

**ALASKA STATE LEGISLATURE**  
**HOUSE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE**

May 11, 2007

8:04 a.m.

**MEMBERS PRESENT**

Representative Anna Fairclough, Co-Chair  
Representative Gabrielle LeDoux, Co-Chair  
Representative Nancy Dahlstrom  
Representative Mark Neuman  
Representative Sharon Cissna  
Representative Woodie Salmon

**MEMBERS ABSENT**

Representative Kurt Olson

**OTHER LEGISLATORS PRESENT**

Representative Bryce Edgmon

**COMMITTEE CALENDAR**

CS FOR SENATE BILL NO. 72(FIN)

"An Act relating to the community revenue sharing program; and providing for an effective date."

- MOVED HCS CSSB 72(CRA) OUT OF COMMITTEE

CS FOR SENATE BILL NO. 131(STA)

"An Act naming the state parking garage being constructed in Anchorage north of the Robert B. Atwood Building as the Linny Pacillo Parking Garage."

- MOVED CSSB 131(STA) OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

BILL: SB 72

SHORT TITLE: COMMUNITY REVENUE SHARING

SPONSOR(S): COMMUNITY & REGIONAL AFFAIRS

02/02/07	(S)	READ THE FIRST TIME - REFERRALS
02/02/07	(S)	CRA, FIN
02/13/07	(S)	CRA AT 3:30 PM BELTZ 211
02/13/07	(S)	Heard & Held

02/13/07 (S) MINUTE(CRA)  
 02/22/07 (H) CRA AT 3:30 PM BUTROVICH 205  
 02/22/07 (S) Moved CSSB 72(CRA) Out of Committee  
 02/22/07 (S) MINUTE(CRA)  
 02/26/07 (S) CRA RPT CS 2DP 1NR SAME TITLE  
 02/26/07 (S) DP: OLSON, THOMAS  
 02/26/07 (S) NR: WAGONER  
 05/03/07 (H) FIN AT 1:30 PM HOUSE FINANCE 519  
 05/03/07 (S) Heard & Held  
 05/03/07 (S) MINUTE(FIN)  
 05/05/07 (S) FIN AT 1:30 PM SENATE FINANCE 532  
 05/05/07 (S) Scheduled But Not Heard  
 05/07/07 (H) FIN AT 1:30 PM HOUSE FINANCE 519  
 05/07/07 (S) Moved CSSB 72(FIN) Out of Committee  
 05/07/07 (S) MINUTE(FIN)  
 05/08/07 (S) FIN RPT CS 7DP SAME TITLE  
 05/08/07 (S) DP: HOFFMAN, STEDMAN, ELTON, THOMAS,  
 DYSON, HUGGINS, OLSON  
 05/09/07 (S) TRANSMITTED TO (H)  
 05/09/07 (S) VERSION: CSSB 72(FIN)  
 05/10/07 (H) READ THE FIRST TIME - REFERRALS  
 05/10/07 (H) CRA, FIN  
 05/11/07 (H) CRA AT 8:00 AM BARNES 124

**BILL: SB 131**

SHORT TITLE: NAMING PACILLO PARKING GARAGE

SPONSOR(s): SENATOR(s) ELLIS BY REQUEST

03/21/07 (S) READ THE FIRST TIME - REFERRALS  
 03/21/07 (S) STA  
 04/26/07 (S) STA AT 9:00 AM BELTZ 211  
 04/26/07 (S) Moved CSSB 131(STA) Out of Committee  
 04/26/07 (S) MINUTE(STA)  
 04/27/07 (S) STA RPT CS 5DP NEW TITLE  
 04/27/07 (S) DP: MCGUIRE, FRENCH, STEVENS, GREEN,  
 BUNDE  
 05/08/07 (S) TRANSMITTED TO (H)  
 05/08/07 (S) VERSION: CSSB 131(STA)  
 05/09/07 (H) READ THE FIRST TIME - REFERRALS  
 05/09/07 (H) CRA  
 05/11/07 (H) CRA AT 8:00 AM BARNES 124

**WITNESS REGISTER**

REPRESENTATIVE PAUL SEATON  
 Alaska State Legislature  
 Juneau, Alaska

**POSITION STATEMENT:** Explained the differences between CSSB 72(FIN) and proposed HCS CSSB 72, Version V.

JEROME SELBY, Mayor  
Kodiak Island Borough  
Kodiak, Alaska

**POSITION STATEMENT:** Testified in support of HCS CSSB 72, Version V.

JOHN STEIN, Municipal Administrator  
City and Borough of Sitka  
Sitka, Alaska

**POSITION STATEMENT:** Encouraged passage of [HCS CSSB 72, Version V].

JEFF JABUSCH, Finance Director  
City of Wrangell  
Wrangell, Alaska

**POSITION STATEMENT:** Urged passage of HCS CSSB 72, Version V.

TAMMIE WILSON  
Fairbanks, Alaska

**POSITION STATEMENT:** Encouraged passage of SB 72

JEFF CURRIER, Manager  
Lake and Peninsula Borough  
King Salmon, Alaska

**POSITION STATEMENT:** Testified in strong support of SB 72.

KATHY WASSERMAN  
Alaska Municipal League  
Juneau, Alaska

**POSITION STATEMENT:** Urged passage of SB 72.

DAN SALMON, Community Administrator  
Igiugig Village Council;  
Member, Lake and Peninsula Borough Assembly  
King Salmon, Alaska

**POSITION STATEMENT:** Related his strong support for the changes [encompassed in HCS CSSB 72, Version V].

BILL ROLFZEN  
Municipal Assistance, National Forest Receipts, Fish Tax, PILT  
Division of Community Advocacy  
Department of Commerce, Community, & Economic Development  
Juneau, Alaska

**POSITION STATEMENT:** During hearing of SB 72, answered questions.

SENATOR JOHNNY ELLIS  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Spoke as the sponsor of SB 131.

SUSAN PACILLO  
Anchorage, Alaska

**POSITION STATEMENT:** During hearing of SB 131, spoke of her sister Linny Pacillo.

ANDREE MCCLEOD  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of SB 131.

#### **ACTION NARRATIVE**

**CO-CHAIR ANNA FAIRCLOUGH** called the House Community and Regional Affairs Standing Committee meeting to order at [8:04:54 AM](#). Representatives Fairclough, LeDoux, Neuman, and Salmon were present at the call to order. Representatives Dahlstrom and Cissna arrived as the meeting was in progress. Also in attendance was Representative Edgmon.

#### SB 72-COMMUNITY REVENUE SHARING

[8:05:19 AM](#)

CO-CHAIR FAIRCLOUGH announced that the first order of business would be CS FOR SENATE BILL NO. 72(FIN), "An Act relating to the community revenue sharing program; and providing for an effective date."

[8:06:03 AM](#)

REPRESENTATIVE PAUL SEATON, Alaska State Legislature, explained that the difference between CSSB 72(FIN) and the proposed committee substitute (CS), Version 25-LS0506\V, Cook, 5/9/07, is that Version V incorporates HB 202 provisions in order to include unincorporated communities within organized boroughs in the formula. By including unincorporated communities within organized boroughs in the formula, a disincentive that is built into the program is eliminated. Currently, unincorporated

communities in an unorganized borough receive direct revenue sharing. However, if those areas incorporate as a borough, those areas would lose that direct revenue sharing. [Version V] equalizes the amount unincorporated communities outside the borough and municipalities receive. Version V also changes the amount the unorganized community receives from 5 percent to 7 percent, which is necessary for the per capita allocation and provides for the 30 communities that will be included. He pointed out that it's also necessary to increase the amount from \$48.1 million to \$49.1 million, which increases what all the municipalities receive. For instance, Anchorage would gain a little over \$177,000.

REPRESENTATIVE SEATON drew attention to page 2, lines 5 and 22, which change the percent of revenue sharing. Version V [maintains] the amount of [the community revenue sharing fund] at \$50 million or 3 percent from the state's resources, whichever is less. On page 2, line 20, there's a technical change in which the term "subsection" replaces the term "paragraph" so that the cap is at \$50,000 as proposed. On page 5, lines 4-6, language allowing unincorporated communities in organized boroughs to qualify for the revenue sharing payment is included. The change on page 5, line 2, merely adds the following conforming language: "located in the unorganized borough". The language on page 5, lines 16-31, inserts a provision that requires that in order for a community in an organized borough to be eligible for the payment, at least three of the listed services must be provided. On page 6, line 6, the term "unincorporated community" was added in order to ensure that the populations of unincorporated communities in the organized borough aren't counted double with the per capita for the boroughs. Representative Seaton explained that the population of the municipality is subtracted from the borough population so that there's no double dipping. The [new provision] ensures that the population of the unincorporated communities wouldn't be included in the borough population and, again avoid any double dipping. Page 6, lines 15-17, expand the definition of unincorporated community. He also pointed out that the fiscal note has increased from \$48.1 million to \$49.1 million.

[8:12:56 AM](#)

CO-CHAIR LEDOUX moved to adopt HCS CSSB 72, Version 25-LS0506\V, Cook, 5/9/07, as the working document. There being no objection, Version V was before the committee.

8:13:24 AM

REPRESENTATIVE NEUMAN, referring to page 5, lines 1-4, inquired as to the criteria used.

REPRESENTATIVE SEATON answered that it's the same criteria the Department of Commerce, Community, & Economic Development (DCCED) has used in the past for revenue sharing.

REPRESENTATIVE NEUMAN explained that he asks because he felt that there would be a squabble over that, and therefore he requested the definition of the criteria.

8:15:02 AM

REPRESENTATIVE SALMON inquired as to the difference in unincorporated communities as in HB 202 versus HCS CSSB 72, Version V.

REPRESENTATIVE SEATON responded that there's no difference for those in the unorganized borough as the definition of unincorporated communities remains the same as was specified in HB 202. The definition was that a community [in order to qualify] has to provide three of the essential services listed and do so independent of borough funding. That test isn't present for those unincorporated communities outside of a borough.

REPRESENTATIVE SALMON inquired as to the difference in [the definition of] unincorporated community between CSSB 72(FIN) and Version V.

REPRESENTATIVE SEATON explained that the allocation formula [under Version V] was increased to 7 percent for all unincorporated communities, which includes 30 unincorporated communities that are in the borough such as Tyonek. Under SB 72, Tyonek wouldn't receive any funding. However, Tyonek would receive funding under Version V because it provides [at least three] of the services specified in Version V.

REPRESENTATIVE SALMON inquired as to what happens to the allocation to the borough when [communities such as Tyonek] receive funding.

REPRESENTATIVE SEATON specified that there's a per capita distribution as well as a \$25,000 base distribution to an unincorporated community. He explained that the per capita

distribution is subtracted from the allocation to the borough in order to avoid counting the population twice.

[8:18:18 AM](#)

REPRESENTATIVE SALMON questioned what happens to the money given to the unincorporated area since villages and boroughs are being given extra money.

REPRESENTATIVE SEATON explained that it's why the \$1 million was added to the fiscal note and the revenue sharing percentage for unincorporated communities was changed from 5-7 percent. The aforementioned results in fully funding [the newly included unincorporated areas] without changing the other unincorporated areas while providing a bit of additional funding to the municipality.

[8:20:03 AM](#)

JEROME SELBY, Mayor, Kodiak Island Borough, related support for Version V. He informed the committee that an unincorporated village is located in the Kodiak Island Borough. The Kodiak Island Borough will take a reduction of a little less than \$2,000 in order for that village to receive \$27,000 [in revenue sharing], which the borough views as a good change. He urged the committee to adopt Version V because the unincorporated communities inside organized areas should be treated the same way in which those outside the organized areas are treated. He opined that this legislation will be a huge factor in communities remaining viable.

[8:22:11 AM](#)

JOHN STEIN, Municipal Administrator, City and Borough of Sitka, related Sitka's support for [Version V] and community revenue sharing, which is important to all regions of Alaska. He highlighted that many communities, such as those in Southeast Alaska, aren't in direct contact with the oil economy. Therefore, the opportunity to share in the state's revenue is very important, he opined. Having funds coming from the state will be very helpful in helping communities maintain the myriad of services communities provide. This bill will go a long way to support the aforementioned, and therefore he encouraged the committee to pass [Version V].

[8:24:09 AM](#)

JEFF JABUSCH, Finance Director, City of Wrangell, related Wrangell's support of Version V. He pointed out that Wrangell is a depressed economy, and noted that he has faxed the committee documentation outlining some of the problems Wrangell faces in trying to balance its budget and provide basic services. Mr. Jabusch opined that Wrangell feels that it's doing its part to maintain services for the community. The revenue sharing program would help Wrangell. He noted his appreciation for all the work the state and others have done with revenue sharing. He concluded by urging the committee to pass [Version V].

[8:26:02 AM](#)

TAMMIE WILSON encouraged passage of SB 72, and thanked all those who worked on the legislation.

[8:26:43 AM](#)

JEFF CURRIER, Manager, Lake and Peninsula Borough, began by informing the committee that he has been in Alaska for almost 30 years and has observed the change that has occurred since the disappearance of revenue sharing. He said that he has also observed villages in the Lake and Peninsula Borough struggle to continue to provide services to residents that no one else would provide. Mr. Currier related that he is in strong support of this legislation, which is extremely important as these funds will make a tremendous difference in villages. He commented that he hopes that once this legislation passes, it stays in place for a number of years in order for villages to be healthy again.

[8:28:21 AM](#)

KATHY WASSERMAN, Alaska Municipal League, urged passage of SB 72. Ms. Wasserman pointed out that the Alaska Municipal League (AML) advocates for healthy communities in the state, and therefore AML supports anything that helps to achieve that.

[8:29:43 AM](#)

DAN SALMON, Community Administrator, Igiugig Village Council; Member, Lake and Peninsula Borough Assembly, related his strong support for the changes [encompassed in Version V]. He then reviewed the services provided by the borough and the need for funds. Mr. Salmon opined that most of the 20 or so communities impacted by this legislation are apathetic and don't even know

about SB 72. Furthermore, AML doesn't lobby on behalf of the unincorporated communities. In closing, Mr. Salmon commended the efforts and related his strong support for the inclusion [of unincorporated communities in Version V].

[8:32:53 AM](#)

CO-CHAIR FAIRCLOUGH related that the language [including unincorporated communities] was inserted by Co-Chair LeDoux with the help of Representatives Edgmon and Seaton. Upon determining no one else wished to testify, she closed public testimony.

[8:34:21 AM](#)

CO-CHAIR LEDOUX moved to report HCS CSSB 72, Version 25-LS0506\V, Cook, 5/9/07, out of committee with individual recommendations and the accompanying fiscal notes.

CO-CHAIR FAIRCLOUGH objected for purposes of discussion.

REPRESENTATIVE SEATON clarified that there is no effect in the base amount to unincorporated communities while the per capita amount is about \$6 less than municipalities.

[8:35:13 AM](#)

REPRESENTATIVE DAHLSTROM surmised then that there's a \$6 per person impact on those [outside of the unincorporated areas].

REPRESENTATIVE SEATON replied yes.

[8:35:45 AM](#)

REPRESENTATIVE NEUMAN opined that the state has been very generous in sharing its revenue, even for totem poles. Therefore, he suggested that if legislators can find funds to fund totem poles and other such projects, those funds should be used to fund more useful services such as those specified in SB 72. Representative Neuman related his belief that the citizens in his district are more appreciative of receiving funds through capital improvement projects. Representative Neuman highlighted that the state will be in a deficit situation in the next few years.

[8:38:20 AM](#)

CO-CHAIR FAIRCLOUGH recalled that there was a question earlier regarding the language on page 5 about who determines the appropriate entity that will receive the funds.

8:38:49 AM

BILL ROLFZEN, Municipal Assistance, National Forest Receipts, Fish Tax, PILT, Division of Community Advocacy, Department of Commerce, Community, & Economic Development, explained that the old revenue sharing regulations specify three criteria that would determine who is most qualified within an unincorporated community. Those regulations would be transferred to this program. The criteria reviews the proposed use of the funds, the administrative capability of each entity, and who is most representative of the community. A questionnaire is sent out to each entity and a public meeting is held in the community. After the aforementioned, the director [of the Division of Community Advocacy] makes a determination that can be appealed to the commissioner of DCCED.

REPRESENTATIVE NEUMAN opined that if communities had funds, they would be better prepared to distribute the funds. He further opined that he has observed that when communities have funds, they are able to provide more services.

8:40:38 AM

REPRESENTATIVE CISSNA thanked all parties who had a part in this legislation. Although she noted her appreciation with regard to Representative Neuman's comments about the amount of funds the state spends in small communities, she noted that she has found that oftentimes the programs and projects that come to local communities come with additional costs for which there are no funds. This legislation allows communities to make decisions and prioritize their funding, which she opined is the best way to spend the state's dollars.

8:42:01 AM

CO-CHAIR FAIRCLOUGH withdrew her objection.

There being no further objection, HCS CSSB 72(CRA) was reported from the House Community and Regional Affairs Standing Committee.

The committee took an at-ease from 8:42 a.m. to 8:45 a.m.

SB 131-NAMING PACILLO PARKING GARAGE

8:45:07 AM

CO-CHAIR FAIRCLOUGH announced that the final order of business would be CS FOR SENATE BILL NO. 131(STA), "An Act naming the state parking garage being constructed in Anchorage north of the Robert B. Atwood Building as the Linny Pacillo Parking Garage."

8:45:21 AM

SENATOR JOHNNY ELLIS, Alaska State Legislature, explained that SB 131 proposed that the new state parking garage in Anchorage be named for Linny Pacillo, who was a positive force for change in Anchorage. Linny Pacillo, along with her sister, challenged the Anchorage Parking Authority by donning tutus and fairy wings and depositing coins into expired parking meters. The Twentieth Alaska State Legislature formally honored the parking fairies and stated the following: "The Pacillo sisters have reminded all of us that government must serve the people. They have also confirmed the strength of our democracy by showing that wrongs can be corrected, and that the will of the people can triumph." Senator Ellis described Ms. Pacillo's efforts through charities, her family business, and the sharing of her own resources as deliberate acts of kindness. Ms. Pacillo was also honored by the Anchorage Assembly, which supports this legislation. He acknowledged that there had been some concerns with regard to outstanding student loan obligations by Ms. Pacillo, but pointed out that all aspects of Ms. Pacillo's account have been cleared to the satisfaction of the state. In conclusion, Senator Ellis opined that naming the new parking garage on behalf of Ms. Pacillo would be a fitting tribute to an extraordinary citizen. He noted that he introduced SB 131 at the request of Ms. Pacillo's family and legion of friends.

8:49:51 AM

CO-CHAIR FAIRCLOUGH mentioned that at a prior hearing the committee passed out the House companion to SB 131.

8:50:11 AM

CO-CHAIR LEDOUX commented that this is great legislation as Ms. Pacillo seems to have been a neat individual.

8:50:24 AM

REPRESENTATIVE NEUMAN asked if Ms. Pacillo deposited money in a parking meter for Senator Ellis.

SENATOR ELLIS replied no. He acknowledged that some don't believe that depositing coins in meters for others wasn't legal under the law at the time. Still, the reaction to Ms. Pacillo's efforts was overwhelmingly positive and made a political statement.

[8:51:18 AM](#)

CO-CHAIR LEDOUX asked if anyone knows how much Ms. Pacillo spent depositing coins in the parking meters or the fiscal impact to the Anchorage Parking Authority of her activities.

[8:51:44 AM](#)

SUSAN PACILLO related that she and her sister deposited thousands of dollars in the parking meters. She then thanked everyone who has helped with this legislation, which highlights that government is for the people, of the people, and by the people. Ms. Pacillo, in response to Co-Chair Fairclough, confirmed that she, too, was a parking fairy. She then said that this legislation honors all of her sister Linny's efforts to help others whether it be purchasing a water pump for a village in Nicaragua or purchasing a meal for someone down on his/her luck.

[8:55:25 AM](#)

CO-CHAIR LEDOUX asked if the Anchorage Parking Authority does things differently as a result of the efforts of the parking fairies.

MS. PACILLO replied yes, adding that the downtown area is friendlier and the police presence is nice. In further response to Co-Chair LeDoux, Ms. Pacillo admitted that she still deposits quarters in expired parking meters when she's downtown.

[8:56:40 AM](#)

ANDREE MCCLEOD provided the following testimony:

Thank you for very much for hearing SB 131, naming the new state parking garage in downtown Anchorage after Linny Pacillo. It's being constructed just across the street from the Robert Atwood State Office Building.

For those who don't know, Linny Pacillo was one of two sisters dubbed the "parking fairies." They went around putting quarters in expired parking meters as part of their campaign to bring attention to an enforcement agency run amuck. Linny passed away last year; she was for the little guy. The Robert Atwood Building is where many state departments and the governor's Anchorage office are housed. Robert Atwood is an icon and pillar in Alaska's history and was instrumental in shaping today's Alaska. He was a big guy.

Alaska is unique in that residents who want to better their community can truly exercise their right of critical democracy. In our great state, individuals who muster enough courage and gumption can take a stand on issues, criticize their government, and actually end up making a difference. Most Alaskans seriously take their duty to keep leaders accountable as they follow the constitutional doctrine of government of the people, by the people, and for the people. Linny was such a person. She and Susan, the parking fairies, were a catalyst for an enormous paradigm shift relating to parking in Anchorage. With a public relations campaign any Madison Avenue advertising executive would envy, they single-handedly transferred the balance of power from an overzealous government bureaucracy back to the people where it rightfully belongs.

The parking fairies had a vision to reign in the Anchorage Parking Authority's enforcement activities. They carried it out as a mission dressed up in tutus, tights, and fairy wings. Their courage was demonstrated in countless assembly and committee meetings as they criticized established policies that had gone awry. Linny's integrity was further displayed in the many philanthropic activities she took on to improve people's lot. And Linny persevered year after year as she survived the slings and arrows pointed at her from some bureaucrats, some elected officials, and others. Linny was relentless in her pursuit to make government accountable to the people. While Linny exercised her right of critical democracy, she showed others how to be good citizens. She was an example to anyone who wanted better government and leaders. Through it all she endeared herself not only

in Anchorage, but on a national and international level. She became an unofficial ambassador of Anchorage as stories of the parking fairies' activities were published in the National Inquirer, National Examiner, and portrayed on the Letterman and the Mike and Mattie (ph) shows, among others. Her death made the media internationally as countries throughout the world reported on the passing of our beloved parking fairy. Mayor Begich, former [Anchorage] Assembly chair Dan Sullivan, and all Assembly members approved the resolution requesting the legislature to name the new parking garage as the Linny Pacillo Parking Garage. Clearly, this demonstrates that they point to Linny as a model citizen by fittingly honoring her actions. Anchorage feels good and proud in knowing that it produces citizens like Linny. Many people embraced what she embodied as she went on transforming everyone's parking experience for the better. The Linny Pacillo Parking Garage would remind us of our rights, responsibilities, and obligations to make sure government is answerable to us. It would sustain Anchorage's unique sense of community and spirit. It's most proper for the Linny Pacillo Parking Garage to be across the street of the Robert Atwood State Office Building because it proves that it doesn't matter what your position or standing in society might be in Alaska -- that in the long run, when it's all said and done, we're all in this together.

[9:00:56 AM](#)

CO-CHAIR FAIRCLOUGH, upon determining no one else wished to testify, closed the public testimony.

[9:01:18 AM](#)

CO-CHAIR LEDOUX moved to report CSSB 131(STA) out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, it was so ordered.

[9:01:53 AM](#)

**ADJOURNMENT**

There being no further business before the committee, the House Community and Regional Affairs Standing Committee meeting was adjourned at [9:02:35 AM](#).