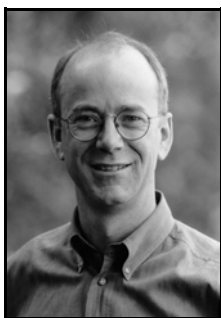


Capitol News

2006
Mid-Session
Report

Turnagain - Spenard - South Addition - North Star



Sen. French



Rep. Croft

Dear Neighbor,

As spring arrives in Juneau, the halls of the capitol are abuzz with Legislators, staff, concerned citizens, and lobbyists. Bills are moving through committees as the ending date for the 24th Legislature draws near.

The number one topic remains proposed changes to our state's oil taxes. Many of us feel this will be the most important issue we will see during our tenures as elected officials. Please see our article on this topic below.

Other major subjects to be addressed before adjournment are the state operating and capital budgets, education funding, and municipal revenue sharing. We remain committed to the belief that we can fund the state's basic needs and save half of this years surplus.

We hope you enjoy this brief update of our work here in Juneau, and urge you to contact our offices with any questions or concerns that you have. Your input is always greatly appreciated.

Sincerely,

Senator Hollis French & Representative Eric Croft

Big Changes Coming for the State's Oil Revenues

By: Sen. Hollis French and Rep. Eric Croft

The last major change to the State's oil production tax took place in 1989. Two years ago, we began to point out deficiencies in that system, which was commonly called 'ELF,' and we proposed legislation to fix the problem. This year the Governor also decided that our oil tax laws needed an overhaul. The Administration's bill goes by the name of PPT – Petroleum Profits Tax.

The basic idea behind PPT is to tax each company's net profits earned from their Alaskan oil production. Many modern oil tax codes use a similar structure. Of course, as with any tax, the devil is in the details. The two major components are the basic tax rate, and the accompanying tax credit that companies can earn for making investments. The two numbers are usually expressed in tandem: 25/20 means a twenty five percent basic tax on profits, and a twenty percent credit for investments.

Obviously, the stakes are high. The challenge for us is to find the tax rate that satisfies two goals: first, we must obey the state's Constitution, which mandates that we develop our oil resources "for the maximum benefit" of all the citizens of the State. Second, we must set the rate at a level that does not drive away the industry investments that are necessary to maintain our oil productivity.

To date the PPT bill is still a work in progress. For a detailed look at the proposal, go to www.akdemocrats.org/?ppt=primer This issue will continue to receive our full attention.



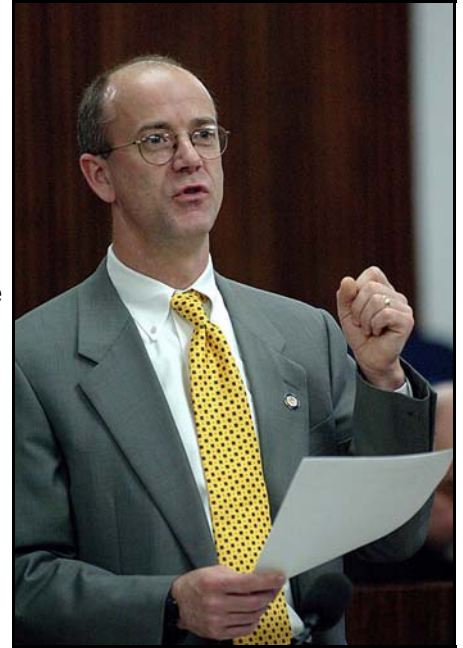
Legislation making neighborhoods safer passes the Senate!

By Sen. Hollis French

SB 249 -Last summer, my neighborhood swarmed with SWAT team officers who were called to a tense domestic violence situation. A man had barged into the home of his former spouse and threatened her. The police were called, and upon arrival the perpetrator fired a shot at them. After a several hour standoff, the arrest was made.

Two weeks later, I received a frantic call from a constituent who had seen the perpetrator, who had been bailed out of jail, back at the home where he'd been arrested. The police were called, but the patrol officer explained that he couldn't do anything because there was no information in his computer that stated the man did not have the right to be at that address.

Though the situation ended peacefully, it was clear that there needed to be a better way to inform police officers of an individual's bail conditions.



Sen. Hollis French debating on the Senate Floor

Senator French's Legislation in Action; Online Predators

Last year Sen. French's bill designed to further protect children from online predators was passed into law.

Just recently in Anchorage there have been 2 arrests of men who have used the internet to solicit sex with minors.

Sen. French's provisions, located in Senate Bill 140, were passed into law last fall. These recent cases are some of the first in which the state has been able to act to protect minors from this form of abuse.

All this led to my filing **Senate Bill 249**, which makes a change to the computer system that law enforcement officers rely on statewide. The legislation requires that bail conditions be listed in the Alaska Public Safety Information Network (APSIN).

It is particularly important that bail conditions be listed in the computer because they are frequently used to prohibit people from doing acts that are otherwise lawful: driving a car, being near a certain person or place, or consuming alcohol, for example.

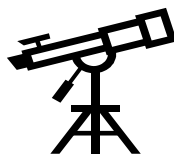
An updated APSIN will efficiently share public safety information and allow greater accountability for those awaiting trial.

SB 249 recently passed the Senate by an overwhelming vote.

Looking Ahead:

At least one special session seems likely...

Old hands in the Legislature are predicting at least one special session this coming summer and fall.



The topic will be the gasline and related subjects.

Note: Upon its release, the public will have at least a 30 day comment period on the gasline contract.

E-newsletters - Are you on our list?

Want to receive updates from our offices?

Send us a message and let us know to add your e-mail to our lists!

senator_hollis_french@legis.state.ak.us or **representative_eric-croft@legis.state.ak.us**

Representative Eric Croft Giving Teachers Time to Teach

Representative Croft introduced HB 247, the Time to Teach Act, to help reduce class sizes for our children in grades K-3. The bill provides grants to school districts that choose to reduce class sizes to 15 or fewer students. In addition, schools that agree to reduce class size receive substantially more state aid per student.

The Time to Teach Act allows this local control and flexibility. Making the program optional allows districts to decide when and how to reduce class sizes and prevents problems that could be caused by a law that mandates that all schools make reductions immediately. Schools should be able to work with parents and their communities to decide how and when they can take this step.

Parents understand how important small class size is for their children. This bill gives teachers time to teach, students time to learn, and schools the funding they need to support real education in Alaska.

Representative Croft Keeps His Promise

When session started with a \$1.2 billion surplus Representative Croft made a promise to his constituents. He sought out to save at least part of the surplus in the real savings account, the Alaska Permanent Fund.

During the floor session for the Fiscal Year 2007 Operating Budget, Rep. Croft proposed an amendment which would set aside \$300 million from the general fund and deposit into the Permanent Fund. In the past when Alaska had an unexpected surplus the Legislature would save at least part of it in a protected account such as the Permanent Fund. In fact, it was under this philosophy the Permanent Fund was created.

While both of these amendments failed to gain enough support to pass, he vows to continue fighting to bring fiscal discipline back to the legislature.



Rep. Croft discusses constituent concerns at this year's pizza party

Alaska's Little GI Bill for Our National Guard

Representative Croft introduced House Bill 387, Tuition Waiver for National Guard, with Representative Bill Thomas (R-Haines).

For years Alaska has had an education benefit for National Guard Members on the books, but often the funding ran out mid-year. Our Guard Members were left out in the cold.

HB 387 helps Alaska National Guard Members in three ways. First, the bill solves the current funding problems of tuition waivers that are promised to our Guard members but never received. Second, it gives a 50 percent tuition waiver to the spouse of Alaska National Guard members. Finally, HB 387 allows Alaska National Guard members to receive free hunting and fishing licenses.

HB 387 passed out of its first committee on a 6-1 vote.

We will never be able to repay the debt we owe to our military men and women, but making sure that they and their spouses get access to education is a good start.

French and Croft fight to for a fair Exxon Settlement

By: Sen. French and Rep. Croft

This session, we wrote and sponsored resolutions (HJR 29, SJR 17) to urge the federal and state governments to the apply for the full \$100 million available to Alaska through the “Re-opener for Unknown Injury” clause of Exxon Valdez Oil Spill 1991 civil settlement. The clause was included to cover unforeseen habitat and environmental damages caused by the 1989 spill in Prince William Sound. Under the terms of the settlement, Alaska has to apply before September 1, 2006.

Since the spill and settlement, scientists have found numerous unanticipated injuries to the spill zone. The 1993 crash of the Prince William Sound herring population was unexpected and may be attributed to the oil spill. A number of beaches in Prince William Sound still contain significant amounts of oil that have yet to biodegrade. We substantially underestimated the toxicity of crude oil to wildlife. These issues, among others, show the necessity of these additional restoration funds

We sent a letter to Governor Frank Murkowski on March 22 reminding him of the resolutions and urging him to request the \$100 million. This public pressure appears to be working. The administration has scheduled public hearings on the re-opener issues.

Please feel free to contact our offices if interested in an update on the public hearings.



Thank You!!

Our 2006 Neighborhood Pizza Party was a huge success. It was wonderful to see everyone who stopped by.

French & Croft

Mid-session Report 2006

Sen. Hollis French

State Capitol, Room 504
Juneau, AK 99801
866-465-3892
Fax: 907-465-6595
senator_hollis_
french@legis.state.ak.us

Rep. Eric Croft

State Capitol, Room 400
Juneau, AK 99801
800-689-4998
Fax: 907-465-4419
representative_
eric_croft@legis.
state.ak.us

Pre-Sort Standard
US Postage
PAID
Permit # 957
Anchorage, AK