

MINUTES
SENATE FINANCE COMMITTEE
March 25, 2002
9:18 AM

TAPES

SFC-02 # 41, Side A
SFC 02 # 41, Side B

CALL TO ORDER

Co-Chair Pete Kelly convened the meeting at approximately 9:18 AM.

PRESENT

Senator Pete Kelly, Co-Chair
Senator Dave Donley, Co-Chair
Senator Ward, Vice-Chair
Senator Loren Leman
Senator Lyda Green
Senator Gary Wilken
Senator Donald Olson
Senator Alan Austerman

Also Attending: REPRESENTATIVE FRED DYSON; HEATHER BRAKES, Staff to Senator Therriault; PAT DAVIDSON, Director, Division of Legislative Budget and Audit

Attending via Teleconference: From Anchorage: JEFF JESSEE, Executive Director, Mental Health Trust Authority, Department of Revenue; DAN BOCKHORST, Staff, Alaska Local Boundary Commission

SUMMARY INFORMATION

SB 342-LONG TERM CARE OMBUDSMAN

The Committee heard from the sponsor and the bill moved from Committee.

SB 270-BOARD OF DISPENSING OPTICIANS

The Committee heard from the sponsor and the Division of Legislative Budget and Audit. The bill moved from Committee.

HB 16-HOME RULE COMMUNITIES

The Committee heard from the sponsor, the Alaska Municipal League and the Alaska Local Boundary Commission. The bill was held in Committee.

[Note audio equipment malfunctioned. First portion of the meeting is not recorded on master audiocassette. Alternate recording is available although it is of poorer quality.]

#SB342

CS FOR SENATE BILL NO. 342(HES)

"An Act relating to the long term care ombudsman."

This was the first hearing for this bill in the Senate Finance Committee.

Senator Green, Chair of Senate Health, Education and Social Services Committee, spoke to the bill. She reminded the Committee about the previous year when the Long Term Care Ombudsman authority was transferred from the Department of Administration to the Mental Health Trust Authority (MHTA). She noted this change was made to prevent a potential conflict of interest. In the process of this transfer, she stated that a provider of assisted living and nursing care informed the MHTA that the Long Term Care Ombudsman would not be permitted on their premises due to certain language in the enabling statute.

Senator Green stated this legislation corrects the language error and provides access of the Long Term Care Ombudsman to facilities that provide assisted living or nursing care services for the purpose of investigating complaints. She stressed this ombudsman oversight is required by the federal government, which provides the majority of the funding for the ombudsman activities.

JEFF JESSEE, Executive Director, Mental Health Trust Authority, Department of Revenue, testified via teleconference from Anchorage that he is available to answer questions.

Senator Green offered a motion to report SB 342 from Committee with individual recommendations.

There was no objection and the CS SB 342 (HES), MOVED from Committee with accompanying zero fiscal note #1 from the Department of Administration.

#SB270

CS FOR SENATE BILL NO. 270(L&C)

"An Act extending the termination date of the Board of Dispensing Opticians; relating to the regulation of dispensing opticians; and providing for an effective date."

This was the first hearing for this bill in the Senate Finance Committee.

HEATHER BRAKES, Staff to Senator Therriault, testified this legislation was drafted based on an audit conducted by the Division of Legislative Budget and Audit and released by the Legislative Budget and Audit Committee on January 24, 2002.

Ms. Brakes stated that the audit "had several concerns about the Board". She said this included the disparity between the number of people who become licensed and the number of people registered to be apprentices, noting the 6,000-hour requirement for apprenticeship may unduly prohibit apprentices from obtaining their licenses. The auditors, she pointed out, suggest the Board reconsider the necessity of the 6,000-hour requirement. She informed that the Board of Dispensing Opticians agreed to a reduction, but requested a provision requiring completion of an \$800 correspondence course. She reiterated this would be a hardship to the employee and could possibly be shifted to the employer.

Ms. Brakes listed another concern identified in the audit relating to the Board's State examinations. She referenced a previous sunset review report issued by the Division of Legislative Budget and Audit in 1995, which recommended the Board "improve the objectivity and consistency of the State's exam." After again finding that the Board's process was "flawed", she remarked, the auditors suggest in the current report that the Board "give serious consideration" to discontinuation of the practical examination and instead utilize the nationally recognized exams available. She pointed out the nationally recognized exams are identified in SB 270.

Ms. Brakes cited language from the audit report, "The Board has not resolved the prior sunset audit recommendations related to the State practical examination. The objectivity and consistency of the State practical examination did not improve over the current sunset review period resulting in successful challenges by applicants who originally were determined to have failed the test."

Ms. Brakes continued that although the Board has offered several solutions, none would fully resolve the situation. She pointed out the audit makes an assessment that "eliminating the Board does have

merit in the future". She emphasized the legislation before the Committee does not eliminate the Board.

Co-Chair Kelly noted he reviewed the Legislative Budget and Audit report and clarified this legislation does not provide an extension date as long as normal because of the intent that the Board develop a more objective examination.

Ms. Brakes replied the legislation provides for the removal of the examination authority from the Board.

Co-Chair Kelly clarified the intent is that the Board would be re-audited sooner than would normally occur, and that the examination authority could be reinstated if the Board takes appropriation action.

Ms. Brakes concurred.

Co-Chair Kelly then noted the legislation also reduces the apprenticeship from 6,000 hours to 3,000 hours.

Ms. Brakes added that the legislation recognizes an associate's degree as a substitute for apprenticeship hours.

Senator Green asked for further explanation of the Board's recommendation for a course of study.

Ms. Brakes replied that the Board agreed to the audit's recommendation to reduce the number of apprenticeship hours required, however, the Board requested substitution of a correspondence course that would cost the apprentice \$800.

Co-Chair Kelly qualified this is not included in the bill.

Senator Green asked the reason.

PAT DAVIDSON, Director, Division of Legislative Budget and Audit, testified the correspondence course requirement was not included in the legislation because an employee of an Optometrist, Ophthalmologist, or dispensing Optician, who assists in the distribution of eyeglasses and contact lenses, must be an Apprentice Dispensing Optician.

Ms. Davidson reiterated there is a "wide discrepancy" between the number of apprentices and the number of dispensing opticians. She listed one reason as the length of time required to complete the apprenticeship, noting that many apprentices leave the field before completion. She listed as another reason that some apprentices do

not intend on becoming a dispensing optician as a career choice. Therefore, she stated that to require these employees to complete an \$800 course is unreasonable, given the lower salaries paid for these positions.

Ms. Davidson detailed the two methods for becoming licensed as a dispensing optician: experience in the field, or an associate degree. She noted passage of a state examination is required for both methods.

Senator Olson asked how this compares to other states.

Ms. Davidson responded that 22 other states either register dispensing opticians or have no minimum requirements. She remarked that the majority of states license dispensing opticians.

Senator Olson asked how the training requirements in Alaska compare to the states that license the practice.

Ms. Davidson replied the current 6,000-hour requirement in Alaska is not the highest, as a few other states require more time.

Senator Olson next wanted to know whether there is a difference between opticians working under the "guidance" of an ophthalmologist and those opticians working independently.

Ms. Davidson replied there is no difference for apprentices, as they all must operate under the supervision of a dispensing optician.

Senator Green asked if the apprenticeship is designed to train apprentices to become dispensing opticians or whether the intent is to provide an education.

Ms. Davidson answered both are correct. She stated that much of training for the job of dispensing optician involves "hands on" experience; however, a certain amount of studies is necessary to pass the national examination. She qualified that an apprentice could chose to take the correspondence class to prepare for the examination, although it is not necessary to require the course for everyone working as an apprentice.

Senator Wilken offered a motion to report SB 270 from Committee with individual recommendations and attached fiscal note.

There was no objection and CS SB 270 (L&C) MOVED from Committee with accompanying \$20,600 fiscal note #1 from the Department of Community and Economic Development.

#HB16

SENATE CS FOR CS FOR SS FOR HOUSE BILL NO. 16(JUD)

"An Act relating to cities incorporated under state law that are home rule communities; and providing for an effective date."

This was the first hearing for this bill in the Senate Finance Committee.

REPRESENTATIVE FRED DYSON, sponsor, requested the Committee to "raise the threshold" for home rule communities from 25 to 100 residents, which he stated Tam Cook of the Division of Legal and Research Services as deemed appropriate.

Representative Dyson reminded that the Alaska Constitution requires the Legislature to provide for maximum self-determination for communities.

Representative Dyson read Appendix C: Home Rule as a Native Self-Governance Option produced by the Economic Resource Group, The Institute for Social and Economic Research, University of Alaska, Anchorage into the record as follows. [Copy on file includes source references.]

Alaska's constitution establishes a policy of maximizing local self-government. This also is the goal of the Native peoples of Alaska have for themselves. As shown in this report, Native communities have pursued different paths toward this goal of self-government, many participating in the state system, others staying outside it. Home rule for rural Native communities is a largely unexplored self-governance option. Implementing home rule in most Native communities would require some changes in home rule requirements, but in general, anything that state can do to facilitate the development of self-governing instructions will benefit not only Alaska's Natives but the state's overall system of governance and would come closer to realizing the state's constitutionally expressed self-governance objective.

The second-class city status of many Native villages in Alaska does not carry with it any significant measure of local autonomy and control. Under this status, city governance and operations are carried out in accordance with state general law, with no leeway for adaptation to traditional values or local circumstances. The main benefits of this status have

come from higher state revenue sharing payments and greater access to other state assistance programs than are possible for unincorporated areas. However, the state constitution provides the means to create local governments that could be far more adaptable and appropriate for rural Alaska than the existing municipal system.

Alaska's home rule provision is the most extensive in the United States. It provides that "a home rule borough or city may exercise all legislative powers not prohibited by law or by charter." Exercising "legislative powers" essentially means that a home rule jurisdiction can have any powers that the Alaska state legislature has, subject only to limitations of the state constitution, state statutes, and the municipality's own charter. The legislature has enumerated a number of specific limits on home rule organization and powers, but beyond these, the community itself can determine how to design its own government.

Under current law, first class cities and communities with a permanent population of over 400 people can attain home rule by an affirmative vote of the people and their adoption of a charter. However, there is no particular reason to retain these classification and size constraints on this particular form of self-government. The constitution allows home rule to be extended to other classes of cities. It would take only an act of the legislature to allow other communities in Alaska to adopt home rule charters.

Making home rule available to rural communities would be a significant step toward more effective local government. This is especially the case where Natives constitute a clear majority of the population and can expect continued control of the local government, and where tribal institutions and village corporations work together. Instead of having to follow everything that is spelled out in general law, as is now required in second class cities, a home rule community would be able to design its own government to meet its own needs, circumstances, and objectives. Along with the ability to create a more appropriate municipal governance structure, home rule could provide tools for the effective exercise of law enforcement and other police powers, management of land and resources, protection of subsistence habitat and environmental quality, and for carrying out other public responsibilities.

To accomplish some of these objectives, home rule city boundaries would need to include sufficient land, water, and

subsistence resources to protect the community and its ways of making a living, and the state would need to remove existing statutory obstacles to effective local control and adaptation to local ways of self-governing. Finally, the state would need to abide by the constitutional directive that "A liberal construction shall be given to the powers of local government units."

Representative Dyson expressed, "These are really the marching orders that we've been working at nearly six years on this project."

Senator Ward asked the "floor" population level for a second-class city.

Representative Dyson replied the amount is currently 25, although he recommends increasing the number to 100.

Representative Dyson pointed out that the Alaska Municipal League, the Southeast League and a number of communities have endorsed this legislation and plan to organize into local governments if it passes into law. He assured there would not be a significant difference in the amount of funds allocated to the communities. However, he stressed, the "far more official and recognized" manner in which to receive those funds.

Senator Ward shared that with the exception of the identified large groups of Bethel, Goldbelt, Sitka, etc., the Alaska National Interest Lands Conservation Act (ANILCA) required village corporations have at least 24 shareholders. Otherwise, he pointed out, the village was classified as a "group". He asked the number of ANILCA-certified groups.

Representative Dyson did not know the number.

Co-Chair Kelly remarked that statutes governing a second-class city exist and are almost identical to the proposed home rule community structure. He asked why this legislation is necessary, as interested communities could opt to form second-class cities.

Representative Dyson replied this legislation allows the potential cities to write their own charter, to "tailor" it to the cultural background of the community, and to determine the type of government and scope of responsibilities desired.

Co-Chair Kelly stated second-class cities do not write their own charter.

Representative Dyson furthered that a second-class city must follow the Alaska State General Law Provisions, which he characterized as a model municipal charter, and is often not appropriate for rural communities or Native communities.

Co-Chair Kelly asked if second-class cities are audited every five years and whether the home rule communities established under this legislation would also require audits.

Representative Dyson replied audits would not be required of home rule communities but could be performed. Instead, he stated, these governments would be required to submit an authorized version of their records.

Senator Wilken expressed several concerns with this legislation although he appreciated Representative Dyson's intent.

Senator Wilken asserted, "This bill flies in the face of our constitution." He cited Article X, Section 1 of the Alaska Constitution, "The purpose of this Article is to provide for maximum local self government," as discussed, but noted the sentence continues, "...with a minimum of local government units". He opined the State should be organizing into more efficient governments rather than more inefficient governments.

Senator Wilken next read from Section III of Article X, "...the standards shall include population, geography, economy, transportation and other factors.

Senator Wilken asked how home rule communities would relate to the organization of Alaska into local governments. To answer, he pointed out that only the language, "or a home rule community" is added to existing law.

Senator Wilken directed attention to a spreadsheet, "Standards for Borough Incorporation" and to charts he had distributed [copies on file], one showing the relationship of local governments and boroughs that serve several communities, and the other showing the autonomy home rule communities would have under this legislation. He noted the sixteen criteria listed on the spreadsheets must be met before a borough could be incorporated. He opined that rather than "working toward the good of a common unit" as specified in the State constitution, the home rule community proposal would create local governments within an area each with their own self-interests.

Senator Wilken mentioned there are 11 ways to organize a community in Alaska, referencing the spreadsheet, "Structures of Local

Government in Alaska" [copy on file]. He pointed out the proposed home rule communities would be identical to second-class cities with the exception that the home rule communities would be powered by a charter.

Senator Wilken remarked that a charter is "organic law" and equates to a constitution for a municipality. He stressed these charters are very powerful, but are difficult to write and require expertise. He spoke to a proposed city charter rejected the year prior that would have overruled actions of the State Legislature.

Senator Wilken noted this legislation would allow up to 200 different charters across the state and the Legislature would have no input into the powers granted by those charters. He suggested the charters could be written with no consideration for "their neighbors down the street, down the river or across the mountain."

Senator Wilken stated this legislation allows rural communities to continue, "shirking their responsibility for local education." He explained the bill provides that home rule communities are not required to contribute to education costs. He compared organized communities in the state and the \$269 million total amount of funds they contributed to education, to unorganized communities, which contributed no funds. He ascertained that this bill allows the continuation of "a major problem in this State today."

Senator Wilken commented that this legislation is contrary to the goals of the Alaska Municipal League of maximum local governance with minimal governing units. He relayed that although he has been told the organization supports the bill, he has yet to see written confirmation of such.

Representative Dyson responded by agreeing with Senator Wilken regarding the State constitutional "encouragement" of a minimum number of governments. Representative Dyson furthered that requiring multiple villages that are separated by distance to operate as one city, is unreasonable, although he predicted a pattern whereby each community would organize as one government with several communities collaborating into a borough. He expected that allowing communities to organize under State law would encourage the process of the aggregation "that we all want." He also anticipated several second-class cities would convert to home rule communities for the purpose of writing a charter that most accurately reflects their culture and needs.

Representative Dyson referenced communities organizing under the proposed home rule method, and disputed that this "does anything to make them more selfish." He predicted the self-interests would not

change remarkably, although the formation of self-government would give residents a broader interest and a means for communicating with other communities. He shared his experiences of working in approximately 20 villages on power plants and wastewater treatment plants. He told of the multiple governing bodies in the unorganized communities and the lower esteem granted to the State government.

Representative Dyson remarked there would be no "down side" to the addition of home rule communities to the options of municipal government.

Representative Dyson disagreed with Senator Wilken and with the Local Boundary Commission that writing charters would not be too difficult for communities. He shared that two former members of the Local Boundary Commission recently formed a private company to consult with communities on these matters. He also noted the governments of Native communities in Canada could be used as a model. He disputed the claim that writing a charter would place a burden on communities forming a home rule government, expressing it is an "elitist attitude" that the State must protect the local residents in the event they "mess it up" or are "mischievous". He stated that people could make their own decisions, and mistakes, and learn from them. He expressed that to deny communities the ability to organize because of these concerns, "is absolutely against every concept I know in the whole movement of freedom and democracy and constitutional government in our world. I am not afraid of freedom. I'm not afraid of giving everyone out there the chance to make their own decisions write their own constitution and to make mistakes." He compared this situation to that of being a parent and allowing children to make their own decisions.

Representative Dyson agreed with Senator Wilken's assertion that the issue of contributions to local education costs is important and must be addressed.

Representative Dyson expressed his intent is to provide further incentive for local communities to organize local governments.

Co-Chair Kelly spoke of a construction company no longer in business that was instructed by certain government representatives that the company would be required to conduct business in a specific manner.

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Co-Chair Kelly informed that this company was cautioned that

permits for projects located in some organized communities "might not be forthcoming" if the company "didn't play ball". He noted the company did not conform to the requirements and subsequently did not receive the necessary permits. He asserted this practice, which he characterized as extortion, might be continuing, although it could not be proven.

Co-Chair Kelly questioned whether creating this new form of local government could potentially establish 200 organizations with the ability to issue permits based on criteria greater than that of the State. He asked if this would place small groups of people in a position of significant power in determining how funds are spent in private industry. He summarized his concern that this process could create "an entirely new permitting regime that could be used to leverage dollars in the private sector or otherwise."

Representative Dyson responded this is a danger, and that there is always concern that when granting power, it could be misused. He predicted in the next five years that 12 communities would become organized under the proposed home rule provisions, rather than 200. However, he assured that because these communities would be organized under State law, there would be more opportunity to address problems. He reminded, "Illegal activity is still illegal". He reiterated he is willing to take the risk that some communities would "do it wrong" to allow more communities to organize.

Senator Ward commented that both Representative Dyson and Senator Wilken have described a problem. Senator Ward suggested including a provision in this bill that would allow a community to write a charter but would impose certain restrictions relating to taxation for education. He surmised that a significant number of residents of unorganized communities would contribute to education funding although there is currently no method for them to do so.

Representative Dyson replied that "major discussion" on this matter has occurred over the past three years. However, he expressed his intent to create the home rule community system independently to funding and specifically, taxation. He spoke to legislation passed by the House of Representatives that includes taxation for education funding and other governmental services.

Representative Dyson anticipated several communities would utilize their current Indian Reorganization Act (IRA) structure and convert to home rule communities. He clarified that no "racial component" would be allowed under State law relating to who could vote or hold office.

Senator Wilken pointed out that other legislation, SB 48, establishes a system to analyze whether communities are "ready" for self-government. He noted that audits are not required for second-class cities currently. This underscored to him that there is no difference between the proposed home rule community and second-class city structures, with the exception of the charter. He stressed the state would have no oversight for the charter of a home rule community. This was "important" and "troublesome" to him.

Senator Green expressed the need to consider this matter carefully. She asked if a recognized sovereign community, or IRA, must have a racially defined component or characteristic.

Senator Olson answered no; there is no stipulation that a certain percentage of the residents of such a community must be of a specific ethnic background.

Senator Ward countered that the US Secretary of the Interior must certify a community for it to be recognized under IRA, and that the Secretary would not certify if the residents were not Native American. Therefore, he stated there is a racial component.

Senator Olson agreed, but clarified that a community of 100 residents could still qualify if 25 residents are white and 25 are Native.

Senator Ward acquiesced and specified that the "overriding government" of an IRA must be a Native organization.

Senator Green next asked if there are other methods, beside IRA, to qualify as a recognized sovereign community by the federal government.

Senator Olson responded no.

Senator Ward explained there are there is a real difference between an IRA and a sovereign nation

Co-Chair Kelly asked for clarification of IRA.

Senator Ward explained that the IRA was developed to address the situation of Native Americans in the Lower 48 and their ability to self-govern. He stated that when the Native Claims Settlement Act was adopted in 1971, it was established there would be no recognized sovereign Native nations in Alaska with the exception of some existing nations including Metlakatla, Tyonek and Arctic Village. He noted that communities attempted to become certified as sovereign nations after this date due to funding opportunities and

because of these efforts, it was decided that all 214 villages are equivalent to an IRA. However, he qualified, not all villages are certified as IRA.

Co-Chair Kelly asked the number of IRA villages.

Senator Olson explained that the IRA passed the US Congress in 1936 with the goal to grant additional self-determination to Native community members. He stated that federal funding has since provided further incentive for communities to organize under the IRA.

Senator Ward responded to Co-Chair Kelly's question that there are approximately 50 recognized IRA communities. He stressed there is significant effort required to become recognized.

Senator Austerman commented there is an IRA village located on Kodiak Island, which is ineligible to receive State municipal matching grants.

KEVIN RITCHIE, Alaska Municipal League, testified that the League's Local Government Subcommittee/Legislative Committee reviewed the legislation and provided conceptual support. However, he emphasized the group did not consider the "significant change in the powers of communities" and instead considered the options of allowing a community to determine the type of government.

Mr. Ritchie appreciated the Committee's discussion, asserting that the future of municipal governments in Alaska is important.

Senator Green asked the League's definition of municipality.

Mr. Ritchie replied the League follows the State's definition: a local government created under the rules and regulations of the State of Alaska. He understood that a home rule community would be defined as a city under this legislation, although it was not specifically stated as such in the bill title.

Senator Green asked about population perimeters.

Mr. Ritchie responded that statute establishes population perimeters for the different types of municipalities.

Senator Wilken asked the League's position on the bill.

Mr. Ritchie reiterated the League has supported the bill conceptually, but qualified the Committee has discussed different issues, which could impact the position. He informed that when the

subcommittee reviewed the legislation, it was under the impression that there would be no significant change to municipal powers.

Senator Ward asked the relationship between the League and IRA communities.

Mr. Ritchie replied there is no formal relationship at present.

Senator Ward asked if the League would oppose this legislation if a provision were added to require a mandatory contribution for education funding.

Mr. Ritchie stated he would pose the question to the League.

Representative Dyson remarked he has made no effort to encourage those parties in support of this legislation to contact the Committee. He stated, "I have naively assumed, and it has been true all through the committee process, that this thing is so self-evidently valuable and we have such widespread support within the legislative body for self-determination and removing barriers and making it attractive."

Representative Dyson opined this discussion has identified that the "crux of the issue" relates to philosophical differences between Senator Wilken and himself. He stated, "Senator Wilken sees that giving the folks the right to, and the opportunity, to write their own constitution and not have State supervision, as long as they do it within our constitutional framework and the legal framework. He sees that as an issue of grave concern. I see that as an issue of great celebration: giving folks the freedom to do whatever the heck they darn well do within constitutional boundaries, not having State government, Big Brother, looking over their shoulder, is a marvelous opportunity and a cause for great celebration."

Co-Chair Kelly commented that if the Legislature were "working under the assumptions of a Bill of Rights, where all people are equal, maybe we wouldn't be afraid; but in this state, all people are not equal. Adding the power of a government to those who already are throwing around incredible economic weight might just scare them. I don't see this as a liberty issue because the roles are scrambled in Alaska anymore; you can't talk about liberty anymore. If you were to apply this in a situation of complete equality, like the Founding Fathers had assumed, I'd buy into it. We don't have that. We don't have anywhere that in this State right now."

Co-Chair Kelly announced he would hold the bill in Committee and that he had conveyed such to Representative Dyson before the

hearing was scheduled.

DAN BOCKHORST, Staff, Alaska Local Boundary Commission, testified via teleconference from Anchorage, to inform that the Commission has the responsibility under State law to act on petitions for incorporations of city and borough governments, city reclassification, municipal annexation, merger, consolidation, detachment and disillusion. He stated the Commission reviewed this legislation at a meeting held March 9, 2002, and authored a letter to the Committee on the matter [copy on file.] He summarized the contents of the letter, noting the Commission recognizes that HB 16 is "well intended" and that the Commission formally commended the sponsor for "seeking ways to enhance local government in Alaska."

Mr. Bockhorst pointed out, however, two "fundamental concerns" detailed in the correspondence, the first questioning the need for a new type of local government as the Commission concludes that existing options are available for flexibility and adaptability for self-governance. He detailed the options currently available for local governments and noted the similarities of the second-class city structure to the proposed home rule community structure.

Mr. Bockhorst listed the second concern as relating to the requirement that the community develop a legally sound charter. He informed that currently only boroughs and first-class city governments could develop charters, which also have statutory restrictions. He spoke to difficulties encounters by communities attempting to draft charters.

Senator Leman shared that 38 years ago, when he was in the eighth grade, he studied the Alaska Constitution and anticipated that all Alaska communities would be organized by this time. He shared some of Senator Wilken's concerns on this matter. Senator Leman expressed his intent that Alaska residents in unorganized communities should "be participating". He asked whether this legislation provides a "better mechanism" for this to occur, and he surmised it would.

Senator Leman addressed the concern regarding granting of construction permits and noted state and federal laws define illegal activities.

Senator Leman expressed, "Within the broader context, I believe that giving communities and people the opportunities for some self-determination... is probably a good thing to do and will advance us toward the goal that many of us have."

Co-Chair Kelly ordered the bill HELD in Committee.

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ADJOURNMENT

Co-Chair Pete Kelly adjourned the meeting at 10:37 AM