

ALASKA STATE LEGISLATURE
SENATE RESOURCES STANDING COMMITTEE

May 3, 2004

3:45 p.m.

TAPE(S) 04-47

MEMBERS PRESENT

Senator Scott Ogan, Chair
Senator Thomas Wagoner, Vice Chair
Senator Fred Dyson
Senator Ralph Seekins
Senator Ben Stevens
Senator Kim Elton

MEMBERS ABSENT

Senator Georgianna Lincoln

COMMITTEE CALENDAR

HOUSE JOINT RESOLUTION NO. 36

Requesting the National Park Service to mitigate the adverse economic effects of commercial fishing closures and restrictions in Glacier Bay National Park and Preserve.

MOVED SCS HJR 36(RES) OUT OF COMMITTEE

CS FOR HOUSE JOINT RESOLUTION NO. 41(RES)

Relating to support for the Federal Land Recreational Visitor Protection Act.

MOVED CSHJR 41(RES) OUT OF COMMITTEE

CS FOR HOUSE BILL NO. 319(FIN) AM

"An Act relating to the disposal of state land by lottery; relating to the reservation of rights by the state in land contracts and deeds; relating to the disposal, including sale or lease, of remote recreational cabin sites; and providing for an effective date."

HEARD AND HELD

PREVIOUS COMMITTEE ACTION

BILL: HJR 36

SHORT TITLE: MITIGATING GLACIER BAY FISHING CLOSURES
SPONSOR(s): REPRESENTATIVE(s) WEYHRAUCH

02/05/04 (H) READ THE FIRST TIME - REFERRALS
02/05/04 (H) FSH, RES
02/11/04 (H) FSH AT 8:30 AM CAPITOL 124
02/11/04 (H) -- Meeting Canceled --
02/25/04 (H) FSH AT 8:30 AM CAPITOL 124
02/25/04 (H) Moved Out of Committee
02/25/04 (H) MINUTE(FSH)
02/26/04 (H) FSH RPT 5DP
02/26/04 (H) DP: OGG, SAMUELS, GUTTENBERG, WILSON,
02/26/04 (H) SEATON
03/05/04 (H) RES AT 1:00 PM CAPITOL 124
03/05/04 (H) Heard & Held
03/05/04 (H) MINUTE(RES)
03/31/04 (H) RES AT 1:00 PM CAPITOL 124
03/31/04 (H) Moved Out of Committee
03/31/04 (H) MINUTE(RES)
04/01/04 (H) RES RPT 4DP 3NR
04/01/04 (H) DP: GATTO, STEPOVICH, GUTTENBERG,
04/01/04 (H) KERTTULA; NR: WOLF, MASEK, DAHLSTROM
04/06/04 (H) TRANSMITTED TO (S)
04/06/04 (H) VERSION: HJR 36
04/07/04 (S) READ THE FIRST TIME - REFERRALS
04/07/04 (S) STA, RES
04/29/04 (S) STA AT 3:30 PM BELTZ 211
04/29/04 (S) Moved HJR 36 Out of Committee
04/29/04 (S) MINUTE(STA)
05/01/04 (S) STA RPT 3DP 1NR
05/01/04 (S) DP: STEVENS G, COWDERY, STEDMAN;
05/01/04 (S) NR: GUESS
05/03/04 (S) RES AT 3:30 PM BUTROVICH 205

BILL: HJR 41

SHORT TITLE: LAND RECREATIONAL VISITOR PROTECTION ACT
SPONSOR(s): REPRESENTATIVE(s) KERTTULA

02/16/04 (H) READ THE FIRST TIME - REFERRALS
02/16/04 (H) RES
03/31/04 (H) RES AT 1:00 PM CAPITOL 124
03/31/04 (H) Moved CSHJR 41(RES) Out of Committee
03/31/04 (H) MINUTE(RES)
04/01/04 (H) RES RPT CS(RES) 8DP
04/01/04 (H) DP: STEPOVICH, GATTO, LYNN, KERTTULA,
04/01/04 (H) GUTTENBERG, WOLF, MASEK, DAHLSTROM
04/07/04 (H) TRANSMITTED TO (S)

04/07/04 (H) VERSION: CSHJR 41(RES)
 04/08/04 (S) READ THE FIRST TIME - REFERRALS
 04/08/04 (S) STA, RES
 04/22/04 (S) STA AT 3:30 PM BELTZ 211
 04/22/04 (S) -- Meeting Canceled --
 04/29/04 (S) STA AT 3:30 PM BELTZ 211
 04/29/04 (S) Moved CSHJR 41(RES) Out of Committee
 04/29/04 (S) MINUTE(STA)
 05/01/04 (S) STA RPT 1DP 3NR
 05/01/04 (S) NR: STEVENS G, COWDERY, STEDMAN;
 05/01/04 (S) DP: GUESS
 05/03/04 (S) RES AT 3:30 PM BUTROVICH 205

BILL: HB 319

SHORT TITLE: REC.CABIN SITES/ LOTTERY SALE/RTS. RESERV
 SPONSOR(S): REPRESENTATIVE(S) FATE

05/14/03 (H) READ THE FIRST TIME - REFERRALS
 05/14/03 (H) STA, RES, FIN
 01/13/04 (H) STA AT 8:00 AM CAPITOL 102
 01/13/04 (H) Heard & Held
 01/13/04 (H) MINUTE(STA)
 02/03/04 (H) STA AT 8:00 AM CAPITOL 102
 02/03/04 (H) Heard & Held
 02/03/04 (H) MINUTE(STA)
 02/10/04 (H) STA AT 8:00 AM CAPITOL 102
 02/10/04 (H) Heard & Held
 02/10/04 (H) MINUTE(STA)
 02/19/04 (H) STA AT 8:00 AM CAPITOL 102
 02/19/04 (H) Moved CSHB 319(STA) Out of Committee
 02/19/04 (H) MINUTE(STA)
 02/23/04 (H) STA RPT CS(STA) 2DP 4NR 1AM
 02/23/04 (H) DP: GRUENBERG, LYNN; NR: SEATON, HOLM,
 02/23/04 (H) COGHILL, WEYHRAUCH; AM: BERKOWITZ
 03/01/04 (H) RES AT 1:00 PM CAPITOL 124
 03/01/04 (H) Heard & Held
 03/01/04 (H) MINUTE(RES)
 03/08/04 (H) RES AT 1:00 PM CAPITOL 124
 03/08/04 (H) Moved CSHB 319(RES) Out of Committee
 03/08/04 (H) MINUTE(RES)
 03/09/04 (H) RES RPT CS(RES) NT 3DP 3NR
 03/09/04 (H) DP: LYNN, STEPOVICH, WOLF; NR: GATTO,
 03/09/04 (H) DAHLSTROM, MASEK
 03/29/04 (H) FIN AT 1:30 PM HOUSE FINANCE 519
 03/29/04 (H) Heard & Held
 03/29/04 (H) MINUTE(FIN)
 03/31/04 (H) FIN AT 1:30 PM HOUSE FINANCE 519

03/31/04 (H) Heard & Held
03/31/04 (H) MINUTE(FIN)
04/13/04 (H) FIN AT 3:00 PM HOUSE FINANCE 519
04/13/04 (H) Heard & Held
04/13/04 (H) MINUTE(FIN)
04/19/04 (H) FIN AT 1:30 PM HOUSE FINANCE 519
04/19/04 (H) Moved CSHB 319(FIN) Out of Committee
04/19/04 (H) MINUTE(FIN)
04/21/04 (H) FIN RPT CS(FIN) NT 4DP 3NR 1AM
04/21/04 (H) DP: CHENAULT, FATE, FOSTER, WILLIAMS;
04/21/04 (H) NR: MEYER, STOLTZE, HARRIS; AM: HAWKER
04/23/04 (H) TRANSMITTED TO (S)
04/23/04 (H) VERSION: CSHB 319(FIN) AM
04/26/04 (S) READ THE FIRST TIME - REFERRALS
04/26/04 (S) RES, FIN
05/03/04 (S) RES AT 3:30 PM BUTROVICH 205

WITNESS REGISTER

Representative Bruce Weyhrauch
Alaska State Capitol
Juneau, AK 99801-1182
POSITION STATEMENT: Sponsor of HJR 36.

Representative Beth Kerttula
Alaska State Capitol
Juneau, AK 99801-1182
POSITION STATEMENT: Sponsor of HJR 41.

Ms. Julie Lucky
Staff to Representative Beth Kerttula
Alaska State Capitol
Juneau, AK 99801-1182
POSITION STATEMENT: Commented on HJR 41.

Mr. Bill Glude
Southeast Alaska Avalanche Center
Juneau AK
POSITION STATEMENT: Supports HJR 41.

Representative Hugh Fate
Alaska State Capitol
Juneau, AK 99801-1182
POSITION STATEMENT: Sponsor of HB 319.

Ms. Nancy Welsh
Special Assistant to Commissioner Tom Irwin

Department of Natural Resources
400 Willoughby Ave.
Juneau, AK 99801-1724
POSITION STATEMENT: Opposes HB 319.

Mr. Bob Loeffler, Director
Division of Mining, Land and Water
Department of Natural Resources
400 Willoughby Ave.
Juneau, AK 99801-1724
POSITION STATEMENT: Opposes HB 319.

Mr. Jim Pound
Staff to Representative Hugh Fate
Alaska State Capitol
Juneau, AK 99801-1182
POSITION STATEMENT: Commented on HB 319 for the sponsor.

Mr. Merl Thompson
Alaska resident
POSITION STATEMENT: Opposed HB 319.

ACTION NARRATIVE

TAPE 04-47, SIDE A
^#HJR36

HJR 36-MITIGATING GLACIER BAY FISHING CLOSURES

CHAIR SCOTT OGAN called the Senate Resources Standing Committee meeting to order at 3:45 p.m. Present were Senators Wagoner, Dyson, Seekins and Chair Ogan. Senator Stevens arrived at 4:02 and Senator Elton arrived at 4:11. The first order of business to come before the committee was HJR 36.

REPRESENTATIVE BRUCE WEYHRAUCH, sponsor, suggested amending page 2, line 24, to delete "acting" before "regional director" since by the time this is enacted the director will no longer be "acting".

This legislation basically say if contracts to work for the Park Service are let, those who have been negatively affected by the closures should be hired first if they have applied.

SENATOR WAGONER moved to adopt Amendment 1 as previously stated. There were no objections and it was so ordered.

SENATOR WAGONER moved to pass SCS HJR 36(RES) from committee with individual recommendations and zero fiscal note. There were no objections and it was so ordered.

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3:48 p.m. - 3:49 p.m. ease

^#HJR41

CSHJR 41(RES)-LAND RECREATIONAL VISITOR PROTECTION ACT

CHAIR OGAN announced CSHJR 41(RES) to be up for consideration.

REPRESENTATIVE BETH KERTTULA, sponsor, said that CSHJR 41(RES) supports Senator Ted Stevens' actions in getting federal funding for avalanche safety in Alaska. "We have more avalanche deaths than any other state and it's not per capita.... We have a lot of support for it...."

SENATOR WAGONER pointed out that the language in CSHJR 41(RES) states "deaths per capita" and asked if she wanted to change that.

MS. JULIE LUCKY, staff to Representative Kerttula, replied that actually the statistic is valid both ways.

REPRESENTATIVE KERTTULA said she was open to that change, however.

SENATOR SEEKINS asked if the federal effort applies only to national parks.

REPRESENTATIVE KERTTULA explained that grant money would go through the national park system, but it could be used outside of it.

SENATOR SEEKINS asked if the 54 million acres mentioned in the bill were just national park acreage.

REPRESENTATIVE KERTTULA said she would check on that.

MR. BILL GLUDE, Southeast Alaska Avalanche Center, supported CSHJR 41(RES). He said all of the states with avalanche problems have federally funded programs of forecasting and education except Alaska.

SENATOR WAGONER moved to pass CSHJR 41(RES) from committee with individual recommendations and attached fiscal note. There were no objections and it was so ordered.

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3:55 - 3:56 p.m. - at ease

^#HB319

CSHB 319(FIN)-REC.CABIN SITES/ LOTTERY SALE/RTS. RESERV

CHAIR OGAN announced CSHB 319(FIN) to be up for consideration.

REPRESENTATIVE HUGH FATE, sponsor, said the Department of Natural Resources (DNR) has the responsibility of not allowing the remote cabin site process to take place on lands that are deemed by it to be of high mineral value. It's the first piece of legislation that has been before this legislature that puts public lands into private hands through other than the DNR land disposal program.

SENATOR BEN STEVENS arrived at 4:02 p.m.

CHAIR OGAN said that some local governments are concerned about survey and appraisal backlogs and the resulting extra workloads on staff and asked how that could be solved.

MR. BOB LOEFFLER, Director, Division of Mining, Land and Water, Department of Natural Resources (DNR), said that Mat-Su said it already has a 3 - 12 month backlog and Fairbanks was similarly concerned about how much longer individual processing of parcels would take. The only way to eliminate the requirement for individual processing is to batch process the applications, which is what DNR's current program does. Individual processing as outlined in subsection (f) could not be done within 24 months.

CHAIR OGAN asked if the individual parcel disposal section had a best interest findings section.

MR. LOEFFLER replied yes. Under the current program one best interest finding is done for every area, which consists of 30 - 60 parcels. Section (f) requires individual best interest findings for each parcel. That is a significant change.

CHAIR OGAN noted the large fiscal note and asked if it was reasonable.

MS. NANCY WELSH, Special Assistant to Commissioner Tom Irwin, Department of Natural Resources (DNR), said the fiscal note is a little optimistic. Costs could be decreased substantially by changing the individual processing in section (4) to the existing batch processing program, which would change the fiscal note to roughly \$69,000 versus \$390,000 per year.

SENATOR ELTON arrived at 4:11 p.m.

CHAIR OGAN said a lot of people in the legislature are frustrated with the fact that DNR has not made lands available for disposal despite the fact that it has a lot of discretion about what lands it could make available.

SENATOR SEEKINS said he supported the concept behind the bill.

REPRESENTATIVE FATE said this legislation makes the survey and appraisal optional so that if the state does those activities, it would collect the fees at a later date through the payment program. The state uses batching programs, because all disposals have been through a lottery system of a subdivision where lots are right next to each other. He is not against keeping that program provided that the state chooses to sell other lots around a first application if it has more lots in the area it would like to sell. The commissioner of DNR has the discretion to allow an application to be certified or not. The public process he has to go through will address whether and how public property will be put into private hands. He thought this was a fair way to get land into private hands.

SENATOR WAGONER asked what would keep him and his wife from filing on two pieces of adjoining lake frontage property, paying for it and then subdividing it into small lots.

REPRESENTATIVE FATE replied that nothing precludes that from happening. That is the reason the parcels are as large as 10 acres.

SENATOR DYSON asked if nominated lands would go through the public process with the local people of the area before it was approved for disposal.

REPRESENTATIVE FATE replied that HB 319 allows the commissioner the discretion of allocating the lands and he has a hearing process.

SENATOR DYSON commented out of the blue that he thought it was absolutely bizarre to mandate only one outhouse for every 10 acres.

SENATOR ELTON related a concern of some constituents that the state is creating some impediments to future development.

REPRESENTATIVE FATE said he thought the commissioner would keep those things in mind when he made his determinations.

SENATOR ELTON said once areas are selected, groups of property owners are being created that will protest development that may otherwise have happened.

REPRESENTATIVE FATE responded that would probably happen, but DNR already has the final authority to authorize development in those areas. If DNR does not want development to happen in a certain area, it would not be opened up under this program.

SENATOR ELTON asked the sponsor to comment on the optimistic fiscal note.

REPRESENTATIVE FATE replied that he didn't think it was that optimistic; he thought the state would make much more money.

TAPE 04-47, SIDE B

REPRESENTATIVE FATE explained that DNR feels that the optimism comes from the timeline and thinks that this program can be done in 24 months rather than 36.

SENATOR DYSON remarked that there is nothing new here except it's an alternative to the lottery that allows a private citizen to nominate lands now.

CHAIR OGAN asked what criteria are used for the DNR to deny an application.

MS. WELSH responded that answer would come out through the public notice, the department's response to comment, plus what DNR considers to be in the best interest of the state. There are no criteria in the best interest finding.

CHAIR OGAN said he was trying to envision the unintended consequences and was worried that eventually all the premium land would be in private hands.

MS. WELSH related that is the department's concern also and noted that it has a chance to review comments from residents of the area, but the public notices are only as good as the people who read them. The commissioner has routinely said he is concerned about fairness to the public and tries to offer land to Alaskans generally at the same time rather than to negotiate with individuals.

MR. JIM POUND, staff to Representative Fate, said accesses to waterways and riparian areas are included in the bill as required by state law.

CHAIR OGAN said he was trying to figure out what some of his friends would say about some camps they have used that are on state land that suddenly become private property.

Guys who know about it are going to get a leg up over the guys that don't know about it. All of that is going to be gone. Nobody is going to have a place to camp unless somewhere in the best interest finding the commissioner is going to know about that. The director is not going to have the local knowledge.... I think it's going to be a huge problem.

MR. LOEFFLER said the commissioner doesn't think this process is where the state should go.

REPRESENTATIVE FATE said the right of first refusal is deleted from all the versions and language giving the commissioner discretion over selling or leasing property is inserted to address his concerns over fairness to all Alaskans.

CHAIR OGAN said he thought that essentially they were creating an open mining entry type system for land selection and he was very worried about the unintended consequences of this bill.

SENATOR SEEKINS said he thought the state is getting dangerously close to the "no more" philosophy. He enjoys the solitude of his particular location, but he is willing to share it with others. He does not see the balance, however, in this approach.

SENATOR WAGONER said he understands what Representative Fate is trying to do in making land available, but he suggested having the state put up some lands that would work for this type of program instead of opening everything up.

We're going to create a land rush and I don't think that's necessarily what we want to do, but we want to make lands available for people to have remote sites and remote locations.

REPRESENTATIVE FATE responded that section (4) stipulates each year subject to appropriations from the state land disposal income the commissioner shall prepare a schedule of land offerings.

SENATOR ELTON asked if anything would preclude a family of five from going out and staking 50 acres.

REPRESENTATIVE FATE replied no, but the prime requisite is that they all need to show citizenship. A child needs some sort of parental guidance to make applications.

SENATOR SEEKINS repeated that he is afraid of the "no more" attitude in state bureaucracy.

MR. MIKE MANNIS, Fairbanks, supported HB 319 and said that the private lands envisioned with this bill could provide an economic base that this state really needs. He said Fairbanks is surrounded by state lands, but the residents can't get them into private ownership. He said, "Either we live in a country where we have a right to private property or we live in some kind of a socialist lock up...."

MR. MYRL THOMPSON, private property owner, said he is a land developer, but doesn't support this bill because it benefits speculators.

CHAIR OGAN said it would be held for further work. There being no further business to come before the committee, he adjourned the meeting at 5:08 p.m.

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