

ALASKA STATE LEGISLATURE
SENATE STATE AFFAIRS STANDING COMMITTEE

April 24, 2003

3:40 p.m.

MEMBERS PRESENT

Senator Gary Stevens, Chair
Senator Fred Dyson
Senator Gretchen Guess

MEMBERS ABSENT

Senator John Cowdery, Vice Chair
Senator Lyman Hoffman

COMMITTEE CALENDAR

CS FOR HOUSE CONCURRENT RESOLUTION NO. 11(FSH) am
Relating to Alaska Wild Salmon Week, June 30 - July 4, 2003.

MOVED CS HCR 11(FSH) am 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."

HEARD AND HELD

SENATE BILL NO. 46

"An Act relating to stalking and to violating a protective order; and amending Rules 4 and 65, Alaska Rules of Civil Procedure, and Rule 9, Alaska Rules of Administration."

SCHEDULED BUT NOT HEARD

HOUSE BILL NO. 1

"An Act relating to stalking and to violating a protective order; and amending Rules 4 and 65, Alaska Rules of Civil Procedure, and Rule 9, Alaska Rules of Administration."

MOVED HB 1 OUT OF COMMITTEE

CS FOR HOUSE BILL NO. 109(STA)

"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

PREVIOUS ACTION

HCR 11 - No previous action to record.

SB 63 - See CRA minutes dated 2/26/03.
HB 1 - No previous action to record.
HB 109 - No previous action to record.

WITNESS REGISTER

Representative Kelly Wolf
Alaska State Capitol, Room 418
Juneau, AK 99801-1182
POSITION STATEMENT: Sponsor HCR 11

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

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

Dan Bockhorst
Local Boundary Commission
Department of Community & Economic Development
550 West Seventh Avenue, Suite
Anchorage, Alaska 99501-3510
POSITION STATEMENT: Testified on SB 63

Darroll Hargraves
Chair, Local Boundary Commission
Department of Community & Economic Development
550 West Seventh Avenue, Suite
Anchorage, Alaska 99501-3510
POSITION STATEMENT: Testified on SB 63

Dr. Douglas Stark
No address provided
POSITION STATEMENT: Testified on SB 63

Representative Cheryll Heinze
Alaska State Capitol, Room 416
Juneau, AK 99801-1182
POSITION STATEMENT: Sponsor HB 1

Mary Wells
No address provided
POSITION STATEMENT: Testified on HB 1

Linda Sylvester
Staff to Representative Bruce Weyhrauch
Alaska State Capitol, Room 102
Juneau, AK 99801-1182
POSITION STATEMENT: Introduced HB 109

Joe Thomas
Department of Administration
PO Box 110200
Juneau, AK 99811-0200
POSITION STATEMENT: Answered questions on HB 109

Rachel Lewis
Department of Revenue
PO Box 110400
Juneau, AK 99811-0400
POSITION STATEMENT: Answered questions on HB 109

ACTION NARRATIVE

TAPE 03-21, SIDE A

CHAIR GARY STEVENS called the Senate State Affairs Standing Committee meeting to order at 3:40 p.m. Present were Senators Dyson, Guess and Chair Gary Stevens.

The first order of business was HCR 11.

HCR 11-ALASKA WILD SALMON WEEK

REPRESENTATIVE KELLY WOLF, bill sponsor, read the sponsor statement:

Alaska is the largest commercial wild salmon fishery in the world and employs more than 29,000 people. Nearly 95 percent of all commercially caught salmon in the US are harvested in Alaska. In the last decade, state salmon harvests totaled more than \$4.5 billion, making salmon extremely vital to Alaska's economy.

For both visitors and Alaskans, the sport of fishing is one of the most popular activities in the state. Last year, approximately 448,000 resident and non-resident licenses were issued for sport fishing.

Beyond the importance of commercial and sport fishing, salmon has been a nutritional source for generations of Alaskans and is a large part of the state's heritage. Rich in Omega 3 oils, salmon is a healthy food that can help lower cholesterol and reduce the risk of heart disease.

HCR 11 would proclaim July 2, 2003 as 'Alaska Salmon Day.' This proclamation will recognize the salmon industry as a huge part of all Alaskan's lives and raise public awareness of one of Alaska's most important industries by promoting and celebrating the catching and eating of salmon.

CHAIR GARY STEVENS noted the Lieutenant Governor asked for it to be Alaska Salmon month, Representative Wolf asks it to be Alaska Salmon Week and the resolution speaks of Alaska Salmon Day on July 2, 2003.

REPRESENTATIVE WOLF replied the CS \I.A version calls for a week of celebration.

SENATOR FRED DYSON made a motion to move CSHCR 11 \I.A version from committee with individual recommendations and attached zero fiscal note. There being no objection, it was so ordered.

SB 63-MUNICIPAL ANNEXATIONS AND DETACHMENTS

MARY JACKSON, staff to Senator Thomas Wagoner, explained this bill was introduced as a result of the contentious Homer annexation that raised the question of when the taxation of an annexed area would begin. This bill remedies the question and sets it in statute.

The Local Boundary Commission (LBC) reviewed original draft legislation in September 2002 and recommended additional issues be addressed in the bill. The new LBC concurred with the bill, but requested it be expanded to include new incorporations as well. The bill was amended and the proposed CS is the product.

CHAIR GARY STEVENS asked for a motion to adopt the CS as the working document.

SENATOR GRETCHEN GUESS made a motion to adopt CSSB 63 \H version as the working document. There was no objection.

MS. JACKSON explained the LBC supports the \H version that makes the following changes:

- Section 1 extends the same time restrictions for annexed areas in the current bill to newly incorporated areas.
- The CS deletes the immediate effective date that was in the original bill.

In addition, the LBC asked for intent language and the legal department was in the process of drafting an amendment to accommodate the request.

CHAIR GARY STEVENS said he would hold the bill until the amendment was available, but he would take public testimony that day.

MARY GRISWOLD from Homer testified in support of the CS because it clarifies in statute in cases of incorporation, annexation, and detachments that property taxes accrue in full each January 1. It's consistent with existing policy across the state for assessing property and adding new property to the tax rolls.

With many annexations there is also a corresponding detachment from another government. Using January 1 as a cutoff date to establish value and jurisdiction provides less disruption. During the transition period, the government that is providing services can be appropriately compensated through a contract agreement worked out in the transition plans.

If the LBC was able to direct municipalities to levy taxes on property within their jurisdiction as of any date other than January 1, serious conflicts could arise. Also, adopting SB 63 without including incorporations risks multiple taxation when an area within a service area of an organized borough incorporates as a city before July 1. If the city levies taxes in the initial year following incorporation while the taxes in the detached area of the borough remain in effect, the property owners in the new city would be taxed twice.

DAN BOCKHORST, staff to the LBC, advised the commission wrote a letter to the Chair expressing three concerns regarding the original legislation. Two were addressed in the CS and the third issue is the subject of the proposed amendment Ms. Jackson spoke to. He preferred to defer his comments until the amendment was available for review.

DARROLL HARGRAVES said he sent a letter to the Chair on 4/23 addressed satisfactorily in the CS.

CHAIR GARY STEVENS acknowledged the letter was in the file and advised the committee would take action on the bill when they had the intent language from Legislative Legal.

DR. DOUGLAS STARK from Homer testified in support of SB 63.

CHAIR GARY STEVENS held SB 63 in committee.

HB 1-STALKING & PROTECTIVE ORDERS

REPRESENTATIVE CHERYLL HEINZE, bill sponsor, paraphrased the sponsor statement:

HB 1 closes a dangerous loophole in the Alaska statutes, by allowing unacquainted victims of stalking to enjoy the security of a judicial protective order. Current law provides protection to those in domestic situations and minor children, but enjoins the victims of strangers from equal protection of the law. HB 1 allows the victims of stalking to seek and obtain a protective order in cases of stalking that are not crimes involving domestic violence. The bill streamlines the process for public safety and judicial practitioners by harmonizing the arrest and notification procedures to mirror those already in place for domestic violence situations. The bill adds the crime of violation of a child protective order and of a violation of a stalking protective order; these changes also reflect existing practitioner procedures.

There were no questions.

MARY WELLS testified via teleconference from Anchorage to relate a story about a man who stalked her family for a three-month period in 2001. Because the man was not a relative or domestic partner, she had no legal standing to obtain a protective order. This bill would remedy that loophole.

REPRESENTATIVE HEINZE stated she, too, was stalked during her campaign. It was a terrifying experience and the police were unable to offer any real help.

CHAIR GARY STEVENS said there isn't any protection unless there is a family connection.

SENATOR GRETCHEN GUESS replied it goes farther than that. There isn't any protection unless it is a domestic violence situation, which makes it very restrictive.

CHAIR GARY STEVENS asked for a motion.

SENATOR GUESS made a motion to move HB 1 from committee with individual recommendations and attached zero fiscal notes. There being no objection, it was so ordered.

HB 109-TREASURY WARRANTS/LAPSED APPROPRIATIONS

LINDA SYLVESTER, staff to Representative Bruce Weyhrauch, explained this bill was introduced at the request of Governor Murkowski and would help the Department of Administration by updating certain accounting procedures.

State warrants currently become stale dated after two years and claims for payment of these warrants must be done through the supplemental budget process. HB 109 drops the time from two years to six months and, instead of being handled through the supplemental budget process, all stale dated checks would go to the unclaimed property fund. The process would be expedited and the funds could be presented to the claimant at any time. In addition, miscellaneous claims that are older than one year are also addressed and would no longer be paid from the supplemental budget.

JOE THOMAS, State Accountant with the Department of Administration, advised he was available to answer questions. HB 109 would expedite the payment process for stale dated warrants and miscellaneous claims.

CHAIR GARY STEVENS asked if money from stale dated warrants is transferred to the Unclaimed Property Section.

MR. THOMAS explained the current process is that a stale dated warrant stays in the general fund. When a claim is made, money must be appropriated for that claim to be paid. If HB 109 becomes law, monies from stale dated checks and miscellaneous expenses would be turned over to the Unclaimed Property Section and they would publish the names of those with unclaimed property. The individual could then come forward and receive payment.

CHAIR GARY STEVENS asked if the money stays in the Unclaimed Property Section forever.

MR. THOMAS deferred the question to Rachel Lewis.

RACHEL LEWIS, Administrator of the Unclaimed Property Program, said this bill brings the process in line with AS 34.45.230. Any un-cashed state, local or municipal government checks should be turned over to the Alaska Department of Revenue after one year. This hasn't worked because the stale date for those checks was two years. HB 109 would stale date checks after six months and agencies would then get a list of stale dated warrants to review. The Unclaimed Property Program would then receive a list of names to publish and they would keep the data in perpetuity.

Not all unclaimed money is claimed and Alaska is able to use the money until the claimant comes forward. She advised she typically transfers 75 to 80 percent of the monies into the general fund and the balance is kept to pay claims.

SENATOR FRED DYSON asked what this amounted to in a year.

MS. LEWIS replied approximately \$3 million in cash and because they are able to liquidate stocks and bonds after three years, she probably sells \$.5 million in securities every three years. She estimated she transfers between \$3 million and \$5 million a year into the general fund.

SENATOR DYSON asked if they receive other types of assets.

MS. LEWIS said they don't get tangible property other than safe deposit contents.

CHAIR GARY STEVENS asked if interest accrues on unpaid warrants.

MS. LEWIS advised they only pay interest if they receive an interest bearing account and they would pay interest on those for up to ten years. Savings accounts are about the only accounts of that type, but they do pay dividends and proceeds from stocks that accrue while held in the original format.

CHAIR GARY STEVENS asked for a motion.

SENATOR GRETCHEN GUESS made a motion to move HB 109 from committee with individual recommendations and attached zero fiscal note. There being no objection, it was so ordered.

There being no further business to come before the committee,
Chair Gary Stevens adjourned the meeting at 4:30 p.m.