

SENATE FINANCE COMMITTEE
April 2, 2008
9:24 a.m.

CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at [9:24:18 AM](#).

MEMBERS PRESENT

Senator Lyman Hoffman, Co-Chair
Senator Bert Stedman, Co-Chair
Senator Charlie Huggins, Vice-Chair
Senator Kim Elton
Senator Donny Olson
Senator Joe Thomas
Senator Fred Dyson

MEMBERS ABSENT

None

ALSO PRESENT

Representative David Guttenberg; McHugh Pierre, Legislative Liaison, Department of Military and Veterans Affairs; Rex Shattuck, Staff, Representative Mark Neuman; Representative Mark Neuman; Karen Lister, Representative John Coghill; Deborah Higgins, Staff, Representative Craig Johnson; Representative Craig Johnson

PRESENT VIA TELECONFERENCE

Ben Cleveland, Department Commander, Military Order of Purple Heart Alaska and President, Alaska Native Veterans Association; Raymond Clark, Department Commander, Military Order of the Purple Heart Alaska; Jennifer Yukas, Special Assistant to the Fairbanks North Star Mayor Jim Whitaker; Steve VanSant, State Assessor, Department of Commerce, Community and Economic Development; Bryce Wrigley, Alaska Farm Bureau, Delta Junction

SUMMARY

CSHB 45 (MLV)

"An Act authorizing the Department of Military and Veterans' Affairs to establish and maintain Alaska veterans' cemeteries; and establishing the Alaska veterans' cemetery fund in the general fund."

CSHB 45 (MLV) was HEARD and HELD in Committee for further consideration.

CSHB 61(FIN)

"An Act relating to tax credits for cash contributions by taxpayers that are accepted for certain educational purposes, including vocational education programs and courses at the secondary school level and to tax credits for cash contributions by tax payers that are accepted by a state-operated vocational technical education and training school; and providing for an effective date."

SCS CSHB 61 (FIN) was REPORTED out of Committee with a "do pass" recommendation and an accompanying new fiscal note by the Department of Revenue.

CSHB 285(CRA)

"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."

CS HB 285(CRA) was HEARD and HELD in Committee for further consideration.

CSHB 330(RES)

"An Act relating to noxious weed, invasive plant and agricultural pest management and education; and providing for an effective date."

SCS CSHB 330 (FIN) was REPORTED out of Committee with a "do pass" recommendation and accompanying previously published fiscal notes from the Department of Environmental Conservation, the Department of Fish and Game, the Department of Transportation and Public Facilities, and the Department of Natural Resources.

[9:24:26 AM](#)

Co-Chair Stedman provided an overview of the bills.

CS FOR HOUSE BILL NO. 45(MLV)

"An Act authorizing the Department of Military and Veterans' Affairs to establish and maintain Alaska veterans' cemeteries; and establishing the Alaska veterans' cemetery fund in the general fund."

Senator Thomas MOVED to ADOPT Committee Substitute 25-LS0230\E as the working document before this Committee.

Co-Chair Stedman OBJECTED for discussion.

Co-Chair Stedman referred to the section changes in the new Committee Substitute removing Sections 1 and 3 which would have created the Alaska Veterans Cemetery Fund.

Co-Chair Stedman WITHDREW his OBJECTION. There being NO OBJECTION, Committee Substitute 25-LS0230\E was adopted as the working document before this Committee.

REPRESENTATIVE DAVID GUTTENBERG presented an overview of the bill and referred to the Sponsor Statement:

All Alaska veterans deserve access to a military cemetery that honors their service and recognizes their sacrifices while serving our country, usually under challenging conditions, and frequently in harm's way. On a per capita basis, Alaska has more residents in active military service or who are veterans than all but one other state. According to the U.S. Department of Veterans Affairs (VA), a total of 9,469 veterans reside in the Fairbanks North Star Borough.

The VA's long-term goal is to provide an operational veterans' cemetery within 75 miles of 90 percent of the veterans in the country. The nearest veterans' cemetery to Fairbanks is Fort Richardson National Cemetery, located 350 miles away in Anchorage. By the VA's own estimation, a facility in Fairbanks would greatly increase the number of veterans served by a veterans' cemetery.

Interior Alaska's veterans deserve a cemetery located in the Interior of the state. A state veterans' cemetery in the Interior would better serve the needs of veterans and their families, and provide a final resting place that is centrally located, honorable, and well maintained. An Interior veterans' cemetery will help families avoid the pain of burying a loved one far from home.

HB 45 seeks to establish a state cemetery similar to the Fort Richardson and Sitka National Cemeteries. It will provide a place in the Interior for soldiers to be laid to rest with full military funeral honors, including uniformed pallbearers, rifle team, and ceremonial folding and presentation of the United States flag.

HB 45 authorizes the Alaska Department of Military and Veterans' Affairs to establish and maintain a state

veterans' cemetery with funds from the U.S. Department of Veterans Affairs, State Cemetery Grants Program. Through this program, the Alaska Department of Military and Veterans' Affairs may be awarded up to 100% of allowable costs for design, construction, and operating equipment for an approved project. To date, the VA has awarded 152 grants totaling more than \$264 million to establish, expand, or improve 65 veterans' cemeteries in 35 states, Guam and Northern Mariana Islands. There are now 65 operational cemeteries and four more under construction.

Representative Guttenberg spoke to the history of the bill and the absence of a military cemetery in the Interior. He remarked that Alaska is not qualified for another National Cemetery for many reasons.

[9:27:22 AM](#)

Representative Guttenberg mentioned a Veterans Cemetery program which provides funds for the construction of the cemetery using state ground. He reported that this bill would allow Alaska to apply for the veteran's grant and follow the process. He clarified that, at first, he believed Fairbanks had the only available land but now recognizes other communities may also be eligible. He reiterated that this bill would allow veterans to be buried in hallowed ground close to home.

[9:28:11 AM](#)

Senator Thomas questioned if it was also possible for boroughs and cities to contribute property or provide assistance to locate the military cemetery into an existing cemetery. Representative Guttenberg agreed.

[9:28:45 AM](#)

BEN CLEVELAND, DEPARTMENT COMMANDER, MILITARY ORDER OF PURPLE HEART ALASKA AND PRESIDENT, ALASKA NATIVE VETERANS ASSOCIATION testified via teleconference and supported the bill. He pointed out that there are approximately 11,000 veterans in the Interior of Alaska. Mr. Cleveland expressed the importance of recognizing the service of Alaska veterans. He remarked that the full military service accorded veterans is often not available for veterans in Alaska.

[9:32:12 AM](#)

RAYMOND CLARK, DEPARTMENT COMMANDER, MILITARY ORDER OF THE PURPLE HEART ALASKA testified via teleconference in support of the bill. He wished for veterans to have a final resting place in a cemetery close to home. He requested a cemetery

be established in the Interior that would be central to the transportation hub of Alaska.

[9:34:20 AM](#)

MCHUGH PIERRE, LEGISLATIVE LIAISON, DEPARTMENT OF MILITARY AND VETERANS AFFAIRS, supported the bill. He referred to Page 2, line 2-12 as the driving factors in the fiscal note. It begins with:

(c) The department shall, in consultation with the Alaska Veterans' Advisory Council,

(1) adopt regulations for determining individuals eligible for burial in an Alaska veterans' cemetery;

(2) receive the plot or interment allowance on behalf of the state under 38 U.S.C. 2303;

(3) comply with all requirements for a state veterans' cemetery grant established by the United States Department of Veterans Affairs under 38 U.S.C. 2408; and

(4) apply to the United States Department of Veterans Affairs for state veterans' cemetery grants under 38 U.S.C. 2408.

Mr. Pierre indicated that the department has exhausted its resources and the above factors create the need for a temporary, one-year, Range 16 Project Assistant position.

Co-Chair Stedman spoke to the fiscal note for the \$62,000 new position. He questioned why the department felt it necessary to hire a new position and asked if this could be accomplished without adding a new position.

[9:36:42 AM](#)

Mr. Pierre remarked that the position was necessary. He noted that when the bill was introduced last session, had it passed, the position would not have been needed. He revealed that the passage of other bills has impacted the department and there is a need to seek a temporary position. At present there is only one full time and one part time position in the department.

[9:37:39 AM](#)

Senator Elton continued with reference to the fiscal note. He questioned if the other bills mentioned by Mr. Pierre had fiscal notes attached to them asking for additional personnel. Mr. Pierre responded that the other bills have zero fiscal notes.

Senator Elton asked if this additional person would be doing work that may be attached to future legislation or bills. Mr. Pierre responded that the new position will strictly deal with the veteran's cemetery.

Senator Elton questioned if the fiscal notes would be changing for the other outstanding Veterans Affairs bills. Mr. Pierre signified that the other bills would all have zero fiscal notes. Senator Elton commented that the other veteran's bills have zero fiscal notes and wondered why the accumulated impact of all the bills only requires a new position being attached to this bill.

[9:39:17 AM](#)

Mr. Pierre responded that the department had exhausted all its resources and the impact of this bill required the addition of a new temporary position.

[9:39:27 AM](#)

Senator Huggins signified that the two fundamental questions in the bill are where and when the cemetery would be built. He recognized that the National Cemetery in Sitka is reaching its limits but noted that the Ft. Richardson cemetery has a long life and can be expanded. He shared that co-Chair Hoffman in the Bethel community took care of veterans on their own and congratulated their achievement.

[9:40:40 AM](#)

Co-Chair Stedman requested that the bill sponsor contact Sitka National Cemetery to get information on the expected expansion of that cemetery.

[9:41:44 AM](#)

Representative Guttenberg thanked the Committee for hearing the bill. He concluded with the comment that veterans in Alaska are looking for the opportunity to be buried in hallowed ground.

CSHB 45 (MLV) was HEARD and HELD in Committee for further consideration.

[9:43:07 AM](#)

CS FOR HOUSE BILL NO. 61(FIN)

"An Act relating to tax credits for cash contributions by taxpayers that are accepted for certain educational purposes, including vocational education programs and courses at the secondary school level and to tax

credits for cash contributions by tax payers that are accepted by a state-operated vocational technical education and training school; and providing for an effective date."

[9:43:44 AM](#)

Co-Chair Stedman informed the Committee that the intent was to hear from the sponsor and take public testimony.

REX SHATTUCK, STAFF, REPRESENTATIVE MARK NEUMAN, presented an overview of the bill. He referred to the committee substitute version M that incorporated changes brought forward in the last meeting. He remarked that language was inserted and removed. In Section 43.20.14 language in the income tax education credit was removed. Mr. Shattuck mentioned two drafting errors in the M version: Page 5, line 10 read AS 34.20.014(e) should read AS 43.20.014(e) and Page 6, line 29 read AS 42.20.014(e) should read AS 43.20.014(e).

[9:46:59 AM](#)

Co-Chair Stedman noted the drafting errors and asked if there was any objection to revising the committee substitute to clean-up these changes. There being NO OBJECTION, it was so ordered.

Senator Thomas questioned that as the bill has changed over time was there any impact on the existing two and four year schools.

[9:47:15 AM](#)

REPRESENTATIVE MARK NEUMAN replied that there were no changes to current statutes.

[9:47:53 AM](#)

Senator Huggins believed this bill to be an innovative way to deal with vocational changes that can make a difference.

[9:48:22 AM](#)

Senator Elton referred to his local high school home building program that over the last several years has won the national championship three times. A provision such as this bill may allow the local business community to contribute even more to the program.

[9:48:55 AM](#)

Co-Chair Hoffman MOVED to REPORT SCS CSHB 61 (FIN) out of Committee with individual recommendations and an

accompanying fiscal note. There being NO OBJECTION, it was so ordered.

SCS CSHB 61 (FIN) was REPORTED out of Committee with a "do pass" recommendation and an accompanying new accompanying fiscal note by the Department of Revenue.

[9:49:40 AM](#)

CS FOR HOUSE BILL NO. 285(CRA)

"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."

KAREN LISTER, REPRESENTATIVE JOHN COGHILL, presented an overview of the bill. The bill requests an exception for a municipality or city to be able to partially or wholly exempt from taxation real property that is owned or occupied by a widow or widower of a member of the Armed Forces of the United States that was injured while serving on active duty who is eligible for hostile fire or imminent danger pay. This request came to Representative Coghill by the Mayor of the Fairbanks North Star Borough and will provide the municipalities the option of whether they choose to make an ordinance to allow this exception and set out the parameters for qualification and eligibility.

[9:51:36 AM](#)

JENNIFER YUKAS, SPECIAL ASSISTANT TO THE FAIRBANKS NORTH STAR MAYOR JIM WHITAKER testified via teleconference, and supported the bill. She related the borough's thanks to Representative Coghill for sponsoring this legislation. She emphasized that this bill would further recognize the contributions of Alaska's military men and women.

[9:52:31 AM](#)

Senator Olson questioned how many people would be affected by the bill. Ms. Lister did not have the answer but signified that Mr. VanSant online could possibly answer that question.

[9:52:55 AM](#)

STEVE VANSANT, STATE ASSESSOR, DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT testified via teleconference, and responded that there is no solid estimate on that figure however he believed the estimate to not be very large.

[9:53:23 AM](#)

Senator Huggins stated that the important part is that it allows the municipalities the option.

CS HB 285(CRA) was HEARD and HELD in Committee for further consideration.

[9:54:37 AM](#)

CS FOR HOUSE BILL NO. 330(RES)

"An Act relating to noxious weed, invasive plant and agricultural pest management and education; and providing for an effective date."

Senator Elton MOVED to ADOPT a Committee Substitute for SCS HB 330, work draft 25-LS1062\N as the working document before this committee. There being NO OBJECTION, work draft 25-LS1062\N was adopted.

Co-Chair Stedman noted that version N added the Department of Fish and Game to help with marine issues.

[9:55:21 AM](#)

DEBORAH HIGGINS, STAFF, REPRESENTATIVE CRAIG JOHNSON, acknowledged she was prepared to answer questions.

REPRESENTATIVE CRAIG JOHNSON, the bill's sponsor, indicated he was available for questions.

Co-Chair Stedman mentioned the zero fiscal notes from the Department of Environmental Conservation, the Department of Fish and Game, the Department of Transportation and the fiscal note from the Department of Natural Resources for \$80,000 to hire a new research analyst.

[9:56:30 AM](#)

BRYCE WRIGLEY, ALASKA FARM BUREAU, DELTA JUNCTION testified via teleconference, and supported the bill. He expressed the concern of noxious weeds to the farm industry. He related the problems in the Lower 48 have cost the western states millions of dollars. Mr. Wrigley remarked that Alaska's isolation has provided time to research the spread of the weeds but now is time for aggressive action before it becomes a problem.

[9:59:03 AM](#)

Representative Johnson appreciated the hearing of the bill.

Co-Chair Hoffman MOVED to REPORT SCS CSHB 330 (FIN) out of Committee with individual recommendations and accompanying fiscal notes.

SCS CSHB 330 (FIN) was REPORTED out of Committee with a "do pass" recommendation, and accompanying previously published fiscal notes from the Department of Environmental Conservation, the Department of Fish and Game, the Department of Transportation and Public Facilities, and the Department of Natural Resources.

ADJOURNMENT

The meeting was adjourned at 10:00 AM