

SENATE JOURNAL
ALASKA STATE LEGISLATURE
TWENTY-NINTH LEGISLATURE
SECOND SESSION

Juneau, Alaska

Tuesday

January 19, 2016

First Day

The Senate was called to order by President Meyer at 11:01 a.m.

The roll showed twenty members present.

The prayer was offered by the Chaplain, Reverend Nancy Campbell, White Fields Church. Senator Hoffman moved and asked unanimous consent that the prayer be spread. Without objection, it was so ordered.

Dear Heavenly Father,

I come before you now on behalf of this Senate body. As they begin this legislative session, give them your wisdom and understanding. Keep them healthy and strong as they labor together for our state.

I pray that your spirit would abide in this chamber. Fill this place with your presence, Lord. Let there be a freshness here, new ideas and an anticipation of success as you pour out your blessing upon them and the things of the past fade away. I pray for an excitement and eagerness as they begin their journey on the path you have for our state.

Watch over their families, Lord, and protect them from harm.

And, now may the Lord bless you and keep you; may the Lord make his face to shine upon you; and be gracious to you.

May the Lord lift up his countenance upon you, and give you peace.

I pray this in Jesus' name, Amen.

Senator MacKinnon led the Senate in the Pledge of Allegiance.

Certification

Senator Coghill moved and asked unanimous consent that the journal for the thirteenth legislative day of the Third Special Session and the Final Supplement for the Third Special Session be approved as certified by the Secretary. Without objection, it was so ordered.

President Meyer appointed Senator Stedman and Senator Olson to inform the Governor that the Senate is ready to do business.

President Meyer appointed Senator McGuire and Senator Wielechowski to inform the House that the Senate is ready to do business.

Introduction of Floor Staff

Senator Huggins, Rules Committee Chair, introduced the 2016 Senate Chamber Staff as follows:

Sergeant-at-Arms

Grace Ellsworth, Juneau

Assistant Sergeant-at-Arms

Romorenzo Marasigan, Juneau

Senate Pages

Lydia Mielke, Big Lake
Brett Huber Jr., Anchorage
Jacob Pennell, Wasilla
Carley Moller, Juneau
Jamie Hunt, Soldotna
James Holzenberg, Juneau

Introduction of Senate Staff

Senator Huggins, Rules Committee Chair, introduced the new office staff of the Senate Secretary as follows:

Jake Quarstad, Deputy Senate Secretary
Susan Rael, Deputy Senate Secretary

Messages from the Governor

Message dated December 22, 2015 was read, stating:

Under the provision of Article III, Section 18 of the Alaska Constitution, the Governor hereby requests the opportunity to address a joint session of the Twenty-Ninth Alaska State Legislature on Thursday, January 21, 2016, at 7:00 p.m. for presentation of the State of the State Address.

Introduction of Executive Orders**EO 117****EXECUTIVE ORDER NO. 117**

Transferring administration of the Statewide Independent Living Council from the Department of Labor and Workforce Development to the Department of Health and Social Services

was referred to the Finance Committee.

The following fiscal information was published today:

Fiscal Note No. 1, zero, Department of Labor and Workforce
Development

Fiscal Note No. 2, Department of Health and Social Services

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

Governor's transmittal letter dated January 18:

Dear President Meyer:

Under the authority of Article III, Section 23 of the Alaska Constitution, I am transmitting an Executive Order to transfer the administration of the Statewide Independent Living Council from the Department of Labor and Workforce Development to the Department of Health and Social Services.

The Statewide Independent Living Council (Council) is tasked with maximizing the State's receipt of federal finance assistance for independent living services and centers for persons with severe disabilities.

Because almost all individuals who receive assistance for independent living services are not seeking employment, the duties of the Council are not aligned with the mission of the Department of Labor and Workforce Development. The Department of Health and Social Services will more efficiently administer the council as it does for current assisted-living programs. Better program alignment will assist in the improvement and delivery of services to individuals with disabilities.

The Order would be effective on July 1, 2016.

Sincerely,

/s/

Bill Walker

Governor

EO 118
EXECUTIVE ORDER NO. 118

Updating statutes to reflect merger of the Employment Security Division and the Division of Business Partnerships into the Division of Employment and Training Services in the Department of Labor and Workforce Development

was referred to the Labor and Commerce Committee.

The following fiscal information was published today:

Fiscal Note No. 1, zero, Department of Labor and Workforce Development

Governor's transmittal letter dated January 18:

Dear President Meyer:

Under the authority of Article III, Section 23, of the Alaska Constitution, I am transmitting an Executive Order to amend two statutes to accurately reflect the division structure of the Department of Labor and Workforce Development.

Under Administrative Order No. 275, and in order to provide that workforce development services be integrated into a single division, the Employment Security Division and the Division of Business Partnerships were dissolved, but their functions were merged into a single division called the Division of Employment and Training Services. Two statutes reference the now dissolved Employment Security Division; my Executive Order would bring the statutes in conformance with the organization of the Department of Labor and Workforce Development. While the currently outdated reference to the "Employment Security Division" does not affect the ability of the Department to exercise its statutory functions, it is preferable to update the statutes to reflect the changes made by Administrative Order No. 275.

Section 2 of the Executive Order would amend AS 23.20.382(a), related to benefits while attending approved vocational training courses, while section 3 would amend AS 43.05.230, related to disclosure of tax returns and reports.

The Order would be effective July 1, 2016.

Sincerely,
/s/
Bill Walker
Governor

Messages from the House

Message dated January 15 was read stating:

The House of Representatives respectfully invites the Senate to a Joint Session of the Twenty-Ninth Alaska Legislature at 7:00 p.m. on Thursday, January 21 for the purpose of hearing Governor Walker's State of the State Address.

Senator Coghill moved and asked unanimous consent that the Senate accept the House invitation to meet in Joint Session. Without objection, it was so ordered.

The Secretary was requested to notify the House.

Communications

The following reports are on file in the Office of the Secretary of the Senate:

Alaska Sustainable Energy Act Annual Report, 2015 Progress Report
Department of Transportation and Public Facilities
in accordance with AS 44.42.067(d)

Alaska Annual Report on Activities of the National Conference of
Commissioners on Uniform State Laws, December 16, 2015
from Susan R. Pollard, Alaska Uniform Law Commissioner
Civil Division, Department of Law

HB 105

Quarterly Report to the Alaska State Legislature
Interior Energy Project, January 5, 2016
from the Alaska Industrial Development and Export Authority
Department of Commerce, Community and Economic Development
in accordance with ch. 39, SLA 2015

Alaska's Mineral Industry 2014 Special Report 70
from Steven S. Masterman, State Geologist and Director
Division of Geological and Geophysical Surveys
Department of Natural Resources in cooperation with
Division of Economic Development
Department of Commerce, Community and Economic Development

Annual Review of Assets
from John Springsteen, Executive Director
Alaska Industrial Development and Export Authority
Department of Commerce, Community and Economic Development
in accordance with AS 44.88.205

Findings and Recommendations, December 15, 2015
from Tom McGrath, Chair
Alaska State Officers Compensation Commission
Department of Administration
in accordance with AS 39.23.540

2016 Biennial Report to the Governor and Legislature
from Annette Evans Smith, Chair
Alaska Native Language Preservation and Advisory Council
Division of Community and Regional Affairs
Department of Commerce, Community and Economic Development
in accordance with AS 44.33.520(b)(3)

Annual Report 2015
from Dave Cruz, Chairman
Alaska Gasline Development Corporation
in accordance with AS 31.25.140 and AS 31.25.270

2015 Annual Report, Investing in Alaskans
from John Springsteen, Executive Director
Alaska Industrial Development and Export Authority
Department of Commerce, Community and Economic Development
in accordance with AS 44.88.210

Financial Statements, Required Supplementary Information and
Supplemental Information, Year Ended June 30, 2015
from the Alaska Gasline Development Corporation
in accordance with AS 31.25.270 and AS 31.25.140

Introduction and Reference of Senate Bills

SB 117

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 117 BY
SENATOR COGHILL, entitled:

"An Act relating to a tribal court diversion program
for certain offenses; and relating to exemption of and
levy on permanent fund dividends."

was read the first time and referred to the State Affairs and Judiciary
Committees.

SB 118

SENATE BILL NO. 118 BY SENATOR COSTELLO, entitled:

"An Act relating to surveys required to be submitted
to the Department of Natural Resources; relating to
peer review by the State Board of Registration for
Architects, Engineers, and Land Surveyors of
required surveys submitted to the Department of
Natural Resources; and providing for an effective
date."

(Prefile released January 8, 2016)

was read the first time and referred to the Labor and Commerce and
Resources Committees.

SB 119

SENATE BILL NO. 119 BY SENATOR MICCICHE, entitled:

"An Act repealing the Workers' Compensation Appeals Commission; relating to decisions and orders of the Alaska Workers' Compensation Board; relating to superior court jurisdiction over appeals from Alaska Workers' Compensation Board decisions and orders; repealing Rules 201.1, 401.1, and 501.1, Alaska Rules of Appellate Procedure, and amending Rules 202(a), 204(a) - (c), 210(e), 508(g), 601(b), 602, and 603, Alaska Rules of Appellate Procedure; and providing for an effective date."
(Prefile released January 8, 2016)

was read the first time and referred to the Labor and Commerce and Judiciary Committees.

SB 120

SENATE BILL NO. 120 BY SENATOR MICCICHE, entitled:

"An Act relating to marriage solemnization."
(Prefile released January 8, 2016)

was read the first time and referred to the Community and Regional Affairs and Judiciary Committees.

SB 121

SENATE BILL NO. 121 BY SENATOR MEYER, entitled:

"An Act relating to a security freeze on the consumer credit report of a minor."
(Prefile released January 8, 2016)

was read the first time and referred to the Labor and Commerce and Judiciary Committees.

SB 122

SENATE BILL NO. 122 BY SENATOR ELLIS, entitled:

"An Act relating to an annual report concerning the payment of equal pay for comparable work; increasing the minimum wage; and providing for an effective date."

(Prefile released January 8, 2016)

was read the first time and referred to the State Affairs and Labor and Commerce Committees.

SB 123

SENATE BILL NO. 123 BY SENATOR MEYER, entitled:

"An Act relating to the penalty for the use of electronic devices while driving."

(Prefile released January 8, 2016)

was read the first time and referred to the State Affairs and Judiciary Committees.

SB 124

SENATE BILL NO. 124 BY SENATOR STOLTZE BY REQUEST, entitled:

"An Act extending the termination date of the Alaska Commission on Aging; and providing for an effective date."

(Prefile released January 8, 2016)

was read the first time and referred to the State Affairs and Health and Social Services Committees.

SB 125

SENATE BILL NO. 125 BY SENATOR COSTELLO, entitled:

"An Act adding legislative nonvoting members to the board of directors of the Alaska Gasline Development Corporation."

(Prefile released January 15, 2016)

was read the first time and referred to the Labor and Commerce and Resources Committees.

SB 126

SENATE BILL NO. 126 BY SENATOR COSTELLO, entitled:

"An Act establishing an exemption for the offering and sale of certain securities."

(Prefile released January 15, 2016)

was read the first time and referred to the Labor and Commerce and Finance Committees.

SB 127

SENATE BILL NO. 127 BY SENATOR HUGGINS, entitled:

"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."

was read the first time and referred to the State Affairs and Labor and Commerce Committees.

SB 128

SENATE BILL NO. 128 BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR, entitled:

"An Act relating to the Alaska permanent fund; relating to appropriations to the dividend fund; relating to income of the Alaska permanent fund; relating to the earnings reserve account; relating to the Alaska permanent fund dividend; making conforming amendments; and providing for an effective date."

was read the first time and referred to the State Affairs and Finance Committees.

The following fiscal information was published today:

Fiscal Note No. 1, zero, Department of Revenue

Fiscal Note No. 2, zero, Department of Revenue

Governor's transmittal letter dated January 15:

Dear President Meyer:

Under the authority of Article III, Section 18 of the Alaska Constitution, I am transmitting a bill relating to the Alaska permanent fund and the funding structure for state government.

This bill would establish a new financial model to enable sustainable and stable funding of state services and the protection of the permanent fund. To accomplish these goals, additional resource revenues would be directed to the permanent fund and the earnings reserve account. This would enable greater permanent fund earnings to be generated and remove the damaging volatility from the general fund. In turn, a sustainable and stable annual draw from the earnings reserve account to the general fund would support state government. Additionally, the bill would change the manner in which permanent fund dividends are calculated from the current practice of calculating the dividend based on investment returns to a process in which the dividend is calculated based on the state's receipt of natural resource royalties. Further, the bill would establish a process to assure sustainability of state revenues in which the Commissioner of Revenue, in consultation with the Alaska Permanent Fund Corporation, would periodically review state financial resources in order to recommend whether adjustments should be made to the sustainable draw from the earnings reserve account to the general fund. Additionally, the bill provides for inflationary adjustments to the sustainable draw beginning in fiscal year 2020. As a result of these changes, the permanent fund earnings reserve account would generate predictable and stable revenues for state government. The permanent fund dividend would continue, but would reflect the state's success in natural resource development rather than investment performance.

In detail, the bill proposes to amend AS 37.13.010, the Alaska permanent fund, to require that 49.5 percent, rather than the current approximately 30 percent, of resource royalties would be deposited

into the permanent fund principal. This would be subject to the condition that the earnings reserve account had reached a target balance necessary to provide for a sustainable annual draw of \$3,300,000,000 billion dollars from that account to the general fund. If the target had not been reached, 24.5 percent of the resource royalties would go to the earnings reserve account (0.5 percent of mineral lease royalties would continue to go to the school fund). Additionally, the bill provides that up to 100 percent of oil and gas production taxes may be appropriated to the permanent fund or the earnings reserve account. The bill would amend AS 37.13.145(b) to provide that the annual transfer from the earnings reserve account to the dividend fund for the payment of dividends would be the amount necessary to equal 50 percent of the resource royalties received by the state. In order to support this dividend payment, the bill provides that the Legislature may appropriate 50 percent of the resource royalties received by the state to the earnings reserve account. Based on these changes, income of the permanent fund would no longer be used to calculate the amount available for payment of dividends, but instead the dividend would be calculated based on resource royalties received by the state.

To further stabilize the income stream available for state budgets, the bill would amend AS 37.13.145 in order to eliminate an annual inflation transfer from the permanent fund earnings reserve account to the principal. Instead of this transfer, the bill provides for a transfer from the earnings reserve account to the permanent fund principal that will occur if the earnings reserve account contains more money than needed for a four-year sustainable draw from that account to the general fund. If the earnings reserve account has not reached this target balance, the bill provides that 100 percent of oil and gas production taxes and up to 24.5 percent of resource royalties may be appropriated to the earnings reserve account.

The bill further amends AS 37.13.145 to establish a process for review by the Commissioner of Revenue to determine whether the sustainable draw sum should be adjusted based on an assessment of state financial resources. This review would result in a report being submitted to the President of the Senate and the Speaker of the House of Representatives. To ensure transparency, the bill would require that the information and analysis supporting the report be made available to the public, including the Legislature. Additionally, the bill provides

for inflation adjustment to the sustainable draw beginning in fiscal year 2020. The bill would establish a dividend amount of \$1,000 for each eligible individual for calendar year 2016.

The bill is an integral component of the New Sustainable Alaska Plan to provide a balanced and sustainable budget for Alaska's long-term fiscal stability.

I urge your prompt and favorable action on this measure.

Sincerely,

/s/

Bill Walker
Governor

SB 129

SENATE BILL NO. 129 BY THE SENATE RULES COMMITTEE
BY REQUEST OF THE GOVERNOR, entitled:

"An Act creating the oil and gas infrastructure development program and the oil and gas infrastructure development fund in the Alaska Industrial Development and Export Authority; relating to the interest rates of the Alaska Industrial Development and Export Authority; relating to the sustainable energy transmission and supply development and Arctic infrastructure development programs of the Alaska Industrial Development and Export Authority; relating to dividends from the Alaska Industrial Development and Export Authority; and adding definitions for 'oil and gas development infrastructure' and 'proven reserves.'"

was read the first time and referred to the Resources and Finance Committees.

The following fiscal information was published today:

Fiscal Note No. 1, zero, Department of Commerce, Community
and Economic Development

Governor's transmittal letter dated January 15:

Dear President Meyer:

Under the authority of Article III, Section 18 of the Alaska Constitution, I am transmitting a bill to establish a new oil and gas infrastructure development program and fund for the Alaska Industrial Development and Export Authority (AIDEA).

The bill proposes to create a new tool for AIDEA to use in assisting the oil and gas industry in the state by proposing an oil and gas infrastructure development program to allow AIDEA to assist in supporting small or medium-sized oil and gas producers that are dependent on outside financing. Such small or medium-sized producers can make a significant contribution to the state's economy but they do not always have access to the capital they need. The bill is meant to assist in overcoming that obstacle. As a means of ensuring that the State does not bear too much of the burden of any particular project, the bill would require that AIDEA make sure the participants in an AIDEA oil and gas infrastructure development program do not take, apply for, or accept a gas exploration and development credit or a production tax credit from the State.

Specifically, the oil and gas infrastructure development program would be established as AS 44.88.850. To facilitate its purpose, an oil and gas infrastructure development fund would be established in AIDEA to finance oil and gas infrastructure development, including guaranteeing loans and bonds. Within the restrictions established in the bill, AIDEA would be able to make loans and provide loan guarantees for oil and gas developments. AIDEA would be given the authority to take a lien or security interest in real or personal property, with respect to an oil and gas infrastructure development, to protect repayment of the authority's financing. Also, the bill proposes to authorize AIDEA to finance an oil and gas infrastructure development that has already been explored and that has established proven reserves. AIDEA would establish processes for financing and confirmation of proven reserves. Speculative developments that are still in the exploration stage would not be eligible under the program.

The bill also would provide AIDEA greater flexibility to administer the sustainable energy transmission and supply and the Arctic infrastructure development programs by allowing the authority to, without legislative approval, make a loan for up to 50 percent of the capital cost of one of those developments or to guarantee a loan for up to \$25,000,000.

The bill is an integral component of the New Sustainable Alaska Plan to provide a balanced and sustainable budget for Alaska's long-term fiscal stability.

I urge your prompt and favorable action on this measure.

Sincerely,

/s/

Bill Walker

Governor

SB 130

SENATE BILL NO. 130 BY THE SENATE RULES COMMITTEE
BY REQUEST OF THE GOVERNOR, entitled:

"An Act relating to confidential information status and public record status of information in the possession of the Department of Revenue; relating to interest applicable to delinquent tax; relating to disclosure of oil and gas production tax credit information; 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 minimum tax for certain oil and gas production; relating to the minimum tax calculation for monthly installment payments of estimated tax; relating to interest on monthly installment payments of estimated tax; relating to limitations for the application of tax credits; relating to oil and gas production tax credits for certain losses and expenditures; relating to limitations for nontransferable oil and gas production tax credits

based on oil production and the alternative tax credit for oil and gas exploration; relating to purchase of tax credit certificates from the oil and gas tax credit fund; relating to a minimum for gross value at the point of production; relating to lease expenditures and tax credits for municipal entities; adding a definition for "qualified capital expenditure"; adding a definition for "outstanding liability to the state"; repealing oil and gas exploration incentive credits; repealing the limitation on the application of credits against tax liability for lease expenditures incurred before January 1, 2011; repealing provisions related to the monthly installment payments for estimated tax for oil and gas produced before January 1, 2014; repealing the oil and gas production tax credit for qualified capital expenditures and certain well expenditures; repealing the calculation for certain lease expenditures applicable before January 1, 2011; making conforming amendments; and providing for an effective date."

was read the first time and referred to the Resources and Finance Committees.

The following fiscal information was published today:

Fiscal Note No. 1, zero, Department of Natural Resources
Fiscal Note No. 2, Department of Revenue

Governor's transmittal letter dated January 15:

Dear President Meyer:

Under the authority of Article III, Section 18 of the Alaska Constitution, I am transmitting a bill relating to oil and gas tax credits and the minimum tax amount for certain oil and gas production.

This bill proposes through four elements to protect the State's fiscal future while instituting cautious reforms to the oil and gas tax credit system. First, the bill would simplify the oil and gas tax credit system by repealing numerous narrowly targeted credits. The bill would

repeal the 20 percent tax credit under AS 43.55.023(a) for qualified capital expenditures incurred for exploration, development, or production of oil and gas south of 68 degrees North latitude and the 40 percent well lease expenditure credit under AS 43.55.023(l) for well lease expenditures incurred south of 68 degrees North latitude. The oil and gas tax credit system with the changes in the bill would move towards a system based on nontransferable production-based credits and transferable credits based on carried-forward annual losses. The bill would repeal unused exploration incentive credits under AS 38.05.180(i) and AS 41.09. Also, the bill would limit the lease expenditures and tax credits available to municipal entities in proportion to the taxable production of the municipal entity.

Second, the bill would strengthen the minimum tax amount for certain oil and gas produced north of 68 degrees North latitude (“North Slope”) to protect the State’s tax revenue stream. The bill would require the minimum tax amount on certain oil and gas produced on the North Slope to equal at least five percent of the gross value at the point of production regardless of the price of the oil and gas. The oil and gas tax credits would no longer be able to reduce the tax levied in AS 43.55.011(e) below the minimum amount calculated in AS 43.55.011(f). This credit limitation would take effect on January 1, 2016.

Third, the bill would reinvigorate the State’s investment strategy in purchases of oil and gas tax credit certificates under AS 43.55.028(e) to focus on small companies that hire state residents. The State would only purchase tax credit certificates from an applicant with revenues of less than \$10,000,000,000 from its oil and gas business during the previous calendar year. The State would not purchase a certificate from an applicant with an outstanding liability to the State. Outstanding liabilities to the State would include unpaid taxes, penalties, royalties, rental, interest, and fees. The State’s purchases from each applicant would be limited to \$25,000,000 a year. The bill would limit the percentage of the State’s purchase of a tax credit certificate to the percentage of the applicant’s workforce in the state, in the previous calendar year, that were resident workers. This builds on my commitment to promote healthy and safe communities by encouraging employment of state residents in the state’s vital natural resources industry.

Finally, the bill would institute a number of changes to promote good governance in tax administration. The bill would delete a number of inapplicable provisions from the tax statutes to provide greater clarity. The bill would increase the interest rate applicable to delinquent taxes. The bill would make public more information about taxpayers that claim oil and gas production tax credits. Most provisions of the bill would take effect on July 1, 2016.

The bill is an integral component of the New Sustainable Alaska Plan to provide a balanced and sustainable budget for Alaska's long-term fiscal stability.

I urge your prompt and favorable action on this measure.

Sincerely,

/s/

Bill Walker
Governor

SB 131

SENATE BILL NO. 131 BY THE SENATE RULES COMMITTEE
BY REQUEST OF THE GOVERNOR, entitled:

"An Act requiring the electronic submission of a tax return or report with the Department of Revenue; relating to the excise tax on alcoholic beverages; and providing for an effective date."

was read the first time and referred to the Labor and Commerce and Finance Committees.

The following fiscal information was published today:

Fiscal Note No. 1, Department of Revenue

Governor's transmittal letter dated January 15:

Dear President Meyer:

Under the authority of Article III, Section 18 of the Alaska Constitution, I am transmitting a bill relating to the excise tax on alcoholic beverages.

The bill would increase the tax rates on alcoholic beverages under AS 43.60 (excise tax on alcoholic beverages). Alcoholic beverage excise taxes are levied on malt beverages, cider with at least 0.5 percent alcohol, wine, and other beverages with a higher alcohol content. The bill would double the tax rates on a gallon or fraction of a gallon. As a result, the excise tax on malt beverages or cider would be \$2.14 a gallon or fraction of a gallon; the tax on wine or other beverages would be \$5.00 a gallon or fraction of a gallon; and the tax on beverages containing more than 21 percent alcohol by volume would be \$25.60 a gallon.

The bill also would amend AS 43.60.040(a) related to surety bonds. Current law requires a \$25,000 surety bond before a license is issued. This amount is out of date, as many wholesalers require a surety bond much greater than that; at the same time very small brewers and distillers require a smaller surety bond. The bill proposes to amend AS 43.60.040(a) to delete the \$25,000 bond and instead add language that the surety bond amount would be determined by the department.

This legislation would generate approximately \$40,000,000 annually in increased revenue, with half of that unrestricted general funds. The alcoholic beverage tax rates have not been raised for many years. This proposed increase is reasonable, especially considering the high societal cost of alcoholic beverage consumption. The alcoholic beverage industry could continue to operate in this state but, under this bill, would bear a fairer share of industry costs to the state.

To increase administrative efficiency for the Department of Revenue and state taxpayers, the bill would require the electronic submission of tax returns with an exemption available upon request.

The bill is an integral component of the New Sustainable Alaska Plan to provide a balanced and sustainable budget for Alaska's long-term fiscal stability.

I urge your prompt and favorable action on this measure.

Sincerely,

/s/

Bill Walker
Governor

SB 132

SENATE BILL NO. 132 BY THE SENATE RULES COMMITTEE
BY REQUEST OF THE GOVERNOR, entitled:

"An Act requiring the electronic submission of a tax return or report with the Department of Revenue; relating to the motor fuel tax; and providing for an effective date."

was read the first time and referred to the Transportation and Finance Committees.

The following fiscal information was published today:

Fiscal Note No. 1, Department of Revenue

Governor's transmittal letter dated January 15:

Dear President Meyer:

Under the authority of Article III, Section 18 of the Alaska Constitution, I am transmitting a bill relating to the taxation of motor fuels.

The bill would raise the tax rates on the four categories of motor fuel currently taxed under AS 43.40.010 (motor fuel tax), but would not amend the refined fuel surcharge levied under AS 43.40.005 and passed last session. Instead, the bill would increase the currently outdated tax rates on all motor fuels including all motor fuel sold or transferred within the state, aviation gasoline, and motor fuel used on watercraft. The bill increases highway fuel from \$0.08 to \$0.16 per gallon; aviation fuel from \$0.047 to \$0.10 per gallon; marine fuel from \$0.05 to \$0.10 per gallon; jet fuel from \$0.032 to \$0.10 per gallon; gasohol from \$0.08 to \$0.16 per gallon; and also increases the credit for off road use from \$0.06 to \$0.12 per gallon. The bill would generate approximately \$49,000,000 annually in increased revenue.

While this may at first appear to represent a significant increase, the tax rates on motor fuel sold or transferred within the state have not been raised in many years; for example, the tax on highway fuel has remained at eight cents a gallon since 1970. This bill would bring Alaska's tax rate on highway fuel closer to the current national average of 25 cents a gallon.

To increase administrative efficiency for the Department of Revenue and state taxpayers, the bill would require the electronic submission of tax returns with an exemption available upon request.

The bill is an integral component of the New Sustainable Alaska Plan to provide a balanced and sustainable budget for Alaska's long-term fiscal stability.

I urge your prompt and favorable action on this measure.

Sincerely,

/s/

Bill Walker

Governor

SB 133

SENATE BILL NO. 133 BY THE SENATE RULES COMMITTEE
BY REQUEST OF THE GOVERNOR, entitled:

"An Act requiring the electronic submission of a tax return or report with the Department of Revenue; relating to the taxes on cigarettes and tobacco products; taxing electronic smoking devices; and providing for an effective date."

was read the first time and referred to the Labor and Commerce and Finance Committees.

The following fiscal information was published today:

Fiscal Note No. 1, zero, Department of Health and Social Services

Fiscal Note No. 2, Department of Revenue

Governor's transmittal letter dated January 15:

Dear President Meyer:

Under the authority of Article III, Section 18 of the Alaska Constitution, I am transmitting a bill relating to the taxes on cigarettes and tobacco products, and taxing electronic smoking devices.

Smoking technology has advanced beyond single use paper-rolled cigarettes to include multiple use electronic smoking devices. Therefore, our tobacco tax statutes (AS 43.50 Cigarette Tax Act) should be revised to include this new smoking device as taxable.

To further update our outdated tobacco tax structure, I propose to amend the additional tax levy on cigarettes – which has not been raised since 2007 – from 62 mills to 112 mills. I also propose increasing the tax rate on tobacco products (other than cigarettes) from 75 percent of the wholesale price to 100 percent of the wholesale price. These reasonable adjustments will bring our tax structure up to date and are expected to generate additional revenue of approximately \$29,000,000 annually.

To increase administrative efficiency for the Department of Revenue and state taxpayers, the bill would require the electronic submission of tax returns with an exemption available upon request.

The bill is an integral component of the New Sustainable Alaska Plan to provide a balanced and sustainable budget for Alaska's long-term fiscal stability.

I urge your prompt and favorable action on this measure.

Sincerely,

/s/

Bill Walker
Governor

SB 134

SENATE BILL NO. 134 BY THE SENATE RULES COMMITTEE
BY REQUEST OF THE GOVERNOR, entitled:

"An Act relating to the taxation of income of individuals; repealing tax credits applied against the tax on individuals under the Alaska Net Income Tax Act; and providing for an effective date."

was read the first time and referred to the Labor and Commerce and Finance Committees.

The following fiscal information was published today:
Fiscal Note No. 1, Department of Revenue

Governor's transmittal letter dated January 15:

Dear President Meyer:

Under the authority of Article III, Section 18 of the Alaska Constitution, I am transmitting a bill relating to personal income taxation.

The bill would establish a personal income tax equal to six percent of a taxpayer's total federal tax liability for Alaska residents and nonresidents with income from a source in the state. Because the tax that would be established by the bill is calculated based on federal tax liability and not on income, the bill effectively incorporates federal brackets and exemptions and so permits this bill, and the Alaska personal income tax system it would create, to be as simple and transparent as possible and minimizes administrative burdens both for the state and for taxpayers. The bill would apply to income earned on or after January 1, 2017. In addition, the bill would repeal a set of orphaned individual tax credits from the former income tax.

The relatively modest tax is expected to raise approximately \$200,000,000 annually. For those who itemize federal tax deductions, the tax would be deductible from federal income tax. The deduction from federal taxes would offset the actual burden of this tax to Alaska taxpayers by 20 – 25 percent.

The bill is an integral component of the New Sustainable Alaska Plan to provide a balanced and sustainable budget for Alaska's long-term fiscal stability.

I urge your prompt and favorable action on this measure.

Sincerely,
/s/
Bill Walker
Governor

SB 135

SENATE BILL NO. 135 BY THE SENATE RULES COMMITTEE
BY REQUEST OF THE GOVERNOR, entitled:

"An Act requiring the electronic submission of a tax return or report with the Department of Revenue; relating to fisheries business tax and fishery resource landing tax; relating to refunds to local governments; and providing for an effective date."

was read the first time and referred to the Resources and Finance Committees.

The following fiscal information was published today:

Fiscal Note No. 1, Department of Revenue

Governor's transmittal letter dated January 15:

Dear President Meyer:

Under the authority of Article III, Section 18 of the Alaska Constitution, I am transmitting a bill relating to a tax on fisheries business and fishery resource landing.

The bill would increase the tax rates of the fisheries business tax (AS 43.75.015) and the fishery resource landing tax (AS 43.77.010). The tax rates covered by these statutes vary from one percent to five percent, depending on the type of fishery. The bill would increase those tax rates by one percent across the board, with the exception of some developing fisheries that are exempt from the increase. Currently, the revenue generated by these taxes is split evenly between the state and the municipalities where the fisheries are located. The bill would exempt this one percent increase from the revenue sharing arrangement, thereby insuring that the entire increase is applied to the general fund.

This legislation is expected to generate additional revenue of approximately \$18,000,000 annually. Currently the costs to the state to regulate commercial fisheries are greater than the amount of general fund revenue generated by these taxes. Therefore, this proposed

increase is reasonable. The fishing industry could continue to operate in this state, but, under this bill, would bear a fairer share of industry costs to the state.

To increase administrative efficiency for the Department of Revenue and state taxpayers, the bill would require the electronic submission of tax returns with an exemption available upon request.

The bill is an integral component of the New Sustainable Alaska Plan to provide a balanced and sustainable budget for Alaska's long-term fiscal stability.

I urge your prompt and favorable action on this measure.

Sincerely,

/s/

Bill Walker

Governor

SB 136

SENATE BILL NO. 136 BY THE SENATE RULES COMMITTEE
BY REQUEST OF THE GOVERNOR, entitled:

"An Act requiring electronic submission of a tax return or report with the Department of Revenue; repealing the tax reduction for local levies for the commercial vessel passenger excise tax; amending the definition of 'voyage'; and providing for an effective date."

was read the first time and referred to the Labor and Commerce and Finance Committees.

The following fiscal information was published today:

Fiscal Note No. 1, Department of Revenue

Governor's transmittal letter dated January 15:

Dear President Meyer:

Under the authority of Article III, Section 18 of the Alaska Constitution, I am transmitting a bill relating to the commercial vessel passenger excise tax.

Under the commercial vessel passenger excise tax, all commercial passengers pay \$34.50, irrespective of what ports they visit in Alaska, because AS 43.52.255 provides an offset to the state passenger tax to passengers whose voyages include one or more stops in a municipality that collects its own local passenger tax. The offset is limited to local passenger taxes that were in effect on December 17, 2007. In essence, the result is that passengers who stop at Juneau or Ketchikan pay a lower statewide passenger tax because they are paying one or more qualified passenger levies. My bill proposes to repeal AS 43.52.255, which reduces the state tax on cruise ship passengers by the amount the passenger pays in local borough taxes. This change would result in additional revenue of approximately \$15,000,000 annually.

In addition, the bill would amend the definition of “voyage” to remove language requiring that a vessel be in the state for 72 hours to be liable for the tax. The language, added in 2010, has generated some unintended consequences of companies attempting to avoid paying the commercial excise passenger vessel tax through route adjustments.

To increase administrative efficiency for the Department of Revenue and state taxpayers, the bill would require the electronic submission of tax returns with an exemption available upon request.

The bill is an integral component of the New Sustainable Alaska Plan to provide a balanced and sustainable budget for Alaska’s long-term fiscal stability.

I urge your prompt and favorable action on this measure.

Sincerely,

/s/

Bill Walker
Governor

SB 137

SENATE BILL NO. 137 BY THE SENATE RULES COMMITTEE
BY REQUEST OF THE GOVERNOR, entitled:

"An Act requiring the electronic filing of a tax return or report with the Department of Revenue; establishing a civil penalty for failure to electronically file a return or report; relating to exemptions from the mining license tax; relating to the mining license tax rate; relating to mining license application, renewal, and fees; and providing for an effective date."

was read the first time and referred to the Resources and Finance Committees.

The following fiscal information was published today:

Fiscal Note No. 1, Department of Revenue

Governor's transmittal letter dated January 15:

Dear President Meyer:

Under the authority of Article III, Section 18 of the Alaska Constitution, I am transmitting a bill relating to exemptions from the mining license tax; relating to the mining license tax rate; and relating to mining license application, renewal, and fees.

The bill would increase the mining license tax rate from seven percent to nine percent for a portion of net income in excess of \$100,000. The new tax rate would apply the first taxable year (which may be a fiscal year or a calendar year) beginning after the effective date of the bill. This legislation is expected to generate additional revenue of approximately \$6,000,000 annually.

The bill would also repeal the exemption from paying the mining license tax that currently applies to operations for three and one-half years after production begins. References to the exemption in related statutes also would be repealed. The bill would provide for the exemption to continue to apply to mining operations if production begins before July 1, 2016.

To increase administrative efficiency for the Department of Revenue and state taxpayers, the bill would require the electronic submission of tax returns with an exemption available upon request. The bill would also establish an application fee of \$50 for a mining license application and for each annual renewal.

The bill is an integral component of the New Sustainable Alaska Plan to provide a balanced and sustainable budget for Alaska's long-term fiscal stability.

I urge your prompt and favorable action on this measure.

Sincerely,

/s/

Bill Walker
Governor

SB 138

SENATE BILL NO. 138 BY THE SENATE RULES COMMITTEE
BY REQUEST OF THE GOVERNOR, entitled:

"An Act making appropriations, including capital appropriations, reappropriations, and other appropriations; making appropriations to capitalize funds; and providing for an effective date."

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

Governor's transmittal letter dated January 15:

Dear President Meyer:

Under the authority of Article III, Section 18 of the Alaska Constitution, I am transmitting a bill relating to the State's capital budget for Fiscal Year 2017 (FY 2017).

The proposed capital budget totals \$1.3 billion, of which \$957 million is federal funds, \$195 million is unrestricted general funds, and \$111 million is other funds. The budget provides minimum capital funding

for housing programs, limited energy and school maintenance and construction projects, and matching funds for transportation, water, and sewer.

The largest component of the capital budget is the State's transportation program, totaling \$68.9 million in State funds and \$860 million in matching federal funds. The second largest is minimum maintenance projects to address the life, health, and safety needs of State agencies and school districts, and the required maintenance for annual certification for the Alaska Marine Highway System vessels. Three priority school construction projects are included: the highest priority school (Kachemak Selo), remaining funding required for the Kivalina school, and a school kitchen facility for the Bethel school damaged in a recent fire. The capital budget also proposes \$5 million for criminal justice reform initiatives, which will strengthen public safety protections and reduce corrections spending, and \$1 million for the Bethel Scout Battalion, which will provide support to local communities facing natural and manmade disasters.

My Administration looks forward to working with the Legislature to finalize a capital budget at a sustainable level and is interested in collectively looking at a disciplined approach to using General Obligation Bonds for existing capital requirements.

I urge your prompt and favorable action on this measure.

Sincerely,
/s/
Bill Walker
Governor

SB 139

SENATE BILL NO. 139 BY THE SENATE RULES COMMITTEE
BY REQUEST OF THE GOVERNOR, entitled:

"An Act making appropriations for the operating and loan program expenses of state government and for certain programs, capitalizing funds, making reappropriations, making supplemental appropriations, and 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."

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

Governor's transmittal letter dated January 15:

Dear President Meyer:

Under the authority of Article III, Section 18 of the Alaska Constitution, I am transmitting a bill relating to the State's operating budget for Fiscal Year 2017 (FY 2017).

The FY 2017 operating budget contains major components of the New Sustainable Alaska Plan. The multi-year plan provides for a balanced and long-term sustainable State budget by FY 2019. The FY 2017 budget includes reductions in State spending for operating agencies, appropriation language for implementing the Alaska Permanent Fund Protection Act (APFPA), and debt financing for current and future required pension payments.

This year's State operating budget is \$4,559.9 billion in unrestricted general funds. Of that total, \$3,997.9 billion is for agency operating budgets, while the remaining is for debt, retirement, and oil and gas tax credits. The proposed FY 2017 State funding for agencies has a net reduction of \$114 million from FY 2016 and over \$500 million from FY 2015 after key investments of \$38.3 million for continued progress on the gasline project and \$1.3 million for the Department of Military and Veterans Affairs' Rural Initiative.

My administration looks forward to working with the Legislature on a FY 2017 budget and the New Sustainable Alaska Plan. The plan includes the FY 2017 operating and capital budgets, an oil and gas tax credit reform bill, and several revenue bills. It is a comprehensive package to reach a long-term sustainable budget. I respectfully request

full legislative deliberation on all provisions of the plan, and in turn, I will fully consider alternatives to improve the plan and ensure a long-term sustainable budget for Alaska.

I urge your prompt and favorable action on this measure.

Sincerely,

/s/

Bill Walker
Governor

SB 140

SENATE BILL NO. 140 BY THE SENATE RULES COMMITTEE
BY REQUEST OF THE GOVERNOR, entitled:

"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program; and providing for an effective date."

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

In accordance with AS 37.14.003(b) a report of the differences between the Governor's proposed budget and the recommendations of the Alaska Mental Health Trust Authority was transmitted.

Governor's transmittal letter dated January 15:

Dear President Meyer:

Under the authority of Article III, Section 18 of the Alaska Constitution, I am transmitting a bill relating to the State's comprehensive mental health program for Fiscal Year 2017 (FY 2017). As required by statute, it includes both operating and capital appropriations. Also as required, the enclosed report outlines the differences between the recommendations of the Alaska Mental Health Trust Authority and my proposed budget.

The FY 2017 mental health budget includes \$26.8 million of the \$29.9 million operating and capital Trust recommendations. Due to fiscal constraints, increases to the mental health budget were not included. Included in the operating budget are reductions of \$10.2 million for one-time salary adjustments and Medicaid cost savings for a total proposed FY 2017 mental health budget of \$232.0 million.

The proposed mental health budget represents a cooperative effort between State agencies and the Alaska Mental Health Trust Authority. These productive working relationships make a positive difference for Alaska's mental health beneficiaries. We look forward to working with the Legislature on securing passage of the FY 2017 mental health budget bill.

I urge your prompt and favorable action on this measure.

Sincerely,

/s/

Bill Walker
Governor

SB 141

SENATE BILL NO. 141 BY SENATOR STEVENS, entitled:

"An Act relating to possession of an electronic smoking device, e-liquid or e-liquid product, vapor product, or alternative tobacco product by a minor and to selling or giving an electronic smoking device, e-liquid or e-liquid product, vapor product, or alternative tobacco product to a minor."

was read the first time and referred to the Labor and Commerce and Judiciary Committees.

SB 142

SENATE BILL NO. 142 BY SENATOR GIESSEL, entitled:

"An Act relating to insurance coverage for anti-cancer medications."

was read the first time and referred to the Labor and Commerce Committee.

SB 143

SENATE BILL NO. 143 BY SENATOR WIELECHOWSKI, entitled:

"An Act relating to the salary and per diem of members of the legislature."

was read the first time and referred to the State Affairs and Finance Committees.

SB 144

SENATE BILL NO. 144 BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR, entitled:

"An Act relating to relocation assistance for federally assisted projects and programs; and providing for an effective date."

was read the first time and referred to the State Affairs and Finance Committees.

The following fiscal information was published today:

Fiscal Note No. 1, zero, Department of Transportation and Public Facilities

Governor's transmittal letter dated January 18:

Dear President Meyer:

Under the authority of Article III, Section 18 of the Alaska Constitution, I am transmitting a bill relating to relocation assistance for federally assisted projects and programs.

The bill would allow an increase of the maximum relocation benefits available to a person or a business displaced by federally assisted projects and programs. Congress increased the maximum relocation benefits available under 42 U.S.C. 4601 - 4655 (Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970), which

are payable to a person or business displaced by a federally assisted project or program. The bill proposes to provide these increased federal benefits to Alaskans and Alaska businesses.

Further, the bill would provide that a displaced person or business in the state would be retroactively eligible for an increased federal maximum benefit for relocation expenses incurred after October 1, 2014, which is when the increased maximum federal benefit became available.

I urge your prompt and favorable action on this measure.

Sincerely,

/s/

Bill Walker
Governor

SB 145

SENATE BILL NO. 145 BY THE SENATE RULES COMMITTEE
BY REQUEST OF THE GOVERNOR, entitled:

"An Act relating to the recovery of overpayments of day care assistance and child care grants; and providing for an effective date."

was read the first time and referred to the Health and Social Services and Finance Committees.

The following fiscal information was published today:

Fiscal Note No. 1, Department of Health and Social Services

Fiscal Note No. 2, zero, Department of Revenue

Governor's transmittal letter dated January 18:

Dear President Meyer:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill relating to the recovery of overpayments of day care assistance and child care grants. The bill

would add day care assistance and child care grants to the list of public assistance programs whose established overpayments can be recovered by garnishing an individual's permanent fund dividend.

Under existing AS 47.05.080, many of the programs that provide assistance benefits to individuals are provided with the ability to recover benefit overpayments by garnishing the benefit recipient's permanent fund dividend. That section allows established overpayment claims to be filed directly with the Department of Revenue and does not make them subject to the exemptions under AS 43.23.065(a) (permanent fund dividends) or AS 09.38 (Alaska Exemptions Act). Before the Department of Health and Social Services seeks to garnish the permanent fund dividend of a benefit recipient, the overpayment claim must be established either through a hearing or after an individual has had a chance for a hearing, but did not contest the overpayment claim. A separate provision in AS 43.23.068 establishes a procedure for garnishing a permanent fund dividend to recover a benefit overpayment that includes notice to the benefit recipient and an opportunity to request a hearing on whether a mistake was made.

The ability to garnish a benefit recipient's permanent fund dividend to recover overpayments under AS 47.05.080 exists for most public assistance programs including medical assistance, general relief, adult public assistance, food stamps, and Alaska temporary assistance. The bill would add the day care assistance and child care grants programs to the other public assistance programs that already have the ability to use the direct garnishment of a permanent fund dividend to recover benefit overpayments. This would make recovery of these already-established liabilities to the State much easier to recover from recipients who do not enter into voluntary repayment plans. This change also would align the day care assistance and child care grant programs with other public assistance programs.

I urge your prompt and favorable action on this measure.

Sincerely,

/s/

Bill Walker
Governor

SB 146

SENATE BILL NO. 146 BY THE SENATE RULES COMMITTEE
BY REQUEST OF THE GOVERNOR, entitled:

"An Act relating to the investment, appropriation, and administration of the public school trust fund; and providing for an effective date."

was read the first time and referred to the State Affairs and Finance Committees.

The following fiscal information was published today:

Fiscal Note No. 1, zero, Department of Revenue

Governor's transmittal letter dated January 18:

Dear President Meyer:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill relating to the investment, appropriation, and administration of the public school trust fund (AS 37.14.110).

The bill proposes to modify how the public school trust fund under AS 37.14.110 is administered to generate monies that support the State's public school program. Under current law, the net income from the fund is made available for appropriation to support public schools. To facilitate appropriations of income, the public school trust fund is invested and administered in a manner that distinguishes between principal and income. As treasurer of the fund, the Commissioner of Revenue has responsibilities related to administration and reporting of the fund.

Under the proposed bill, a percent of market value (POMV) approach will be established. First, on July 1 of each year, the Commissioner of Revenue will determine the monthly average market value of the fund for the previous three years. Under the POMV approach, five percent of the rolling three-year average of monthly market values will be available for appropriation to support public schools. The modified investment standard in the proposed bill maximizes the total return on

investments derived from both capital appreciation and income. Furthermore, this POMV approach will provide a more stable and predictable revenue source for the State to support public schools. The investment standard also should encourage maximum total return on investments, and yet provide a conservative and stable return for the future.

The substantive provisions in the proposed bill will not take effect until after a court provides instructions that the proposed modifications to the public school trust statutes do not violate the State's trust duties. This provision recognizes the need to wait for resolution of pending litigation respecting the public school trust fund.

The current approach to administering the trust fund arises from a 1915 Act of Congress (48 U.S.C. § 353 (repealed 1959)) from which the public school trust fund originates. The 1915 Act required the Territory of Alaska to retain principal as a permanent fund. Only income generated by the fund was available to support public schools. These trust management provisions should not generally apply because the 1915 Act was repealed in the Alaska Statehood Act, excepting as applied to one section of land (48 U.S.C. prec. §21). The contingent effective date will resolve any questions about the modified approach to administering the public school trust fund and protect the State from additional breach of trust claims.

I urge your prompt and favorable action on this measure.

Sincerely,
/s/
Bill Walker
Governor

SB 147

SENATE BILL NO. 147 BY THE SENATE RULES COMMITTEE
BY REQUEST OF THE GOVERNOR, entitled:

"An Act relating to eligibility requirements of the
Alaska senior benefits payment program; and
providing for an effective date."

was read the first time and referred to the Health and Social Services and Finance Committees.

The following fiscal information was published today:

Fiscal Note No. 1, Department of Health and Social Services

Governor's transmittal letter dated January 18:

Dear President Meyer:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill amending eligibility requirements for the Alaska senior benefits payment program.

The bill proposes to add an additional qualifying criterion to the eligibility requirements for the senior benefits payment program. An individual must be either a citizen of the United States or a qualified alien under 8 United States Code 1641, in addition to meeting existing age, state residency, financial and program application criteria. This change would align the eligibility requirements of the Alaska senior benefits payment program with other public assistance programs and allow continued assistance to eligible seniors in a fiscally responsible manner.

I urge your prompt and favorable action on this measure.

Sincerely,

/s/

Bill Walker
Governor

SB 148

SENATE BILL NO. 148 BY THE SENATE RULES COMMITTEE
BY REQUEST OF THE GOVERNOR, entitled:

"An Act relating to reporting of workplace injuries to
the division of labor standards and safety."

was read the first time and referred to the Labor and Commerce Committee.

The following fiscal information was published today:
Fiscal Note No. 1, zero, Department of Labor and Workforce
Development

Governor's transmittal letter dated January 18:

Dear President Meyer:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill relating to reporting of workplace injuries to the Division of Labor Standards and Safety (Division).

The bill would require an employer to promptly report to the Division accidents that result in an employee losing an eye or suffering an amputation. Employers are already required to report workplace accidents that result in fatalities and in-patient hospitalizations.

The bill is necessary to ensure that the State's occupational safety and health standards are in compliance with federal law. Additionally, the bill will help ensure that the Division is promptly notified of serious workplace accidents so that it may conduct investigations and prevent similar accidents.

I urge your prompt and favorable action on this measure.

Sincerely,
/s/
Bill Walker
Governor

Unfinished Business

Senator Stedman moved and asked unanimous consent to be excused from a call of the Senate from 1:00 p.m. plane time, January 29 through morning plane time, February 1; and morning plane time, February 29 through morning plane time, March 7. Without objection, Senator Stedman was excused.

Senator Dunleavy moved and asked unanimous consent to be excused from a call of the Senate from afternoon plane time, February 4 through morning plane time, February 8. Without objection, Senator Dunleavy was excused.

Senator Stevens moved and asked unanimous consent to be excused from a call of the Senate from 7:00 a.m. plane time, January 28 through 9:30 a.m. plane time, February 1. Without objection, Senator Stevens was excused.

Announcements

Announcements are at the end of the journal.

Adjournment

Senator Coghill moved and asked unanimous consent that the Senate stand in adjournment until 11:00 a.m., January 21, 2016. Without objection, the Senate adjourned at 11:43 a.m.

Liz Clark
Secretary of the Senate

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

COMMUNITY & REGIONAL AFFAIRS

Jan 19 **Tuesday** **Beltz 105 (tsbldg)** **3:30 PM**
No Meeting Scheduled

Jan 21 **Thursday** **Beltz 105 (tsbldg)** **3:30 PM**
No Meeting Scheduled

EDUCATION

Jan 20 **Wednesday** **Capitol 106** **8:00 AM**
Joint with House Education
Discussion on Alaska Measures of Progress Testing
Lee Posey, NCSL
-Every Student Succeeds Act (ESSA) Presentation
Mike Hanley, DEED Commissioner
-Alaska Measures of Progress
+ -- Testimony <Invitation Only> --

Jan 21 **Thursday** **Butrovich 205** **3:30 PM**
No Meeting Scheduled

FINANCE

Jan 19 **Tuesday** **Senate Finance 532** **9:00 AM**
No Meeting Scheduled

FINANCE (continued)

Jan 20 **Wednesday** **Senate Finance 532** **10:00 AM**
+ Presentation: Overview FY17 Operating Budget
Pat Pitney, Director, Office of Management and
Budget
+ Bills Previously Heard/Scheduled

Jan 21 **Thursday** **Senate Finance 532** **9:00 AM**
+ Presentation: Overview FY17 Operating Budget
David Teal, Director, Legislative Finance
Division
+ Bills Previously Heard/Scheduled

Jan 22 **Friday** **Senate Finance 532** **9:00 AM**
+ -- MEETING CANCELED --
+ Presentation: 2015 Fall Forecast and S&P Report
Randall Hoffbeck, Commissioner, Department
of Revenue
+ Bills Previously Heard/Scheduled

HEALTH & SOCIAL SERVICES

Jan 20 **Wednesday** **Butrovich 205** **1:30 PM**
No Meeting Scheduled

Jan 22 **Friday** **Butrovich 205** **1:30 PM**
No Meeting Scheduled

LABOR & COMMERCE

Jan 19 **Tuesday** **Beltz 105 (tsbldg)** **1:30 PM**
+ DEPARTMENT HEARINGS - Dept. of Commerce
Community, and Economic Development
Division of Economic Development
Presentation: State Marketing Programs
-- Testimony <Invitation Only> --
Division of Insurance
(meeting continued on the next page)

(meeting continued from the previous page)

Presentation: State of Insurance Markets in Alaska
 -- Testimony <Invitation Only> --
 Division of Corporations, Business & Professional Licensing
 Presentation: State Licensing Board Operations
 -- Testimony <Invitation Only> --
 + Bills Previously Heard/Scheduled
 -- Public Testimony --

Jan 21 Thursday Beltz 105 (tsbldg) 1:30 PM
 + Presentation: Marijuana Control Board Update
 Board and Commission Appointees:
 Marijuana Control Board
 + Bills Previously Heard/Scheduled
 -- Public Testimony --

RESOURCES

Jan 20 Wednesday Butrovich 205 3:30 PM
 No Meeting Scheduled

Jan 22 Friday Butrovich 205 3:30 PM
 No Meeting Scheduled

Jan 25 Monday Butrovich 205 3:30 PM
 + -- Testimony <Invitation Only> --
 AK LNG Update:
 Project Update, AK LNG Project Manager Steve Butt

Jan 27 Wednesday Butrovich 205 3:30 PM
 + -- Testimony <Invitation Only> --
 AK LNG Update:
 Fiscal Team Update, AK LNG Fiscal Team

Jan 29 Friday Butrovich 205 3:30 PM
 + -- Testimony <Invitation Only> --
 AK LNG Update:
 State of Alaska Gas Team Update

SENATE JOURNAL

January 19, 2016

1621

STATE AFFAIRS

Jan 19 Tuesday Butrovich 205 9:00 AM
No Meeting Scheduled

Jan 21 Thursday Butrovich 205 9:00 AM
+ SB 124 EXTEND SUNSET ON AK COMMISSION ON AGING
+ Bills Previously Heard/Scheduled

TRANSPORTATION

Jan 19 Tuesday Butrovich 205 1:00 PM
No Meeting Scheduled

Jan 21 Thursday Butrovich 205 1:00 PM
No Meeting Scheduled

FINANCE SUBCOMMITTEES

ADMINISTRATION

Jan 21 Thursday Butrovich 205 4:30 PM
-- Time Change --
+ Status of the FY16 Operating Budget
Overview of the Governor's Proposed FY17
Operating Budget
Sheldon Fisher, Commissioner
Jon Boucher, Deputy Commissioner
Cheri Lowenstein, Director
Division of Administrative Services

EDUCATION & EARLY DEVELOPMENT

Jan 26 Tuesday Butrovich 205 3:30 PM
Status of the FY16 Operating Budget
Overview of the Governor's Proposed FY17
Operating Budget
Mike Hanley, Commissioner
Heidi Teshner, Director
Division of Administrative Services

ENVIRONMENTAL CONSERVATION

Jan 22 **Friday** **Senate Finance 532** **1:00 PM**
 + FY17 Budget Overview

FISH & GAME

Jan 22 **Friday** **Butrovich 205** **1:30 PM**
 + -- Date & Time Change --
 Status of the FY16 Operating Budget
 Overview of the Governor's Proposed FY17
 Operating Budget
 Sam Cotten, Commissioner
 Kevin Brooks, Deputy Commissioner
 Carol Petraborg, Director, Division of
 Administrative Services

HEALTH & SOCIAL SERVICES

Jan 27 **Wednesday** **Butrovich 205** **5:00 PM**
 Department of Health & Social Services

JUDICIARY SUBCOMMITTEE

Jan 22 **Friday** **Senate Finance 532** **2:00 PM**
 FY17 Budget Proposal Overview

LAW

Jan 21 **Thursday** **Senate Finance 532** **2:00 PM**
 + FY17 Budget Overview

REVENUE

Jan 25 **Monday** **Senate Finance 532** **2:00 PM**
 + FY17 Budget Overview

TRANSPORTATION & PUBLIC FACILITIES

Jan 21 Thursday Butrovich 205 3:00 PM
 Department of Transportation & Public Facilities

JOINT COMMITTEES

LEGISLATIVE BUDGET & AUDIT

Jan 29 Friday House Finance 519 7:30 AM
 -- Testimony <Invitation Only> --
 enalytica Contract Renewal
 Other Committee Business

SELECT COMMITTEE ON LEGISLATIVE ETHICS

Jan 25 Monday Capitol 106 8:30 AM
 FULL COMMITTEE: Open Session
 PUBLIC COMMENT
 ELECTIONS OF NEW 2016 COMMITTEE CHAIRS
 CHAIR/STAFF REPORT
 a. Informal Advice Staff Report
 b. Update: Public Member Committee Appointments
 c. 2016 Ethics Training - AS 24.60.150(a)(3)& (4)
 Update 2016 Training
 d. Ethics Disclosures
 Entering of Handwritten Disclosures
 ii. Updating the Disclosures Database
 e. COGEL Conference Report
 f. Update: Payment for Fines
 g. Statutory Publications
 i. No Advisory Opinions Published in 2015
 ii. Standards of Conduct Handbook for 2016
 Will Remain the Same as the 2015 Version
 h. Campaign Year Oversight Activities
 ANNUAL BENEFIT AND LOAN REVIEW AND
 DISCUSSION
 a. No Additions or Deletions to List Other Than
 Those Under Consideration from January 2015
 b. Report by Rep. Vasquez and Administrator AS
 24.60.050(b)
(meeting continued on the next page)

(meeting continued from the previous page)

BUDGET

a. FY16 Budget Update

b. FY17 Submitted Budget Update

2015/2016 LEGISLATION UPDATE

a. Senator Gardner

APOC Report Notification Under AS. 24.60.220

ADVISORY OPINION 15-02 - Lunch and Learn Sessions

RULES OF PROCEDURE PROPOSED CHANGES

Motion for EXECUTIVE SESSION

EXECUTIVE SESSION

PUBLIC SESSION

OTHER BUSINESS

OTHER MEETINGS

JOINT SESSION

Jan 21	Thursday	House Chamber	7:00 PM
	State of the State Address by the Honorable Bill Walker, Governor of Alaska		