

ALASKA STATE LEGISLATURE
SENATE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE

April 7, 2011

3:36 p.m.

MEMBERS PRESENT

Senator Donald Olson, Chair
Senator Thomas Wagoner
Senator Albert Kookesh
Senator Linda Menard

MEMBERS ABSENT

Senator Johnny Ellis

COMMITTEE CALENDAR

SENATE BILL NO. 111

"An Act authorizing the transfer of land from the State of Alaska and the Alaska Railroad Corporation to property owners along the Eielson Spur Line; and providing for an effective date."

- MOVED CSSB 111(CRA) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: SB 111

SHORT TITLE: LAND TRANSFER FROM STATE AND ALASKA RR

SPONSOR(S): SENATOR(S) THOMAS

03/23/11	(S)	READ THE FIRST TIME - REFERRALS
03/23/11	(S)	CRA, L&C
04/07/11	(S)	CRA AT 3:30 PM BELTZ 105 (TSBldg)

WITNESS REGISTER

SENATOR JOE THOMAS
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Sponsor of SB 111.

GRIER HOPKINS
Staff to Senator Joe Thomas
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Explained how the committee substitute for SB 111 differs from the original version on behalf of the sponsor.

BILL HUPPRICH
General Counsel
Alaska Railroad Corporation
Anchorage, Alaska

POSITION STATEMENT: Answered questions related to SB 111.

WENDY LINDSKOOG, Vice President
Corporate Affairs
Alaska Railroad Corporation
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 111.

BONNIE WOLDSTAD, representing herself
North Pole, Alaska

POSITION STATEMENT: Testified in support of SB 111.

ACTION NARRATIVE

[3:36:34 PM](#)

CHAIR DONALD OLSON called the Senate Community and Regional Affairs Standing Committee meeting to order at 3:21 p.m. Present at the call to order were Senators Kookesh, Wagoner, Menard and Chair Olson.

SB 111-LAND TRANSFER FROM STATE AND ALASKA RR

[3:36:51 PM](#)

CHAIR OLSON announced the consideration of SB 111.

[3:36:59 PM](#)

SENATOR WAGONER [moved to adopt committee substitute (CS) SB 111(), labeled 27-LS0703\M as the working document.]

[3:37:08 PM](#)

SENATOR WAGONER objected for the purposes of discussion.

[3:37:35 PM](#)

SENATOR JOE THOMAS, sponsor of SB 111, said the bill restores a revisionary clause to the property within the 200 foot right-of-way (ROW) of the Eielson Spur Line, located between Fairbanks and Eielson Air Force Base. He said that Section 1209 of the Alaska Railroad Transfer Act originally stated that after a ROW had been abandoned by the railroad for 18 years it would revert

back to the federal government and then, subsequently, be conveyed back to the abutting property owners. He explained that in 2003, at the urging of the railroad, the United States Congress repealed this section so that abandoned ROWs reverted back to the state instead of the federal government. Unfortunately this process also resulted in the revisionary rights to the property owners, which had previously allowed these individuals to receive back ownership of that property after ARRC had abandoned it. He noted that SB 111 addresses only the ROW along the Eielson Spur Line and is currently in use by the railroad. He added that the Alaska Railroad Corporation (ARRC) does not expect to abandon this rail spur in the near future, however, if it is eventually abandoned, ARRC does not expect to retain the ROW and would return the jurisdiction of it to the state. He noted that this has been indicated in a letter to some of the property owners. He added that, to his knowledge, SB 111 is supported by all of the affected property owners.

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GRIER HOPKINS, Staff to Senator Joe Thomas, sponsor of SB 111, said that there was one minor change to the CS for SB 111, version M. He said in Section 2 (b), line 17, "another person" was changed to "abutting land owner". He explained that the previous version would allow any person who tried to get this land this particular right, while version M is more concise in order to make sure that the people who are affected by the bill will be the individuals who live and own property in the area.

SENATOR MENARD asked how many more situations like this exist in the state

MR. HOPKINS replied that he believes any other ROW that ARRC has which runs through a municipality would have a similar situation. He noted that ARRC requested that SB 111 remain specific to the Eielson Spur Line ROW and other ROWs should be addressed individually.

SENATOR MENARD recognized that this study has been in-depth and she supports this bill. She said that she looks forward to more properties being made available in the same manner in the future.

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BILL HUPPRICH, General Counsel, Alaska Railroad Corporation, said he does not believe that there are any other situations identical to the Eielson Spur Line. He explained that the rail line was built from 1914 to 1921 between Seward and Fairbanks,

when all of the land was owned by the federal government. The Eielson branch is unique because it was not constructed until 1943 by the federal government. He said that at this time there were a number of families who had already filed for homesteads along the route between Fairbanks and what would become the Eielson Air Force Base. He reiterated that this is a unique situation to the Eielson Spur Line area.

SENATOR MENARD said that she would like reassurance that nothing like this is happening in the Matanuska Susitna Valley Borough (Mat Su Borough).

MR. HUPPRICH replied that there is no reversionary program for any of the ROWs through the Mat Su Borough.

CHAIR OLSON asked if there is any opposition to the bill.

SENATOR THOMAS replied no; not that he is aware of.

[3:44:28 PM](#)

WENDY LINDSKOOG, Vice President, Corporate Affairs, Alaska Railroad Corporation, testified in support of SB 111. She said SB 111 fixes an issue which has been a long time in coming. She said that ARRC is please with the current version of the bill and allows the corporation to move forward on a sensitive issue for several of the owners on the Eielson Spur Line in a positive manner.

[3:45:30 PM](#)

BONNIE WOLDSTAD, representing herself, testified in support of SB 111. She spoke to the history of the issue.

[3:47:11 PM](#)

SENATOR WAGONER removed his objection.

[3:47:16 PM](#)

SENATOR WAGONER moved to report CSSB 111(), version M from the committee with individual recommendations and attached fiscal note(s). There being no objections, CSSB 111(CRA) moved from the Senate Community and Regional Affairs Standing Committee.

[3:47:50 PM](#)

There being no further business to come before the committee, Chair Olson adjourned the meeting at 3:47 a.m.