

**ALASKA STATE LEGISLATURE  
HOUSE STATE AFFAIRS STANDING COMMITTEE**

March 3, 2009

8:10 a.m.

**MEMBERS PRESENT**

Representative Bob Lynn, Chair  
Representative Paul Seaton, Vice Chair  
Representative Carl Gatto  
Representative Max Gruenberg

**MEMBERS ABSENT**

Representative Craig Johnson  
Representative Peggy Wilson  
Representative Pete Petersen

**COMMITTEE CALENDAR**

HOUSE BILL NO. 116

"An Act relating to Iditarod finisher special request license plates."

- MOVED HB 116 OUT OF COMMITTEE

CS FOR SENATE JOINT RESOLUTION NO. 5(FIN)

Urging the United States Department of Defense to continue to provide retirement benefits for members of the Alaska Territorial Guard who served during World War II.

- MOVED CSSJR 5(FIN) OUT OF COMMITTEE

HOUSE BILL NO. 99

"An Act relating to providing a death certificate for a deceased veteran without charge; relating to a program to honor the memory of a deceased veteran; and providing for an effective date."

- WAIVED OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

BILL: HB 116

SHORT TITLE: IDITAROD REGISTRATION PLATES

SPONSOR(S): REPRESENTATIVE(S) NEUMAN

02/06/09 (H) READ THE FIRST TIME - REFERRALS  
02/06/09 (H) STA, FIN  
03/03/09 (H) STA AT 8:00 AM CAPITOL 106

BILL: SJR 5

SHORT TITLE: AK TERRITORIAL GUARD RETIREMENT BENEFITS

SPONSOR(S): RULES

01/28/09 (S) READ THE FIRST TIME - REFERRALS  
01/28/09 (S) FIN  
02/03/09 (S) FIN AT 9:00 AM SENATE FINANCE 532  
02/03/09 (S) Moved CSSJR 5(FIN) Out of Committee  
02/03/09 (S) MINUTE(FIN)  
02/04/09 (S) FIN RPT CS 7DP NEW TITLE  
02/04/09 (S) DP: HOFFMAN, STEDMAN, ELTON, HUGGINS,  
THOMAS, OLSON, ELLIS  
02/04/09 (S) TRANSMITTED TO (H)  
02/04/09 (S) VERSION: CSSJR 5(FIN)  
02/06/09 (H) READ THE FIRST TIME - REFERRALS  
02/06/09 (H) MLV, STA  
02/17/09 (H) MLV AT 1:00 PM BARNES 124  
02/17/09 (H) Moved Out of Committee  
02/17/09 (H) MINUTE(MLV)  
02/18/09 (H) MLV RPT 5DP  
02/18/09 (H) DP: KAWASAKI, OLSON, BUCH, LYNN, GATTO  
03/03/09 (H) STA AT 8:00 AM CAPITOL 106

**WITNESS REGISTER**

JIM ELLIS, Staff  
Representative Mark Neuman  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Presented HB 116 on behalf of  
Representative Neuman, prime sponsor.

WHITNEY BREWSTER, Director  
Division of Motor Vehicles  
Department of Administration  
Anchorage, Alaska

**POSITION STATEMENT:** Answered questions during the hearing on HB  
116.

REPRESENTATIVE MARK NEUMAN  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** As prime sponsor, added comments during the hearing on HB 116.

KAREN SAWYER, Staff  
Senator Charlie Huggins  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Presented SJR 5 on behalf of Senator Huggins, prime sponsor.

McHUGH PIERRE, Director of Communications/Legislative Liaison  
Office of the Commissioner/Adjutant General  
Department of Military & Veterans Affairs (DMVA)  
Fort Richardson, Alaska

**POSITION STATEMENT:** Answered questions during the hearing on SJR 5.

#### **ACTION NARRATIVE**

[8:10:28 AM](#)

**CHAIR BOB LYNN** called the House State Affairs Standing Committee meeting to order at 8:10 a.m. Representatives Seaton, Gatto, Gruenberg, and Lynn were present at the call to order.

#### HB 116-IDITAROD REGISTRATION PLATES

[8:10:52 AM](#)

CHAIR LYNN announced that the first order of business was HOUSE BILL NO. 116, "An Act relating to Iditarod finisher special request license plates."

[8:11:13 AM](#)

JIM ELLIS, Staff, Representative Mark Neuman, Alaska State Legislature, presented HB 116 on behalf of Representative Neuman, prime sponsor. He said the intent of the bill is to congratulate those who have entered and completed the Iditarod Sled Dog Race. The Division of Motor Vehicles would receive verification regarding those who qualify from [the Iditarod Trail Committee, Inc.] - the official record keepers of the race. Furthermore, under the bill, the DMV would be authorized to design and issue the plates. The cost of the special plates would be \$50; that money goes back into the General Fund, he noted. The vehicle the plates would be displayed upon would

have to be registered in Alaska. Mr. Ellis offered his understanding that over 600 individuals have completed the race.

8:14:13 AM

MR. ELLIS, in response to a concern indicated by Representative Gruenberg that race finishers who live outside the state may register their vehicle inside Alaska just to get the plate, offered his understanding that in some states, a person who has lived there for a certain period of time must register his/her license to that state. He said he believes each state governs that matter individually.

REPRESENTATIVE GRUENBERG said past legislation regarding special license plates has been added on to like a Christmas tree. He asked if it is the sponsor's intent to not allow that to happen.

8:15:11 AM

MR. ELLIS confirmed that is the sponsor's intent.

8:16:05 AM

REPRESENTATIVE GATTO expressed concern that someone might scam the system in terms of saying he/she finished the race without having started at the beginning.

MR. ELLIS responded that a finish has to be verified through the Iditarod Trail Committee, but said he did not know if there may be a situation which could result in a law suit.

8:17:19 AM

REPRESENTATIVE GRUENBERG said he thinks that in order to finish a race, a person has to have started it [at its official starting place].

8:17:51 AM

REPRESENTATIVE SEATON directed attention to language on page 2, lines 5-6, which says that the fee required "shall be collected only on the first issuance and on the replacement of special request plates". He asked if "renewal tags" would be charged at the regular rate, so that only the physical replacement of plates would incur the proposed fee.

MR. ELLIS replied that that is his understanding.

REPRESENTATIVE SEATON directed attention to page 2, lines 2-3, which specifies that plates for Iditarod race finishers would be \$50, while other special request license plates cost \$30. He asked for an explanation regarding the discrepancy.

MR. ELLIS suggested that the Iditarod plate may require a new design - a more complex process - while special request plates often require only a change of letters and/or numbers.

[8:20:49 AM](#)

WHITNEY BREWSTER, Director, Division of Motor Vehicles, stated that the price of special request plates is determined by the legislature. She offered her understanding that the \$50 fee was selected because the Iditarod plate would be comparable to "collector plates." She mentioned license plates designed for the Alaska National Guard and the Veterans of Alaska, and related that those types of service-related plates are a little bit less expensive.

[8:22:07 AM](#)

MS. BREWSTER said she imagines that the DMV would work closely with the Iditarod Trail Committee before designing a plate that would be acceptable. The division would next work with law enforcement to determine that the design would be visible to officers on the street. Ultimately, she said, the plate design would be approved by the commissioner of the Department of Administration. The same process is followed for all plates newly created through legislation, she remarked. In response to Representative Seaton, she confirmed that there is no difference in what is required to make "other special request plates" - as listed in [subparagraph (F)], on page 2 of the bill - versus what would be required to make the proposed Iditarod plate.

[8:25:44 AM](#)

MS. BREWSTER, in response to a question from Representative Gruenberg, said to find a design for the most recent version of the Alaska Children's Trust plate, a contest was held in which children submitted designs. She offered her understanding that the Alaska Statehood Commission considered drawings from several artists, choosing a submission by Dean Potter for the 50th anniversary license plate. In response to a follow-up question, she indicated that the competition process takes about three months. She added that she would like to see sufficient time

given to advertising the competition and taking in and reviewing entries. She confirmed that an estimate of the optimum timing would be 6-9 months.

[8:28:25 AM](#)

MS. BREWSTER, in response to Representative Gruenberg, said the DMV would not be submitting a fiscal note for the bill, because it only costs the division approximately \$250 to establish a new plate with a vendor. She explained that out of the proposed \$50 fee, about \$10 would go back to the DMV to cover production of the plate, and the remaining \$40 would go into the General Fund.

REPRESENTATIVE GRUENBERG directed attention to language on page 1, lines 8-10, which read as follows:

The department may disapprove the issuance of registration plates under this subsection when the requested plates are a duplication of an existing registration.

REPRESENTATIVE GRUENBERG asked Ms. Brewster to clarify that language.

MS. BREWSTER offered her understanding that the language means that if there is an existing plate on the vehicle, the Iditarod plate would not be treated as a duplicate plate, but rather as a new plate at the \$50 fee. She said the DMV requests that old plates are turned in. She confirmed that the plate is to be used on cars registered in Alaska, and she said Mr. Ellis is correct in having said that each state decides its own registration process. She stated her assumption that if an individual came to Alaska, registered his/her vehicle, and brought it back down to Montana, for example, law enforcement there would identify that individual as not having registered in the amount of time required by that state.

[8:32:12 AM](#)

MR. ELLIS, in response to Representative Gruenberg, said he does not know how many of the 600 individuals who have finished the Iditarod Dog Sled Race are Alaska residents.

[8:32:27 AM](#)

REPRESENTATIVE SEATON said he still questions the reasoning behind charging more for the Iditarod plates than for other special request plates.

MS. BREWSTER said she has no strong opinion regarding the issue, and the DMV would have no problem complying if the amount of either the proposed Iditarod plate or the other special request plates was changed.

CHAIR LYNN talked about the need to expedite the bill so that it would be passed before the end of the upcoming 2009 Iditarod Trail Sled Dog Race.

REPRESENTATIVE SEATON said he is not trying to slow down the bill; he just sees this issue to be a disparity.

[8:34:48 AM](#)

MS. BREWSTER, in response to a question from Representative Gatto, clarified that a replacement fee for a special request plate that was damaged, for example, would be \$5.

[8:35:24 AM](#)

MS. BREWSTER, in response to Representative Seaton, said her understanding of the language on page 2, lines 2-3, is that the DMV would charge \$50 on the first issuance of the Iditarod plate, but would not "continue to charge that amount when someone comes in to update their registration." However, if that same person were to come in and choose "another special request plate, that would be an additional cost." She clarified that Representative Gatto had asked about a replacement of a plate that had been destroyed.

[8:37:46 AM](#)

REPRESENTATIVE GRUENBERG proffered that from a lawyer's point of view the language on page 1, lines 8-10, and page 2, lines 5-6, is confusing.

MS. BREWSTER concurred that the language is not as clear as it could be.

REPRESENTATIVE GRUENBERG emphasized that the language on page 1, lines 8-10, in particular, is unique to the bill, and he encouraged the bill sponsor to review it with Legislative Legal

and Research Services. He said he does not want to delay the bill.

[8:39:29 AM](#)

MS. BREWSTER, in response to Representative Seaton, said a person who qualifies as a race finisher could buy an Iditarod plate for each of his/her vehicles, but would be charged \$50 for each plate.

REPRESENTATIVE SEATON said he presumes some of the proposed Iditarod plates may end up unused on vehicles but, instead, signed and auctioned at charity events.

[8:41:13 AM](#)

REPRESENTATIVE MARK NEUMAN, Alaska State Legislature, noted that the 2009 Iditarod was due to start soon, and he said he wants to bring more attention to the event. He said every sport is feeling a lack of sponsorship, and he would like to do what he can to elevate the sport in stature. He said he posed the idea to the governor to have her be at the race finish this year to sign the bill in Nome. He expressed appreciation for the committee's efforts to expedite the bill.

[8:43:03 AM](#)

MS. BREWSTER, in response to Representative Gatto, said it is up to the legislature to decide how many special request plates it wants to create. She cautioned that an increasing number of plate designs may affect the ability of law enforcement to identify the plates.

REPRESENTATIVE NEUMAN confirmed the importance of the clarity and colors chosen in the design for the benefit of the Alaska State Troopers.

[8:44:31 AM](#)

MS. BREWSTER, in response to Representative Seaton, reiterated that the legislature has the final say on how many plates are created.

REPRESENTATIVE SEATON responded that he would like Ms. Brewster to get back to the committee regarding other special request plates and "how those are set up in law if they're not set up here other than as a broad category."

[8:45:46 AM](#)

CHAIR LYNN, after ascertaining that there was no one else to testify, closed public testimony.

[8:46:14 AM](#)

REPRESENTATIVE SEATON moved to report HB 116 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 116 was reported out of the House State Affairs Standing Committee.

The committee took an at-ease from [8:46:54 AM](#) to [8:47:56 AM](#).

SJR 5-AK TERRITORIAL GUARD RETIREMENT BENEFITS

[8:48:57 AM](#)

CHAIR LYNN announced that the final order of business was SENATE JOINT RESOLUTION NO. 5, Urging the United States Department of Defense to pay veterans benefits retroactively and to continue to provide retirement benefits for members of the Alaska Territorial Guard who served during World War II.

[8:49:06 AM](#)

KAREN SAWYER, Staff, Senator Charlie Huggins, Alaska State Legislature, presented SJR 5 on behalf of Senator Huggins, prime sponsor. She said the resolution asks the U.S. Department of Defense (DOD) to continue retirement funds for the Alaska Territorial Guard. She reminded the committee that, in response to a legal glitch, the U.S. Army decided that [the Alaska Territorial Guard] was no longer eligible for retirement funds. The reaction to that was nationwide; Alaska's congressional delegates immediately introduced two bills, which are presently sitting in Congress. In the mean time, emergency funds were accessed that would cover retirement for 60 days only. The proposed resolution asks that the retirement fund be made permanent and thanks the congressional delegation for introducing the aforementioned legislation. Furthermore, SJR 5 urges the Department of Defense to continue to use its emergency funds until one of the congressional bills is passed or the decision made in January is reversed. Ms. Sawyer stated the sponsor's understanding is that the [congressional] bills are made part of the Defense Act, which is typically not heard until August, which is well past the 60-day extension. She noted that

she had spoken with someone in Congressman Begich's office, who confirmed that "they probably will not hear this for quite some time," and "they will not be using ... any further funds to continue the retirement pace." Ms. Sawyer said the bill sponsor hopes SJR 5 will serve as a continued "urging" to Congress or the Department of Defense.

MS. SAWYER, in response to a question from Chair Lynn, noted that there are 26 members of the Alaska Territorial Guard whose retirement pay was cut. There are approximately 30 members "in the works" who could "possibly be affected by this down the line, once their paperwork is completed." She highlighted that the members in question are in their 80s, living in rural parts of the state, and they depend on this retirement pay. She opined that this could not have happened at a worse time. In response to a follow-up question from Chair Lynn, she said the amount of money that is being discussed is approximately \$10,000 a month. She indicated that because of the present age of the recipients, this payment would not be issued long-term.

CHAIR LYNN asked if there would be any opportunity for the state to help out "as a last resort."

MS. SAWYER replied that Senator Huggins has a bill to address that issue and funds would be set aside. She indicated that Senator Huggins is waiting to move the bill until hearing whether or not the Department of Defense is going to "pick up the tab for the remaining days after 60 days." She anticipated that the bill would be moved sometime this month.

CHAIR LYNN said he thinks that would be a good idea.

[8:53:43 AM](#)

REPRESENTATIVE GRUENBERG recommended that language be added to the proposed resolution that asks Congress and relevant committees to take up and pass the aforementioned congressional bills as soon as possible and, without delay, to hold some hearings in Alaska in order to see the impact of this issue.

MS. SAWYER said she will give that recommendation to Senator Huggins. She said both Senator Murkowski and Begich are trying to find vehicles into which they can insert their bills, rather than in the Defense Act. She added that the Senators are "very much on top of this issue."

[8:56:06 AM](#)

McHUGH PIERRE, Director of Communications/Legislative Liaison, Office of the Commissioner/Adjutant General, Department of Military & Veterans Affairs (DMVA), noted that when General Campbell visited Washington, D.C. last week, he met with Secretary of the Army, Pete Geren, who emphasized the critical timing of changing the law. He said there is pressure from DOD on the Senate. He said both Alaska Senate offices told General Campbell that they are 95 percent certain that this language will be inserted into the defense appropriations bill that will be passed this fall, and the Alaska Territorial Guard members will be funded. Mr. Pierre said this is a federal issue regarding military members that have provided service to their country. He spoke of the state's role in holding the federal government accountable.

MS. SAWYER, in response to Chair Lynn, said the proposed resolution urges DOD to continue paying out of its emergency funds. She suggested that with enough letters directed to DOD, it may "continue it." She added, "Because they did act immediately upon the actions of our congressional delegation - Senator Murkowski, particularly."

[8:58:45 AM](#)

MR. PIERRE, in response to Representative Gruenberg, confirmed that DOD was reinterpreting an authorizing statute. He indicated that a lawyer for the United State Army's Division of Personnel was reviewing language in statute and determined that it does not specifically say that Alaska Territorial Guard members will receive money for their time served. Mr. Pierre noted that those members would be eligible for all the medical benefits provided through the Veterans' Association if they served a full career. For example, many of those who served in the Alaska Territorial Guard during World War II, went on to serve in the military after that. He concluded, "This attorney did take it upon himself to reread the law and to signal a change, and that change was ... taken off."

[9:01:10 AM](#)

MR. PIERRE, in response to Representative Gatto, clarified that although the bill language states that the Alaska Territorial Guard was formed by Territorial Governor Ernest Gruening, the entity was outfitted and operated by the U.S. Army.

REPRESENTATIVE GATTO suggested adding language to clarify that it was solely the governor's idea to form the Alaska Territorial Guard.

[9:02:59 AM](#)

MS. SAWYER directed attention to a handout in the committee packet, which relates information about the Alaska Territorial Guard from Wikipedia. She noted that the source states that in 1941, Major Marvin R. Marston was commissioned at the Pentagon as a major with orders to Alaska. It was anticipated that the Alaska National Guard would be taken out of Alaska because of WWII, which is why Major Marston was commissioned to set up the Alaska Territorial Guard to defend against the Japanese, who had already attacked Alaska.

[9:03:57 AM](#)

MS. SAWYER, in response to Representative Gruenberg, said no one received copies of the legal interpretations or language of the federal law - not even Alaska's congressional delegates.

MR. PIERRE confirmed that the department has not received the interpretation of the aforementioned lawyer. However, it did receive cooperation from the Division of Personnel "to offer language to change the existing ... code, which would allow continued funding at appropriate retirement expectations for these military members." That language, he indicated, was given directly to the offices of Senators Murkowski and Begich.

REPRESENTATIVE GRUENBERG asked if Senators Murkowski and Begich had actually asked for a copy of the legal opinion and the request was not honored.

MS. SAWYER answered that is correct.

[9:05:41 AM](#)

REPRESENTATIVE GRUENBERG questioned why members of Congress have not responded.

MR. PIERRE said he shares Representative Gruenberg's outrage, because the resolution identifies 26 elderly people in Alaska who are "in the twilight of their life." He urged the committee to support the proposed legislation.

[9:06:28 AM](#)

REPRESENTATIVE GRUENBERG confirmed he is outraged. He said he feels like adding language to the bill that would require Congress to honor such requests in the future.

CHAIR LYNN said he agrees, but would not want to put that language into this resolution.

REPRESENTATIVE GRUENBERG emphasized that he is astounded and dismayed to hear of this. He asked for further confirmation that Ms. Sawyer is certain the information was never provided.

9:08:14 AM

MS. SAWYER said, "I don't know what the exact ... terminology was that was used to their offices, just that they were not able to get the legal interpretation." She said to her knowledge, that information has still not been received.

REPRESENTATIVE GRUENBERG asked Chair Lynn to find out and let the committee know.

CHAIR LYNN clarified the committee needs to know whether this is a case in which Congress refused to give information or was "totally nonresponsive."

9:09:21 AM

MS. SAWYER said she had heard through a staff person in Senator Murkowski's office that the attorney who made the aforementioned interpretation received a bonus.

9:09:44 AM

REPRESENTATIVE SEATON cautioned the committee not to insinuate itself into the privilege of internal communications and legal opinions of an executive department. He opined that this matter is beyond the scope of the proposed resolution. He said the well-deserving people who served in the Alaska Territorial Guard should have retirement, and he does not want the committee to get sidetracked to the point of a possible confrontation between the executive and legislative branch of Congress. He offered his understanding that there has been great communication between General Campbell and DOD. He said the legislature has been told in the past that the exact wording of a resolution is not as important as its intent, spirit, and timeliness.

CHAIR LYNN echoed that he does not want to muddy the proposed resolution. Notwithstanding that, he said he would find out information related to the concern brought up by Representative Gruenberg, and keep that separate from the resolution.

[9:13:03 AM](#)

REPRESENTATIVE GRUENBERG concurred. The underlying issue, he said, is that if someone is denied his/her benefits, he/she has a right to know the basis for that denial.

CHAIR LYNN asked if there is written opinion to access.

MS. SAWYER said she will give all offices a call to determine whether the response was a refusal or a delay.

REPRESENTATIVE GRUENBERG remarked that this could not have been the intent of a law passed by Senator Ted Stevens in 2000. He said this may have been an erroneous decision.

[9:15:25 AM](#)

REPRESENTATIVE GATTO said [the Alaska Territorial Guard] receives no pay, and he asked if that could be the reason that the members of it receive no benefit, because the benefit is based on pay.

MR. PIERRE answered that he does not know.

[9:15:50 AM](#)

CHAIR LYNN, after ascertaining that there was no one to testify, closed public testimony.

[9:16:08 AM](#)

REPRESENTATIVE SEATON moved to report CSSJR 5(FIN) out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSSJR 5(FIN) was reported out of the House State Affairs Standing Committee.

[9:16:56 AM](#)

CHAIR LYNN discussed the upcoming calendar.

[9:17:17 AM](#)

## **ADJOURNMENT**

There being no further business before the committee, the House State Affairs Standing Committee meeting was adjourned at 9:17 a.m.