.3, Alaska Child in Need of Aid Rules of Procedure; and providing for an effective date."

Chapter No. 6, 4SSLA 2016

Effective Date: See Chapter

HB 209

A message dated July 28, 2016, was received stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

CS FOR HOUSE BILL NO. 209(FIN)

"An Act relating to an Alaska Water and Sewer Advisory Committee; and providing for an effective date."

Chapter No. 48, SLA 2016

Effective Date: July 29, 2016

HB 254

A message dated October 7, 2016, was received stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

SENATE CS FOR HOUSE BILL NO. 254(FIN)

"An Act extending the termination date of the Big Game Commercial Services Board; relating to the Big Game Commercial Services Board; and providing for an effective date."

Chapter No. 59, SLA 2016

Effective Date: October 8, 2016

HB 274

A message dated August 10, 2016, was received stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

CS FOR HOUSE BILL NO. 274(RES)

"An Act relating to extensions of certain state land leases; relating to the exchange of state land; and relating to the definition of 'state land.'"

Chapter No. 57, SLA 2016

Effective Date: November 8, 2016

HB 314

A message dated July 28, 2016, was received stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

SENATE CS FOR HOUSE BILL NO. 314(FIN)

"An Act relating to the Alaska regional economic assistance program; extending the termination date of the Alaska regional economic assistance program; and providing for an effective date."

Chapter No. 52, SLA 2016

Effective Date: See Chapter

HB 372

A message dated July 18, 2016, was received stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

SENATE CS FOR CS FOR HOUSE BILL NO. 372(L&C)

"An Act relating to insurance; relating to the annual report by the director of insurance; relating to expenses for insurance examinations; relating to regulations for insurance utilization review, benefits determination, health care insurance grievance resolution procedures, independent review of adverse determinations or final adverse determinations, independent review organizations, and continuing education providers; relating

to required provisions for health care insurance contracts and policies, including health care provider choice; establishing civil penalties for insurers for failure to provide requested records; amending the definition of 'wet marine and transportation' insurance; amending provisions on limited licenses to include crop insurance; relating to third-party administrator notification requirements; relating to certification filing by reinsurance intermediary brokers; relating to rate filings, delivery of insurance policies or endorsements; relating to refunds of variable life insurance policies and variable annuities; establishing limitations on issuance of long-term care insurance; relating to requirements for group health insurance policies; amending the definition of 'group health insurance'; relating to motor vehicle service contracts; relating to notice requirements for meetings of stockholders or members of a domestic insurer; establishing a definition of 'bona fide association'; relating to requirements and penalties for committing a fraudulent or criminal insurance act; updating criteria for examinations; relating to rate filing deviations; establishing civil penalties for certain wilful violations; and providing for an effective date."

Chapter No. 41, SLA 2016
Effective Date: See Chapter

HB 374

A message dated July 18, 2016, was received stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

SENATE CS FOR CS FOR HOUSE BILL NO. 374(FIN)

"An Act relating to coverage under a state plan provided by the Comprehensive Health Insurance Association; establishing the Alaska comprehensive health insurance fund; relating to a reinsurance program; relating to the definition of 'residents who are high risks'; relating to an application for a waiver for state innovation for health care insurance; and providing for an effective date."

Chapter No. 5, 4SSLA 2016
Effective Date: See Chapter

SCR 1

A message dated August 16, 2016, was received stating the Governor read the following resolution and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

HOUSE CS FOR CS FOR SENATE CONCURRENT
RESOLUTION NO. 1(EDC)

Relating to a legislative task force on civics education.

Legislative Resolve No. 34

SCR 14

A message dated September 22, 2016, was received stating the Governor read the following resolution and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

SENATE CONCURRENT RESOLUTION NO. 14

Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, concerning House Bill No. 75, relating to the registration of marijuana establishments by municipalities; relating to the definition of "marijuana"; clarifying standards for personal use of marijuana by persons 21 years of age or older; prohibiting the public consumption of marijuana; authorizing the registration of marijuana clubs; and relating to established villages and to local option elections regarding the operation of marijuana establishments.

Legislative Resolve No. 51

SCR 20

A message dated August 16, 2016, was received stating the Governor read the following resolution and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

SENATE CONCURRENT RESOLUTION NO. 20

Proclaiming April 2016 as Sexual Assault Awareness Month.

Legislative Resolve No. 33

SCR 29

A message dated August 16, 2016, was received stating the Governor read the following resolution and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

SENATE CONCURRENT RESOLUTION NO. 29

Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, concerning House Bill No. 254, extending the termination date of the Big Game Commercial Services Board.

Legislative Resolve No. 37

SCR 32

A message dated September 22, 2016, was received stating the Governor read the following resolution and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

SENATE CONCURRENT RESOLUTION NO. 32

Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, concerning House Bill No. 247, amending the powers of the board of trustees of the Alaska Retirement Management Board to authorize purchase and sale of transferable tax credit certificates issued in conjunction with the production tax on oil and gas; relating to interest applicable to delinquent tax; relating to the oil and gas production tax, tax payments, and credits; relating to exploration incentive credits; relating to refunds for the gas storage facility tax credit, the liquefied natural gas storage facility tax credit, and the qualified in-state oil refinery infrastructure expenditures tax credit; relating to the confidential information status and public record status of information in the possession of the Department of Revenue; relating to oil and gas lease expenditures and production tax credits for municipal entities; requiring a bond or cash deposit with a business license application for an oil or gas business; and establishing a legislative working group to study the fiscal regime and tax structure and rates for oil and gas produced south of 68 degrees North latitude.

Legislative Resolve No. 52

SCR 501

A message dated September 22, 2016, was received stating the Governor read the following resolution and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

SENATE CONCURRENT RESOLUTION NO. 501

Suspending Rules 47 and 55, Uniform Rules of the Alaska State Legislature, relating to the carry-over of bills to a special session.

Legislative Resolve No. 55

SJR 2

A message dated September 15, 2016, was received stating the Governor signed the following resolution and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

SENATE JOINT RESOLUTION NO. 2

Proposing an amendment to the Constitution of the State of Alaska relating to contracting state debt for postsecondary student loans.

Legislative Resolve No. 53

SB 18

A message dated July 20, 2016, was received stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

SENATE BILL NO. 18

"An Act exempting a health care sharing ministry from regulation as an insurer."

Chapter No. 46, SLA 2016

Effective Date: October 18, 2016

SB 32

A message dated July 19, 2016, was received stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

HOUSE CS FOR CS FOR SENATE BILL NO. 32(RES)

"An Act relating to the sale of timber on state land; and providing for an effective date."

Chapter No. 42, SLA 2016

Effective Date: July 20, 2016

SB 72

A message dated July 20, 2016, was received stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

CS FOR SENATE BILL NO. 72(L&C)

"An Act relating to the discharge of patients from hospitals and to caregivers of patients after discharge from a hospital; and providing for an effective date."

Chapter No. 47, SLA 2016

Effective Date: January 1, 2017

SB 125

The following letter dated July 20, 2016, was received:

"Dear Speaker Chenault:

Under the authority vested in me by Article II, Section 15, Constitution of the State of Alaska, I have vetoed the following bill:

HOUSE CS FOR CS FOR SENATE BILL NO. 125(RES)

"An Act relating to the board of directors of the Alaska Gasline Development Corporation; adding legislators as nonvoting members of the board of directors of the Alaska Gasline Development Corporation; and providing for an effective date."

Although I understand legislators' desire to gain more understanding of the decisions of the Alaska Gasline Development Corporation (AGDC) and its important work, the approach taken in this bill is not necessary to achieve that goal. Further, the Alaska Constitution, Article 2, Section 5, prohibits legislators from holding "any other office or position of profit under the United States or the State."

According to the formal Attorney General Opinion issued on July 19, 2016, having legislators sit on a public corporation board, like AGDC, would violate the dual-office holding prohibition in the Alaska Constitution, even if the legislators are non-voting members. Despite the lack of a vote, the legislators would still be influencing the decisions made by the board and be privy to confidential information held by the corporation, while also having the legislative power to change the corporation's statutes and determine its funding.

In order to preserve the separation of powers and uphold the Alaska Constitution, I have vetoed HCS CSSB 125(RES). However, I do believe it is important for the Legislature and the public to have as much information and insight as possible into the actions and decisions of AGDC. I would encourage legislators and the public to attend AGDC board meetings. I would also encourage AGDC to continue to provide information to the Legislature as it becomes available. As Governor, I will continue a practice I began last session to hold regular meetings with the House and Senate Resource chairs and co-chairs, as well legislative leadership and minority leadership, to keep them up to speed on gasline issues. Building a gasline will take a team effort, and AGDC must earn the confidence and trust of the Legislature and the public to ultimately make the gasline a reality.

For these reasons, I have vetoed HCS CSSB 125(RES).

Sincerely,
/s/
Bill Walker
Governor"

SB 126

A message dated July 18, 2016, was received stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

CS FOR SENATE BILL NO. 126(L&C) am H
"An Act establishing an exemption for the offering and sale of certain securities."

Chapter No. 38, SLA 2016
Effective Date: October 16, 2016

SB 127

The following letter dated July 20, 2016, was received:

"Dear Speaker Chenault:

Under the authority vested in me by Article II, Section 15, Constitution of the State of Alaska, I have vetoed the following bill:

SENATE BILL NO. 127

"An Act relating to actions by insurers based on credit history or insurance score; and providing for an exception to consideration by an insurer of credit history or insurance score."

This bill would allow an insurer to use a consumer's credit history or insurance score when establishing a consumer's insurance rates upon renewal of a personal insurance policy. Credit report errors are common and can be difficult to correct. Missing or incorrect information in a credit report can negatively impact consumers' insurance scores, regardless of a person's driving record, the condition of their home, or whether they pay their bills on time. Because the bill relies on notoriously unreliable credit score ratings and would adversely affect consumers, especially low-income consumers, it should not become law.

The bill would require that insurers provide a consumer with notice and an opportunity for reconsideration if the consumer's insurance premium or insurance coverage is adversely affected by the insurer's use of credit history or insurance score. The legislation would also require an insurer to provide reasonable exceptions to the insurer's rates, rating classifications, company or tier placement, or underwriting rules for a consumer whose credit history or insurance score has been adversely affected by an extraordinary life circumstance; however, this protection is limited, invasive, and uncertain. The consumer must affirmatively request an exception. Further, the burden falls on the consumer to provide, at the insurer's sole discretion, detailed and personal information about divorce, serious illness or injury, and other adverse life events. I am concerned about Alaskan consumers who have suffered an extraordinary life event, such as unemployment or identity theft, facing further hurdles when seeking insurance renewals.

For these reasons, I have vetoed Senate Bill No. 127.

Sincerely,
/s/
Bill Walker
Governor"

SB 158

A message dated July 18, 2016, was received stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

HOUSE CS FOR SENATE BILL NO. 158(L&C) am H
"An Act relating to real estate broker licensure; relating to the Real Estate Commission; relating to errors and omissions insurance for real estate licensees; and providing for an effective date."

Chapter No. 39, SLA 2016
Effective Date: See Chapter

SB 193

A message dated July 20, 2016, was received stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

HOUSE CS FOR CS FOR SENATE BILL NO. 193(L&C)
"An Act extending the exemption from regulation by the Regulatory Commission of Alaska for certain facilities or plants generating energy from renewable energy resources."

Chapter No. 45, SLA 2016
Effective Date: October 18, 2016

SB 196

A message dated July 20, 2016, was received stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

CONFERENCE CS FOR SENATE BILL NO. 196

"An Act relating to the amount appropriated for power cost equalization; relating to the use of certain unexpended earnings from the power cost equalization endowment fund; and providing for an effective date."

Chapter No. 43, SLA 2016

Effective Date: July 21, 2016

SB 200

A message dated July 18, 2016, was received stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

HOUSE CS FOR CS FOR SENATE BILL NO. 200(EDC) am H

"An Act relating to health education and physical activity requirements for students in grades kindergarten through eight."

Chapter No. 40, SLA 2016

Effective Date: October 16, 2016

SB 210

A message dated July 20, 2016, was received stating the Governor signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

HOUSE CS FOR CS FOR SENATE BILL NO. 210(FIN)

"An Act relating to the community revenue sharing program; changing the name of the community revenue sharing program to the community assistance program; and providing for an effective date."

Chapter No. 44, SLA 2016

Effective Date: January 1, 2017

A Declaration of Disaster Emergency and accompanying letter dated September 15, 2016, regarding the Matanuska-Susitna River Flooding was received and is on file in the Chief Clerk's office.

A Declaration of Disaster Emergency and accompanying letter dated October 4, 2016, regarding a fire in the City of Kotlik and the Lower

Yukon School District was received and is on file in the Chief Clerk's office.

COMMUNICATIONS

Letters of disclosure received from the Select Committee on Legislative Ethics, as required by AS 24.60, were published in House Journal Supplement No. 6 and Senate and House Joint Journal Supplement No. 18.

The following was received:

HB 105

Pursuant to HB 105-AIDEA: BONDS;PROGRAMS;LOANS;LNG PROJECT (Chapter No. 39, SLA 15) the following was received:

Alaska Industrial Development & Export Authority
Interior Energy Project
Quarterly Report to the Alaska State Legislature
October 11, 2016
interiorenergyproject.com

The following audit report was received from the Division of Legislative Audit, Legislative Budget & Audit Committee, as required by AS 24.20.311:

State of Alaska, Single audit for the
Fiscal Year Ended June 30, 2014 [Reissue]

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This final supplement completes the record of legislation for the Second Session and the Fourth and Fifth Special Sessions of the Twenty-Ninth Alaska State Legislature.

Crystaline Jones
Chief Clerk