

Alaska Women Lobby 2003 Year End Legislative Report Twenty-third Legislature

Summary:

Governor Murkowski signed into law over 200 bills passed by the First Session of the 23rd Legislature, including Medicaid cost containment, campaign and lobbying disclosure changes, elimination of the Longevity Bonus Program, a tax on vehicle rentals, tires and businesses, increased penalties for repeat sex offenders, a new stalking law that allows the victims of stalking to seek and obtain a protective order, among others.

Out of 47 bills introduced by Governor Murkowski, 38 were passed into law. In addition, seven executive orders were introduced and accepted by the Legislature which made major organizational changes among the departments of state government. According to the Governor's Office, these changes were designed to better align the function of government and remove duplication. The Legislature also passed an operating budget that spends less in FY '04 than it did in FY '03.

Fiscal Year '04 Budget Highlights:

With the Republican legislative leadership unable to produce major new sources of revenue for the state, nor being willing to make significant reductions to state spending programs, the governor employed his veto power over the budgets and did the cutting. Governor Murkowski had set a target of withdrawing no more than \$400 million from the Constitutional Budget Reserve (CBR), and spending no more than \$2.164 billion in General Fund monies.

The Governor made good on threatened vetoes to bring the state operating budget, HB 75, and its capital budget, SB 100, into line with his objectives. Some 200 state jobs were eliminated due to the FY '04

budget. High on the list was the elimination of **Revenue Sharing/Safe Communities**. His original proposal for this program was a 25% reduction, which both houses of the Legislature supported. Now, it will be zero, and is expected to remain that way indefinitely. There is a modest amount of one-time federal money for distribution to communities to help with the reduction. **Capital Matching Grants** also went poof in this budget, and will likely not reappear next year.

The senior **Longevity Bonus** program was eliminated. A Senate compromise to phase it out over the next five years was rejected. The program is gone for good. The Governor put in place a new temporary program for one year. To be eligible for the Alaska Senior Assistance program, a senior age 65 or older may have an annual income of up to \$15,134 and liquid assets of up to \$4,000. If living with a spouse, applicants may have a combined annual income of up to \$20,439 and assets of up to \$6,000. Permanent Fund dividend income will not be counted. All eligible recipients will receive a \$120 a month benefit through June of 2004.

The Department of Health and Social Services initially estimated 7,500 senior Alaskans would be eligible for the program. To date, the department has received approximately 11,000 applications. After culling through the applications for duplications and defects it is expected that 6,531 will receive checks.

After the Governor's vetoes the budget reveals a \$343,000 reduction to the **Alcohol Safety Action Program**, which will result in the closure of Bethel, Dillingham, Kodiak and Seward's programs. Approximately, \$475,000 was cut from **child protection legal services**.

A Governor's veto's also cut \$962,000 from the **Village Public Safety Officer's Program**, effectively eliminating services in the Kodiak Island Borough, Southcentral, and Southeast Alaska.

Elsewhere, **oil industry** tax breaks worth at least \$50 million per year were made. Some say this benefit could be worth as much as \$100 million per year in the near future.

There were some significant cuts to the education budget: The Community Schools Program was zeroed out; Alyeska Central School was phased out; a new formula for pupil transportation was created which caps at district expenses in 2003; and efforts were made to deter schools from offering high quality pre-school to young students. The Governor eventually held the **education budget** harmless from further cuts, by signing SB 202, the bill that added \$32 million to the **Foundation Formula**, raising it to \$4,169 per student.

One significant cut to education effected by the legislative leadership was the reduction by \$2.2 million to the tuition program for **wards of the state**, such as children in foster care, and youth in detention.

The **University of Alaska** system received an additional \$6.9 million of the \$10.5 million increase requested.

The Legislature also passed a measure to reduce the number of pregnant women and uninsured children eligible to receive health coverage through Denali Kid Care. With eligibility now set at 175% of the poverty level (previously 200%) an estimated 30-50 pregnant women and 60-100 children will be denied coverage in the first year. The bill will also prevent approximately 9 individuals from qualifying for the nursing home and Community based waiver program.

2003 Bills Signed into Law

Criminal Law:

SB 8 : Tampering With Public Records Signed into Law - Chapter 141 SLA 03

Sponsored by Senator Bettye Davis, SB 8, modifies the crime of tampering with public records in the first degree to increase penalties for those cases where public records are destroyed or altered regarding children or vulnerable adults being served or investigated by a public agency. The new law would make these cases class C felonies, leaving the remainder of cases of altering a public document

as a class A misdemeanor. The change will help to ensure that accurate records will be available to a court.

HB 18 : Parental Liability for Child's Damage
Signed into Law - Chapter 94 SLA 03

Sponsored by Representative Kevin Meyer, HB 18 increases the amount a municipality, school district, religious or charitable organization may recover in damages from a parent, due to an intentional act of damage by a minor. The bill raises the limit from \$10,000 to \$15,000, and to as much as \$25,000 if the parent has an insurance policy that would compensate the claimant.

HB 68 : Office Of Victims' Rights: Include Municipalities.
Signed into Law - Chapter 6 SLA 03

Sponsored by Representative Ralph Samuels, HB 68 clarifies that municipalities are specifically included in the definition of a justice agency. It was the intent of the original bill for the Office of Victim's Rights to be able to communicate directly with the municipality, the police departments and the departments of law. This will give the Office of Victims' Rights the jurisdiction to act on behalf of the victims it represents with all critical agencies.

Constitutional/Civil Liberties:

HB 145 : Attorney Fees: Public Interest Litigants
Signed into Law – Chapter 86 SLA 03

Requested by the Governor, HB 145 abrogates the special status given to public interest litigants with respect to the award of attorney fees and costs. It would significantly change public interest litigant status and hold losing plaintiffs liable for the government's costs of litigation in constitutional cases and for both attorneys' fees and costs in other types of public interest cases, such as open meetings/public records lawsuits, lawsuits seeking to assert the rights of victims of domestic violence, lawsuits seeking to protect the rights of people with disabilities, or environmental lawsuits.

Many public interest groups and individuals in Alaska who might wish to bring public interest lawsuits may be chilled from challenging the government in court because the financial risk would be too great.

**HJR 22 : Patriot Act and Defending Civil Liberties
Legislative Resolve 27**

Sponsored by Representative John Coghill and Representative David Guttenberg, HJR 22 calls our leaders to caution with regard to the Patriot Act and urges them to apply the Constitutional principles that are meant to "secure the blessings of liberty" and not to erode the public confidence in our government through abuses of power.

Domestic Violence & Sexual Assault:

**SB 85 : Repeat Serious Sex Offenses
Signed into Law - Chapter 90 SLA 03**

Sponsored by Senator Hollis French, SB 85 would give repeat sex offenders longer sentences and require them to serve out their full terms.

The bill has two purposes: first, to increase the penalties for repeat sex offenders; and second, to eliminate "good time" or reduction in time served for these offenders. SB85 establishes a separate and more stringent set of sentencing guidelines for those who commit a second or subsequent sexual offense or commit a sexual felony after a prior felony conviction.

**HB 1 : Stalking & Protective Orders
Signed into Law - Chapter 87 SLA 03**

Sponsored by Representative Cheryll Heinze and Representative Harry Crawford, HB 1 allows the victims of stalking to seek and obtain a protective order in cases of stalking that are not crimes involving domestic violence. The bill streamlines the process for public safety and judicial practitioners by harmonizing the arrest and notification procedures to mirror those already in place for domestic violence situations. The bill also adds the crimes of violation of a child protective order and violation of a stalking protective order.

HB 2 : Civil Statute Of Limitations/Sex Offenses
Signed into Law - Chapter 40 SLA 03

Sponsored by Representative Kevin Meyer, HB 2 establishes the civil statute of limitations at three years for misdemeanor sexual assault, misdemeanor sexual abuse of a minor, incest, and felony indecent exposure. Under HB 2 Unlawful Exploitation of a Minor, a class B felony, is added to the list of sexual assault crimes in which the civil statute of limitations is removed.

HB 12 : Harassment by Electronic Communication
Signed into Law -Chapter 13 SLA 03

Sponsored by Representative Kevin Meyer, House Bill 12 adds obscene email and email that threatens physical injury or sexual contact to the legal definition of harassment.

HB 49 : Expand DNA Database
Signed into Law - Chapter 88 SLA 03

Sponsored by Representative Tom Anderson and Representative Mike Hawker, HB 49 requires all convicted felons and sexual offenders, including those in custody, to submit DNA samples to the Alaska State Database. Juveniles adjudicated and in custody on the same offenses must also submit samples to the database.

HB 52 : Sex Crime And Pornography Forfeitures
Signed into Law - Chapter 41 SLA 03

Sponsored by Representative Lesil McGuire, HB 52 will give courts additional punitive sentencing options against sexual predators and awards forfeited computer technology to law enforcement agencies for ongoing monitoring operations. HB 52 also makes providing billing services for a child pornography website a felony.

Education:

SB 25 : AHFC Loans To Educators & Nurses Signed into Law - Chapter 126 SLA 03

Sponsored by Senator Gary Wilken, SB 25 would provide an incentive for trained teachers, counselors, and administrators to enter into the profession and settle down in local communities, by providing them with no money down financing for a home.

HB 165 : Community Schools Signed into Law - Chapter 99 SLA 03

Requested by the Governor, HB 165 repeals the statutes that establish the community schools grant program. Since its inception in 1975, the program has granted more than \$30 million to help local school districts establish community schools. This change reduced General Fund spending by \$500,000.

HB 174 : Correspondence Study Signed into Law - Chapter 114 SLA 03

Requested by the Governor, HB 174 eliminates the Alyeska Central School's summer program in summer 2003 and the entire program in summer 2004.

Health & Social Services:

SB 41 : Medicaid Costs And Crimes Signed into Law - Chapter 66 SLA 03

Sponsored by Senator Lyda Green, SB 41 establishes the crime of medical assistance fraud, defines the elements that constitute the fraud and classifies the crime committed either as a felon or a misdemeanor.

SB 78 : Medicaid For Breast & Cervical Cancer Signed into Law - Chapter 9 SLA 03

Sponsored by Senator Lyda Green, SB 78 removes the sunset provision of the 2001 legislation and allows for women who have

been participating in the program to continue, as well as allowing access to the program for women diagnosed in the future.

**SB 105 : Medicaid: Children/Pregnant Women/Facility
Signed into Law - Chapter 34 SLA 03**

Requested by the Governor, SB 105 reduces Denali Kid Care eligibility from 200% percent of the federal poverty guideline to 175%.

SB 105 also freezes the income eligibility standard at the 2003 level for individuals eligible for Medicaid under the nursing home and community based waiver program.

**SB 109 : Medicaid Cost Containment & Priority List
Signed into Law - Chapter 106 SLA 03**

Requested by the Governor, SB 109 repeals the statutory priority list of services, which directs the Department of Health and Social Services to eliminate services in a particular order in the event it has insufficient funds to meet the demands of the Medicaid program. In its place, DHSS is given the authority to engage in cost-containment efforts when there are budget shortfalls. This change in the law gives the department control to contain costs and address budget shortfalls. The department may not eliminate coverage or services that are mandatory under federal or state law.

**SB 123: Subsidized Guardianships and Adoptions
Signed into Law - Chapter 31 SLA 03**

Requested by the Governor, SB 123 repeals a requirement in state law that the Department of Health and Social Services conduct an annual reevaluation of the adoption or guardianship subsidy payments given to persons who adopt or become legal guardians for hard-to-place children. Instead, the department will now review the amount of the subsidy upon request from the person receiving the subsidy. Adoptive parents and guardians have the right to request a review of their subsidy payments at any time. Repealing the required annual review will not affect this right, but will result in a cost reducing measure for the department in the amount of \$185,000.

**SB 157: Denies Medicaid for Out-of-state Inpatient Psychiatric
Signed into Law - Chapter 137 SLA 03**

Sponsored by Senator Lyda Green, SB 157 denies Medicaid coverage for out-of-state inpatient psychiatric services for persons under the age of 21, unless specific criteria are met. Specifically, the services could not be available in Alaska, and must be appropriate to address the person's needs. The aim of the bill is to ensure that, when children in need of psychiatric care are placed out-of-state, all options in Alaska have been exhausted.

**HB 229: Parole For Medical/Cognitive Disability/SARS Control
Signed into Law - Chapter 25 SLA 03**

Sponsored by the House Finance Committee, HB 229 allows prisoners with medical or cognitive disabilities to be released on parole. The prisoner's condition must be such that he or she will not pose a threat to the public. HB 229 also authorizes the state to establish a Severe Acute Respiratory Syndrome (SARS) control program in the Department of Health and Social Services.

**HB 135 : Marital & Family Therapists
Signed into Law - Chapter 152 SLA 03**

Sponsored by Representative Peggy Wilson, HB 135 adds the Board of Marital and Family Therapy to the list of boards that may request the Division of Occupational Licensing to contract for substance abuse treatment under licensed therapists. HB 135 also gives the Board of Marital and Family Therapy authority to order a licensed marital and family therapist to submit to a reasonable physical or mental examination if the board has credible evidence sufficient to conclude that the therapist's physical or mental capacity to practice safely is at issue; allows for individual client contact to be used as hours toward licensing; requires the therapist to communicate to a potential victim or law enforcement officer if a threat of imminent serious physical harm to an identified victim has been made by a client; and imposes disciplinary sanctions with regard to therapist sexual misconduct.

Insurance:

HB 195 : Individual Health Care Insurance Signed into Law - Chapter 102 SLA 03

Sponsored by Representative Norman Rokeberg, HB 195 amends the Alaska Comprehensive Health Insurance (ACHIA) statutes, which offer health insurance coverage to high-risk individuals, to include those who are eligible under the Trade Adjustment Assistance Reform Act of 2002 (TAA). The TAA provides financial assistance in paying for qualified health insurance for workers who have lost their jobs due to the impacts of international trade.

SB 13 : Insurance Discrimination By Credit Rating Signed into Law - Chapter 150 SLA 2003

Sponsored by Senator John Cowdery and Senator Kim Elton, SB 13 would prohibit insurance companies in Alaska from using credit scores in underwriting or rate setting for car or home insurance.

Labor:

HB 199 : Delete Minimum Wage Inflation – Proofing Signed into Law - Chapter 148 SLA 03

Sponsored by Representative Norman Rokeberg, HB 199 removes the annual automatic adjustment to the minimum wage based on the rate of inflation.

Lobbying Laws:

SB 89 : Lobbying/Legislative Ethics Signed into Law - Chapter 115 SLA 03

Sponsored by Senator Ralph Seekins, SB 89, a bill that among other provisions, will increase the amount of time a private citizen may lobby legislators without having to register as a lobbyist with the Alaska Public Offices Commission.

It clarifies that people who do business with the government are not lobbyists when they spend time securing required permits, when they are involved in the procurement process, buying and selling to the government, or when they are involved in securing grants, or people who are involved in collective bargaining. It also allows people to visit their legislators for legislative "fly-ins" and spend the day meeting with legislators without registering as lobbyists.

**SB 119 : Amends Disclosure Laws
Signed into Law - Chapter 108 SLA 03**

Requested by the Governor, SB 119 amends the campaign disclosure, legislative financial disclosure, public official financial disclosure, and regulation of lobbying laws. It streamlines enforcement of the disclosure laws, increases contribution limits and reporting thresholds, and generates new revenue to the state through increased registration fees for lobbyists. It streamlines the Alaska Public Offices Commission's complaint investigation process, requires disclosure of all contributions to groups and candidates, and increases the amount an individual may contribute from \$500 to \$1000. The bill also increases the amount a political party may contribute from \$5,000 to \$10,000 and increases the amount a group (not a political party) may contribute from \$1000 to \$2000. It increases the reporting threshold for legislative financial disclosure statements from \$1000 to \$5000 and increases the amount of lobbyist registration fees from \$100 to \$250 per client per year.

Revenue Increases:

**SB 106 : Fees For Tires
Signed into Law - Chapter 131 SLA 03**

Requested by the Governor, SB 106 imposes a fee of \$2.50 per tire on the retail sale of new tires for motor vehicles designed for use on a highway (effective September 26, 2003), and a fee of \$5 per studded tire sold on or after July 1, 2004. The bill also provides that retailers

can keep five percent of the tax, up to \$900 per quarter, for collecting the fees on behalf of the state.

**HB 11 : Deposits To The Permanent Fund
Signed into Law - Chapter 22 SLA 03**

Sponsored by Representative Norman Rokeberg, HB 11 changes the statute that directs 50-percent of Alaska's mineral revenues to the Permanent Fund and returns the amount to the constitutionally required 25-percent. The change would generate an estimated \$42.9 million (average) per year over the next seven years, and \$59.7 million in FY 2004 at an estimate \$25.28 per barrel average.

**HB 162 : Increase Business License Fee
Signed into Law - Chapter 47 SLA 03**

Requested by the Governor, HB 162 increases the fee for a business license from \$50.00 a year to \$200.00 a year.

**HB 271 : Establishes a Passenger Vehicle Rental Tax
Signed into Law - Chapter 105 SLA 03**

Sponsored by Representative Pete Kott, HB 271 establishes a passenger vehicle rental tax of ten percent, and a recreational vehicle rental tax of three percent of all fees charged to the renter. The administration estimates this rental vehicle tax will raise an additional \$6 million each year in new revenue, most of which will come from out-of-state visitors.

Tobacco Control:

**SB 168 : Cigarette Sale/Distribution
Signed into Law - Chapter 109 SLA 03**

Sponsored by the Senate Labor and Commerce Committee, SB 168 would more adequately regulate the collection of taxes on cigarettes. There is an unknown quantity of untaxed cigarettes imported into the state of Alaska every year and existing laws make it difficult to track their numbers. All cigarette purchasers should be paying tax equally, whether purchasing over the counter or over the Internet.

**HB 224 : Cigarette Sales Requirement
Signed into Law - Chapter 103 SLA 03**

Requested by the Governor, HB 224 requires tobacco product manufacturers to annually certify that they are in compliance with the Master Settlement Agreement. The Department of Revenue will publish and update a directory of cigarettes that are approved for sale in this state. Cigarettes that are not listed in this directory are contraband and may not be sold in the state. The bill provides for civil penalties for selling or possessing contraband cigarettes.

**SB 168 : Requires a State Cigarette Tax Stamp
Signed into Law - Chapter 109 SLA 03**

Requested by the Governor, SB 168 requires a state cigarette tax stamp to be affixed to every cigarette pack sold or imported into Alaska. The stamp will verify that the state tax has been paid on the cigarettes, and is intended to cut down on bootlegging and illegal internet sales of tax-free cigarettes. The state estimates an increase of cigarette tax revenue from this law to be \$3.5 million per year.

Pending Legislation for 2003-2004

**SB 30 : Abortion: Informed Consent; Information
Passed Senate**

Senate Bill 30 passed out of the House Health, Education and Social Services Committee at the end of the session. Sponsored by Senator Fred Dyson, SB 30 requires doctors to give patients information on fetal development, adoption and the health risks of abortion, and patients would have to wait 24 hours before the procedure. SB 30 also would allow women who have an abortion to sue their doctors for civil damages if they do not provide the information. Doctors would also be required to present women with information describing, and photographs depicting, fetal development from fertilization to full term.

The proposal would give the Department of Health and Social Services \$20,000 to create a Web site that provides the information doctors are required to give their patients. The Department would

also develop the information doctors would have to present to their patients.

The bill passed out of the House Hess Committee after being amended to be the same bill as HB 292, and is now in House Judiciary.

**HB 27 : Driving While Intoxicated:
No Hearing Held In House**

Sponsored by Representative Bob Lynn, the bill makes it a crime if the person was aware that the person was pregnant or there was a passenger in the vehicle and the person was aware that the passenger was pregnant or was under nine years of age. In this case the court must double the minimum sentence of imprisonment and the fine imposed.

**SB 156 : Pregnancy Alcohol Warning
Still In Senate**

sponsored by Senator Fred Dyson, SB 156 would require a notification and informational warnings about Prenatal Alcohol Poisoning of unborn children to accompany products used by sexually active people including pregnancy testing kits, contraceptive devices, and birth control prescriptions. SB 156 moved out of the Senate Health and Education and Social Service Committee and is now in the Senate Rules Committee.

**SB 158 : Move Domestic Violence Council to DHSS
Still In Senate**

Sponsored by the Senate Finance Committee, SB 158 transfers the Council on Domestic Violence and Sexual Assault from the Department of Public Safety to the Department of Health and Social Services. SB 158 moved out of Senate State Affairs and on to Senate Hess. Chair Senator Dyson held the bill until next year.

**HB 178 : Insurance Coverage For Contraceptives
No Hearing Held In House**

Sponsored by Representative Eric Croft, requires that the cost of contraceptives be included in certain health care insurance coverage.

**HB 10 : Group Health Insurance For Private Groups
Passed House**

Sponsored by Representative Cheryll Heinze and Representative Norman Rokeberg, HB 10 allows small businesses, nonprofit organizations, special services organizations, small associations, or self-employed individuals to create associations that can participate in group health insurance plans. These entities can then purchase health insurance coverage for their employees. HB 10 is now in the Senate Labor and Commerce Committee.

**HB 25 : Health Care Services Directives
Passed House**

Sponsored by Representative Bruce Weyhrauch, HB 25 offers a "comprehensive simplified" alternative to the power of attorney enacted in Alaska in 1996 relating to health care services and directives for the terminally ill patient. Five simple directives cover the patient's comprehensive details and instructions should they become incapacitated. HB 25 is now in the Senate and was referred to the Health and Education and Judiciary Committees.

**HB 92 : Clergy to Report Child Abuse
Passed House**

Sponsored by Representative Bob Lynn, HB 92 adds clergy to the list of people mandated by law to report child abuse to the appropriate authorities. HB 92 is now in the Senate and was referred to the Health and Education and Judiciary Committee.

**HB 108 : Screening Newborns For Hearing Ability
Still In House**

Sponsored by Representative Richard Foster, HB 108 ensures that newborns are screened for hearing defects, and that a reporting and

tracking system is implemented. HB 108 is now in the House Finance Committee.

**HB 211 : Nurse Education Loan Repayment Program
Passed House**

Sponsored by Representative Peggy Wilson, HB 211 establishes the Alaska Nurse Recruitment Loan Repayment Program to provide incentives for more nurses to work in Alaska. The program would offer up to \$2,000 per year, not to exceed \$10,000, to repay nursing loans. HB 211 is now in the Senate.

**HB 293 : State Sales And Use Tax
Still in House**

Sponsored by the House Special Committee on Ways and Means, HB 293 implements a three-percent sales tax, with certain exemptions. House Bill 293 moved back to the House Rules Committee from the House Floor where it remains.

**HB 294 : Feticide and Assaults on Fetuses
No Hearing Held In House**

Sponsored by Representative Bob Lynn, the bill is known as the Laci and Connor Peterson Victims of Violence Act. It amends the statutes by adding a new section regarding the murder of an unborn child.

**HB 286 : Restrict Medicaid Payment for Abortions
No Hearing Held In House**

Sponsored by Representative John Coghill, the bill restricts payment for abortions. A person can only get medical services assistance if the abortion is a medically necessary or is an abortion to terminate a pregnancy resulting from rape or incest.

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