

# 2017 CAPITOL CURRENTS

30<sup>th</sup> Alaska State Legislature ~ 1<sup>st</sup> Session

Eleventh Edition – 3/27 to 4/2/17

– 14 Days to go! –

*~ 90-day session will only be a speed bump. The Legislature is nowhere close to a budget ~*

## HIGHLIGHTS

With the 90-day session set only in statute, it is likely the legislature will pass that mile marker on their way to the 120 day limit under the Alaska Constitution. Once again, they are faced with trying to resolve our \$3 billion deficit.

Several bills are in play. Everyone seems to agree in all of the long-range plans that we need to use Permanent Fund Earnings Reserve to build a steady, sustainable revenue stream.

All of the plans continue a PFD, but in varying degrees of certainty and amounts.

Although several other measures are being debated for additional revenue enhancements, it is more than likely that only the restructuring of the PF Earnings Reserve will prevail.

A mixture of a statewide income tax, spending caps, budget cuts, oil tax overhaul, and a host of other taxes and fees are all in the hopper.

On Monday – April 3<sup>rd</sup>, it's been reported that the Senate Finance Committee will release a CS for **HB 57** – the FY18 operating budget and bring forth proposed amendments to that budget.

No one seems to know what path they will take, but some are talking about 5% cuts to quite a few of the departments.

## BUDGET ISSUES

**HB115 (Income Tax, PFD Credit)** would raise about \$50 million from non-residents with in-state sources of income. And the state-level tax on residents would be deductible for federal purposes, lowering federal tax bills by an estimated total of \$100 million — offsetting a significant chunk of the nearly \$700 million in total anticipated state revenue.

With the unveiling of a committee substitute for **HB 115**, it is scheduled for more hearings in House Finance this coming week. Another new feature for the income tax portion is that the tax revenue will now be based on adjusted gross income instead of federal tax liability.

After a week's worth of hearings culminated with public testimony, the oil tax legislation – **HB 111**, had almost disappeared from the agenda of the House Finance Committee, but it is now scheduled for a meeting on April 7<sup>th</sup>.

## EDUCATION ISSUES

The Anchorage-based company Quintillion will turn on its fiber optic service for the Prudhoe Bay and Deadhorse areas in just a few weeks. The rest of its phase 1 Alaska land sites; including Nome, Kotzebue, Wainwright, Point Hope and Utqiagvik (Barrow), service won't be available until later this year.

This fiber optic service is a huge deal for people living in those areas, particularly the schools. The cable provides faster service than microwave and satellite connections.

This will bring those areas into the 21<sup>st</sup> century of communications.

## **HEALTH & SOCIAL SERVICES ISSUES**

Alaska Sen. Lisa Murkowski parted with her Republican peers on a vote to revoke Planned Parenthood funding this past week, resulting in an unusual tiebreaker vote from Vice President Pence.

The senator indicated she just couldn't get on board with a measure that would lessen health care options for women.

## **NEW BILLS OF INTEREST**

### **Public Safety Issues**

HB 205 / Eastman – Prohibit Sanctuary Municipalities

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### **Education Issues**

SB 99 / Begich – Pre-elementary Programs and Funding

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### **Election/Voter Issues**

HB 200 / LeDoux – Nonpartisan Open Primary Elections

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## **BILLS ON THE MOVE**

~ Below are pertinent bills that had hearings or other action this past week ~

## **HOUSE COMMITTEE OR FLOOR ACTION**

### **HB 31/ Sexual Assault Examination Kits**

Scheduled in House Finance on 4/4.

CS work draft J was adopted as the working document. This new draft being considered takes out the language mandating that law enforcement send sexual assault examination kits for testing within 18 months after collection. It adds sexual assault language to existing training components of Title 18. In addition, this new version establishes protocols governing the distribution and use of sexual assault examination kits by having the victim choose one of three reports. During the committee, the bill was amended further relating to minimum age for anonymous reporting. This revised bill still requires an inventory and reporting on all untested examination kits.

### **HB 43/ New Drugs for the Terminally Ill**

Scheduled in House Judiciary on 4/3.

This bill allows terminally ill patients who have exhausted other available treatments and do not qualify for clinical trials to gain faster access to safe, but experimental drugs. By providing certain immunities to prescribing physicians, manufacturers and distributors acting in good faith, this bill would allow terminal patients, in consultation with their doctor, the freedom to try new treatments without the burden of waiting for federal approval.

### **HB 44 / Legislative Ethics: Voting and Conflicts**

Moved from House State Affairs on 3/28. Next referral is Rules.

The bill lists relationships and situations which if exists would prohibit a legislator from taking or withholding official action or exert official influence that could substantially benefit or harm the financial interest of those involved. The bill defines the phrase “substantially benefit or harm”.

### **HB 49 / Extend Board of Direct-Entry Midwives**

Moved from House Finance on 3/31. Next referral is Rules.

Extends the Board of Direct-Entry Midwives through June 30, 2021.

### **HB 54 / Voluntary Termination of Life**

Heard and held in House HSS on 3/28. Scheduled for public testimony on 4/6

Allows for terminally ill patients to die with dignity on their own terms. It specifies that this process stops immediately if there is any evidence of coercion. The law further requires two physicians to be involved throughout the request process for independent diagnoses to further ensure against coercion.

### **HB 74 / Driver’s License and ID Cards and Real ID Act**

Heard and held in House State Affairs on 3/21. Scheduled next on 4/4 and 4/6.

Companion is SB 34. Allows DMV to issue both REAL ID federal compliant and noncompliant identification cards and driver licenses as a citizen of Alaska requests. This in turn will allow our residents to access military facilities, other federal facilities, and pass through TSA checkpoints at airports with these proper compliant cards. Otherwise, a U.S. passport, other recognized passport, and other federally issued identification documents will be necessary to fly to the lower-48 or gain access to a federal building.

### **HB 79 / Omnibus Workers’ Compensation**

Heard and held in House Judiciary on 3/31. Scheduled next on 4/5.

Companion is SB 40. The bill streamlines procedures and bears down on employers who attempt to delay prescribed medical treatments and fail to provide coverage, required by law. It takes aim at employers’ misclassification of employees and “deceptive” leasing practices; and, strengthens requirements for employees to report wages they receive while receiving workers’ compensation benefits.

The bill also expands personal liability among employers who are shown to be evading workers’ compensation requirements. The bill reduces administrative costs by allowing employers to pay benefits electronically and allows the Division of Workers’ Compensation to mandate electronic filing of certain reports from employers and insurers.

### **HB 100 / Posttraumatic Stress Injury Awareness Day**

Heard and moved from House HSS on 3/30. Referred to Rules.

Establishes June 27 each year as Post-Traumatic Stress Injury Awareness Day.

### **HB 102 / Limited Teacher Certificates; Languages**

Public testimony taken and moved from House Education on 3/27. Rules to calendar for Floor on 4/3.

HB 102 expands the existing “Type M” and “Type I” teacher certificates, tackling one of the biggest challenges facing Alaska’s immersion programs: finding fully certified teachers also fluent in a Native or foreign language.

The bill provides districts and charter schools case-by-case flexibility to hire language teachers they know are qualified to lead a classroom but who – for reasons such as limited English proficiency, advanced age, or familial responsibilities – are unable at the time to get a full teacher certification.

[CSHB 123\(HSS\)](#) / **Disclosure of Health Care Costs**

Heard and moved from House Judiciary on 3/29. Referred to Rules.

The bill will require health care providers to publish health care price information in public spaces and on their websites and to submit that price information to the Department of Health and Social Services. Individual providers will be required to disclose the total undiscounted costs of their 25 most commonly provided health care services and procedures. Larger medical facilities would provide the same price information for their 50 most common health care services and procedures.

[HB 138](#) / **March: Sobriety Awareness Month**

Public testimony scheduled for House C&RA on 4/4. Designates March as Sobriety Awareness Month.

[HB 146](#) / **School Tax; PFD Payment for School Tax**

Public testimony taken and move from House Education on 3/27. Scheduled Finance on 4/4.

This bill taxes adjusted gross income on federal tax returns for every person who earns income in Alaska. The minimum tax would be \$100 a year and has a cap of \$8,500. The revenue collected would be designated to support public education in Alaska.

[HB 159](#) / **Opioids; Prescriptions; Database; Licenses**

Heard and held in House HSS on 3/30. Scheduled next for 4/4.

Companion is SB 79. Provides an option for patients to execute a “Voluntary Nonopioid Directive” that would allow a person not to be administered an opioid. The bill would also require health care licensing boards, such as nurses, physicians, and osteopaths to adopt regulations for licensure, renewal, and certification by regulation to make certain requirements of licensee’s continued demonstration in pain management. It would also implement provisions to limit an initial prescription for an opioid to not more than a seven-day supply.

For pharmacists, the bill would require registration with the controlled substance prescription database regardless of whether the pharmacist has a federal drug enforcement administration registration number. Further, it would allow a person to request a pharmacist to dispense less than the prescribed amount of a schedule II or schedule III controlled substance. The original bill required the controlled substance prescription database be updated daily rather than the current weekly update. The anticipated HSS CS moves this requirement out to FY 2019.

[HB 164](#) / **Protect: Vulnerable Adults/Long Term Care**

Heard and held in House HSS on 3/30. Public testimony scheduled for 4/4.

Companion is SB 83. Certain provisions of the reporting requirements for the protection of vulnerable adults is amended to include alignment with the Older Americans Act of 1965. It also allows the Ombudsman to disclose a person’s identity for purposes of making a referral to an agency under certain conditions. It also clarifies where reports of harm are to be lodged within DHSS.

[HB 172](#) / **Industrial Hemp Production Licenses**

Scheduled for House Judiciary on 4/3.

This is an act to define hemp as an agricultural product and allow for the commercial farming of hemp through a pilot program. Industrial hemp’s definition will be changed from a controlled substance to an agricultural product.

[HB 175](#) / **U.S. President Election Popular Vote Compact**

Heard and moved from House State Affairs on 3/28. Referred next to Judiciary.

The National Popular Vote bill would grant the presidency to the candidate who receives the most votes in the nation. Additionally, this bill is an interstate compact repealing the winner take all rule and would take effect only when enacted by states possessing a majority of the electoral votes.

**HCR 1 / Amend Uniform Rules: Abstain from Voting**

Heard and moved from House State Affairs on 3/28.

The resolution would change the standard from unanimous consent to a majority vote when a member seeks to abstain from voting due to a substantial conflict of interest.

**HJR 14 / FCC: Increase Rural Health Care Budget**

Rules to calendar for House Floor on 4/3.

Urges the FCC to increase the Rural Health Care Program budget to ensure that rural communities in the state continue to have access to affordable broadband telehealth services

**HJR 15 / Oppose Federal REAL ID Requirements**

Heard and moved from House State Affairs on 3/28. Encourages Congress to repeal the REAL ID Act.

**SB 63 / Regulation of Smoking**

<Passed Senate on 3/27>

Referred to House C&RA and Judiciary.

Prohibits smoking in certain places, including specified enclosed areas and at or near specified outdoor areas; provides limited exceptions to the smoking prohibitions for retail tobacco and e-cigarette stores, for enclosed, marked, and vented transit areas, for private residences, for specified vehicles and vessels, for stand-alone shelters and for licensed marijuana establishments; requires notices of smoking prohibitions and fines; prohibits employers and building owners or managers from permitting smoking or supplying smoking accessories in place where it is prohibited; prohibits an employer, or owner or operator of a vehicle from retaliating for initiating or cooperating with enforcement of the Act; allows a municipality to impose additional smoking restrictions and duties.

**SCR 2 / Sexual Assault Awareness Month: April 2017**

Invited testimony on 4/4. Public testimony will be on 4/6.

Proclaims April 2017 as Sexual Assault Awareness Month.

**SENATE COMMITTEE OR FLOOR ACTION**

**SB 6 / Industrial Hemp Production**

Scheduled for Senate Finance on 4/4.

Classifies Industrial Hemp as an agricultural crop in Alaska; lists criteria under which a person may register to produce it; lists conditions under which hemp seeds and reconditioned hemp may be kept; authorizes the Division of Agriculture to create regulations; defines industrial hemp to mean the plant Cannabis Sativa containing less than 0.3 percent delta-9 tetrahydrocannabinol (THC); removes it from the list of controlled substances and removes it from marijuana definitions

**SB 15 / E-Cigs: Sale to and Possession by Minors**

Heard and held in Senate Judiciary on 3/27. Scheduled for public testimony on 4/3.

Prohibits a person under the age of nineteen from knowingly possessing an electronic smoking product, or a product containing nicotine—doing so will be a criminal violation. Prohibits selling of such products to persons under nineteen—the penalty is a fine not less than \$300 and under certain circumstances may result in business license revocation.

**SB 32 / Prescriptions for Biological Products**

Heard and moved from Senate Finance on 3/30.

It allows a pharmacist to substitute an FDA-approved interchangeable biosimilar for a prescribed originator biologic without first seeking approval from the physician. Once the item is dispensed, the pharmacist must communicate within a certain time to the physician that the biologic was dispensed.

### **SB 34 / Driver's License and ID Cards and REAL ID Act**

Heard and held in Senate Finance on 3/27.

Companion is HB 74. Allows DMV to issue both REAL ID federal compliant and noncompliant identification cards and driver licenses as a citizen of Alaska requests. This in turn will allow our residents to access military facilities, other federal facilities, and pass through TSA checkpoints at airports with these proper compliant cards. Otherwise, a U.S. passport, other recognized passport, and other federally issued identification documents will be necessary to fly to the lower-48 or gain access to a federal building.

### **SB 54 / Crime and Sentencing**

Heard and held in Senate Finance on 3/28 and 3/31. Scheduled next for 4/3.

The bill incorporates 2017 recommendations of the Criminal Justice Commission to the overall criminal justice reform statutes amended through last year's SB 91.

### **SB 55 / Omnibus Crime and Corrections**

Heard and held in Senate Finance on 3/28.

Clarifies and amends the following sections to the criminal justice codes. Marijuana penalties, victim notification, probation term lengths, administrative license revocations, referral for minor consuming, removing inflation adjustments, data reporting, and other minor and technical changes.

### **SB 69 / Misconduct Involving Weapons 5<sup>th</sup> Degree**

Heard and held in Senate Judiciary on 3/27.

Provides additional language that misconduct occurs when a weapon is concealed within the interior of a vehicle and the person present when contacted by a peace officer fails to inform that officer of such a weapon.

### **SB 72 / Discrimination: Gender ID and Sexual Orientation**

Heard and held in Senate HSS on 3/31.

Companion is HB 184. Provides additional duties to the State Commission for Human Rights and prohibits discrimination based on sexual orientation or gender identity or expression. This covers a multitude of areas including, but not limited to employment, financial institutions, public accommodations, labor organizations, and property.

### **SB 79 / Opioids; Prescriptions; Database; Licenses**

Public testimony to be taken in Senate L&C on 4/4.

Provides an option for patients to execute a "Voluntary Nonopioid Directive" that would allow a person not to be administered an opioid. The bill would also require health care licensing boards, such as nurses, physicians, and osteopaths to adopt regulations for licensure, renewal, and certification by regulation to make certain requirements of licensee's continued demonstration in pain management. It would also implement provisions to limit an initial prescription for an opioid to not more than a seven day supply.

For pharmacists, the bill would require registration with the controlled substance prescription database regardless of whether the pharmacist has a federal drug enforcement administration registration number. Further, it would allow a person to request a pharmacist to dispense less than the prescribed amount of a schedule II or schedule III controlled substance. Among other items, it also would require that the controlled substance prescription database be updated daily rather than the current weekly update.

### **SB 83 / Protect: Vulnerable Adults/Long Term Care**

Heard and moved from Senate HSS on 3/27. Referred to Finance.

Amends provisions of Title 47 to ensure alignment of the Office of the Long Term Care Ombudsman with the Older Americans Act in U.S. Code. This clarifies that the Ombudsman may only disclose a report of abuse or neglect in an older Alaskan if they have the consent of the vulnerable adult to do so. It also clarifies other responsibilities that DHSS has to investigate all reports of harm and may transfer those to the



Ombudsman for additional assistance. Additionally, the Ombudsman in these proposed amendments would be allowed to disclose a person's identity for purposes of making a referral to an agency if the person is unable to provide consent.

**SB 96 / Education: Schools; Teachers; Funding**

Heard and held in Senate Education on 3/27, 3/28, 3/30, 3/31. The bill is scheduled Finance on 4/6. Creates the Alaska Virtual Education Consortium allowing districts to offer virtual education courses through an online database. It also expands the scope of cooperative grants to allow districts to work with businesses, nonprofits, and state and local government. In addition, it allows school districts to consolidate and pursue health insurance pooling.

**HB 8 / Enforcement of Foreign Protective Orders**

Heard and held in Senate C&RA on 3/28. Scheduled on 4/4. Conforms Alaska law with the Full Faith and Credit provisions of the Violence Against Women's Act requiring law enforcement and courts to recognize protective orders issued by tribal courts and courts of outside jurisdictions.

**HB 16 / Driver's License Requirement; Disability: ID and Training**

Scheduled in Senate Finance on 4/4. Requires training of all law enforcement for non-apparent disability awareness. It also adds a section to the DMV manual that instructs drivers as to their responsibilities when interacting with a peace officer. In addition, a voluntary marker could be placed on an ID card to indicate a non-apparent disability.

**HB 24 / List U-47700 As a Controlled Substance**

Moved from Senate Judiciary on 3/27. Rules to calendar for Floor on 4/3. Lists "Pink" as a controlled substance and adds tramadol to the list of controlled substances.

**HB 64 / Reading Proficiency Task Force; Dyslexia**

Scheduled for Senate Education on 4/3. Establishes a fifteen member task force on reading proficiency and instruction with the goal of making recommendations regarding reading practices for students across the state.

**HB 78 / Indigenous Peoples Day**

Heard and held in Senate State Affairs on 3/28. Public testimony scheduled on 4/6. Establishes the second Monday of October of each year as Indigenous Peoples Day.

**HB 86 / Student Loan Default/Occupational License Renewal** <Passed House on 3/29>

Referred to Senate Education. House Bill 86 repeals current statutes that allow the Alaska Commission on Postsecondary Education (ACPE) to threaten nonrenewal of occupational licenses for individuals who have defaulted on their student loans. Affected occupations include licenses for nurses, pharmacists, social workers, veterinarians, dentists, attorneys, teachers (k12), EMS workers, and correctional officers.

**COMMITTEE HEARINGS**

**MONDAY – April 3**

(SENATE) EDUCATION Committee

8:00 AM Butrovich Room 205

**HB 64 / Reading Proficiency Task Force; Dyslexia**

**SCR 5 / Alaska Reads Day**

(SENATE) FINANCE Committee  
9:00 AM S. Finance Room 532  
**HB 57 / FY18 Operating Budget** <CS and amendments are anticipated>  
**HB 59 / Mental Health Budget**  
Bills previously heard/scheduled: (SB 54 / Crime and Sentencing)

(HOUSE) FINANCE Committee  
1:00 PM H. Finance Room 519  
**HB 115 / Income Tax; PFD Credit; Permanent Fund Income** <Amendments in committee>

(HOUSE) JUDICIARY Committee  
1:00 PM Gruenberg Room 120  
**HB 172 / Industrial Hemp Production Licenses**  
**HB43 / New Drugs for the Terminally Ill**

(SENATE) FINANCE Committee  
1:30 PM S. Finance Room 532  
**HB 57 / FY18 Operating Budget** <CS and amendments are anticipated>  
**HB 59 / Mental Health Budget**

(SENATE) JUDICIARY Committee  
1:30 PM Beltz Room 105 (TSBldg)  
**SB 15 / E-Cigs: Sale to and Possession by Minor** <Public Testimony>

## **TUESDAY – April 4**

(HOUSE) C&RA Committee  
8:00 AM Barnes Room 124  
**HB 138 / March: Sobriety Awareness Month**

(HOUSE) FINANCE Committee  
9:00 AM H. Finance Room 519 <Note time>  
**HB 146 / School Tax; PFD Payment for School Tax**  
**HB 31 / Sexual Assault Examination Kits**

(SENATE) FINANCE Committee  
9:00 AM S. Finance Room 532  
**SB 6 / Industrial Hemp Production**  
**HB 16 / Drivers License Requirements; Disability: ID and Training**

(SENATE) LABOR & COMMERCE Committee  
9:30 PM Beltz Room 105 (TSBldg)  
**SB 37 / Pharmacy Board and Employees Drug Distributors and Manufacturers**  
**SB 79 / Opioids; Prescriptions; Database; Licenses**

(HOUSE) FINANCE Committee  
1:30 PM H. Finance Room 519  
**HB 115 / Income Tax; PFD Credit; Permanent Fund Income**

(HOUSE) HSS Committee  
3:00 PM Capitol Room 106  
**Confirmation Hearings:**  
**State Medical Board || Board of Certified Direct-entry Midwives || Board of Nursing**



**HB 164 / Protect: Vulnerable Adults-Long Term Care**  
**SCR 2 / Sexual Assault Awareness Month: April 2017**  
**HB 159 Opioids; Prescriptions; Database; Licenses**

<Public Testimony>  
<Testimony – Invitation Only>

(HOUSE) STATE AFFAIRS Committee  
3:00 PM Gruenberg Room 120  
**HJR 3 / Constitutional Amendment: 90 Day Regular Session**

(SENATE) C&RA Committee  
3:30 PM Beltz Room 105 (TMBldg)  
**HB 8 / Enforcement of Foreign Protective Orders**

**WEDNESDAY – April 5**

(SENATE) FINANCE Committee  
9:00 AM S. Finance Room 532  
**HB 23 / Insurance for Dependents of Deceased Fire and Police**

(HOUSE) FINANCE Committee  
1:30 PM H. Finance Room 519  
Confirmation Hearing: Mental Health Board Trustees  
**HB 60 / Motor Fuel Tax; Transportation Maintenance Fund**  
**HB 127 / Criminal Convictions Overturned: Receive Past PFD**

**THURSDAY – April 6**

(SENATE) FINANCE Committee  
9:00 AM Butrovich Room 205  
**SB 87 / School Construction Energy Efficiency Standard**  
**SB 96 / Education: Schools-Teachers-Funding**

(SENATE) L&C Committee  
9:00 AM Beltz Room 105 (TSBldg)  
**SB 62 / Repeal Certificate of Need Program** <Testimony – Invitation Only>

(SENATE) FINANCE Committee  
1:30 AM S. Finance Room 532  
**SB 23 / FY18 Capital Budget** <Public Testimony>

(SENATE) L&C Committee  
1:30 PM Beltz Room 105 (TSBldg)  
**SB 62 / Repeal Certificate of Need Program** <Testimony – Invitation Only>

(HOUSE) HSS Committee  
3:00 PM Capitol Room 106  
**HB 10 / Child in Need of Aid-Protection; Duties** <Testimony – Invitation only>  
**HB 25 / Insurance Coverage for Contraceptives**  
**HB 54 / Terminally Ill: Ending Life Option** <Public Testimony>  
**SCR 2 / Sexual Assault Awareness Month: April 2017** <Public Testimony>

(SENATE) STATE AFFAIRS Committees  
3:30 PM Butrovich Room 205  
**HB 78 / Indigenous Peoples Day** <Public Testimony>

**FRIDAY – April 7**

(SENATE) EDUCATION Committee  
9:00 AM Butrovich Room 205  
**SB 99 / Pre-Elementary Programs; Funding**

SENATE) FINANCE Committee  
9:00 AM S. Finance Room 532  
**SB 45 / Exemption: Licensing of Contractors**  
**SB 78 / Permanent Fund Dividend Contributions and Lottery** <Pending Referral>

(HOUSE) L&C Committee  
3:15 PM Barnes Room 124  
**HB 9 / Pharmacy Board and Employees; Drug Distributor; Manufacturer** <Public Testimony>

**WEBSITES OF INTEREST**

2017 Legislators contact information  
<http://akleg.gov/docs/pdf/whoswho.pdf> ~ <http://akleg.gov/docs/pdf/800numbers.pdf>  
2017 1<sup>st</sup> Session Staff contact list - [http://akleg.gov/docs/pdf/session\\_phone\\_list.pdf](http://akleg.gov/docs/pdf/session_phone_list.pdf)  
2017 House & Senate Committees - <http://akleg.gov/docs/pdf/commlist.pdf>

**~ End of Report ~**

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