

ALASKA STATE LEGISLATURE
HOUSE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE

February 15, 2005

8:04 a.m.

MEMBERS PRESENT

Representative Kurt Olson, Co-Chair
Representative Bill Thomas, Co-Chair
Representative Pete Kott
Representative Gabrielle LeDoux
Representative Mark Neuman
Representative Sharon Cissna

MEMBERS ABSENT

Representative Woodie Salmon

OTHER LEGISLATORS PRESENT

Representative John Coghill

COMMITTEE CALENDAR

HOUSE BILL NO. 121

"An Act relating to consolidating or abolishing certain service areas in second class boroughs."

- HEARD AND HELD

HOUSE BILL NO. 27

"An Act relating to an optional exemption from municipal property taxes on certain residences of law enforcement officers."

- HEARD AND HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 121

SHORT TITLE: SERVICE AREAS IN SECOND CLASS BOROUGHES

SPONSOR(S): COMMUNITY & REGIONAL AFFAIRS

02/02/05	(H)	READ THE FIRST TIME - REFERRALS
02/02/05	(H)	CRA, STA
02/15/05	(H)	CRA AT 8:00 AM CAPITOL 124

BILL: HB 27

SHORT TITLE: MUNI PROP TAX EXEMPTION FOR POLICE HOMES

SPONSOR(S): REPRESENTATIVE(S) CHENAULT, GRUENBERG

01/10/05 (H) PREFILE RELEASED 12/30/04
01/10/05 (H) READ THE FIRST TIME - REFERRALS
01/10/05 (H) CRA, FIN
02/15/05 (H) CRA AT 8:00 AM CAPITOL 124

WITNESS REGISTER

KACI SCHROEDER, Staff
to Representative Thomas
House Community and Regional Affairs Standing Committee
Alaska State Legislature
Juneau, Alaska
POSITION STATEMENT: Presented HB 121.

RENE BROKER, Attorney
Fairbanks North Star Borough
Fairbanks, Alaska
POSITION STATEMENT: During hearing of HB 121, answered questions.

BONNIE WILLIAMS, Legislative Liaison
Fairbanks North Star Borough Assembly
Fairbanks, Alaska
POSITION STATEMENT: During hearing of HB 121, provided information related to Fairbanks.

RANDY FRANK, Chair
Road Service Area Committee
Fairbanks North Star Borough Assembly
Fairbanks, Alaska
POSITION STATEMENT: During hearing of HB 121, answered questions.

RYNNIEVA MOSS, Chair
Road Commission
Fairbanks, Alaska
POSITION STATEMENT: Testified on HB 121.

KEVIN RITCHIE, Executive Director
Alaska Municipal League (AML)
Juneau, Alaska
POSITION STATEMENT: Testified on HB 121.

REPRESENTATIVE MAX GRUENBERG
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Spoke as the co-prime sponsor of HB 27.

ACTION NARRATIVE

CHAIR KURT OLSON called the House Community and Regional Affairs Standing Committee meeting to order at [8:04:16 AM](#). Representatives LeDoux, Neuman, Olson, and Thomas were present at the call to order. Representatives Kott and Cissna arrived as the meeting was in progress.

HB 121-SERVICE AREAS IN SECOND CLASS BOROUGHS

[8:04:50 AM](#)

CO-CHAIR OLSON announced that the first order of business would be HOUSE BILL NO. 121, "An Act relating to consolidating or abolishing certain service areas in second class boroughs."

[8:05:18 AM](#)

CO-CHAIR THOMAS moved to adopt CSHB 121, Version 24-LS0396\Y, as the working document. There being no objection, Version Y was before the committee.

[8:05:33 AM](#)

KACI SCHROEDER, Staff to Representative Thomas, House Community and Regional Affairs Standing Committee, Alaska State Legislature, explained that when the state revenue sharing program was in place, residents of subdivisions outside of city limits were allowed to establish local service area road commissions. The commissions were funded with revenue sharing funds. Now the revenue sharing program doesn't exist and these local service area road commissions don't have the funds to adequately maintain the roads. Therefore, these roads are deteriorating and passage is becoming difficult. Ms. Schroeder reminded the committee that these service areas are part of the borough, which means that the borough bears the ultimate financial responsibility for these road service areas. However, the boroughs can't assess a boroughwide tax and apply it to a specific road service area. This legislation allows second class boroughs to consolidate or dissolve service areas that aren't functioning or are functioning below minimum standards,

while protecting service areas that adequately tax themselves and maintain their roads.

8:07:16 AM

REPRESENTATIVE LEDOUX asked if this legislation will do anything to ameliorate the situation in which the road [service areas] don't receive funds to [maintain] the roads, which leads to unsafe conditions.

MS. SCHROEDER opined that the intent is to work with the road service areas to get services out there, but when that isn't possible the borough wants to alleviate its liability for those [unsafe] roads.

REPRESENTATIVE LEDOUX asked if the legislation alleviates the borough's liability for the safety hazards in the roads; or is the purpose of this legislation to not allow the road service area to contract for services, not pay for those services, and leave borough on the hook for payment of those.

MS. SCHROEDER deferred to Rene Broker.

8:08:43 AM

RENE BROKER, Attorney, Fairbanks North Star Borough, explained that the borough has a number of sources of liability when a road service area isn't functioning and doesn't have funds. She informed the committee that there are service areas that don't have commissioners, and therefore can't legally conduct business. Furthermore, there are safety issues when roads aren't maintained or aren't properly maintained. The aforementioned are two primary sources of liability that the [Fairbanks North Star Borough] hopes to address.

8:09:17 AM

REPRESENTATIVE LEDOUX asked whether the borough will be able to take over the maintenance of these road service areas if the road service areas are abolished.

MS. BROKER replied no, and clarified that currently the borough only exercises road powers through the service areas. The aforementioned is why [the Fairbanks North Star Borough through this legislation] is seeking the right to dissolve and consolidate service areas. She mentioned that dissolution would be a last resort.

8:10:27 AM

REPRESENTATIVE NEUMAN inquired as to who would ultimately take care of these roads if it isn't the borough's responsibility.

BONNIE WILLIAMS, Legislative Liaison, Fairbanks North Star Borough Assembly, informed the committee that currently there are over 300 miles of roads inside of the Fairbanks North Star Borough that aren't in road service areas, but are outside of the city [limits] and aren't state roads. These roads are maintained happenstance by those living along the roads. If a road service area were dissolved, whatever length of road in that road service area would be added to the 300 miles. Those roads wouldn't be maintained unless someone volunteered to do so, she said.

8:11:53 AM

REPRESENTATIVE CISSNA asked if there has been a history of problems with transportation due to the inability to [maintain] the roads.

MS. WILLIAMS said it depends upon one's perspective. She recalled when she lived on a road that was not in a road service area. In that neighborhood a couple of people had a backhoe and a snowplow and when they felt like it, they plowed. In the beginning those in the area did okay, but as time passed and usage continued the roads began to deteriorate. Therefore, the neighborhood eventually joined an existing road service area. She noted, "Some people in our borough are extraordinarily independent-minded and they may have lived on roads like this for 20, 30, 40 years and they think it's just fine, and so we leave them alone."

8:13:54 AM

REPRESENTATIVE NEUMAN inquired as to how many people this would impact. He also inquired as to any negative impacts of this.

MS. WILLIAMS explained that if HB 121 passes, in an unusual circumstance in which there are no active commissioners and no tax approved by the voters in the road service area, [the borough] will give the area one last chance to consolidate with another road service area or to tax itself. If one of those options isn't chosen, the borough would dissolve the [road service area]. At the moment, the borough can't dissolve a

[road service area] and thus the liability is that [of the borough].

8:14:50 AM

REPRESENTATIVE LEDOUX asked if HB 121 could force one road service area that wants to continue as it is to consolidate with another road service area that wants to tax itself in order to improve its roads.

MS. WILLIAMS opined that the joining of two road service areas should be undertaken carefully.

8:15:31 AM

RANDY FRANK, Chair, Road Service Area Committee, Fairbanks North Star Borough Assembly, confirmed that such would be a possibility were HB 121 passed. However, part of another piece of legislation would change the way in which a road service area can tax itself, which alleviates that problem because it allows for differential taxation between different parts of a service area.

8:16:58 AM

CO-CHAIR OLSON asked if this is being handled as a local improvement district (LID) with the borough participating or is it 100 percent from the road service area.

MS. WILLIAMS explained that the road commissioners work with neighbors and, through an election, independently decide the mill rate. The road [service area] prepares the budget, the assembly approves it, and the road service area works with borough purchasing to select a contractor(s) and oversee what is done.

CO-CHAIR OLSON surmised then that the borough provides no matching funds.

MS. WILLIAMS confirmed that the borough provides no matching funds, but merely provides administrative assistance.

8:17:59 AM

RYNNIEVA MOSS, Chair, Road Commission, related that the road commission with which she is affiliated works quite well. This legislation was introduced because, by statute, the legislature

placed a liability on boroughs for road service areas. The language in HB 121, she highlighted, was written to protect those service areas doing their job correctly.

[8:19:53 AM](#)

REPRESENTATIVE CISSNA expressed concern with the language at the end of [Section 1]. She related her understanding that the aforementioned language seems to specify that it takes "a majority of the people who live in both the area that is taking in the service area and the people that live in the service area." "So, in other words, you can be forced, if in fact you happen to be in the minority of the service area, but not otherwise," she surmised.

MS. MOSS suggested that Representative Cissna is confusing HB 121 with HB 133 regarding the Local Boundary Commission. Ms. Moss clarified that HB 121 deals with road service areas that could be dissolved by the borough assembly without an election when a road service area isn't functioning properly.

REPRESENTATIVE CISSNA directed attention to the language "voters reside".

MS. MOSS explained that the new language, the underlined and bold language, specifies that such an election doesn't have to occur if the road service area isn't functioning.

[8:22:13 AM](#)

KEVIN RITCHIE, Executive Director, Alaska Municipal League (AML), echoed earlier comments that municipalities and assemblies must address the road system as a whole. This legislation provides the [borough the ability to take action] if there is a problem within the service area that causes a problem for the entire road system.

[8:24:16 AM](#)

REPRESENTATIVE LEDOUX surmised then that if there is a dysfunctional service area that's abolished, the borough uses taxes from throughout the entire borough to fix the problem in the road service area.

MR. RITCHIE deferred to Ms. Broker.

[8:24:57 AM](#)

MS. BROKER clarified that the borough is prohibited from spending areawide and nonareawide tax dollars on road service areas. Therefore, if a road service area is dissolved, it would join the 300 miles of area in the Fairbanks North Star Borough that aren't maintained or maintained only by private citizens.

[8:25:21 AM](#)

REPRESENTATIVE LEDOUX said she didn't understand what HB 121 does to take anyone off the hook for liability when it comes to inadequately maintained roads.

MS. BROKER reiterated that the borough has the liability because the service area exists. The borough, through the road service area, has undertaken the duty to maintain and construct roads in the road service area. Once that road service area dissolves, that duty also dissolves because the [Fairbanks North Star Borough] doesn't have areawide or nonareawide road powers.

[8:26:05 AM](#)

MR. FRANK added that another part of the problem is that some property within road service areas don't use the road service area road, but are taxed by the road service area. The aforementioned people would like to [not be included in those] road service areas because they don't use the road service area roads. In order to alleviate that concern, there must be a positive vote by the existing road service area and the property owner. Mr. Frank predicted that the road service area wouldn't allow such because the road service area needs all the money it can obtain. Therefore, he said he would like the ability for those property owners to be released from the road service area by an action of the assembly.

[8:27:31 AM](#)

MR. RITCHIE suggested that it's also important to be in the hands of the assembly when a small road service area can't afford to maintain itself and may need to consolidate. Sometimes the assembly, acting with [specified] criteria, can serve the good of the entire community.

[8:28:50 AM](#)

CO-CHAIR OLSON pointed out that [the committee packet should include] two letters of support from the mayor and the presiding officer of the Fairbanks North Star Borough.

[8:29:17 AM](#)

REPRESENTATIVE CISSNA inquired as to the latitude of the road service area to exist, if it so wishes, when the larger community doesn't want it to exist.

MS. BROKER explained that if a road service area is taxing itself and functioning as it should, the borough assembly has no ability to effect that road service area. The borough assembly can only effect or dissolve a road service area if the road service area is not performing its services and duties, which passes on the liability to all borough taxpayers.

[8:30:54 AM](#)

MS. BROKER, in response to Representative Cissna, clarified that when a road service area votes to become such it undertakes the duty and responsibility of constructing and maintaining roads in that road service area. The aforementioned has to be performed in a safe manner, she commented.

REPRESENTATIVE CISSNA inquired as to who decides the standard.

MS. BROKER opined that the standard is negligence. The intent is to only protect the liability of the borough, she specified.

[8:32:56 AM](#)

REPRESENTATIVE CISSNA asked if HB 121 leaves recourse for the road service area at odds with that interpretation. Can a road service area sue in an attempt to resolve the conflict, she asked.

MS. BROKER reminded the committee that this will be an action by ordinance by the borough assembly. Therefore, there would be a public hearing and work session, which would provide many opportunities for residents to testify.

[8:34:05 AM](#)

REPRESENTATIVE NEUMAN asked if the borough has any existing taxing mechanism to address this. Representative Neuman stated that his concern is in regard to public safety and the ability

for fire trucks and other emergency vehicles to traverse over the roads that aren't maintained.

MS. WILLIAMS highlighted that under state statutes and voter-approved initiatives [the Fairbanks North Star Borough] has a tax cap. Therefore, if those in a road service area choose not to tax themselves, the borough is prohibited from providing funds from other sources to fund the necessary maintenance. She explained that in order to eliminate the [borough's] liability, the borough needs a mechanism by which it can dissolve the road service area.

[8:35:34 AM](#)

CO-CHAIR OLSON inquired as to how many of the 100 road service areas are currently functioning.

MS. WILLIAMS specified that [in the Fairbanks North Star Borough] there are 107 road service areas, of which two are without commissioners. She noted that at an upcoming election two road service areas will be voting on whether to implement a tax.

CO-CHAIR OLSON surmised that there isn't a significant number of [problem road service areas].

MS. WILLIAMS agreed, but emphasized that it's a real problem. She related that it would take only one accident in which the borough is the "deep pocket" with an outstanding liability.

[8:36:25 AM](#)

CO-CHAIR THOMAS inquired as to why the road service areas have become defunct.

MS. WILLIAMS reminded the committee that the road service commissioners are volunteers. In practice, someone volunteers and ends up doing [road maintenance] for 10-20 years. After a while, those volunteers burn out or move away and no one else volunteers.

MR. FRANK interjected that most of these road service areas were formed in early 1980s when a lot of state money was available. Now that the state funding isn't available, the [residents of the] road service areas may choose not to tax themselves. He noted that Fairbanks has an anti-tax history.

8:38:01 AM

CO-CHAIR THOMAS related that he comes from an area that was afraid to tax itself for a fire service area, until a few houses burned and the City of Haines refused to send firemen to a service area without insurance and protection for the firemen. Co-Chair Thomas stated that he supported service areas.

MR. FRANK agreed that service areas are a good tool for people who want to help themselves.

8:39:02 AM

REPRESENTATIVE LEDOUX said she had no problem with the abolition of a service area not acting as such. However, she expressed concern that HB 121 allows for consolidation of two service areas. If one service area wants to function while another doesn't, she said she wouldn't force the two to consolidate.

MR. FRANK informed the committee that in the past, the assembly had the ability to consolidate service areas no matter the desire of the service area. However, that was problematic because of money from the existing service area being spent on the annexed service area, which is a classic case of income redistribution. The aforementioned was addressed with a law allowing differential taxation levels.

8:42:16 AM

MR. FRANK, in response to Representative LeDoux, clarified that the aforementioned law passed a few years ago.

REPRESENTATIVE LEDOUX posed a situation in which one road service district that taxed itself and was spending prudently was consolidated with a road service that didn't. In the aforementioned situation, the money could go for projects in the service area that didn't [tax itself or spend prudently].

MR. FRANK said that he didn't believe so and highlighted the ability for there to be differential taxation.

MS. BROKER maintained that those service areas that don't want to be such won't be consolidated. However, those small service areas without a tax base still wanting to be a service area will probably consolidate in order to share expenses. She reminded the committee that the commissioners of the service areas are making the decisions regarding where to spend the money.

8:45:43 AM

REPRESENTATIVE CISSNA expressed interest in knowing how service areas work in communities besides Fairbanks. Representative Cissna said that she wouldn't want to pass a law that effected one community in a way that took away options in other communities.

8:46:47 AM

CO-CHAIR OLSON related that his district consolidated into one boroughwide road service area, which has seemed to work well.

8:47:01 AM

MR. RITCHIE informed the committee that at AML's subcommittee of its legislative committee meeting, a number of communities were represented. He related that the road service areas don't impact all boroughs the same. The two boroughs that are most dependent on road service areas are the Fairbanks and Mat-Su boroughs. With regard to whether this legislation could be used to treat people inequitably, Mr. Ritchie related the need to trust in the local governing authority. However, at the moment, the boroughs' hands are tied, and therefore HB 121 allows the assembly to step in, under certain cases, for the good of the community.

8:50:40 AM

REPRESENTATIVE NEUMAN asked if the borough can [stop providing service] to those road service areas from which it feels it isn't receiving enough money.

MR. RITCHIE reiterated earlier testimony that currently the only way road powers can be executed in Fairbanks is through road service areas. In the case in which a road service area is at the end of a road and the road service area can't afford to tax itself, the road service area might look to another with which to consolidate in order to reduce costs to the extent it could afford to provide services. In response to Representative Neuman, Mr. Ritchie said he didn't believe such an area could be treated unfairly.

MS. MOSS clarified that HB 121 is about a liability, involving service areas, that the state has placed on boroughs. If those in a service area won't tax themselves and don't keep the roads

safe, the borough is held liable for that road service area's negligence. The legislation specifies that if a road service area is negligent, the borough can come in and dissolve the service area in order to dissolve the liability.

[8:53:46 AM](#)

REPRESENTATIVE LEDOUX asked whether HB 121 would be as effective if the legislation said the borough "may dissolve" the service area without "consolidation" language.

MS. MOSS related her belief that the consolidation language is desired because there are many small service areas that could function properly when receiving state money. Therefore, without the state funds consolidation may ease the pain.

REPRESENTATIVE LEDOUX surmised "I guess it would alleviate the pain because somebody in some other service area that gets consolidated with it would be having to pay it." She asked if that would be correct.

MS. MOSS answered that she believes it to be more of a case of consolidating administration.

[8:55:20 AM](#)

MR. FRANK added that some service areas [in the Fairbanks North Star Borough] are very small, and therefore consolidation would address a portion of the borough fee. Furthermore, consolidation would allow [a service area] the ability to go out to bid in order to obtain a better contract price for the work on the roads in the area.

[8:56:52 AM](#)

CO-CHAIR OLSON announced that HB 121 would be held over.

HB 27-MUNI PROP TAX EXEMPTION FOR POLICE HOMES

[8:57:04 AM](#)

CO-CHAIR OLSON announced that the final order of business would be HOUSE BILL NO. 27, "An Act relating to an optional exemption from municipal property taxes on certain residences of law enforcement officers."

The committee took a brief at-ease from 8:57:14 to 9:04:10.

9:04:29 AM

CO-CHAIR THOMAS moved to adopt CSHB 27, Version 24-LS0182\F, Cook, 2/14/05, as the working document. [No objection was stated, and therefore Version F was treated as adopted and before the committee.]

9:04:39 AM

REPRESENTATIVE MAX GRUENBERG, Alaska State Legislature, co-prime sponsor, explained that the purpose of HB 27 is to encourage law enforcement officers to live in [high crime areas]. If [law enforcement officers] live in the area, law enforcement is better, he opined. Very few law enforcement officials live in areas where additional police protection is most necessary. This legislation allows municipalities to pass an ordinance to exempt a small amount of assessed valuation from the primary physical residence of the law enforcement officer. He specified that a \$10,000 exemption will equate to about \$150 a year, which is a modest amount. Because of the hold harmless language there will be no cost to the state.

9:07:30 AM

REPRESENTATIVE GRUENBERG turned to the difference between HB 27 and Version F. He pointed out that the language "occupy as permanent place of abode" on page 1, line 8, of the original legislation [was changed in Version F to refer to "primary permanent place of abode"]. He explained that the intent was to be sure that the exemption wasn't sought on a vacation home that wasn't the primary place of abode. He noted that some of the language was taken from AS 29.45.050(r) that deals with volunteer firemen and emergency medical services.

9:08:55 AM

REPRESENTATIVE KOTT opined that there seems to be confusion with the use of the language "primary permanent". He questioned whether there is a nonprimary permanent [place of abode].

REPRESENTATIVE GRUENBERG explained that one could have a place of abode at say, Big Lake. Although it's permanent, it's not the primary place of abode.

REPRESENTATIVE KOTT asked if one can have two permanent residences. Representative Kott said that "primary place of

abode" seems to make sense while "primary permanent place of abode" seems confusing.

REPRESENTATIVE GRUENBERG said that it makes no difference if the language "permanent" is eliminated. He explained that the terms "resident" and "domicile" are legal terms. However, in this statute someone may interpret it as "residence" in the ordinary sense rather than the legal sense. He specified that the intent is to only allow an individual one physical place for which the exemption could be claimed. He noted that later Version F ratchets down the exemption further by specifying that one may only receive a maximum of two exemptions if [two law enforcement officers were married].

[9:12:03 AM](#)

REPRESENTATIVE NEUMAN suggested that on page 1, line 8, the word "two" should be deleted. He inquired as to who decides these exemptions.

REPRESENTATIVE GRUENBERG said that sentence: "If two or more individuals are eligible for an exemption" is taken from AS 29.45.050(r). If a third person moved in [to a property where two law enforcement officers live], there would already be two exemptions. In that case [the individuals] first in time would receive the exemption. If three people move in at the same time, then it would be up to the municipality to determine who receives the exemption.

[9:14:52 AM](#)

REPRESENTATIVE NEUMAN then turned to page 2, line 1, which refers to eligibility requirements under federal programs, and inquired as to what programs those are.

REPRESENTATIVE GRUENBERG said that these are well-recognized federal programs such as "Renaissance zones," "weed and seed programs," and neighborhood revitalization programs. He noted that a number of areas in Anchorage qualify for these programs. The local municipality determines how its ordinance will be crafted, he added.

REPRESENTATIVE NEUMAN questioned whether the law enforcement exemption offsets the higher insurance rates [the residents in the area] would experience.

REPRESENTATIVE GRUENBERG replied no, which is why there is no desire for the ordinance to refer to a "high crime rate" [area]. He informed the committee that the areas of interest in Anchorage have already been publicly designated as "weed and seed areas." Representative Gruenberg turned attention to the third paragraph of Mayor Begich's letter, which relates that the incentive may need to be increased. Representative Gruenberg said he would consider an increase a friendly amendment.

[9:19:18 AM](#)

CO-CHAIR OLSON inquired as to the Anchorage Police Department's view of this.

REPRESENTATIVE GRUENBERG related that anecdotally the Anchorage Police Department likes this legislation. In further response to Co-Chair Olson, Representative Gruenberg said he didn't know the rough numbers of those law enforcement willing to move.

[9:20:27 AM](#)

REPRESENTATIVE CISSNA related her understanding that HB 27 allows municipalities to decide whether they want to implement this program that provides a local government incentive to encourage law enforcement officers to live where they might not choose to live.

REPRESENTATIVE GRUENBERG agreed with that understanding.

[9:21:59 AM](#)

REPRESENTATIVE KOTT turned to the Muldoon area in Anchorage. He said he knew of very few properties that would qualify to receive the \$150 exemption. Representative Kott expressed the need to reevaluate the exemption amount in order to attract law enforcement officers to these [high crime] areas. He then turned attention to page 1, lines 8-9, regarding two or more law enforcement officers being eligible for the exemption at the same property. He posed a situation in which two female law enforcement officers purchased a four-plex and both lived in one of the [units], although one law enforcement officer was married to another male officer. He inquired as to who would qualify for the exemption in the aforementioned situation.

REPRESENTATIVE GRUENBERG explained that a duplex would be considered one parcel, one assessment. However, if the property was a zero lot line, each owner would be entitled to an

exemption. The maximum allowed for the exemption of those living in a duplex is two exemptions. In regard to Representative Kott's first comment, Representative Gruenberg reiterated that he would consider an increase in the exemption amount as a friendly amendment.

[9:27:07 AM](#)

CO-CHAIR THOMAS referred to AS 29.45.050(i) and asked if municipalities could add law enforcement to the list receiving the [exemption in current statute].

REPRESENTATIVE GRUENBERG recommended to use the format of the legislation because it requires a certain geographic area. The substantial subsections [AS 29.45.050(i) and (a)] require votes of the people, which wasn't included in HB 27 because the amount was smaller.

[9:29:42 AM](#)

CO-CHAIR THOMAS noted his agreement with Representative Kott regarding the size of the incentive necessary to encourage relocation [to a high crime area]. He suggested making the incentive worthwhile for someone to take a risk.

REPRESENTATIVE GRUENBERG reiterated that he would consider [an increase in the amount of the exemption] a friendly amendment.

[9:30:13 AM](#)

REPRESENTATIVE NEUMAN suggested adding the language "with a vote of the people through local ordinances" because the other exemptions do so. Therefore, the communities would decide.

REPRESENTATIVE GRUENBERG characterized such a change as a policy call. Although a smaller incentive might not attract law enforcement to move, he indicated that the [residents in the area] may have concern with a larger incentive amount. In further response to Representative Neuman, Representative Gruenberg agreed that if the exemption is increased by a large quantity such as \$150,000, then [the locals should decide whether to offer it]. However, a more modest increase in the range of \$30-\$50,000 wouldn't necessarily require a vote of the people.

[9:32:44 AM](#)

REPRESENTATIVE GRUENBERG, in further response to Representative Neuman, advised that if [the incentive] was [increased] to \$40-\$50,000, it wouldn't need a vote of the people. An amount higher than that would require a vote of the people, he opined.

[9:33:55 AM](#)

REPRESENTATIVE CISSNA asked if Representative Kott agrees with the \$50,000 level. She then stated that she would be willing to propose an amendment to consider the aforementioned.

REPRESENTATIVE KOTT said that he didn't have a problem with \$50,000. He related that he was trying to determine what amount would entice him to move from his safe neighborhood to a potentially less safe neighborhood. "Personally, if we're going to do it, I would go to the max ..., \$150,000, that we give to the seniors and the disabled veterans," he opined. He acknowledged that such a change would have to be approved by the voters. He expressed interest in hearing from law enforcement officers on this matter.

REPRESENTATIVE GRUENBERG offered to obtain comments from law enforcement.

[9:37:21 AM](#)

REPRESENTATIVE KOTT asked whether the law enforcement already in these locations benefit from this legislation as well.

REPRESENTATIVE GRUENBERG related that it's unlikely that a senior officer will move into one of these neighborhoods. He expressed his desire to attract new police officers to these areas and keep them in these areas. Therefore, he said he wanted to provide an incentive to stay in these areas.

[9:39:14 AM](#)

CO-CHAIR THOMAS noted his agreement with Representative Kott [and suggested the following language] "up to \$150,000". He said this is definitely worth it. He inquired as to the possibility of attracting Village Public Safety Officer (VPSOs) and Alaska Department of Fish & Game officers.

REPRESENTATIVE GRUENBERG said those folks would qualify.

CO-CHAIR THOMAS related that some young police officers in rural Alaska are looking at joining federal [law enforcement] because

of the lower retirement years. However, he surmised that this exemption may entice some of these young police officers in rural Alaska to stay in their area.

REPRESENTATIVE GRUENBERG said that HB 27 may not be drafted to accommodate the areas in the Bush that are unorganized boroughs because these areas wouldn't qualify for weed and seed and urban development programs. He said he would consider an amendment to include small communities under this legislation as a friendly amendment.

[9:42:22 AM](#)

REPRESENTATIVE LEDOUX suggested that the "law enforcement officers" language could be problematic if there is a desire to include VPSOs and rural areas. She related her understanding that VPSOs are considered peace officers and there is a legal distinction made between a peace officer and a law enforcement officer.

REPRESENTATIVE GRUENBERG turned attention to page 1, lines 12-13, which specifies that the ordinance can define "law enforcement officer" in the manner desired. Therefore, he opined that Representative LeDoux's concern is addressed.

[9:43:28 AM](#)

REPRESENTATIVE NEUMAN turned attention the language "that meets the eligibility requirements under a federal program" on page 2, and questioned whether the VPSO programs would satisfy such requirements. Therefore, he suggested rewriting the legislation to include VPSOs. Representative Neuman also suggested that the committee should hear from the municipalities regarding the higher amount that has been discussed.

REPRESENTATIVE GRUENBERG offered to obtain the information requested.

[9:44:27 AM](#)

CO-CHAIR OLSON announced that HB 27 would be held over.

[9:44:37 AM](#)

REPRESENTATIVE KOTT inquired as to why paragraph (3) on page 2 was added to the legislation.

REPRESENTATIVE GRUENBERG explained that [paragraph (3)] provides a municipality more flexibility in that it allows the [exemption] for a weed and seed area and/or a specified high crime area.

[HB 27 was held over.]

ADJOURNMENT

There being no further business before the committee, the House Community and Regional Affairs Standing Committee meeting was adjourned at 9:45 a.m.