

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

March 28, 2006

8:05 a.m.

**MEMBERS PRESENT**

Representative Paul Seaton, Chair  
Representative Carl Gatto, Vice Chair  
Representative Jim Elkins  
Representative Bob Lynn  
Representative Jay Ramras  
Representative Berta Gardner  
Representative Max Gruenberg

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

HOUSE BILL NO. 344

"An Act relating to the commissioner of administration's appointing agents to perform for compensation certain transactions related to vehicles; and providing for an effective date."

- HEARD AND HELD

HOUSE BILL NO. 23

"An Act relating to construction of a legislative hall."

- MOVED CSHB 23(STA) OUT OF COMMITTEE

HOUSE BILL NO. 45

"An Act amending the definition of the term 'lobbyist' in the Regulation of Lobbying Act; and providing for an effective date."

- SCHEDULED BUT NOT HEARD

**PREVIOUS COMMITTEE ACTION**

BILL: HB 344

SHORT TITLE: VEHICLE TRANSACTION AGENTS

SPONSOR(S): REPRESENTATIVE(S) KOHRING, RAMRAS

01/09/06 (H) PREFILE RELEASED 1/6/06

01/09/06 (H) READ THE FIRST TIME - REFERRALS  
01/09/06 (H) STA, FIN  
02/16/06 (H) STA AT 8:00 AM CAPITOL 106  
02/16/06 (H) Heard & Held  
02/16/06 (H) MINUTE(STA)  
02/21/06 (H) STA AT 8:00 AM CAPITOL 106  
02/21/06 (H) Heard & Held  
02/21/06 (H) MINUTE(STA)  
03/02/06 (H) STA AT 8:00 AM CAPITOL 106  
03/02/06 (H) Scheduled But Not Heard  
03/21/06 (H) STA AT 8:00 AM CAPITOL 106  
03/21/06 (H) <Bill Hearing Canceled>  
03/28/06 (H) STA AT 8:00 AM CAPITOL 106

BILL: HB 23

SHORT TITLE: CONSTRUCTION OF LEGISLATIVE HALL

SPONSOR(S): REPRESENTATIVE(S) ROKEBERG

01/10/05 (H) PREFILE RELEASED 12/30/04  
01/10/05 (H) READ THE FIRST TIME - REFERRALS  
01/10/05 (H) STA, FIN  
03/19/05 (H) STA AT 9:30 AM CAPITOL 106  
03/19/05 (H) <Bill Hearing Postponed>  
04/23/05 (H) STA AT 9:30 AM CAPITOL 106  
04/23/05 (H) Heard & Held  
04/23/05 (H) MINUTE(STA)  
01/12/06 (H) STA AT 8:00 AM CAPITOL 106  
01/12/06 (H) Heard & Held  
01/12/06 (H) MINUTE(STA)  
01/17/06 (H) STA AT 8:00 AM CAPITOL 106  
01/17/06 (H) <Bill Hearing Canceled>  
03/28/06 (H) STA AT 8:00 AM CAPITOL 106

**WITNESS REGISTER**

JANE PIERSON, Staff  
to Representative Jay Ramras  
Alaska State Legislature  
Juneau, Alaska

POSITION STATEMENT: Noted changes made to a committee substitute for HB 344, on behalf of Representative Ramras, sponsor.

REPRESENTATIVE NORMAN ROKEBERG  
Alaska State Legislature  
Juneau, Alaska

POSITION STATEMENT: Testified as sponsor of HB 23.

## **ACTION NARRATIVE**

**CHAIR PAUL SEATON** called the House State Affairs Standing Committee meeting to order at [8:05:05 AM](#). Representatives Gatto, Elkins, Lynn, Ramras, Gardner, Gruenberg, and Seaton were present at the call to order.

### HB 344-VEHICLE TRANSACTION AGENTS

[8:05:52 AM](#)

CHAIR SEATON announced that the first order of business was HOUSE BILL NO. 344, "An Act relating to the commissioner of administration's appointing agents to perform for compensation certain transactions related to vehicles; and providing for an effective date."

[8:05:55 AM](#)

REPRESENTATIVE RAMRAS moved to adopt the proposed committee substitute (CS) for HB 23, Version 24-LS1082\I, Bannister, 2/28/06, as a work draft. There being no objection, Version I was before the committee.

[8:07:57 AM](#)

JANE PIERSON, Staff to Representative Jay Ramras, Alaska State Legislature, on behalf of Representative Ramras, sponsor, directed attention to page 2, lines 6-12, of Version I, where she said changes were made related to disclosure.

[8:08:45 AM](#)

REPRESENTATIVE GRUENBERG suggested that the word "agreement" on [page 1], line 8, should be "aggrievance".

CHAIR SEATON announced that HB 344 was heard and held at the request of the sponsor.

### HB 23-CONSTRUCTION OF LEGISLATIVE HALL

[8:10:08 AM](#)

CHAIR SEATON announced that the last order of business was HOUSE BILL NO. 23, "An Act relating to construction of a legislative hall."

[Before the committee was CSHB 23, Version 24-LS0164\F, Cook, 1/9/06.]

8:10:09 AM

REPRESENTATIVE NORMAN ROKEBERG, Alaska State Legislature, as sponsor of HB 23, recalled that the committee had previously expressed concern about "the provisions to repeal the FRANK Initiative within the CS." He brought attention to two legal opinions in the committee packet, as well as a copy of the Office of the Attorney General's (AG's) opinion, dated 2/16/78. He reviewed the history of the FRANK Initiative, citing the amounts the public was told it would take to move the capital, and stating, "The FRANK Initiative has been used as a foil to defeat any ability to relocate the capital anywhere in the state." He said he thinks Tamara Cook, Director, Legal Services, has substantiated his own opinion that any relocation of the capital outside of Juneau would not only require a vote of the people, but two votes on the bondable cost issue. He said he is confused by that phenomenon, but it is explained in the aforementioned AG's opinion.

REPRESENTATIVE ROKEBERG opined that the FRANK Initiative ties the legislature's hands "for eternity." Without the appeal of the initiative, he said, there can be no public debate in the state as to whether Juneau is the right location for a legislative hall or capitol building. He stated, "The people of this community, through the initiative process, have absolutely muzzled any public discussion."

8:14:07 AM

REPRESENTATIVE ROKEBERG said he had requested one of the two previously mentioned legal opinions regarding whether it would be necessary to "go through the FRANK Initiative process" if the capitol building was destroyed by fire or natural disaster. He said, "Legislative Counsel opines in the negative there ..., but I'm not so sure that isn't the case if you can't move the legislative hall without a vote of the people." The purpose of the bill, he stated, is to decide where the legislature should be located and to have a fair, level playing field and "allow the need for a new capitol building to go forward." Representative Rokeberg emphasized his opinion that the state needs a new capitol building; the current capitol was constructed beginning [in 1929, completed in 1931]. He said the cost of remodeling the committee room being used for this

present meeting was approximately \$54,000. He indicated that the current capitol presents safety issues, as well.

[8:16:43 AM](#)

CHAIR SEATON stated his appreciation of the work that has been done to make the present capitol work.

[8:17:04 AM](#)

REPRESENTATIVE GATTO noted that there are no sprinklers in the building.

[8:17:52 AM](#)

REPRESENTATIVE ROKEBERG spoke of building codes that require sprinklers on any building above one story, noting that in 1975 the uniform building code only required sprinklers in buildings over 75 feet high. The capitol has six floors, is in excess of 75 feet, and is out of compliance. He stated that the most damning thing about the design of the capitol is its U-shaped footprint, which creates dead-end corridors, the worst-case scenario being Room 17 on the ground floor. He mentioned a 25-foot corridor rule and a rule about not exiting through "a space of assembly." Representative Rokeberg said the legislature has done the best it can with the building, doing particularly well complying with the Americans With Disabilities Act, but it still cannot meet all those requirements. Because of the corridor configuration, he said, the building cannot be "fixed in place."

REPRESENTATIVE ROKEBERG, in response to a question from Representative Gatto, said he cannot remember what the exact cost of installing new sprinklers would be, but he noted that the capitol is over 90,000 square feet, and for new construction, the "fit up" of sprinklers costs several dollars per foot. The biggest problem, he said, is that "remedial retrofit costs a good deal more than new installation.

[8:21:48 AM](#)

CHAIR SEATON noted that the capitol building is also lacking ventilation in the offices.

[8:23:01 AM](#)

REPRESENTATIVE GARDNER asked how the bill, as written, would affect the FRANK Initiative.

8:23:18 AM

CHAIR SEATON told Representative Gardner to look at Section 5.

REPRESENTATIVE GARDNER offered her understanding that the voters turned down repealing the FRANK Initiative in 2002.

8:23:59 AM

REPRESENTATIVE ROKEBERG responded that he did not have that information with him, but offered his understanding that the thrust of the vote in 2002 was to relocate the legislative hall to Southcentral Alaska, temporarily using a place in Anchorage until the move could be completed. To make that workable, he surmised, the FRANK Initiative would have to have been repealed.

8:24:53 AM

CHAIR SEATON asked, "I believe that we're talking about the proposition that would have moved the ... legislative hall twice, or was that the capitol building?"

8:25:00 AM

REPRESENTATIVE ROKEBERG replied as follows:

No, that was the legislative hall. It was Mr. Kalenka's [Uwe Kalenka of Alaskans for Efficient Government] failed effort, and I'm awfully upset with him for doing that. He got sufficient signatures put on the ballot, and then about a month before the election he walked away from it in the face of the classic onslaught of the city fathers of Juneau and their money machine cranking out their entirely understandable desire to preserve the capital and the legislative hall here in Juneau. So, the public tide was running against them once again because ... of the amount of money that's put in by the Alaska Committee to maintain the capital here, which is entirely understandable.

CHAIR SEATON asked, "You're not indicating there's anything improper about that; you're just ..."

REPRESENTATIVE ROKEBERG answered, "No, not at all. It was a political thing, and as a matter of fact, Mr. Kalenka just ..."

walked away from it; he dropped the ball and ... politically he wasn't able ... to get the support behind it he should have."

[8:26:02 AM](#)

REPRESENTATIVE GRUENBERG suggested that it may be possible to put "a question pursuant to the FRANK Initiative on the ballot, listing the costs of a particular move" simultaneously with a [general obligation (GO)] bond measure that would be contingent upon the passage of "the FRANK question."

[8:26:52 AM](#)

REPRESENTATIVE ROKEBERG offered his understanding that that is what has happened; a GO bond position was "on the ballot at the time of the relocation, and assuming ratification ... it had to come back for a second vote, though."

REPRESENTATIVE GRUENBERG remarked that that sounds very strange.

[8:27:27 AM](#)

REPRESENTATIVE ROKEBERG agreed, but said nevertheless that's the case.

[8:28:57 AM](#)

REPRESENTATIVE GRUENBERG directed attention to a sentence from Representative Rokeberg's memorandum [included in the committee packet], which read:

The opinion concludes, "all costs which could legally be covered by a bond issue must be placed on the ballot and approved before money is expended on the move."

[8:29:29 AM](#)

REPRESENTATIVE ROKEBERG noted that there have been two votes with dollar amounts on the ballot in the past. He offered further details.

[8:30:08 AM](#)

REPRESENTATIVE GRUENBERG said he concurs with Representative Rokeberg that something has to be done before there is a fire or other catastrophe that occurs in the capitol that could result

in lost lives. He emphasized that the capitol is not a safe building.

[8:30:36 AM](#)

REPRESENTATIVE ROKEBERG said, "This is a lawsuit waiting to happen."

[8:31:19 AM](#)

REPRESENTATIVE ELKINS stated his adamant disagreement with the views of Representative Rokeberg on the issue, but said he agrees with him on "one thing." He said he thinks the drafters of the FRANK Initiative were from Fairbanks and "in their hearts" were really looking out for the health of Southeast Alaska. He explained that to move any part of the capital out of Southeast Alaska would affect approximately 70,000 and have a major impact on all the communities in the area. He opined that it would be better for the state to start a program to upgrade the current capitol building to meet safety and fire standards than to "put that kind of economic sanction on people in this state - especially in [Southeast] Alaska."

[8:32:34 AM](#)

REPRESENTATIVE GRUENBERG directed attention to [page 2 of the memorandum from Tamara Cook to Representative Rokeberg], and he noted that it shows some alternatives to a repeal of the FRANK Initiative, which read as follows [original punctuation provided]:

- (1) include an exemption in HB 23 from application of the provisions of the FRANK initiative;
- (2) amend the FRANK initiative in some way to make its application clear and to remove potential constitutional issues; or
- (3) repeal the FRANK initiative.

REPRESENTATIVE GRUENBERG expressed his concern about an outright appeal of the initiative. He asked Representative Rokeberg if he would be amenable to one of the other solutions.

[8:33:58 AM](#)

REPRESENTATIVE ROKEBERG answered no. He explained that in his opinion the adoption of HB 23 is the only way that Juneau will ever have an opportunity to build a new capitol building for the

State of Alaska. He said the intent of the bill is to give a level playing field to everyone in the state. He stated that he frankly thinks that "Juneau would have a leg up," because the city is already good at coming up with capitol building initiatives, proposals, and architectural plans. He added, "The one distinction of my history here on this is that they've really been unwilling to pay for it. That's the nature of my bill here; it says the political subdivision and wins it through [Legislative Council] on a fair and equitable basis has to pay for it." He stated that HB 23 is not "anti-Juneau"; it's a different approach.

[8:36:05 AM](#)

CHAIR SEATON referred to a point made in the memorandum from Ms. Cook, regarding the interpretation of the FRANK initiative, which read as follows:

Thus, taken literally, the language would apply to the relocation of the legislature from the current capitol building to another place within the capital city as well as to the relocation of the legislature to a place outside of the capital city.

CHAIR SEATON referred to another point made by Ms. Cook, which read as follows:

Therefore, in context, I think it likely that a court would decide that the FRANK initiative does not apply to a relocation of the legislature from one place to another within the capital city. This result is especially likely if, as a factual matter, the capitol building is damaged and becomes unavailable.

CHAIR SEATON warned that if, for example, there was a major fire in the capitol [which rendered the building useless], people in other areas of the state may file suit in junction against the building [of a new capitol in Juneau], the entire process of the FRANK Initiative may have to be followed, and the legislature would have to meet in temporary warehouse space for quite awhile. Chair Seaton said he thinks the committee needs more information on the issue in order to decide "how else to proceed."

REPRESENTATIVE ROKEBERG suggested the committee could find the answers it needs in the committee packet. He remarked that the legal opinion has been in his possession for two months.

[8:37:57 AM](#)

REPRESENTATIVE GATTO observed that the capital has been in Southeast Alaska for 100 years. He asked if there is any support for the argument that a state should reevaluate the location of its capital every 100 years, for example. He added, "Capitals all across the country have done that."

REPRESENTATIVE ROKEBERG responded that Representative Gatto had answered his own question by pointing out that capitals in many states have relocated. He recollected that Juneau has been the capital of Alaska since [1906].

REPRESENTATIVE GATTO said he heard that \$100 million was the estimated cost of constructing a new capitol building in Juneau. He asked Representative Rokeberg if that seemed realistic.

[8:39:12 AM](#)

REPRESENTATIVE ROKEBERG responded that he doesn't think \$100 million is unrealistic, because architectural features desired for a capitol would be more expensive than for a typical office building. He estimated that the typical cost of commercial office space is \$150 per square foot, while the cost for a new capitol building would range from \$200-\$300 per square foot.

REPRESENTATIVE GATTO remarked that the new hospital in the Matanuska-Susitna area costs \$100 [per square foot] and is "big enough to be a capitol."

[8:40:32 AM](#)

CHAIR SEATON suggested that the question to ask is "whether that could be done if it wasn't on this site, without having to talk about the bondable costs of all the ... private housing in the area."

[8:40:49 AM](#)

REPRESENTATIVE ROKEBERG replied that the FRANK initiative has "clearly inflated the cost of relocation." He said many in the commercial real estate business have said they could build the capitol for nothing if given 640 acres of land, because profits could be made off the development of the balance of the land. The only loss would be to the economy of the City of Juneau, he opined. Representative Rokeberg stated that he takes exception

to the comments of Representative Elkins regarding the impact of the rest of Southeast Alaska, although he admitted that all regions are interrelated economically. He said the intent of HB 23 is to move the legislature, not the capital.

The committee took an at-ease from 8:42:05 AM to 8:43:33 AM.

8:43:48 AM

REPRESENTATIVE GATTO returned to his previous mention of the new hospital to point out that the construction of a hospital requires a high grade of construction, with many special features. He concluded that the estimate of \$2.8 billion associated with the FRANK initiative was intended to cover the construction of airports, roads, freeways, schools, and grocery stores on difficult terrain. He opined that \$100 [per square foot] is sufficient, and he stated, "I have to support a bill like this." He indicated that if there were [a legislative hall in Southcentral Alaska], two-thirds of the state could drive to it.

8:45:56 AM

REPRESENTATIVE LYNN said this issue has been talked about for a long time, and it's time to take action. He posited that HB 23 is a reasonable approach.

8:46:26 AM

REPRESENTATIVE ELKINS reiterated his concern regarding the regional impact to Southeast Alaska.

8:47:39 AM

REPRESENTATIVE GATTO noted that 57 legislators get to Juneau by plane or boat. He said he wonders what the savings would be if those same 57 could drive to work, and how that savings could offset the cost of building a new capitol.

8:48:25 AM

REPRESENTATIVE RAMRAS related that he owns a restaurant in North Pole, Alaska, and when the federal government proposed closing the Eielson Air Force Base, he and many others in the area "went through great angst" in anticipation of the economic impact that that potential base closure would cause. He said the community successfully rallied against the closure. He stated his belief

that [moving the legislative hall out of Juneau] would create a devastating economic impact to the capital city and, to a lesser degree, to the rest of Southeast Alaska. He stated that out of respect to the sponsor, he would vote to move HB 23 out of the House State Affairs Standing Committee, but he emphasized his intent to "fight it aggressively" and vote against it on the House floor. He spoke of retraction in populations in certain areas of the state, and he indicated that the concentration of economy and population in Anchorage resulting from a move of the legislative center to that area would eventually have a negative impact on Fairbanks.

[8:51:31 AM](#)

REPRESENTATIVE GRUENBERG directed attention to existing statutes AS 44.06.010-44.06.060, which read as follows:

Sec. 44.06.010. Site of capital.  
The capital of the state is at the city of Juneau, Alaska.

Sec. 44.06.050. Purpose of AS 44.06.050 - 44.06.060.  
The purpose of AS 44.06.050 - 44.06.060 is to guarantee to the people their right to know and to approve in advance all costs of relocating the capital or the legislature; to insure that the people will have an opportunity to make an informed and objective decision on relocating the capital or the legislature with all pertinent data concerning the costs to the state; and to insure that the costs of relocating the capital or the legislature will not be incurred by the state without the approval of the electorate.

[8:54:03 AM](#)

REPRESENTATIVE GRUENBERG, in response to Chair Seaton, said the first part of the bill discusses a new building, and he said that can be done without adherence to the FRANK initiative. He stated that he does not have a problem with the rest of the bill, except for "the repealer of the FRANK initiative." He recalled that when he had asked the bill sponsor whether he would support any of the alternatives suggested by Ms. Cook, he had emphatically said no. He concluded, "So, it sounds like this whole thing is tied up with the repeal of the FRANK initiative, and unless we repeal the FRANK initiative [Representative Rokeberg] doesn't want the bill."

[8:55:38 AM](#)

REPRESENTATIVE ROKEBERG responded that he thinks the state - as a matter of public policy - is not well-served by maintaining the FRANK initiative on the books, "because of the abuse and mischief that's been done with it in the past." That, he explained, is why the initiative needs to be repealed.

[8:56:10 AM](#)

REPRESENTATIVE GATTO moved to report [CSHB 23, Version 24-LS0164\F, Cook, 1/9/06], out of committee with individual recommendations and the accompanying fiscal notes.

[8:56:45 AM](#)

REPRESENTATIVE GARDNER objected. She said she thinks it is important to spread resource development across the state, which includes keeping Southeast Alaska alive.

REPRESENTATIVE ELKINS maintained his previously stated objection.

[8:57:10 AM](#)

REPRESENTATIVE GATTO indicated that the state would not suffer a loss from a move of the legislative hall, because the same center of activity would be moved and the economics of the state, on the whole, would not change drastically. He opined that Southeast Alaska has a dynamic, rapidly growing tourist industry, and "I believe they can move easily in that direction."

[8:58:03 AM](#)

REPRESENTATIVE GRUENBERG stated that his opposition of the bill is focused on one issue: the sponsor's insistence that the repeal of the FRANK initiative remain in the bill. He said his concern focuses on two issues: the public's right to know and the fact that the FRANK initiative was the product of an initiative. He stated, "If an initiative like this is overturned, I think it should be by an initiative."

[8:58:41 AM](#)

A roll call vote was taken. Representatives Gatto, Lynn, Ramras, and Seaton voted in favor of moving CSHB 23, Version 24-

LS0164\F, Cook, 1/9/06, out of committee. Representatives Gruenberg, Elkins, and Gardner voted against it. Therefore, CSHB 23(STA) was reported out of the House State Affairs Standing Committee by a vote of 4-3.

**ADJOURNMENT**

There being no further business before the committee, the House State Affairs Standing Committee meeting was adjourned at [9:00:07 AM](#).