

**ALASKA STATE LEGISLATURE**  
**HOUSE SPECIAL COMMITTEE ON MILITARY AND VETERANS' AFFAIRS**

March 20, 2007

1:08 p.m.

**MEMBERS PRESENT**

Representative Bob Roses, Chair  
Representative Anna Fairclough  
Representative Gabrielle LeDoux  
Representative Robert L. "Bob" Buch  
Representative Scott Kawasaki

**MEMBERS ABSENT**

Representative Nancy Dahlstrom  
Representative Jay Ramras

**COMMITTEE CALENDAR**

HOUSE BILL NO. 184

"An Act relating to a commemorative troops license plate; and providing for an effective date."

- HEARD AND HELD

**PREVIOUS COMMITTEE ACTION**

BILL: HB 184

SHORT TITLE: COMMEMORATIVE TROOPS LICENSE PLATE

SPONSOR(S): REPRESENTATIVE(S) ROSES

03/12/07	(H)	READ THE FIRST TIME - REFERRALS
03/12/07	(H)	MLV, STA, FIN
03/20/07	(H)	MLV AT 1:00 PM BARNES 124

**WITNESS REGISTER**

JOSH APPLEBEE, Staff  
to Representative Bob Roses  
Alaska State Legislature  
Juneau, Alaska

POSITION STATEMENT: Presented HB 184 on behalf of sponsor,  
Representative Roses and answered questions.

MARTIN BOIRE, Executive Director  
Support Our Troops, Inc. (SOT)

Ormond Beach, Florida

POSITION STATEMENT: Testified in support of HB 184 and answered questions.

DUANE BANNOCK, Director  
Director's Office  
Division of Motor Vehicles (DMV)  
Department of Administration (DOA)  
Anchorage, Alaska

POSITION STATEMENT: Answered questions on HB 184.

PAT CARTER, Volunteer Lobbyist  
for Support Our Troops, Inc.  
Palmer, Alaska

POSITION STATEMENT: Answered questions on HB 184.

### **ACTION NARRATIVE**

**CHAIR BOB ROSES** called the House Special Committee on Military and Veterans' Affairs meeting to order at [1:08:46 PM](#). Present at the call to order were Representatives Roses, Fairclough, Kawasaki, and Buch. Representative LeDoux arrived as the meeting was in progress.

### HB 184-COMMEMORATIVE TROOPS LICENSE PLATE

[1:09:11 PM](#)

CHAIR ROSES announced that the only order of business would be HOUSE BILL NO. 184, "An Act relating to a commemorative troops license plate; and providing for an effective date."

[1:10:11 PM](#)

JOSH APPLEBEE, Staff to Representative Bob Roses, Alaska State Legislature, presented HB 184 on behalf of Representative Roses, sponsor. He explained that the bill would authorize issuance of a special commemorative license plate for a \$40 fee. This fee would be collected by the Division of Motor Vehicles (DMV), Department of Administration (DOA), and then may be appropriated by the legislature to the organization Support Our Troops, Inc. (SOT). He emphasized that the funds collected would be distributed by a SOT disbursement board in Alaska. He went on to say that SOT is in the process of establishing commemorative license plate programs in 40 of the U.S. states.

[1:11:00 PM](#)

MR. APPLEBEE drew attention to the amendment offered by Representative Dahlstrom and described in the committee packet. He explained that it allows a disabled veteran to receive a license plate without paying the \$40 fee and without that plate authorizing special parking privileges.

[1:12:05 PM](#)

MARTIN BOIRE, Executive Director, Support Our Troops, Inc. (SOT) explained that the money from the sale of the license plates will be used to assist active duty troops and the families of deployed troops. He noted that the money is used for a variety of needs, such as car repairs for the families of deployed military personnel. Disbursement of the funds, he said, will be through a disbursement board at the local level.

[1:14:11 PM](#)

CHAIR ROSES asked how much of the money generated by the sale of the license plates would be used to pay SOT administrative costs.

MR. BOIRE said that normally about 17 percent of the funds go to overhead. However, in some states SOT has had to spend thousands of dollars on state government requirements to initiate the program. He opined that, once the license plate program is established, it will become self-sustaining as license plates are purchased and renewed. Mr. Boire estimated that 80 to 85 percent of the funds will go to troops and their families. The program will not create a bureaucracy as it will be administered through existing local chapters. In fact, he said, he has not had a paycheck from SOT in the past 18 months. However, the SOT board of directors will set a salary for him after the program meets its primary goals. Mr. Boire summarized by saying that the message and goal of SOT is to support military families.

[1:18:32 PM](#)

REPRESENTATIVE BUCH asked whether the money would be disbursed by the legislature and whether the legislature would need to set up a disbursement board.

[1:18:42 PM](#)

CHAIR ROSES explained that SOT already has a disbursement board through its national organization and that it is his understanding that Alaska would have a representative to work with that board.

[1:18:53 PM](#)

REPRESENTATIVE BUCH asked if the money for the license plates would go to the Division of Motor Vehicles (DMV), Department of Administration (DOA), and they then would submit it to the SOT disbursement board.

MR. APPLEBEE clarified that the money received for the license plates would be deposited to the state's general fund, and the legislature would appropriate the funds to SOT.

[1:19:46 PM](#)

CHAIR ROSES observed that SOT has sources of income other than license plate sales; therefore, if Alaska participates in the organization, it would be able to receive some funds from the sale of items other than license plates.

[1:20:26 PM](#)

REPRESENTATIVE KAWASAKI noted that the state currently authorizes the issuance of a large number of commemorative license plates to support various organizations, none of which are incorporated outside the state. He expressed concern about how to ensure that money generated from the sale of these license plates will stay in Alaska, rather than be disbursed to the larger, national organization.

MR. APPLEBEE said that the funds from license plate sales will supplement funds received from the national organization by SOT in Alaska. He went on to say that SOT is an established charity in Alaska, and that this is the commemorative license program that SOT has established in other states.

[1:21:53 PM](#)

REPRESENTATIVE KAWASAKI asked whether there is a board of directors in Alaska that would receive the funds.

MR. APPLEBEE replied that a board of directors will be established after the legislation is passed.

[1:22:22 PM](#)

REPRESENTATIVE KAWASAKI noted that there are numerous plates currently authorized by law, such as those to support children's services, the University of Alaska, the Alaska State Council for the Arts and dog mushing. These other causes are for Alaska organizations that already exist; whereas there is currently no SOT organization in Alaska.

[1:22:50 PM](#)

MR. APPLEBEE agreed that this is a unique situation because SOT is not a state organization, unlike the other organizations that currently receive commemorative license plate monies.

REPRESENTATIVE KAWASAKI stated that he believes there is a council, or other organization concerned with veterans' issues. He voiced the possibility that it may be wise to keep money contributed for troops "in-house" instead of giving it to a national organization to be disbursed back to the state.

[1:24:38 PM](#)

REPRESENTATIVE FAIRCLOUGH asked whether there are any license plates, currently issued by DMV, with proceeds distributed to an out-of-state, non profit organization.

[1:25:21 PM](#)

DUANE BANNOCK, Director, Division of Motor Vehicles (DMV), Department of Administration (DOA), replied that the state currently does not issue commemorative license plates with proceeds going to an out-of-state organization. He said there is a veteran's commemorative license plate called "I Support Our Veterans," and the legislative statute directs that the funds collected for the license plates are used for programs benefiting veterans.

[1:25:55 PM](#)

REPRESENTATIVE FAIRCLOUGH informed the committee that there is currently interest in developing a commemorative license plate that will celebrate Alaska's 50th Anniversary of Statehood.

MR. BANNOCK replied that the state's 50th anniversary plate, if legislation is adopted, will become the state's standard issue license plate.

1:26:35 PM

REPRESENTATIVE LEDOUX asked if there are other nonprofit organizations in the state that support troops and their families. She expressed her opinion that support for the existing Alaska organizations would be more appropriate.

1:27:04 PM

PAT CARTER, Volunteer Lobbyist for SOT, provided some background information about the SOT license plate program. He noted that the state of Florida, where Mr. Boire and SOT headquarters are located, issues many different plates for many different organizations. Commemorative plates, he said, are an established and popular way to raise money for worthy causes. Mr. Carter pointed out that often patriotic merchandise is merely advertising, and the money raised does not ultimately support veterans and their families. Mr. Boire created SOT as an umbrella organization to issue seals of assurance, so that businesses using the "Support Our Troops" logo must dedicate a percentage of their profits to SOT. This is the source of the additional revenue that is shared with states participating in the license plate program.

MR. CARTER continued to say that the SOT is an apex organization, which means that it collects and distributes money to other related charities. The SOT organization, he stated, ensures that any money collected in a state will be used to support charities in that state. As with the other states participating in this program, the funds collected for the purchase of a SOT license plate will go to the SOT branch in Alaska, he explained. Mr. Carter observed that this program is a convenient method for citizens to contribute to the charity of their choice.

1:32:19 PM

REPRESENTATIVE LEDOUX asked whether there are Alaska organizations dedicated to providing support to our troops and their families.

MR. CARTER affirmed that there are, and that SOT will determine their authenticity prior to disbursing funds to them.

CHAIR ROSES referred to the SOT Disbursement Methodology Policy information, which identified nine active Alaska organizations that are currently receiving funds.

[1:33:54 PM](#)

REPRESENTATIVE LEDOUX asked if the other organizations identified were supportive of SOT.

MR. CARTER replied that what is most important for all of the charity organizations is a steady source of income for the troops and their families.

[1:35:22 PM](#)

REPRESENTATIVE LEDOUX asked if the phrase "support our troops" is copyrighted.

MR. CARTER said yes.

CHAIR ROSES explained that it was his understanding that Mr. Boire copyrighted the phrase to prevent its use by profiteers.

[1:36:33 PM](#)

MR. CARTER indicated that the justification behind obtaining the copyright was to ensure that troops and their families received a percentage of the profits from the sale of merchandise using the phrase.

[1:37:19 PM](#)

REPRESENTATIVE FAIRCLOUGH asked if SOT is affiliated with the Fan Mail for Our Troops organization.

MR. CARTER said he will get an answer to that question.

REPRESENTATIVE FAIRCLOUGH continued to say that SOT documents indicate it will support local agencies. It will also be a centralized point of support for other organizations, and non profits, that provide resources for troops and their families. She said the following could be found on page 1 of the SOT Disbursement Methodology Policy:

This methodology enables SOT to promptly meet the needs of local troops and their families, because the local Disbursement Board has immediate local personal

knowledge of who needs what. They are comprised of local faces that the troops and their families currently know and deal with.

REPRESENTATIVE FAIRCLOUGH also noted that the national SOT organization will assume the licensing and fiduciary responsibility for the local disbursement board. She said there is value in the fact that a national organization is in a position to centralize services for troops, and their families who may move from state to state. She concluded by saying that she will support moving HB 184 from committee.

[1:40:40 PM](#)

REPRESENTATIVE KAWASAKI expressed concern about money going to SOT without his further knowledge of the organization. He said he felt that an Alaska veterans' organization would be capable of disbursing funds without overhead and administrative costs.

REPRESENTATIVE FAIRCLOUGH stated that all nonprofits have administrative overhead costs. She stated that, in her experience, the normal overhead costs associated with grants can be between 12 percent and 35 percent.

REPRESENTATIVE KAWASAKI requested that the committee be provided with the amount of the administration fees that are paid by the other commemorative plate programs.

CHAIR ROSES observed that administrative costs would be expected of an organization that collects and disburses funds. In addition, the amount of the ancillary funds coming to the Alaska disbursement board from the national SOT office may exceed its administrative fees.

[1:44:33 PM](#)

MR. CARTER said that he concurred, and that there would be money paid to Alaska from the sale of other products that have the seal of assurance from SOT.

[1:45:22 PM](#)

MR. BANNOCK informed the committee that to his knowledge, the only license program that collects an administration fee is the Motor Vehicle Registration Tax (MVRT). He said that DMV reports the total amount of the cost of each commemorative license plate to the U.S. Department of the Treasury.

CHAIR ROSES noted that the committee has unanswered questions on HB 184.

[1:48:23 PM](#)

REPRESENTATIVE FAIRCLOUGH asked if the questions raised during the discussion of the bill could be forwarded to Mr. Carter for his response. She clarified that her reference to administrative fees was to those collected by the organization or trust, as in the case of a grant, and not by DMV. She said she felt that the committee was also concerned about ensuring that funds earned in Alaska will be disbursed here.

[1:49:33 PM](#)

CHAIR ROSES requested confirmation that other military charities support SOT.

REPRESENTATIVE KAWASAKI asked if other committee members were familiar with SOT.

[1:49:55 PM](#)

REPRESENTATIVE BUCH replied that he had previously heard of SOT, but was not familiar with its processes. He questioned whether passage of the bill would require further legislation to establish a local board.

CHAIR ROSES noted that DMV will collect the funds from the sale of the license plates, deposit these funds to the general fund, and then request an appropriation from the legislature for that amount.

[1:50:58 PM](#)

MR. CARTER assured the committee that SOT is a legitimate Internal Revenue Code 501(c)(3) charity, and that its operating expenses are approximately 17 percent. He said that DMV will collect the license plate fees and each year the legislature will need to approve the appropriation. At that point, SOT will submit a report to the legislature detailing the disbursement of funds. Mr. Carter opined that each year the legislature will have an opportunity to discuss whether the program should be continued.

[1:53:04 PM](#)

REPRESENTATIVE KAWASAKI expressed concern that a vote not to support this program would be politically difficult under any circumstances.

MR. CARTER expressed his opinion that each member of the legislature will consider his or her vote judiciously.

CHAIR ROSES noted that legislators are often faced with politically popular, or unpopular, issues. It is a legislator's responsibility, he said, to vote his/her conscience and to make sure programs such as this are meeting their objectives.

[1:55:07 PM](#)

MR. CARTER assured the committee that he will continue to be involved in this program. He said that, in the unlikely event that he was notified of inappropriate management, he would take immediate steps to correct any problems.

[1:55:38 PM](#)

REPRESENTATIVE KAWASAKI asked if there are other organizations, similar to SOT, that are funded by line item budget appropriations through the legislature.

MR. CARTER answered that there are many charities, throughout the U.S., that are funded through the sale of commemorative license plates.

[1:56:16 PM](#)

CHAIR ROSES observed that SOT is an inclusive organization that invites participation from related agencies. It also maintains a national board of advisors made up of worthy individuals. He noted that this openness ensures that the money appropriated to SOT will be properly managed. Chair Roses announced that HB 184 was held over for further discussion.

#### **ADJOURNMENT**

There being no further business before the committee, the House Special Committee on Military and Veterans' Affairs meeting was adjourned at [1:57:24 PM](#).