

MINUTES
SENATE FINANCE COMMITTEE
April 27, 2006
9:08 a.m.

CALL TO ORDER

Co-Chair Lyda Green convened the meeting at approximately [9:08:49 AM](#).

PRESENT

Senator Lyda Green, Co-Chair
Senator Gary Wilken, Co-Chair
Senator Con Bunde, Vice Chair
Senator Fred Dyson
Senator Bert Stedman
Senator Lyman Hoffman
Senator Donny Olson

Also Attending: SENATOR RALPH SEEKINS; KIM CARNOT, Staff to Senator Bert Stedman; KATHIE WASSERMAN, Representative, Alaska Municipal League; JOHN STONE, Alaska Harbormasters Association and Harbormaster, City and Borough of Juneau; ANNETTE SKIBINSKI, Staff to Senator John Cowdery

Attending via Teleconference: From Nome: LORETTA BULLARD, President, Kawarek, Incorporated

SUMMARY INFORMATION

SR 6-SENATE VPSO TASK FORCE

The Committee heard from the bill's sponsor. The bill reported from Committee.

SB 291-MUNICIPAL HARBOR FACILITY GRANTS

The Committee heard from the bill's sponsor and took public testimony. The bill reported from Committee.

SB 315-DISPOSITION OF UNREDEEMED PROPERTY

The committee heard from the sponsor and reported the bill from Committee.

SB 274-STATE FIREARM DISPOSAL AND INVENTORY

The committee heard from the bill's sponsor and reported the bill from Committee.

SB 231-BUDGET: CAPITAL & OTHER APPROPRIATIONS

This bill was scheduled but not heard.

[9:09:03 AM](#)

#sr6

SENATE RESOLUTION NO. 6
Creating and relating to the Senate VPSO Task Force.

This was the first hearing for this bill in the Senate Finance Committee.

SENATOR RALPH SEEKINS, Chair, Senate Judiciary Committee, which sponsored this bill communicated the resolution would create a Senate task force to gather facts and further discussions to improve the Village Public Safety Officers (VPSO) program. Many rural communities in the State depend on the VPSO program for police protection and law enforcement services.

Senator Seekins stated that upon review of a Rural Justice Committee report [copy not provided] and information provided by rural communities, the Senate Judiciary Committee determined that forming a task force to review the program would be beneficial. He also expressed that the commissioner of the Department of Public Safety, which oversees the program, was aware of the issues and would continue to address them.

Senator Seekins conveyed the task force would endeavor to identify program weaknesses in order to determine why program objectives have been unobtainable. The task force would develop a report to include findings and recommendations for program improvement.

[9:11:34 AM](#)

Co-Chair Green asked for further clarification of language on page 1, lines 14 through 16, of the resolution that reads as follows.

FURTHER RESOLVED that the public members of the task force may receive per diem and travel expenses authorized for boards and commissions under AS 39.20.180, subject to available funding and approval by the task force chair; ...

9:11:54 AM

Senator Seekins clarified that per diem for public members of the task force would be limited to meals and lodging only. "No honorarium of any kind" would be provided.

Co-Chair Green asked whether public member expenses would be addressed via a reimbursement method.

Senator Seekins affirmed it would be a "dollar for dollar reimbursement".

Co-Chair Green questioned whether the language was specific enough in this regard.

Senator Seekins was "willing to craft" the language as deemed necessary. Continuing, however, he assured that the intent of the language would be adhered to.

Co-Chair Green voiced concern that the intent could be challenged, as no monetary limitation was specified.

Senator Seekins communicated that, at his request, Tamara Cook, Director, Legislative Legal and Research Services, had drafted the language in question.

Co-Chair Green sought confirmation Ms. Cook considered the language "restrictive enough".

Senator Seekins remarked that Ms. Cook deemed the language to be reasonable. Furthermore, expenses would be subject to approval by the task force chair. Reimbursable expenses would be limited to meals and travel.

In concluding his remarks, Senator Seekins opined that task force members traveling to rural areas of the State should be provided meals and transported and housed in "a safe manner".

Committee members raised no further concerns.

[9:13:20 AM](#)

Co-Chair Green asked whether this legislation mirrored previous efforts to address concerns about the VPSO program or whether this action differed because circumstances have advanced to "a new level".

Senator Seekins viewed the situation as reaching "a new level where solid recommendations" and action must occur. Previous discussions on the issue had not resulted in any action. The goal for this task force would be to identify and further "solid solutions".

[9:14:07 AM](#)

LORETTA BULLARD, President, Kawerak, Inc., testified via teleconference from Nome. Kawerak is "one of six regional non-profit corporations that contracts with the State to provide the Village Public Safety Officer program". The VPSO program operated by Kawerak employs eight people in 16 communities in the Bering Straits region.

Ms. Bullard "encouraged" the Committee to support this legislation and report it from Committee. The proposed task force should travel to rural communities, regardless of whether a VPSO program operates there, in order to "gather public input on how the VPSO program can be improved. This service is so desperately needed in the rural areas." The VPSO program could "function more effectively". Filling vacant VPSO positions would provide rural residents access "to law enforcement that they so desperately need".

Ms. Bullard noted that the previous year, the VPSO contractors had hired Dittman Research to conduct a public opinion survey of the Program. The survey results could be shared with the task force, who might find them "very illuminating in terms of the rural perception of the VPSO program".

[9:15:56 AM](#)

Senator Olson asked Ms. Bullard whether she anticipated any new information to be gleaned by this task force.

Ms. Bullard thought the effort could provide "an opportunity" for Legislators to hear Rural Alaskans' comments regarding "the need for the Program". A review of Statutes and regulations governing the program and the wages paid to VPSOs would also be appreciated. In addition, the "huge" role played by the VPSO contract administrators, who firmly believe in the necessity of the program, is "not reflected in the State program".

Ms. Bullard pointed out that the VPSO program is operating in several communities whose city offices are staffed only a few hours a day, and many of those communities are struggling to pay their utility bills. While Alaska Congressman Senator Ted Stevens successfully secured federal funds to assist in renovating rural holding cells, that money has yet to be spent and many "community holding cells are in a dismal shape." The Legislature should be aware of such issues and should assist VPSO contractors and the Department of Public Safety in addressing them.

[9:17:30 AM](#)

Senator Olson asked why the task force's Legislative membership was limited to three Senate members.

Senator Seekins cited this as a Senate Resolution. The House of Representatives could choose to participate.

Senator Olson applauded the effort to address this issue, as the VPSO program is "very important" to Rural Alaska.

[9:17:59 AM](#)

Senator Olson moved to report the bill from Committee with individual recommendations and accompanying fiscal note.

There being no objection, SR 6 was REPORTED from Committee with new \$70,000 fiscal note, dated April 27, 2006, from the Legislative Affairs Agency.

Co-Chair Green stated the Resolution would move from Committee with the understanding that the per diem would be limited to meals and lodging only.

Senator Seekins affirmed.

[9:18:40 AM](#)

#sb291

CS FOR SENATE BILL NO. 291(CRA)

"An Act relating to the municipal harbor facility grant program; and providing for an effective date."

[9:18:56 AM](#)

This was the first hearing for this bill in the Senate Finance Committee.

SENATOR BERT STEDMAN, the bill's sponsor, provided background information pertinent to the bill. Approximately 30 years ago, most municipal harbors were constructed with State funds. Agreements were set forth which, in essence, made the State responsible for major harbor maintenance projects and the municipalities responsible for harbor operations. However, over time, the arrangement did not "work very well", and user fees were insufficient to fund aging harbors' major maintenance and replacement needs. Eventually the State issued a bond obligation and used the proceeds to pay municipalities to assume responsibility for their harbors.

Senator Stedman reported that the transfer program initiated a "heated debate" between the State and the municipalities in regard "to what they were getting and the condition of the asset". Many communities accepted their harbors, but felt they were receiving 30 to 50 cents on the dollar and being "stuck with huge maintenance" and replacement expenses. In order to address those looming expenses, many communities adopted plans to increase such things as harbor rental fees.

Senator Stedman declared this bill would address the continuing debate between communities and the State. It would implement a program to provide a 50 percent capital matching grant to coastal communities that desire to upgrade, expand, or construct

new harbors. In contrast to the original agreement in which the State funded such projects "with no strings attached", this program would implement "stringent requirements" in order for a community to receive the 50 percent match. The requirements would include the development of fee structures that would allow the community to provide for maintenance and operational expenses and replacement reserves. The program would be limited to no more than one grant per community per year and total State match funds of five million dollars per harbor. Thus a ten million dollar harbor project could be funded with five million dollars of community funds and five million dollars of State funds. This would be sufficient to fund a large harbor project, as attested to by the completion of a recent large harbor project in Juneau that cost approximately \$6,500,000.

Senator Stedman pointed out that as specified in Section 1, page 1, line 8, the proposal would include "permissive language" in that the Legislature "may appropriate" up to ten million dollars annually for approximately ten years. This money would be comprised of up to five million dollars from both the marine fisheries business tax and the marine fuel tax. The money would be distributed first to communities that received harbors via the transfer, and then to other communities on a list ranked by the Department of Transportation and Public Facilities (DOT), which would administer the program.

Senator Stedman disclosed that a tremendous amount of dialogue and compromise between DOT, the Alaska Association of Harbormasters, communities, and Legislators "who have been active in this area" contributed to the development of this program. It is an attempt to settle the on-going State/local harbor dispute and an effort to ensure that harbor infrastructures would be maintained. Individual communities would establish harbor rates at a level sufficient to provide maintenance and replacement funds. A community could also choose to support its harbor infrastructure through general fund subsidies or other mechanisms. In any case, the program's requirements must be met in order to qualify for the match program. He understood that all harbors either have or would be increasing harbor user rates. While "harbor users are squealing" about the higher rates, the increases are necessary.

[9:25:02 AM](#)

Senator Bunde asked how the revenues generated from the marine fisheries business tax and the marine fuel tax are currently utilized.

Senator Stedman stated these tax revenues are deposited into the State's general fund. Currently, fifty percent of the fisheries business tax, also referred to as the "raw fish tax", is distributed to affected communities via the legislative process. The Legislature also allocates revenues from the marine fuel tax to those communities' general funds. The bill's permissive language would allow the Legislature to utilize proceeds from these taxes for this program. Nonetheless, since the revenue generated from these taxes is currently deposited in the State's general fund, they are considered "general fund assets". Thus the program would be funded by a general fund allocation.

[9:26:03 AM](#)

Senator Bunde concluded therefore, that the funding mechanism supporting this program would be the general fund.

[9:26:13 AM](#)

Senator Stedman reiterated that the raw fish tax is currently split between communities and State's general fund. The effort would include allowing harbor users to support harbor needs, as "when people have an equity position in something, or are paying for something, they are more inclined to take care of it".

Senator Stedman stressed that no new community harbors should be constructed without a maintenance plan in place. Efforts must be made to break the long-term cycle in which the State constructs infrastructure, and then, due to a lack of maintenance, must spend more money to fix it.

[9:27:17 AM](#)

Co-Chair Green understood therefore that, under the current scenario, a community could argue that the harbor transferred to them from the State had not been in the proper condition, and, therefore the State should pay for the required upgrades. "The beauty of this is that once" a community receives harbor improvement funding through this program, they would be ineligible to receive more.

Senator Stedman also clarified that other forms of State funds provided to the community could not be utilized as the local match. The local match must consist of municipal equity generated by such things as local revenue bonds, general funds, or harbor enterprise funds.

[9:28:59 AM](#)

Senator Hoffman asked how the award process specified in Section 1 Sec. 29.60.820(c) page 3 line 13 would be implemented; specifically whether DOT would develop regulations in regards to how the five priority criteria would be weighted.

[9:29:54 AM](#)

Senator Stedman stated DOT would implement a ranking process procedure through which the funds would be dispensed. In order to not advantage one community over another, no community could receive more than five million in one year.

[9:30:36 AM](#)

KIM CARNOT, Staff to Senator Stedman, stated that the five criteria specified in subsection (c) were developed with the assistance of DOT and the Alaska Association of Harbormasters. "DOT would adopt their own regulations."

[9:31:16 AM](#)

Senator Dyson voiced appreciation for the efforts exerted to address harbor needs. As a result of environmental exposure, "harbors deteriorate faster, when neglected, than any other public infrastructure". He cited examples of harbor deterioration he had witnessed. Water transport infrastructure is important to residents and commercial enterprises in this State.

[9:32:25 AM](#)

Senator Olson asked whether large and small communities in the State would equally benefit from the program.

[9:32:44 AM](#)

Ms. Carnot responded, "any community is essentially eligible for this program". Communities receiving harbor transfers from the State would have first priority for major maintenance needs. New construction projects would have lower priority. The goal of the program would be to utilize revenues generated by the coastal communities from such things as the raw fish tax to benefit those communities. The five million dollar limitation was specified in order to avoid having a larger community "absorb all" the available funding to the detriment of a small community.

[9:33:40 AM](#)

Senator Olson asked whether the program would be available to harbors outside of Southeast Alaska.

Ms. Carnot remarked that any community with a harbor or that intended to build a harbor would be eligible.

Senator Hoffman asked whether a community having solely a dock and no harbor would be eligible.

Senator Stedman stated that such things as breakwaters, dikes, dredging operations, and jetties were intentionally omitted from the bill. Large commercial docks or wharfs would also be disqualified. The reason for these exemptions is "the sheer cost of them" as well as the anticipation that such projects might qualify for federal funding. This program would be specific to communities' float systems and associated things such as electric, water, and parking lots.

Senator Hoffman asked whether "quasi-government" entities such as the Community Development Plan (CDQ) groups in Western Alaska, would be eligible for the program. CDQ communities are Bering Sea coastal communities to whom the State awarded a share of the offshore groundfish harvest.

Senator Stedman affirmed CDQ communities would qualify for the 50 percent capital match program. Transferred dock projects would receive first priority, and any remaining funds could be allocated to support new harbors or expansions.

[9:36:55 AM](#)

Co-Chair Green was impressed by the grant application language, specified in Section 1 Sec. 29.60.810(1) through (4) page 2 lines 7 through 29 that would require an eligible municipality to insure its harbor facility, implement a preventive maintenance plan, and provide a fifty percent match of the harbor project cost. These requirements would be "a major step forward".

[9:37:55 AM](#)

JOHN STONE, President, Alaska Association of Harbormasters and Port Administrators, and Harbormaster, City and Borough of Juneau spoke in support of the bill. The Association participated in the development of the bill and is therefore familiar with its provisions. "It is a good resolution to the dilemma that we face and we believe that it will, in the long term", allow community harbors to become self-supporting in regards to harbor operations and capital replacement needs. The 27 municipal harbor systems represented by the Association have operated harbors for numerous years and have established fee programs, such as enterprise funds allowable under municipality law, to support their operations.

Mr. Stone shared that, since the harbor facilities and infrastructures were initially owned by the State, none of the communities had established replacement funds to meet infrastructure needs. The level of money accompanying the harbor transfer was insufficient to address the majority of harbor replacement needs as most of the facilities were "at the end of their useful life, beyond economic repair". Thus, communities were forced to increase local harbor service fees. For instance, existing fees in Juneau have doubled or tripled and new fees were added. Juneau would also be issuing a revenue bond through the Alaska Bond Bank to further assist the community in addressing replacement expenses. Even these efforts would not entirely address the infrastructure needs, and therefore, absent additional funding assistance, some facilities would "disappear over time".

[9:41:04 AM](#)

Mr. Stone communicated that the majority of community harbors are facing similar situations and most have implemented "drastic rate increases". He warned however, that increasing fees too much would drive harbor users away. While funds for a large

capital project could be raised over an extended period of time, having to address such projects in a short time period would be challenging. Unfortunately, most of the transferred harbor facilities would require replacement needs within a few years.

Mr. Stone stated that a tour of the harbor facilities would be enlightening to Committee members. Infrastructure needs would include electrical system upgrades, addressing "serious safety hazards", and float system replacement. "The 50 percent matching requirement is a good approach." He reiterated Co-Chair Green 's observation that once a harbor is funded through this program, it is removed from the list. Thus, over time, the State would be weaned from supporting community harbors. That is the goal of this program.

[9:42:31 AM](#)

Senator Dyson reaffirmed his earlier comments about the importance of harbors to both recreational and commercial users.

[9:43:24 AM](#)

Mr. Stone declared "harbor systems are probably the best business creator in the State". The system supports recreational activities such as sailing and subsistence and sport fishing. Commercial endeavors include commercial fishing fleets, fishing and sightseeing charters, and freight operators. "A tremendous amount of economic activity is generated through the harbors." Studies conducted by the Association conclude that harbors in most communities "are a substantial portion of the gross economic product of those communities".

[9:44:34 AM](#)

Senator Olson asked for examples of the harbor fees being charged.

Mr. Stone responded, "each harbor system has its own fee structure". Juneau, for instance, "has 142 different types of fees Basically anybody that uses one of our harbor assets" must pay a user fee. The harbor fee structure could be likened to that of a utility company in that costs "are allocated" and "apportioned to the user". A public harbor system fee structure typically is more complicated than a private facilities' due to its need "to strive for equity among the users".

Senator Olson asked whether a person in a rowboat would be required to pay a fee.

Mr. Stone replied that moorage fees would be assessed were the boat tied to the dock more than four hours.

[9:46:04 AM](#)

Senator Olson asked whether the program would be available to private harbors.

Ms. Carnot replied no; this grant program would be limited to municipalities with public harbors.

[9:46:26 AM](#)

KATHIE WASSERMAN, Deputy Director, Alaska Municipal League, and former Mayor of Pelican, spoke to Senator Dyson's remarks. In many small communities, such as Pelican, the harbor is the only way to access the town. In those cases, it is imperative that the harbor facility be maintained. She was mayor of Pelican when the State transferred that harbor to the community, and she could attest to the deteriorated condition of the facility. The money each community received in the harbor transfer program "was based on the value of the harbor". Thus the money provided to Pelican was a meager amount, as the harbor was not worth much. "It was sinking in most places." While the community was able to fix a portion of the harbor, "three or four major fingers" could not be addressed. "The 50/50 match program is a very good way to go", as communities would have ownership of the project. Even though most communities would prefer to be self reliant rather than being supported by the State, assistance would be appreciated.

In response to a remark from Senator Bunde, Ms. Wasserman reiterated that communities such as Pelican never desired to be solely reliant on State funding. Nonetheless State assistance through this program would be appreciated.

[9:48:26 AM](#)

Co-Chair Green shared having received numerous harbor project requests for the FY 2007 capital budget bill. The majority of those requests sought 100 percent State funding support.

Continuing, she noted that the permissive language of the bill would not obligate the Legislature to fund the program.

Senator Bunde spoke against the bill. In essence this program would provide three-quarters of the revenues collected by the raw fish tax to communities that already receive raw fish tax proceeds. Enactment of this program would "create another entitlement". Contrary to Ms. Wasserman's position, he believed communities would "like to be 100 percent State supported".

Senator Bunde determined the fiscal note to be incomplete, as it does not include grant projections. The State providing harbors to communities has been a long-term frustration to him, as many communities acted irresponsibly and allowed their harbors to deteriorate, and then asked the State for more money to repair them. He suspected that communities receiving five million dollars through this program, would, in the future, request further assistance. If a harbor was "essential to a community, they must live up to the obligation". The State and other entities are forced to rely on user fees to support activities.

[9:50:38 AM](#)

Senator Hoffman begged to differ; improved harbor facilities could generate more money to the State. The watercraft fuel tax and the fisheries business tax are "directly related to the activities" and are "an indirect user fee". Good dock facilities would attract fishing fleets, which would support the two taxes that would fund this program. Thus, the State would receive additional money by improving harbor facilities. It would be appropriate for the tax revenues deposited into the general fund to assist this program.

[9:51:46 AM](#)

Senator Olson also spoke in support of the bill. Harbors provide safe havens to boaters, freighters, and fishing fleets. This program is necessary.

Co-Chair Wilken moved to report the bill from Committee with individual recommendations and accompanying fiscal notes.

Senator Bunde objected.

Senator Bunde suggested that, rather than enacting another entitlement program, each harbor should implement its own fish tax to support its harbor system. This bill furthers his frustration with what he has termed "the Great Alaska Disconnect. There's always too much State funding unless it's in someone's special interest ... The State should provide endless funds" without implementing any taxes or use of the earnings of the Permanent Fund. Curtailing State support of things would assist in making people "become more realistic".

A roll call was taken on the motion.

IN FAVOR: Senator Dyson, Senator Hoffman, Senator Olson, Co-Chair Wilken, and Co-Chair Green

OPPOSED: Senator Bunde

ABSENT: Senator Stedman

The motion PASSED (5-1-1)

CS SB 291(CRA) was REPORTED from Committee with previous zero fiscal note #1 dated March 2, 2006 from the Department of Transportation and Public Facilities.

AT EASE [9:54:40 AM](#) / 9:54:51 AM

#sb315

CS FOR SENATE BILL NO. 315(L&C)

"An Act relating to the disposition of unredeemed property; and providing for an effective date."

This was the first hearing for this bill in the Senate Finance Committee.

ANNETTE SKIBINSKI, Staff to Senator John Cowdery, Chair, Rules Committee, which sponsored the bill, explained that this legislation would amend current State Statute, AS 08.76.040 Disposition of unredeemed property. This Statute addresses how property left at a pawnshop after the unredeemed property deadline could be valued and sold. The provisions in question were established in 1981, and some of them, specifically the pawn loan limit, were revised overtime. Unfortunately, due to an

oversight, when the pawn loan limit was increased, the ratio mechanism for determining the sale price of unclaimed property was not adjusted. Thus, the purpose of this bill would be to restore the original ratio between the pawn loan limit and the value of the unredeemed property. She stressed that the proposed change is specific to the sale price of the property and would not alter pawn loan limit language.

Co-Chair Green asked for an example of how the ratio formula would work.

Ms. Skibinski exemplified a wedding ring valued at \$2,000. Under current law, the maximum amount a pawnshop could loan an individual for that item would be \$500. The individual would have 60 days to repay the \$500 loan, plus interest, and reclaim the ring. Otherwise, after 60 days, the pawnshop could sell it. Current ratio provisions would require the pawnshop to split any profit above a sale price of \$400 with the individual. Therefore, in order to recoup the \$500 the pawnshop paid for the ring, a sale price of \$600 would be required. This bill would restore the price terms to the original two to one pawn loan limit/unredeemed property value ratio. Thus, the trigger point at which the proceeds must be split between the pawnshop and the individual for a ring pawned for \$500 would be \$1,000.

[9:57:53 AM](#)

Senator Bunde understood that while the amount a pawnshop could loan had been increased, the point at which the money generated from the sale of an unredeemed item must be split had not been addressed. Thus, this bill would restore the original ratio limit.

[9:58:43 AM](#)

Co-Chair Green asked whether there was any opposition to the bill.

Ms. Skibinski replied in the negative. The bill was drafted with the assistance of the Commercial/Fair Business Section of the Department of Law and the Department of Commerce, Community and Economic Development (DCED). DCED suggested the bill contain a provision that would require a pawnshop to disclose the information about unredeemed property to an individual. The

Senate Labor & Commerce Committee included this language in their bill.

Co-Chair Green acknowledged.

Co-Chair Wilken moved to report the bill from Committee with individual recommendations and accompanying fiscal notes.

There being no objection, CS SB 315(L&C) was REPORTED from Committee with previous zero fiscal note #1 dated April 14, 2006 from the Department of Commerce, Community and Economic Development.

[9:59:55 AM](#)

#sb274

CS FOR SENATE BILL NO. 274(STA)

"An Act relating to the disposition of forfeited, surplus, and unclaimed firearms by the state."

This was the first hearing for this bill in the Senate Finance Committee.

Senator Dyson, the bill's sponsor, informed the Committee that this bill would allow the State to sell confiscated but legal firearms for "a reasonable return". This would be contrary to previous [unspecified] administrations' actions of destroying such items. Both the Department of Public Safety and the Department of Administration support the proposed disposal methodology.

[10:01:33 AM](#)

Senator Dyson stated that, while the majority of confiscated guns could be legally sold to the public, some guns are of a class that could only be sold to people holding Class 3 Firearm Dealer licenses. The "very few" firearms that are illegal for anyone to own, primarily due to such things as their barrel being cut off or their serial number being defaced, would be disassembled. The illegal portions would be destroyed and remaining legal components would be available to the public.

Senator Dyson also noted the bill would continue to allow the Department of Public Safety to negotiate with firearm dealers for "a trade-in allowance" for new equipment in exchange for the confiscated firearm inventory. This practice would continue with the new provision that an annual report of the value of the trade-in items and the items received via that transaction be provided.

Senator Dyson communicated that this legislation would also address the liability issue that was the basis of previous administrations' argument to destroy confiscated firearms. It would clearly denote that "the State has no more liability on selling of a firearm than they do on a pick-up truck or a dump truck or anything else that they surplus".

Co-Chair Green recalled the liability issue being addressed previously. However, the effort must have been in the form of a resolution.

Senator Dyson affirmed.

[10:04:06 AM](#)

Senator Olson asked whether there has been any opposition to the bill.

Senator Dyson responded in the negative.

Senator Olson specified that his question primarily pertained to the position of firearm manufacturers.

Senator Dyson stated that firearm manufacturers have not weighed in on the issue. This legislation would allow the general public to participate in the purchase of these items rather than continuing to limit it to individuals holding dealer licenses, as is the current practice.

Senator Dyson shared the understanding that, in the past, a few dealers colluded to hold prices down by agreeing beforehand as to who would bid on certain parcels. As a result, the State was receiving "significantly less than the real value of the weapons". He reiterated that this allegation has not been confirmed. Nonetheless, allowing more people to participate in the firearm auction would enhance the State's ability to generate additional value from the surplus firearm effort.

[10:05:33 AM](#)

Senator Bunde moved to report the bill from Committee with individual recommendations and accompanying fiscal notes.

There being no objection, CS SB 274 (STA) was REPORTED from Committee with previous \$22,500 fiscal note #1 dated February 23, 2006 from the Department of Administration and a new zero fiscal note dated March 31, 2006 from the Department of Public Safety.

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Co-Chair Green noted the Committee would be reconvening at 5:00 pm for public testimony on the FY 2007 capital budget.

ADJOURNMENT

Co-Chair Lyda Green adjourned the meeting at [10:06:32 AM](#).