

ALASKA STATE LEGISLATURE
HOUSE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE

January 31, 2008

8:06 a.m.

MEMBERS PRESENT

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

MEMBERS ABSENT

Representative Gabrielle LeDoux, Co-Chair
Representative Kurt Olson

COMMITTEE CALENDAR

HOUSE BILL NO. 285

"An Act relating to an optional exemption from municipal property taxes for residences of widows and widowers of certain members of the armed forces of the United States; and providing that this Act may be known as the Sergeant Irving Hernandez, Jr., Act."

- MOVED CSHB 285(CRA) OUT OF COMMITTEE

HOUSE BILL NO. 327

"An Act relating to shipping, sending, transporting, or bringing alcohol to a local option area and providing alcohol to others in the local option area, including penalties for violations; relating to furnishing alcohol to a minor and to civil penalties for licensees whose agents or employees furnish alcohol to a minor; relating to manslaughter as a direct result of ingestion of alcoholic beverages brought in violation of a local option prohibition; relating to reports of the court concerning certain alcohol violations by minors; making conforming amendments; and providing for an effective date."

- BILL HEARING POSTPONED

PREVIOUS COMMITTEE ACTION

BILL: HB 285

SHORT TITLE: MUNI TAX EXEMPTION: COMBAT DEATHS

SPONSOR(s): REPRESENTATIVE(s) COGHILL

01/04/08	(H)	PREFILE RELEASED 1/4/08
01/15/08	(H)	READ THE FIRST TIME - REFERRALS
01/15/08	(H)	CRA, FIN
01/31/08	(H)	CRA AT 8:00 AM BARNES 124

WITNESS REGISTER

KAREN LIDSTER, Staff
Representative John Coghill
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented HB 285 on behalf of the sponsor, Representative Coghill.

JENNIFER YUHAS, Special Assistant
Mayor Jim Whitaker
Fairbanks North Star Borough
Fairbanks, Alaska

POSITION STATEMENT: Testified on HB 285.

STEVE VAN SANT, State Assessor
Anchorage Office
Division of Community and Regional Affairs
Department of Commerce, Community, & Economic Development
Anchorage, Alaska

POSITION STATEMENT: During hearing of HB 285, informed the committee of the existing veterans exemption statute.

ACTION NARRATIVE

CO-CHAIR ANNA FAIRCLOUGH called the House Community and Regional Affairs Standing Committee meeting to order at [8:06:05 AM](#). Representatives Fairclough, Dahlstrom, Neuman, and Salmon were present at the call to order. Representative Cissna arrived as the meeting was in progress.

HB 285-MUNI TAX EXEMPTION: COMBAT DEATHS

[8:07:35 AM](#)

CO-CHAIR FAIRCLOUGH announced that the only order of business would be HOUSE BILL NO. 285, "An Act relating to an optional exemption from municipal property taxes for residences of widows and widowers of certain members of the armed forces of the

United States; and providing that this Act may be known as the Sergeant Irving Hernandez, Jr., Act."

[8:07:52 AM](#)

KAREN LIDSTER, Staff, Representative John Coghill, Alaska State Legislature, presented HB 285 on behalf of the sponsor, Representative Coghill. She explained that Representative Coghill was approached by the Fairbanks North Star Borough after it was approached by Sergeant Hernandez's widow who questioned what options [for financial relief] are available for those widows/widowers whose injured spouse died after serving in a combat situation. This legislation allows the municipality to adopt an ordinance allowing this proposed exemption. The specifics of the ordinance, such as the qualifying criteria and application procedure, would be left to the municipality to determine.

[8:10:44 AM](#)

REPRESENTATIVE DAHLSTROM opined that the concept behind HB 285 is great. She then asked if the sponsor wants the property tax exemption to stay in place for the lifetime of the widow/widower. She also asked if the sponsor would consider the legislation not being named after a specific individual in order to acknowledge the many who have fallen.

MS. LIDSTER related that the intention of the sponsor is that the specifics, such as eligibility criteria and the length of the exemption, would be determined by the municipality. The request for the naming the legislation came through the conversations with the Fairbanks North Star Borough. However, Ms. Lidster said that the sponsor is likely open to not naming the legislation after a specific individual as many have given their life for this country.

[8:13:31 AM](#)

REPRESENTATIVE NEUMAN, referring to page 1, line 13, related his understanding that this legislation would only cover a widow/widower whose spouse dies within 90 days of the injury.

MS. LIDSTER characterized the 90 days as a somewhat arbitrary number that attempts to achieve balance in determining whether the death is related to the injury on the battle field.

[8:14:50 AM](#)

REPRESENTATIVE NEUMAN remarked that he would like to eliminate the 90-day stipulation because of the possibility of death later that could be traced to the injury incurred during service. He opined that if the cause of death can be traced to the injury, the widow/widower should be covered.

[8:16:12 AM](#)

REPRESENTATIVE DAHLSTROM moved to adopt HB 285 as the working document. There being no objection, it was so ordered.

CO-CHAIR FAIRCLOUGH opened the public hearing.

[8:16:50 AM](#)

JENNIFER YUHAS, Special Assistant, Mayor Jim Whitaker, Fairbanks North Star Borough, began by thanking the sponsor for introduction of HB 285 as the concept was requested by Mayor Whitaker after meeting with Susan Hernandez. Mr. Yuhas related that [the Fairbanks North Star Borough] would like to honor those who have served this country. She reminded the committee that the legislation leaves the specifics of the ordinance to the municipalities, and therefore the municipality could decide to terminate the exemption after the widow/widower remarries.

[8:17:34 AM](#)

REPRESENTATIVE NEUMAN commended the Fairbanks North Star Borough for suggesting this legislation, which would ultimately result in one of its residents paying less taxes.

[8:18:11 AM](#)

REPRESENTATIVE SALMON expressed concern with regard to the open-ended ability of the municipality with regard to the specifics of the ordinance. He also expressed concern with the legislation specifying that the exemption would only apply if the death due to the injury occurred within 90 days of the injury. The injured individual could have extensive injuries that linger for a year or more [before dying]. He opined that the determination of whether the death was the result of the injury sustained while serving on active duty should be determined by a physician rather than being a matter of whether the death occurred 90 days after the injury.

[8:19:41 AM](#)

MS. YUHAS remarked that the request to name the proposed law on behalf of Sergeant Hernandez, Jr., wasn't meant to exclude others who have lost their lives serving the country. With regard to the 90-day stipulation, Ms. Yuhas informed the committee that there is already a military definition as to who qualifies as having died in combat. Therefore, she suggested that perhaps that definition should be utilized.

[8:20:29 AM](#)

REPRESENTATIVE NEUMAN asked if the Fairbanks North Star Borough already has manner in which it recognizes military personnel who have been injured or killed in the line of duty.

MR. YUHAS responded that there are several ways in which communities can honor military personnel. She reiterated that Mayor Whitaker had requested that the name on the legislation because of his conversation with Susan Hernandez.

[8:22:09 AM](#)

STEVE VAN SANT, State Assessor, Anchorage Office, Division of Community and Regional Affairs, Department of Commerce, Community, & Economic Development, informed the committee that currently statute includes the disabled veterans exemption, which is also available to widows/widowers. After discussions with the attorney general's office, Mr. Van Sant relayed that as soon as the widow/widower remarries, the exemption would be removed. Therefore, passage of HB 285, which allows the municipality the ability to specify whether the remarried widow/widower would continue to receive the exemption, could create a two-tier situation.

[8:23:20 AM](#)

CO-CHAIR FAIRCLOUGH asked if the language in HB 285 creates the two-tier situation or should language be added to revert to the "umbrella provision."

MR. VAN SANT related his understanding that under the existing language of HB 285 the exemption would be removed unless the municipal ordinance specifies otherwise.

[8:24:06 AM](#)

REPRESENTATIVE NEUMAN asked if the language on page 1, line 14, through page 2, lines 1-2, addresses Mr. Van Sant's concern because the language leaves the requirements and eligibility for the exemption to the municipalities.

MR. VAN SANT reiterated that under existing state law the exemption would be removed at the point the widow/widower remarried. If the intent is otherwise, the language should specify, he opined. He related his understanding that the aforementioned language allows the municipality to continue or discontinue the exemption once a widow/widower remarries.

[8:27:08 AM](#)

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

[8:27:19 AM](#)

REPRESENTATIVE DAHLSTROM moved that the committee adopt Conceptual Amendment 1, as follows:

Page 1, line 3, following "States":

Delete "; and providing that this Act may be known as the Sergeant Irving Hernandez, Jr., Act"

Delete line 7

Renumber accordingly.

Page 1, lines 12-13:

Delete "who, within 90 days after receiving the injury,"

REPRESENTATIVE NEUMAN objected for discussion purposes. He then inquired as to the sponsor's thoughts on Conceptual Amendment 1.

[8:28:38 AM](#)

MS. LIDSTER said that she didn't believe that the sponsor would find removal of the name of Sergeant Hernandez problematic as the borough can find a way to honor him. She related that the sponsor wouldn't have a problem with the elimination of the 90-day stipulation because the medical professionals would have the knowledge as to whether the injury was the cause of death.

[8:30:04 AM](#)

REPRESENTATIVE NEUMAN removed his objection.

CO-CHAIR FAIRCLOUGH related her understanding from Ms. Yuhas that not naming the legislation after Sergeant Hernandez isn't problematic.

There being no further objection, Conceptual Amendment 1 was adopted.

[8:30:54 AM](#)

REPRESENTATIVE NEUMAN characterized HB 285 as good legislation that was made better by the adopted amendment.

[8:31:11 AM](#)

CO-CHAIR FAIRCLOUGH related her understanding from Mr. Van Sant that unless a municipality specifies otherwise in its ordinance, the state rules would be in place and the widow/widower won't receive the exemption once the widow/widower remarries.

[8:31:45 AM](#)

REPRESENTATIVE CISSNA related her experience with remarrying and speculated that many, particularly seniors, are merely living together in order to avoid losing the benefits of their dead spouse. She characterized the [removal of exemptions upon remarriage] as a disincentive to marriage. Although in this case the legislation is a good idea, this matter will need to be addressed at some point, she said.

[8:33:55 AM](#)

REPRESENTATIVE NEUMAN related that he would rather leave it up to the municipality to determine the specifics of the ordinance.

[8:35:09 AM](#)

REPRESENTATIVE NEUMAN moved to report HB 285, as amended, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSHB 285(CRA) was reported from the House Community and Regional Affairs Standing Committee.

[8:35:50 AM](#)

ADJOURNMENT

There being no further business before the committee, the House Community and Regional Affairs Standing Committee meeting was adjourned at 8:35 a.m.