

**ALASKA STATE LEGISLATURE  
HOUSE STATE AFFAIRS STANDING COMMITTEE**

March 25, 2003

8:04 a.m.

**MEMBERS PRESENT**

Representative Bruce Weyhrauch, Chair  
Representative Jim Holm, Vice Chair  
Representative Nancy Dahlstrom  
Representative Bob Lynn  
Representative Paul Seaton  
Representative Ethan Berkowitz  
Representative Max Gruenberg

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

CS FOR SENATE CONCURRENT RESOLUTION NO. 4(STA)  
Relating to Avalanche Awareness Month.

- MOVED HCS CSSCR 4(STA) OUT OF COMMITTEE

HOUSE BILL NO. 109

"An Act relating to the limitation on payment of state treasury warrants; and providing for an effective date."

- MOVED CSHB 109(STA) OUT OF COMMITTEE

HOUSE BILL NO. 31

"An Act relating to initiative and referendum petitions; and providing for an effective date."

- MOVED HB 31 OUT OF COMMITTEE

HOUSE JOINT RESOLUTION NO. 5

Proposing an amendment to the Constitution of the State of Alaska relating to initiative and referendum petitions.

- MOVED HJR 5 OUT OF COMMITTEE

**PREVIOUS ACTION**

BILL: SCR 4

SHORT TITLE: AVALANCHE AWARENESS MONTH  
SPONSOR(S): SENATOR(S) GREEN

Jrn-Date	Jrn-Page		Action
02/19/03	0221	(S)	READ THE FIRST TIME - REFERRALS
02/19/03	0221	(S)	STA
03/06/03		(S)	STA AT 3:30 PM BELTZ 211
03/06/03		(S)	Moved CSSCR 4(STA) Out of Committee
03/06/03		(S)	MINUTE(STA)
03/10/03	0448	(S)	STA RPT CS 3DP SAME TITLE
03/10/03	0448	(S)	DP: STEVENS G, COWDERY, DYSON
03/10/03	0448	(S)	FN1: ZERO(S.STA)
03/12/03	0479	(S)	RULES TO CALENDAR 3/12/2003
03/12/03	0479	(S)	READ THE SECOND TIME
03/12/03	0479	(S)	STA CS ADOPTED UNAN CONSENT
03/12/03	0479	(S)	COSPONSOR(S): HOFFMAN, DAVIS, STEVENS G
03/12/03	0479	(S)	PASSED Y19 N- E1
03/12/03	0480	(S)	TRANSMITTED TO (H)
03/12/03	0480	(S)	VERSION: CSSCR 4(STA)
03/14/03	0531	(H)	READ THE FIRST TIME - REFERRALS
03/14/03	0531	(H)	STA
03/19/03	0595	(H)	CROSS SPONSOR(S): LYNN
03/25/03		(H)	STA AT 8:00 AM CAPITOL 102

BILL: HB 109

SHORT TITLE: TREASURY WARRANTS/LAPSED APPROPRIATIONS  
SPONSOR(S): STATE AFFAIRS

Jrn-Date	Jrn-Page		Action
02/19/03	0248	(H)	READ THE FIRST TIME - REFERRALS
02/19/03	0248	(H)	STA, FIN
03/13/03		(H)	STA AT 8:00 AM CAPITOL 102
03/13/03		(H)	Scheduled But Not Heard
03/18/03		(H)	STA AT 8:00 AM CAPITOL 102
03/18/03		(H)	Scheduled But Not Heard
03/25/03		(H)	STA AT 8:00 AM CAPITOL 102

BILL: HB 31

SHORT TITLE: INITIATIVE/REFERENDUM PETITIONS  
SPONSOR(S): REPRESENTATIVE(S) WILLIAMS

Jrn-Date	Jrn-Page		Action
01/21/03	0039	(H)	PREFILE RELEASED (1/10/03)
01/21/03	0039	(H)	READ THE FIRST TIME - REFERRALS
01/21/03	0039	(H)	STA, JUD
03/04/03		(H)	STA AT 8:00 AM CAPITOL 102
03/04/03		(H)	Heard & Held
03/04/03		(H)	MINUTE(STA)
03/25/03		(H)	STA AT 8:00 AM CAPITOL 102

BILL: HJR 5

SHORT TITLE: CONST AM: INITIATIVE/REFERENDUM PETITIONS

SPONSOR(S): REPRESENTATIVE(S) WILLIAMS

Jrn-Date	Jrn-Page		Action
01/21/03	0025	(H)	PREFILE RELEASED (1/10/03)
01/21/03	0025	(H)	READ THE FIRST TIME - REFERRALS
01/21/03	0025	(H)	STA, JUD, FIN
03/04/03		(H)	STA AT 8:00 AM CAPITOL 102
03/04/03		(H)	Heard & Held
03/04/03		(H)	MINUTE(STA)
03/25/03		(H)	STA AT 8:00 AM CAPITOL 102

**WITNESS REGISTER**

SENATOR LYDA GREEN

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Testified as sponsor of SCR 4.

AEDENE ARTHUR, Cofounder

Backcountry Avalanche Awareness and Response Team

(Address not provided)

POSITION STATEMENT: Testified in support of SCR 4.

BOB JANES

Douglas, Alaska

POSITION STATEMENT: Testified in support of SCR 4.

LINDA SYLVESTER, Staff

to Representative Bruce Weyhrauch

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Presented HB 109 on behalf of the House State Affairs Standing Committee, sponsor.

KIM GARNERO, Director  
Division of Finance  
Department of Administration (DOA)  
Juneau, Alaska

POSITION STATEMENT: Answered questions for the committee during the hearing on HB 109.

RACHEL LEWIS, Unclaimed Property Section  
Treasury Division  
Department of Revenue  
Juneau, Alaska

POSITION STATEMENT: Addressed questions on HB 109.

STEVE BORELL, Executive Director  
Alaska Miners Association  
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 31.

REPRESENTATIVE BILL WILLIAMS  
Alaska State Legislature  
Juneau, Alaska

POSITION STATEMENT: Testified as the sponsor of HB 31 and HJR 5.

VIRGINIA BREEZE, Elections Projects Coordinator  
Division of Elections  
Office of the Lieutenant Governor  
Juneau, Alaska

POSITION STATEMENT: Answered question on HB 31 and HJR 5.

#### **ACTION NARRATIVE**

#### **TAPE 03-29, SIDE A**

Number 0001

**CHAIR BRUCE WEYHRAUCH** called the House State Affairs Standing Committee meeting to order at 8:04 a.m. Representatives Holm, Seaton, Dahlstrom, Lynn, Berkowitz, Gruenberg, and Weyhrauch were present at the call to order.

#### SCR 4-AVALANCHE AWARENESS MONTH

CHAIR WEYHRAUCH announced that the first order of business was CS FOR SENATE CONCURRENT RESOLUTION NO. 4(STA), Relating to Avalanche Awareness Month.

Number 0111

SENATOR LYDA GREEN, Alaska State Legislature, sponsor of SCR 4, told the committee there have been an untold number of [avalanche-related] tragedies in the Matanuska-Susitna Borough. She related her personal knowledge of those affected by avalanche tragedy and the efforts of people to increase avalanche awareness. The proposed resolution would draw attention to and honor those who begin an education program. In response to a question by Chair Weyhrauch, she noted some areas where "highmarking" occurs. She said people's efforts to expand avalanche awareness have resulted in donations, funding, networking, and educational videos and teaching guides.

Number 0393

REPRESENTATIVE GRUENBERG began discussion of Amendment 1. On page 2, line 1, after "November 2003", he suggested adding "and each succeeding November".

CHAIR WEYHRAUCH proposed just saying "the month of November".

SENATOR GREEN concurred.

CHAIR WEYHRAUCH, in response to a comment by Senator Green, said it wouldn't involve a [title] change. He clarified that [Amendment 1] would change the language to read, "the Alaska State Legislature proclaims the month of November as Avalanche Awareness Month;".

CHAIR WEYHRAUCH announced that without objection, Amendment 1 was adopted.

Number 0545

REPRESENTATIVE BERKOWITZ asked if there were any plans to put money towards avalanche safety.

SENATOR GREEN replied that it is such a huge issue, no amount of money is enough; that she has tried to figure out if there is a way to create a gathering point from which to extrapolate information for avalanche awareness, but that it is such a moving target, it is very difficult; and that she would attempt to get funds into the program for this year.

Number 0730

REPRESENTATIVE BERKOWITZ said he has "run amendments the last couple of years, trying to put money back in." He said former Governor Knowles wanted an avalanche awareness program and wanted to improve search and rescue. He noted that one of his own amendments had been for \$350,000, which would be "barebones." He stated his understanding that [Alaska] had more fatalities than any other state last year, not just per capita. He said anything [the legislature] could do to make Alaska a safer state would be great. He mentioned the efforts of [former] Senator Halford and Representative Kerttula to put money into [avalanche-related issues], but said that is a piecemeal approach. He opined that some of the greatest avalanche experts in the country are in Alaska and that their knowledge should be used to develop a system that could be the envy of all the mountain regions in the world.

Number 0818

AEDENE ARTHUR, Cofounder, Backcountry Avalanche Awareness and Response Team, noted that as a Mom On a Mission (MOM) she also speaks for the families who have lost loved ones in avalanches, including the families of the 14 young people who were killed in 1999 in avalanches in Alaska. Ms. Arthur said it is very difficult for most people to campaign when they have lost a child. Testifying in support of [SCR 4], Ms. Arthur said she thinks the amendment to make November avalanche awareness month every year is wonderful. She added, "We do use this month to promote avalanche awareness and education to all backcountry travelers in the state of Alaska, with the intent of saving lives and preventing injuries in avalanches."

MS. ARTHUR said the month has also been used to teach, in the classroom, the importance of carrying and knowing how to use the basic avalanche gear of beacons, probes, and shovels. She noted that about 40 percent of people [caught by an avalanche] are killed by the initial trauma. Regarding those who survive, she said, "The only way you have of getting someone out and giving them a chance to live ... is if you can find them quickly and get them out with a beacon." She said a person has 15 to 20 minutes of air. After that time, if a search and rescue team has to be called, it is usually for a body recovery.

Number 0990

MS. ARTHUR explained why this issue is so important to her and her husband. They came to Alaska in 1968 with their three-year-old daughter to teach. A son and another daughter were born,

and the family moved to Palmer in 1982, where they lived and worked until retirement. Unfortunately, their son died in the March 21 avalanche at Turnagain Pass, along with 5 other young men, when a section a mile wide came down the mountain. Between March and May of that year, 13 people in Alaska were lost. She pointed out that it is not just people on snow machines that get caught by avalanches. Victims have included people working, hiking, skiing, and snowshoeing. Drivers in some areas can put themselves in harm's way, too, she said, if the snow is unstable.

Number 1178

MS. ARTHUR noted the typical profile of those who die in avalanches across the United States as follows: male, educated, experienced in their sport, in their 20s to 30s and, in Alaska, into their 40s. Ms. Arthur told the committee that when her son died, he was 29, had been married seven months, and left behind over 80 family members. She said, "We mourn his loss just exactly as if it was yesterday." She said one reason she works hard on this campaign is so other mothers don't have to worry about their children. She added that not only did she and her husband lose their son that day, but his body wasn't found for more than two months. Referring to a previous comment by Chair Weyhrauch, Ms. Arthur said it's not just "highmarkers" who die; it relates to the snow's stability and the underlying layer, but a person can't always tell by looking. She opined that people should be able to call to find out conditions from experts, just as pilots do before they fly.

Number 1330

REPRESENTATIVE HOLM thanked Ms. Arthur for testifying. He told her that his son takes helicopters up to teach skiing in the Valdez area, and that his mother purchased an avalanche kit for him. He asked Ms. Arthur if she is aware of a kit that's available.

MS. ARTHUR answered that the beacon, probe, and shovel are the basic avalanche gear to get people out if they get buried. She said she was aware that other things have been developed. She said her son had everything including a beacon, but still wasn't found for two months because the avalanche was so huge. She noted that Carl Skustad, a federal ranger in Girdwood, checks snow conditions and "checks with people" and has set up a number to call to find out current conditions at Turnagain Pass. She thanked Senator Green and indicated that the small amount of

money "that got through" has been used to do "a tremendous amount of things all over the state."

Number 1530

BOB JANES told the committee he has been a resident of Douglas for 38 years, during which time he worked for the U.S. Forest Service for 18 years and was involved in winter sports administration, ski area development, avalanche awareness, and "the whole arena of that outdoor recreation industry." He thanked Representative Berkowitz for his remark regarding funding, because he said he has a great deal of interest in that subject. He said Ms. Arthur adequately covered "statistics and issues." He told members he was testifying in support of [SCR 4] both as a concerned citizen and as a current volunteer board member of the Southeast Alaska Avalanche Center in Juneau.

MR. JANES advised the committee that in the early 1980s, the U.S. Forest Service was a lead agency in helping to develop and operate a statewide avalanche warning system for Alaska. He noted that it was an effort among 12 government agencies - federal, state, and municipal - that was cooperatively funded, managed, and developed. He said, "My job, at that time, was to represent that agency in this effort." Mr. Janes opined that [SCR 4] should help strengthen the awareness of the dangers and risks involved with snow avalanches throughout Alaska. He also voiced hope that it may be a step toward restoring operation of a statewide avalanche warning system that would be fully capable of meeting the needs of effective avalanche education, which is currently ongoing. He noted, "The one missing element is adequate forecasting methods." He said he is confident that an adequate system could be restored for Alaska with the restoration of a large cooperative effort.

Number 1748

REPRESENTATIVE BERKOWITZ moved to report CSSCR 4(STA), as amended, out of committee with individual recommendations and the accompanying fiscal note. There being no objection, HCS CSSCR 4(STA) was reported from the House State Affairs Standing Committee.

#### HB 109-TREASURY WARRANTS

CHAIR WEYHRAUCH announced that the next order of business was HOUSE BILL NO. 109, "An Act relating to the limitation on

payment of state treasury warrants; and providing for an effective date."

Number 1790

REPRESENTATIVE HOLM moved to adopt the proposed committee substitute (CS), Version 23-LS0581\D, Kurtz, 3/24/03, as a work draft. There being no objection, Version D was before the committee.

Number 1843

LINDA SYLVESTER, Staff to Representative Bruce Weyhrauch, Alaska State Legislature, presented HB 109 on behalf of the House State Affairs Standing Committee, sponsor, noting that it was introduced at the request of the Murkowski Administration. She said it is an efficiency bill with a zero fiscal note, and seeks to address inconsistencies in statute. The first relates to state warrants, which is how the state makes payments to itself and for contracts, for example. The other statute that the bill addresses is the unclaimed property Act.

MS. SYLVESTER explained that [Version D] has "one slight change." Currently, state warrants can be presented for payment for up to two years, after which time they are turned over to the general fund. She explained, "If the books have closed, ... the departments have to do a separate appropriation." Referring to a copy of the supplemental budget [HB 110] in packets and to a tagged item on [page 9], she stated, "That item on the top is how the ... Department of Administration presents these stale-dated warrants for payment."

MS. SYLVESTER referred to a handout ["Stale Date Warrant Re-Appropriation Request FY 2003-1"] that shows a list of payments, some small. She remarked, "This is the cumbersome way that the departments have to get these payments processed because of our budgeting system." She explained that originally the intent was to change the deadline to one year; however, at the request of Representative Gruenberg, the limit was dropped to six months, which makes it conform with the Uniform Commercial Code (UCC).

Number 1943

KIM GARNERO, Director, Division of Finance, Department of Administration (DOA), testified as follows:

We in the Division of Finance pay vendors, grantees, and employees for the State of Alaska. When our warrants are not cashed within two years, the law currently requires that the amount revert to the general fund in a process known as stale-dating. When those individuals whose checks were not cashed later come forward and make their claim on uncashed warrants known, a new appropriation is required before we can pay them. Claims can be required to wait up to a year before the appropriation is in place and payment can be made. This is frustrating for both the claimant and the state agency, which must track this process.

MS. GARNERO noted that this year's stale-date appropriation totaled \$44,917.00 for 20 warrants, "and you're looking at the list." She continued as follows:

That ... fast-track supplemental that the governor signed last week, ... those warrants have now gone out the door. Already I've heard of another \$24,000 in stale-dated warrants we need to get into the next appropriation cycle. The stale-date law has been in place since the 1960s. In 1986, Alaska adopted the unclaimed properties statutes in Title 34. The legislative proposal before you today will shorten the timeframe, as [Ms. Sylvester] said, and change the handling of uncashed warrants to treat them as unclaimed property.

The unclaimed property program is administered by the Department of Revenue and actively seeks to match rightful owners to their property. Treating uncashed as unclaimed property will expedite payments to these valid property owners.

MS. GARNERO noted that Rachel Lewis, administrator for the unclaimed properties program in the Department of Revenue, could answer questions on that program, whereas she herself could address the current stale-dating process.

Number 2043

REPRESENTATIVE BERKOWITZ asked how many warrants the state issues, what percentage are stale-dated "with two years, ... one year, ... six months," and how that translates to "increased money to the general fund."

MS. GARNERO replied that she doesn't know regarding total warrants; however, in fiscal year 2002 (FY 02) 4,000 warrants were stale-dated. In further response regarding the total of money, she answered that she doesn't know, but will find out.

REPRESENTATIVE BERKOWITZ said, "And of that amount, 44,000 awards requested to be ..."

MS. GARNERO said, "Claimants came forward."

REPRESENTATIVE BERKOWITZ said he wants to know how much money is being discussed and what happens when the date is accelerated. He said he also wants to know how the six-month period compares with what private individuals or entities would have "before they can write things off."

MS. GARNERO responded, "I believe, through my discussions on the UCC with Representative Gruenberg, that private enterprise is six months on checks".

Number 2128

REPRESENTATIVE GRUENBERG said he has had an interest in this issue since 1986, when he introduced a bill to make state warrants checks come under the UCC. He offered his belief that the state should be up to date in this regard, since "everybody in the world is under the Uniform Commercial Code." He referred to AS 45.04.404 as the part of statute that specifies the time period of six months.

REPRESENTATIVE GRUENBERG said this problem was precipitated because banks were having a lot of problems as a result of what turned out to be an erroneous legal opinion from the Department of Law. It was the state's position that its warrants weren't negotiable instruments, which meant they could be dishonored and not cashed, for a number of reasons. He said this issue went to the Alaska Supreme Court. He mentioned National Bank of Alaska v. Univentures and said that ultimately the supreme court agreed that state warrants, under the Uniform Commercial Code in AS 45.03.104(a), met the statutory definition of a negotiable instrument and so would fall under the definition of a negotiable instrument in the UCC. He continued:

As a result, the state was no longer permitted to dishonor these checks. This had cause the banks of this state horrendous problems, and they'd been in dispute with the state for many, many years on this.

The exact contour of that decision have not yet been determined; the state now recognizes these warrants as negotiable instruments. And we - Ms. Garnero and I, and the officials from the Department of Revenue - over the weekend were trying to determine what the legal implication would be to simply redefine checks to include state warrants within the definition and thereby bring these instruments totally under the UCC. And that would have taken some time to do it.

Number 2260

REPRESENTATIVE GRUENBERG said he was prepared to offer an amendment; however, he mentioned discussions with Ms. Sylvester and Ms. Garnero and the efforts they will make over the interim to check on how other states do it, for example, and come back to report to the legislature. [At that time], if language is supported that would bring state warrants under the UCC, he said he thinks that would be a good idea. He added, "But at the very least, number one, this bill brings it within the six-month period of the UCC and will make it much simpler and, number two, instead of holding the money in the general fund, will bring it under the uniform unclaimed property Act."

Number 2330

REPRESENTATIVE BERKOWITZ asked the difference between a warrant and a check. He also asked if there is a procedure by which someone who is unable to "cash" for six months subsequently is able to do so.

REPRESENTATIVE GRUENBERG answered yes [to the second question]. He noted that another Act passed in the 1980s was the uniform unclaimed property Act, which establishes an office in the Department of Revenue and a regular procedure "for all kinds of things." For example, if someone loses money and it is transferred to the police department, that unclaimed property goes to the Department of Revenue. He said, "It supplants the old legal concept of escheat. We no longer have escheat in this state and the other states that have adopted [the uniform unclaimed property Act]. And you can literally come back forever and get your money. And the state just holds it in trust in the meantime." In response to Representative Berkowitz's first question, he said, "That's what we're trying to find out." He said that under the National Bank of Alaska case, [warrants] are legally negotiable instruments.

Number 2422

REPRESENTATIVE BERKOWITZ surmised, "It's a synonymous term."

REPRESENTATIVE GRUENBERG said yes, but opined that probably there will be no difference. He offered his feeling that for clarity, the legislature should enact a statute that says the term "check" includes a warrant. He added, "But legally, under this opinion anyway, they are negotiable instruments and would then fall under the UCC."

CHAIR WEYHRAUCH remarked, "And that's what we're still trying to work through."

REPRESENTATIVE GRUENBERG concurred. He said there just wasn't enough time and [the administration] wants this bill on the fast track. He added that he thinks [the bill] is a good idea.

Number 2451

MS. GARNERO said the UCC has many provisions. She said deciding whether or not the state may be relinquishing rights under the way it currently does business, by subjecting its warrants or checks to the UCC, will take some analysis. She said that analysis will be made as part of an overall business practice analysis to replace statewide systems over the next few years.

REPRESENTATIVE GRUENBERG suggested having some mechanism over the interim to, if necessary, have some hearing and work with the department on the issue, which will modernize the department and provide the legislative framework that is needed.

CHAIR WEYHRAUCH recommended putting that in the form of a request. He said he is open to that.

Number 2516

MS. GARNERO reiterated that she intends to find out the legal difference between a warrant and a check. She said she does know that the way banks are compensated for a warrant is different from a checking account. She remarked, "We pay for the warrants upon presentation to us; we do not maintain balances in the bank like we do in our personal checking accounts." She said this is what she always has been led to believe is the difference between them.

MS. GARNERO, regarding Representative Berkowitz's question about the general fund, said when "warrant stale-date" money does go back to the general fund, it sits there until claimants come for it and "we" give it an appropriation. When property goes to the unclaimed property account, it sits in the general fund, too, waiting for claimants to come forward. She said she doesn't know if there will be more or fewer claimants. Ms. Garnero said she thinks there will be fewer warrants that ever go through the process because it's part of implementing the efficiencies, which this legislation allows. She mentioned periodic reports [of uncashed warrants] and canceling those warrants. She said she knows they go back to the general fund if they are stale-dated.

Number 2579

REPRESENTATIVE BERKOWITZ said, "It seems to me that if we're getting the \$45,000 ... or \$50,000, roughly, per year, on a two-year deal, I'd like to know ... how much really reverts and no one ever claims a claim subsequently."

MS. GARNERO said she'd find out.

REPRESENTATIVE BERKOWITZ requested that she find out what the numbers are for [the various time periods, as previously stated].

Number 2604

REPRESENTATIVE DAHLSTROM noted that half of the ["Stale Date Warrant Re-Appropriation Request FY 2003-1"] list is under the same name.

MS. GARNERO explained that those are longevity bonus [items]. In response to a follow-up question, she said she doesn't know why [the person listed had not cashed the warrants].

Number 2625

RACHEL LEWIS, Unclaimed Property Section, Treasury Division, Department of Revenue, addressed Representative Berkowitz's question regarding shortening the stale-dating to six months. She pointed out that the shorter the period, the better the chances are of locating people at their last-known address, which results in fewer stale dates. She said she doesn't know what [Ms. Garnero's] numbers will be, but, historically, "through unclaimed property in all 50 states, almost all of them

are lessening the dormancy period of all kinds of unclaimed property," including state warrants and government-issued checks.

Number 2689

REPRESENTATIVE GRUENBERG asked what the normal period of time is under the unclaimed property Act for "the turning in of unclaimed property."

MS. LEWIS answered that the statutory average is five years, but there are items that are specifically addressed. For example, bank accounts are seven years, while traveler's checks are fifteen. Regarding government checks, Ms. Lewis mentioned at least one year for abandonment. She also mentioned due diligence and [a period of] between six months and one year for unclaimed-property reporting.

Number 2735

REPRESENTATIVE GRUENBERG highlighted a change from one year in the original bill to six months in the proposed CS. He asked if that would mesh with the unclaimed property Act or whether there would be conflict.

MS. LEWIS replied that she doesn't see any conflict because "the one year they would turn ... over to us." The six-month period, she noted, is the working period "to streamline the paperwork to come into unclaimed properties."

MS. GARNER added, "And that's to do the due diligence."

REPRESENTATIVE GRUENBERG asked, "Would you start your advertising after six months, so you'd put these people on the list when you publish it?"

MS. LEWIS said yes. She added that [those people on the list] would also "go on the Internet." Responding to a comment by Representative Gruenberg, she stated, "You'd be surprised ... what kind of agencies end up with unclaimed property. ... Sometimes the checks just never make it to them, and they have no idea they ... never got a check."

REPRESENTATIVE GRUENBERG offered his assumption that under the unclaimed property Act [or another Act perhaps], there is a method of immediately getting that money to [the owner].

MS. LEWIS responded, "We've tried to address some of the better-known agencies and banks and federal governments, you bet."

Number 2819

REPRESENTATIVE BERKOWITZ moved to report CSHB 109, Version 23-LS0581\D, Kurtz, 3/24/03, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSHB 109(STA) was reported from the House State Affairs Standing Committee.

HB 31-INITIATIVE/REFERENDUM PETITIONS

HJR 5-CONST AM: INITIATIVE/REFERENDUM PETITIONS

CHAIR WEYHRAUCH announced that the final order of business would be HOUSE BILL NO. 31, "An Act relating to initiative and referendum petitions; and providing for an effective date," along with HOUSE JOINT RESOLUTION NO. 5, Proposing an amendment to the Constitution of the State of Alaska relating to initiative and referendum petitions.

Number 2880

STEVE BORELL, Executive Director, Alaska Miners Association, testified in support of HB 31, which he said makes minor but important changes. In recent years, groups opposing mining, harvesting timber, trapping, hunting, and other traditional activities have used initiative petitions in several states to place these items on ballots. He said these groups are in large part funded by private, nonprofit corporations. The [question] appears to be one of funding an issue that on the surface has emotional appeal to the public, and the funding to fight the issue is obtained through the foundations. Often the issues being attacked have small, unorganized constituencies that can't secure sufficient funding to inform the public of the other side of the story, he asserted, and therefore the initiative passes. He maintained that increasing the number of districts in which signatures must be obtained, as proposed under HB 31, would make it slightly more difficult for these interest groups to bring issues to the ballot while not eliminating that opportunity; this is especially important in Alaska where remote and rural areas often have a very limited voice in the legislature. Mr. Borell concluded by urging the passage of HB 31.

**TAPE 03-29, SIDE B**

Number 2997

REPRESENTATIVE BILL WILLIAMS, Alaska State Legislature, sponsor of HB 31 and HJR 5, said times have changed with the advent of computers and faxes; however, in remote areas such as those on Prince of Wales Island, which does have faxes and Internet, those people weren't able to sign any of the petitions going around the state.

REPRESENTATIVE SEATON asked if HB 31 allows a method for those in remote areas to submit signatures for petitions via fax or another manner beyond having to sign a book.

REPRESENTATIVE WILLIAMS explained that the constitution specifies that signatures have to be obtained from 10 percent of those who voted in the last election and one from [each of the] 27 districts; it doesn't specify how the signature is to be obtained. He said now there is daily mail and faxes that could be used to provide signatures for these initiatives and referendums. He characterized [this proposal] as exporting democracy from the urban areas to the rural areas.

Number 2869

REPRESENTATIVE SEATON offered his understanding that signatures that were mailed in or faxed in would be invalid. He asked if there is a way to [obtain signatures] through the mail.

REPRESENTATIVE WILLIAMS deferred to the Department of Elections.

CHAIR WEYHRAUCH related his understanding that HB 31 and HJR 5 are to be reviewed together. He noted that the next committee of referral is the House Judiciary Standing Committee.

REPRESENTATIVE WILLIAMS said he was going to request that the House Judiciary Standing Committee review whether a constitutional amendment is necessary. Representative Williams mentioned that he has a letter from the Department of Law on this matter saying that the department doesn't know whether [signatures obtained via mail or fax are invalid] because there hasn't been case yet.

REPRESENTATIVE GRUENBERG requested a copy of the aforementioned legal opinion. He said he is very sensitive to the balance of power in government and that this process is an essential part of the balance of power. He related that he didn't want Alaska to become a state in which there are lots of initiatives, which is a confusing process for voters, but noted his reluctance to pass constitutional amendments without a good reason.

CHAIR WEYHRAUCH pointed out that the committee packet should include the entire constitutional history on this matter.

Number 2660

VIRGINIA BREEZE, Elections Projects Coordinator, Division of Elections, Office of the Lieutenant Governor, answered Representative Seaton's earlier question by clarifying that all signatures on petition books have to happen [in person] at the location of the petition book; nothing can be mailed.

Number 2631

REPRESENTATIVE HOLM moved to report HB 31 and HJR 5 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 31 and HJR 5 were reported from the House State Affairs Standing Committee.

**ADJOURNMENT**

There being no further business before the committee, the House State Affairs Standing Committee meeting was adjourned at 9:00 a.m.