

ALASKA STATE LEGISLATURE
SENATE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE

February 26, 2003

1:35 p.m.

MEMBERS PRESENT

Senator Thomas Wagoner, Chair
Senator Robin Taylor, Vice Chair
Senator Gary Stevens G
Senator Georgianna Lincoln
Senator Kim Elton

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE BILL NO. 38

"An Act relating to construction, plumbing, mechanical, electrical, fire safety, and other safety codes adopted by state agencies and municipalities; and providing for an effective date."

HEARD AND HELD

SENATE BILL NO. 62

"An Act extending the termination date of the Alaska regional economic assistance program; and providing for an effective date."

MOVED SB 62 OUT OF COMMITTEE

SENATE BILL NO. 63

"An Act relating to municipal property taxation in annexed and detached areas; and providing for an effective date."

MOVED SB 63 OUT OF COMMITTEE

CS FOR HOUSE CONCURRENT RESOLUTION NO. 2(MLV) am

Relating to the extension of the Alaska Railroad to Fort Greely to serve the anti-ballistic missile launch facility.

HEARD AND HELD

HOUSE BILL NO. 58

"An Act relating to the reinstatement of Native corporations; and providing for an effective date."

MOVED HB 58 OUT OF COMMITTEE

CS FOR HOUSE BILL NO. 68(JUD)

"An Act relating to the jurisdiction of the office of victims' rights."

MOVED HCS 68 (JUD) OUT OF COMMITTEE

PREVIOUS ACTION

SB 38 - No previous action to record.
SB 62 - No previous action to record.
SB 63 - No previous action to record.
HCR 2 - No previous action to record.
HB 58 - No previous action to record.
HB 68 - No previous action to record.

WITNESS REGISTER

Senator Gene Therriault
Alaska State Capitol, Room 111
Juneau, AK 99801-1182
POSITION STATEMENT: Sponsor SB 38

Mary Jackson
Staff to Senator Wagoner
Alaska State Capitol, Room 427
Juneau, AK 99801-1182
POSITION STATEMENT: Introduced SB 62 and SB 63

Meilani Schijvens
Administrative Assistant, Southeast Conference
P.O. Box 21989,
Juneau, AK 99802-1989
POSITION STATEMENT: Testified on SB 62

Sue Cogswell
Representative,
Prince William Sound Economic Development District
No address provided
POSITION STATEMENT: Testified on SB 62

Wanetta Ayers
Executive Director
Southwest Alaska Municipal Conference
3300 Arctic Blvd., Suite 203
Anchorage, AK 99503
POSITION STATEMENT: Supports SB 62

Jim Carter
Executive Director
Kenai Peninsula Economic Development District
14896 Spur Hwy
Kenai, AK 99611
POSITION STATEMENT: Supports SB 62

David Leone
Special Assistant to the Mayor
Fairbanks North Star Borough Economic Development Commission
P.O. Box 71267
Fairbanks, AK 99707-1267
POSITION STATEMENT: Testified on SB 62

Mary Griswold
Box 1417
Homer, AK 99603
POSITION STATEMENT: Testified on SB 63

Representative Bob Lynn
Alaska State Capitol, Room 415
Juneau, AK 99801-1182
POSITION STATEMENT: Sponsor HCR 2

Colonel Craig Campbell
Adjutant General/Commissioner
Department of Military &
Veterans Affairs
PO Box 5800
Ft Richardson, AK 99505-0800
POSITION STATEMENT: Testified on HCR 2

Pete Hallgren
Delta Junction City Administrator
Delta Junction, AK 99737
POSITION STATEMENT: Testified on HCR 2

Larry Labolle
Staff to Representative Richard Foster
Alaska State Capitol, Room 410
Juneau, AK 99801-1182
POSITION STATEMENT: Introduced HB 58

Representative Ralph Samuels
Alaska State Capitol, Room 412
Juneau, AK 99801-1182
POSITION STATEMENT: Sponsor HB 68

Steve Branchflower
Office of Victims Rights
No address provided

POSITION STATEMENT: Testified on HB 68

ACTION NARRATIVE

TAPE 03-4, SIDE A

CHAIR THOMAS WAGONER called the Senate Community and Regional Affairs Standing Committee meeting to order at 1:35 p.m. Present were Senators Gary Stevens, Elton and Chair Wagoner. Senators Lincoln and Taylor arrived momentarily.

The first order of business to come before the committee was SB 38.

SB 38-ADOPTION OF SAFETY CODES

CHAIR WAGONER announced there was a work draft committee substitute (CS) in the packets. The hearing was intended to be informational; members could address questions to the sponsor, but public testimony would be taken at a later time. The bill would not move from committee that day. He asked for a motion to adopt the draft and for the sponsor to explain the substitute.

SENATOR GARY STEVENS made a motion to adopt CSSB 38 as the working document.

There being no objection it was so ordered.

SENATOR GENE THERRIAULT, sponsor of SB 38, apologized for not having the CS available sooner.

Last session a number of bills were introduced regarding building code issues, but none came to fruition. A Fairbanks group approached him this year and asked him to push the issue to a final resolution. [See sponsor statement in committee file.]

In Alaska, construction safety codes are divided between two departments. Fire, building, and mechanical contracting codes are under the jurisdiction of the fire marshal at the Department of Public Safety (DPS) while the electrical and the plumbing codes are housed in the Department of Labor (DOL). Recently the fire marshal elected to switch from the Uniform Code family to

the International Code family, which triggered a number of problems.

The CS proposes to move the mechanical codes in with the other building trade codes and to leave the building and fire codes with the Department of Public Safety. Individuals performing plumbing, electrical and mechanical job functions must all participate in continuing training to maintain certification where building and fire codes have design phase public safety application. Further justifying the switch is that information from the Department of Community and Economic Development Division of Occupational Licensing regarding statutes and regulations for mechanical administrators indicates plumbing job functions are a subset of mechanical functions. Meshing code requirements from two departments is problematic at best.

To save project time and money, the CS allows any project started under the international mechanical code to continue under those codes to completion. Additionally, the workforce is allowed time to retrain because new safety codes would not take effect until three years after adoption.

Understandably, turf battles exist between departments, between segments of organized labor, and between individuals that write the codes. Because the complexities of the issue are extensive, it is time for legislators to understand the implications of the issue and make a policy decision.

He asked if there were any questions.

SENATOR ELTON asked whether the CS adequately addresses turf battles to get away from conflicts that may extend to the authority of plumbers to outside the building into areas that are traditionally handled by other sectors of the labor market. The CS shifts the mechanical code authority to the Department of Labor, but it doesn't necessarily change the relationship plumbers may have with individuals that are doing underground work outside a building. He asked if that was correct.

SENATOR THERRIAULT said it was not his intent to shift duties individuals could perform.

SENATOR ELTON referred to the transition period addressed in the CS and asked how a transition period was handled when the Department of Public Safety shifted from Uniform to International Codes.

SENATOR THERRIAULT replied he wasn't certain and that would be a good question to address to the department directly. The authority by which DPS adopted the International Code was challenged, but the statute was confusing because it refers to the uniform code and the courts interpreted the word "uniform" to be generic saying it spoke of a code not specifically the Uniform Code. If there was a transition period, part of it might have been used up by the litigation during which time people weren't sure whether to retrain or not. Other areas in statute speak specifically of the Uniform Code, which points out the need to clarify terminology.

SENATOR ELTON asked whether the statutory conflicts were addressed in the CS.

SENATOR THERRIAULT admitted they weren't addressed but could be depending on the legislative policy call.

SENATOR ELTON commented the letter from the City of Fairbanks was strongly worded and he wondered whether the CS addresses the concern that local government should have the authority to establish practices they think are best for themselves.

SENATOR THERRIAULT replied it was his intent to preserve local control as much as possible. He did want the fire marshal to respond to the impact of allowing local control.

SENATOR LINCOLN said she had similar concerns about the resolution from the City of Fairbanks. Since the bill would be heard in this committee again, she said she would submit a list of questions to the sponsor's office. She hoped some of the concerns could be incorporated in an amendment.

SENATOR STEVENS asked for assurance there was no intent to reduce or consolidate inspectors in the plan.

SENATOR THERRIAULT said the intent was to move the authority to oversee and adopt a particular set of codes from one department to another.

He advised occupational licensing has expressed concerns and would like to be included in further discussions.

CHAIR WAGONER announced the bill would be held in committee and the public could get a copy of the CS by contacting his office.

SB 62-AK REGIONAL ECONOMIC ASSISTANCE PROGRAM

CHAIR WAGONER asked Mary Jackson to introduce SB 62.

MS. MARY JACKSON, staff to Senator Wagoner, explained SB 62 is the companion bill to HB 79 and extends the termination date of the Alaska Regional Economic Assistance Program, which is the funding source for the Alaska Regional Development Organizations (ARDOR) program from 2003 to 2008. HB 79 was on the House floor and would move to the Senate on February 28, 2003. If SB 62 were to pass from committee that day it would move to the Finance Committee and be heard simultaneously with HB 75.

In the packets there is a sectional analysis, a list of the thirteen programs, and a series of questions and answers regarding the ARDOR program. [See bill file.]

She asked whether there were any questions.

SENATOR LINCOLN asked whether HB 75 had exactly the same language.

MS. JACKSON replied the language was the same. Although someone could have asked for reconsideration in order to make a change, when she left her office a short time ago that had not happened.

SENATOR LINCOLN said she is a big supporter of ARDORS.

SENATOR TAYLOR asked whether Legislative Budget and Audit had done an audit since this was a sunset issue.

MS. JACKSON wasn't aware of one having been done.

SENATOR ELTON commented the ARDOR is one of the best ways to get value for the dollar on regional economic development. Previously he suggested shifting money from the commissioner's office to make sure some of the economic development decisions are made in the regions. Although he was not suggesting that now, he did want it clear this is one of the few state programs that meets market test. They leverage the money they receive five fold, which is seldom seen in governmental programs. Increasing the money given to this program is a sound investment.

CHAIR WAGONER called for public testimony.

MEILANI SCHIJVENS, Southeast Conference Administrative Director, urged members to authorize and fully fund the ARDOR program. She gave the following testimony.

ARDORS use the seed money provided by the state to build on - leveraging approximately 5 times as much money for business assistance, infrastructure development, community assistance, and other functions.

ARDORS regionally address and support the vast diversity of economic challenges and opportunities in our huge state. Here in Southeast, the Southeast Conference focuses on infrastructure issues, primarily the AMHS, and the regional electrical inter-tie - In other areas of the state,

ARDORS are very involved with business assistance, because that need is unfilled. The NW Arctic ARDOR, for example, developed an innovative revolving loan fund utilizing PFD payments as loan guarantees.

ARDORS supply a useful resource to the state and federal government when it comes to dealing with regional or multi-regional issues. The South West AK Municipal Conf ARDOR was designated by the federal government to disburse over \$30 million in Stellar sea lion regulation mitigation money, and was successful in getting it done on time with an administrative overhead under 1%. We work to keep leaders from across the state informed on regional issues and problems. Southeast Conference, for example, helps facilitate meetings of the Southeast Conference of Mayors, the Southeast Conference of Chambers, and provides information to the Southeast Caucus.

The Southeast Conference has been around for 45 years. We have over 100 members, including 29 Southeast communities. We have 9 committees, and 90 volunteers who volunteered approximately 10,000 hours this last year. We leverage 15 times the value of the ARDOR grant in funding for projects around the region.

Our Ardor was instrumental in obtaining a federal authorization for a regional electric inter-tie, with the help of then Senator Frank Murkowski and we are hard at work on the next steps of that project. For the last 10 years, we have been working with the state on a low cost method of collecting household hazardous waste around the region. Each year we collect approximately 13,000 gallons of hazardous material that could have ended up in our ground water or

landfills. All at a very low cost to the state - approximately \$1 per gallon.

ARDORS help bring people in remote regions together. Our annual meeting in September held on Prince of Wales Island, attracted more than 200 leaders from across the region, where collectively they decided to pursue a whole range of regional projects.

SENATOR GARY STEVENS expressed his overwhelming support of the ARDOR program.

MS. SUE COGSWELL, representative of the Prince William Sound Economic Development District, briefly outlined the projects they are involved in and advised they leveraged \$1.5 million in state funds into over \$6 million in Prince William Sound projects. She urged passage of SB 62.

WANETTA AYERS, Executive Director of the Southwest Alaska Municipal Conference (SWAMC), spoke in favor of SB 62 on behalf of the 54 communities and 131 members of SWAMC. SWAMC received ARDOR designation in 1989 and that funding has provided about 25 percent of their funding over the last few years. They are also federally designated and save Southwestern Alaska communities hundreds of thousands of dollars annually by reducing the local match requirement for many federally funded projects.

Their mission is to increase economic opportunities and improved quality of life by providing education, networking, and communication. She noted SWAMC was selected to administer a \$30 million Stellar Sea Lion Mitigation Fund. They not only operated in a timely manner, they kept administrative cost to less than one percent.

CHAIR WAGONER stated that was the second time he heard the administrative costs were less than one percent and thought others could learn from the example.

MR. JIM CARTER, Executive Director of the Kenai Peninsula Economic Development District (KPEDD), testified in support of SB 62 and explained the KPEDD ARDOR has been fostering economic development since 1988. In the next several years they will be doing everything possible to encourage oil and natural gas exploration and development on Cook Inlet.

SENATOR TAYLOR complimented him on successful project management.

MR. DAVID LEONE, Fairbanks North Star Borough Economic Development Commission representative echoed support of SB 62. He described ARDORS as an excellent method of fostering a partnership between state and regional efforts to bring about economic development. He encouraged expanded use of this successful model.

There was no further testimony on SB 62.

CHAIR WAGONER asked for a motion to move the bill from committee.

SENATOR TAYLOR made a motion to move SB 62 and accompanying fiscal note from committee with individual recommendations.

There being no objection, it was so ordered.

SB 63-MUNICIPAL ANNEXATIONS AND DETACHMENTS

CHAIR WAGONER asked Ms. Jackson to introduce SB 63.

MS. MARY JACKSON explained the bill has to do with municipal annexations and detachments and came before the Legislature last year as a result of the Homer annexation. Pieces of property were annexed and current statute does not define when those newly annexed properties should be assessed for tax purposes.

The Local Boundary Commission (LBC) has reviewed the legislation and approved it with suggested additions. However, there are new LBC members and professional courtesy suggests that new body should be given the opportunity to review and comment on the bill. This could be done during the March 2003 meeting.

The former LBC recommended extending the time frame for property assessment to include many incorporations, not just annexed properties.

She noted Mr. Bockhorst and Mr. Van Sant were available to answer questions and Ms. Griswold had testimony she wanted to deliver.

MS. MARY GRISWOLD, Homer resident, spoke in support of SB 63 and asked the committee to amend the bill as recommended by the LBC. Current statutes are confusing and unclear regarding the ability to levy property taxes during the initial period following incorporation, annexation, or detachment. "The best way to

promote an orderly efficient economical transition plan is to set simple straight forward ground rules. If everyone involved in a proposed annexation understands that revenue streams will shift on January 1 following an effective date, everyone can plan accordingly."

SIDE B
2:20 pm

SENATOR TAYLOR asked if Homer tried to impose a tax out of sequence.

MS. GRISWOLD replied they did, but that wasn't the issue here and Homer wouldn't be affected.

CHAIR WAGONER said he would move the bill from committee and the LBC could address comments during a State Affairs Committee hearing.

SENATOR TAYLOR made a motion to move SB 63 and attached fiscal note from committee with individual recommendations.

There being no objection, it was so ordered.

HCR 2-EXTEND ALASKA RAILROAD TO FT. GREELY

CHAIR WAGONER announced the Department of Military and Veterans Affairs (DMVA) asked him to make changes to this resolution. He hasn't had time to discuss those changes with the sponsor or to draft an amendment so they would take no action that day.

SENATOR ELTON asked whether public testimony would be taken when the committee substitute was heard. If so, he would hold his questions until that time.

CHAIR WAGONER said public testimony would be taken later and agreed holding questions until the CS was drafted was a good idea.

REPRESENTATIVE BOB LYNN asked for favorable consideration of HCR 2 to extend the Alaska Railroad about 70 miles from Eielson AFB near North Pole to the Fort Greely anti-ballistic missile launch facility near Delta Junction. He noted letters of support in the packets from General Pat Gamble, President of the Alaska Railroad, Brigadier General Craig Campbell, Commissioner of the

Department of Military & Veterans Affairs and former Representative Jeannette James.

Extending the railroad would help support and maintain the missile site, mining and agricultural operations and increase the economic development of the North Pole to Delta Junction area. It would also take the railroad 70 miles closer for an eventual connection to the Lower 48 through Canada and bring great benefit to Alaska.

SENATOR TAYLOR asked why the language, "and continue from thence to the Canadian border." was absent from the resolution.

REPRESENTATIVE LYNN replied it was to keep the resolution simple and free of other issues.

SENATOR TAYLOR said, "In deference to your request, I'll do the same."

SENATOR ELTON understood missiles and missile components would necessarily travel by air and wondered what effect that would have on the economic viability of the rail extension.

REPRESENTATIVE LYNN didn't know whether missiles and missile components would or would not be carried by rail, but rail would be used to build the infrastructure.

SENATOR ELTON asked whether there was an existing right of way and if not, what needs to be done to create a right of way.

REPRESENTATIVE LYNN replied that question would be better addressed when a bill is introduced.

CHAIR WAGONER called for teleconferenced testimony.

COMMISSIONER CRAIG CAMPBELL, Department of Military & Veterans Affairs, advised the department supports the legislation, but they are encouraging the Senate to amend the resolution. The amendment would better define some of the issues raised during the House debate. He said Senator Elton's question was good because the long range plan envisioned by the DMVA is for a larger use operation than to simply transport missiles to Fort Greely. Missiles will be transported by air, but improving and supporting the airfield would be done by rail. The Army is also looking at developing the range near Fort Greely for the Striker Brigade and the brigade vehicles would be transported by rail.

The Governor is looking at rail expansion for economic development in the Delta area and the department would support rail expansion for mining, agricultural, and industrial development that may be available. The department supports enlarging the resolution to include some of the specifics of reasons why extension from the Eielson AFB to Fort Greely makes economic sense for both Fort Greely and the region.

SENATOR STEVENS asked how far it was from Fort Greely to the US/Canada border and the distance from the border to the railhead in Canada.

COMMISSIONER CAMPBELL didn't know and suggested the question be directed to the railroad.

SENATOR ELTON said since the mission is broader than service to the new missile sites, it would be helpful if he had a better understanding of the manpower and logistical needs from the military standpoint.

COMMISSIONER CAMPBELL said he would address the request with the Army and the DMVA. The development of Fort Greely is happening rapidly with the increase of the missile defense program there as well as the potential for the training operations of the Striker Brigade. The military is very interested in the Fort Greely area for what it can provide for national security as well as for the state.

SENATOR TAYLOR commented there should still be a right of way for the pipeline between Haines to Eielson AFB even though the pipe is no longer useful.

COMMISSIONER CAMPBELL admitted he knew nothing about the current status of that line.

MR. PETE HALLGREN, City Administrator for the City of Delta Junction, agreed with the comments made by Commissioner Campbell.

There was no further testimony.

CHAIR WAGONER announced HCR 2 would be held in committee.

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#HB 58

HB 58-REINSTATEMENT OF NATIVE CORPS

LARRY LABOLLE, staff to Representative Foster, explained the bill provides a window of opportunity for the reinstatement of village corporations that have been involuntarily dissolved. In many villages, when they are notified their incorporation is due to expire, they don't know to make a renewal application and once the grace period passes, the corporation is involuntarily dissolved. Creating new corporations is problematic because the new corporation wouldn't have the same assets or the same status as before. The cleanest way to address the difficulty is to open a one time opportunity for reinstatement. Creating a permanent stipulation in statute isn't the answer because this would tamper with the corporate laws of the State of Alaska.

Currently the Savoonga, the Paimiut and the Tununrimit Rinit Native Corporations, have been involuntarily dissolved.

SENATOR TAYLOR commented this was a continuing problem.

MR. LABOLLE said, "The good news is the list gets shorter each time."

SENATOR GARY STEVENS asked if the three organizations were small and probably without ready access to counsel.

MR. LABOLLE said that was true.

SENATOR TAYLOR made a motion to move HB 58 and attached fiscal note from committee with individual recommendations.

There being no objection, it was so ordered.

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#HB 68

HB 68-OFFICE OF VICTIMS' RIGHTS: INCLUDE MUNIS

REPRESENTATIVE RALPH SAMUELS, co-sponsor, explained the bill clarifies language of the 22 Legislature. The Office of Victims' Rights was created by the 22 Legislature in an effort to give victims an independent voice in the criminal justice system. The difficulty regarding HB 68 arose after the shooting of former Commissioner Glen Godfrey and his wife Patty. The family contacted the victims' rights office so they would have a voice in the debacle over the 911 call in Anchorage. Conflict arose because the city attorney adopted the view that municipalities weren't specifically covered in the statute and therefore wouldn't release information on other cases to the victims'

rights office. This legislation specifically includes municipalities in the definition of a justice agency.

REPRESENTATIVE SAMUELS said he was available for questions and Mr. Branchflower was on line to respond to questions as well.

CHAIR WAGONER asked Mr. Branchflower if he would like to testify.

MR. STEVE BRANCHFLOWER from the Office of Victims' Rights replied Representative Samuels' presentation adequately and correctly justified the legislation.

Since and because of the 911 debacle in Anchorage, the municipal assembly adopted a resolution wherein they acknowledge the Office of Victims' Rights does have oversight over the municipality. Subsequently they promulgated Ordinance 2003-2 where as a matter of law, they have accepted jurisdiction of the office.

He urged passage of the legislation.

There was no further testimony.

CHAIR WAGONER called for a motion to move the legislation.

SENATOR TAYLOR made a motion to move CSHB 68 (JUD) \D version and accompanying fiscal note from committee with individual recommendations.

There being no objection, it was so ordered.

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There being no further business to come before the committee, Chair Wagoner adjourned the meeting at 3:00 pm.