

**ALASKA STATE LEGISLATURE**  
**HOUSE TRANSPORTATION STANDING COMMITTEE**

February 19, 2013

1:08 p.m.

**MEMBERS PRESENT**

Representative Peggy Wilson, Chair  
Representative Doug Isaacson, Vice Chair  
Representative Lynn Gattis  
Representative Craig Johnson  
Representative Bob Lynn  
Representative Jonathan Kreiss-Tomkins

**MEMBERS ABSENT**

Representative Eric Feige

**COMMITTEE CALENDAR**

HOUSE BILL NO. 46

"An Act relating to regulations adopted by the Department of Administration waiving the commercial motor vehicle driving skills test for certain drivers with military commercial motor vehicle experience."

- MOVED HB 46 OUT OF COMMITTEE

HOUSE BILL NO. 56

"An Act excluding motorcycles and motor-driven cycles from the passenger vehicle rental tax; and providing for an effective date."

- MOVED HB 56 OUT OF COMMITTEE

HOUSE BILL NO. 94

"An Act naming the northbound Chena Flood Channel Crossing Bridge the Nellie Miller Bridge and naming the southbound Chena Flood Channel Crossing Bridge the Con Miller Bridge."

- MOVED HB 94 OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

BILL: HB 46

SHORT TITLE: WAIVE CDL SKILL TEST FOR CERTAIN VETERANS

SPONSOR(s): REPRESENTATIVE(S) SADDLER

01/16/13 (H) PREFILE RELEASED 1/7/13  
01/16/13 (H) READ THE FIRST TIME - REFERRALS  
01/16/13 (H) STA, TRA  
02/12/13 (H) STA AT 8:00 AM CAPITOL 106  
02/12/13 (H) Moved Out of Committee  
02/12/13 (H) MINUTE(STA)  
02/13/13 (H) STA RPT 6DP  
02/13/13 (H) DP: HUGHES, ISAACSON, KREISS-TOMKINS,  
GATTIS, KELLER, LYNN  
02/19/13 (H) TRA AT 1:00 PM BARNES 124

BILL: HB 56

SHORT TITLE: PASSENGER VEHICLE RENTAL TAX  
SPONSOR(S): REPRESENTATIVE(S) HOLMES, T.WILSON

01/16/13 (H) PREFILE RELEASED 1/11/13  
01/16/13 (H) READ THE FIRST TIME - REFERRALS  
01/16/13 (H) TRA, FIN  
02/19/13 (H) TRA AT 1:00 PM BARNES 124

BILL: HB 94

SHORT TITLE: CON AND NELLIE MILLER BRIDGES  
SPONSOR(S): REPRESENTATIVE(S) ISAACSON

01/30/13 (H) READ THE FIRST TIME - REFERRALS  
01/30/13 (H) TRA, FIN  
02/19/13 (H) TRA AT 1:00 PM BARNES 124

**WITNESS REGISTER**

REPRESENTATIVE DAN SADDLER  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Testified as prime sponsor of HB 46.

MARK SAN SOUCI, Regional Liaison Northwest  
Department of Defense State Liaison Office  
Office of the Deputy Under Secretary of Defense  
Washington, D.C.

**POSITION STATEMENT:** Testified in support of HB 46.

LIZ GLOOSCHENKO, Business Manager  
Alaska Trucking Association  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HB 46.

REPRESENTATIVE LINDSEY HOLMES

Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Testified as prime sponsor of HB 56.

JAMES WALDO, Staff  
Representative Lindsey Holmes  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Testified on behalf of Representative Lindsey Holmes, joint prime sponsor of HB 56.

JOHANNA BALES, Deputy Director  
Tax Division; Anchorage Office  
Department of Revenue (DOR)  
Anchorage, Alaska

**POSITION STATEMENT:** Testified and answered questions during the discussion of HB 56.

NANCY HULL, Owner  
Alaska Motorcycle Adventure (AMV)  
Palmer, Alaska

**POSITION STATEMENT:** Testified in support of HB 56.

BRENDA HEWITT, Staff  
Representative Doug Isaacson  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Testified on behalf of Representative Doug Isaacson, the sponsor of HB 94.

STEVE TITUS, Regional Director  
Northern Region  
Department of Transportation & Public Facilities (DOT&PF)  
Fairbanks, Alaska

**POSITION STATEMENT:** Testified and answered questions on HB 94.

#### **ACTION NARRATIVE**

[1:08:41 PM](#)

**CHAIR PEGGY WILSON** called the House Transportation Standing Committee meeting to order at 1:08 p.m. Representatives Isaacson, Gattis, Lynn, Kreiss-Tomkins, and Wilson were present at the call to order. Representative Johnson arrived as the meeting was in progress.

#### **HB 46-WAIVE CDL SKILL TEST FOR CERTAIN VETERANS**

1:09:24 PM

CHAIR P. WILSON announced that the first order of business would be HOUSE BILL NO. 46, "An Act relating to regulations adopted by the Department of Administration waiving the commercial motor vehicle driving skills test for certain drivers with military commercial motor vehicle experience."

1:09:46 PM

REPRESENTATIVE DAN SADDLER, Alaska State Legislature, stated that Alaskans who have honed their skills in the military service to their country should have their skills recognized in the civilian world. This bill would help Alaska's veterans get jobs and Alaska's businesses to get very qualified drivers by acknowledging military drivers already have safe driving skills. More than 60,000 service members have held jobs involving truck driving and many of Alaska's industries, such as construction, oil field services, and tourism require commercial drivers' licenses.

REPRESENTATIVE SADDLER said that in 2012, the federal government passed a law allowing states to waive the road test skill, so long as the military driver had recent experience and a clean driving record. Under the federal law, drivers must still pass their vision test, physical test, and meet other requirements. The Federal Motor Carrier Safety Administration (FMCSA) has encouraged states to allow these waivers. Thus far, 34 other states have waived the skills test for military veterans and 10 are currently working on waivers. This bill would direct the state Department of Administration (DOA) to adopt regulations in accordance with the federal standards to allow the waivers in Alaska. In short, HB 46 would mean jobs for veterans and qualified drivers for Alaska's businesses. He noted letters of support in members' packets. In response to Representative Isaacson, he related the original bill is currently before the committee and no changes were made when the bill came before the House State Affairs Standing Committee.

1:12:30 PM

MARK SAN SOUCI, Regional Liaison Northwest, Department of Defense State Liaison Office, Office of the Deputy Under Secretary of Defense, stated that the heavy tractor and trailer driving career in the military falls in the top ten of all occupational specialties in the military and is the second

highest career choice in the United States Army with almost eight percent skilled in this career field. Additionally, this field is the second highest career choice in the U.S. Marine Corps (USMC) with over five percent of Marines skilled in operating these vehicles. He referred to a U.S. Department of Labor Occupational Network Online Partnership report, which forecasts that the truck driving field is one of the brightest outlook fields with one of the faster than average job growth estimates. The report estimated that between 20 to 28 percent or 100,000 job openings would occur between 2010 and 2012. He offered the Department of Defense's support for HB 46.

[1:14:26 PM](#)

LIZ GLOOSCHENKO, Business Manager, Alaska Trucking Association, stated the ATA is a statewide organization representing the interests of nearly 200 member companies.

MS. GLOOSCHENKO read from a prepared statement. She related that one of the pressing problems in the industry today is to find qualified drivers for the commercial vehicles that industry uses to deliver freight. She said, "As you all know, "if you got it, a truck brought it." The ATA spends a lot of time and effort recruiting and retaining good drivers. The regulatory bar has been raised in the past few years to further increase the professionalism of drivers in the industry. She said, "When someone says he or she is just a truck driver, they miss the mark completely. Truck driving is a profession that requires a great deal of in-depth knowledge of the regulations as well as driving skills to navigate a large rig through our highway system." Alaska has some of the best drivers in the nation, and they become outstanding drivers through their driving training, experience, and self-interest since these skills can save their lives or the lives of others.

MS. GLOOSCHENKO said as an industry the ATA welcomes returning veterans and appreciates this opportunity to support veterans, as well as to help the industry. She related that these men and women have had some of the best truck driving training available and will bring to the industry recent hands-on experience in driving big rigs. With proper certification as to a veteran's experience, the ATA supports waiving the skills test for the issuance of a commercial driver's license (CDL). A number of other states have similar programs for their veterans and Alaska should do no less. She said the ATA is proud to support veterans and HB 46. She urged members to support the bill and pass it from committee with "do pass" recommendations.

[1:17:31 PM](#)

CHAIR P. WILSON, after first determining no one else wished to testify, closed public testimony on HB 46.

[1:17:36 PM](#)

REPRESENTATIVE ISAACSON moved to report HB 46 out of committee with individual recommendations and the accompanying fiscal note. There being no objection, HB 46 was reported from the House Transportation Standing Committee.

The committee took an at-ease from 1:18 p.m. to 1:20 p.m.

**HB 56-PASSENGER VEHICLE RENTAL TAX**

[1:20:43 PM](#)

CHAIR P. WILSON announced that the next order of business would be HOUSE BILL NO. 56, "An Act excluding motorcycles and motor-driven cycles from the passenger vehicle rental tax; and providing for an effective date."

[1:20:54 PM](#)

REPRESENTATIVE LINDSEY HOLMES, Alaska State Legislature, joint prime sponsor of HB 56, stated she introduced this bill to support some local businesses. In 2003, the legislature passed a bill to impose a motor vehicle rental tax (MVRT) and the committee discussion related to rental cars, but did not include any discussion about recreational vehicles. The bill passed the legislature. At the time, it appears the legislature did not realize that the definition included recreational vehicles (RV) and later amended the statutes to lower the tax rate. Several years ago, the state's tax division realized that motorcycles were also included in the definition and began implementing this tax. However, similar to RVs, motorcycles are expensive to rent, the season is limited, and motorcycles must be stored the remaining eight to ten months of the year. The burden of the same rental rate as motor vehicles makes it expensive and uneconomical for people to rent motorcycles. The travelers who rent motorcycles tend to stay in hotels, eat at restaurants, and enhance the local economy of communities in Alaska. She concluded that motorcycle rentals should be encouraged. This bill would remove the tax on motorcycle rentals from the law.

She offered her belief that this tax was never contemplated to be included in the statute to affect motorcycles.

1:23:09 PM

JAMES WALDO, Staff, Representative Lindsey Holmes, Alaska State Legislature, on behalf of Representative Holmes, joint prime sponsor of HB 56, said that the chief concern is the size of the rental tax since renting a motorcycle for five to ten days could add several hundred in taxes to the rental. He suggested that removing the rental tax on motorcycles would help foster these small tourism-related businesses. Historically, the language in this bill has been before the legislature last year. He said the language is the same language as the prior bill before the legislature.

1:24:23 PM

REPRESENTATIVE ISAACSON referred to subparagraph (H), which lists motorcycle. He asked whether the statute referenced also includes snowmachines.

MR. WALDO answered that all-terrain vehicles (ATVs) are dealt with in current law. He did not believe ATV rentals are taxed as motor vehicles.

REPRESENTATIVE ISAACSON asked how extensive that is when all other vehicles seem to be covered and whether the source of revenue from ATVs should be considered in order for it to be equitable.

MR. WALDO said he was not certain about numbers of ATVs and offered to supply the information. This wasn't an area that was researched.

REPRESENTATIVE ISAACSON said he wasn't suggesting covering ATVs, but he did not wish to penalize one industry and the sponsor was seeking equity.

1:26:13 PM

REPRESENTATIVE GATTIS said she is an avid snowmachine and ATV user. She asked whether this is an on-the-road vehicle program. She suggested that vehicles that use roads would be assessed the MVRT, whereas snowmachines and ATVs are not on-the-road vehicles and would not be subject to the tax. In response to Chair Wilson, she responded that she owns her off-road vehicles, but

she knows some people also rent snowmachines; however, they do not ride snowmachines on the road. She recalled she pays a snowmachine tax and obtains a sticker for use in state parks.

CHAIR P. WILSON recalled that road use by snowmachines varies since in certain areas in her community snowmachines use roads.

REPRESENTATIVE GATTIS remarked that snowmachines and ATVs do not legally use the roads in her area.

REPRESENTATIVE ISAACSON reported he attended a safety conference at DOT&PF and some communities have been authorized exceptions, especially in rural areas.

[1:28:08 PM](#)

MR. WALDO drew attention to a handout in members' packets, [entitled, "Chapter 43.52. TRANSPORTATION TAXES."] He then referred to "AS 43.52.099, Definitions." The definition under AS 43.52.099 (2) for "passenger vehicle" which read, "means a motor vehicle as defined in AS 28.90.990 that is driven or moved on a highway or other public right-of-way in the state, but does not include ...." He said this lists what is not included so he agreed the statute refers to vehicles licensed to drive on highways and does not include ATVs or snowmachines.

[1:29:21 PM](#)

JOHANNA BALES, Deputy Director, Tax Division, Anchorage Office, Department of Revenue (DOR), stated the purpose of the MVRT was to collect tax on vehicles that were driven and licensed for use on public highways. It does not encompass snowmachines or recreational vehicles (RVs), but after some detailed review of the law - also reviewed by the Department of Law (DOL) - motorcycles are currently included and are taxed. In response to Chair Wilson she agreed this bill would remove motorcycle from the definition of a passenger vehicle.

[1:30:23 PM](#)

NANCY HULL, Owner, Alaska Motorcycle Adventure (AMV), said her business has rented motorcycles since 1994 or for 20 years. She offered her support for HB 56 to exclude motorcycles from the 10 percent MVRT. Rental companies and Alaska's tourism businesses have been impacted by the unintended consequence of the tax. She explained that her customers must choose to rent motorcycles for fewer days or they completely pass on coming to Alaska,

which hurts Alaska's tourism. She related the motorcycle tourism is a limited season with less than 90 days and rentals average \$200 per day per motorcycle. For example, a customer who rents 10 days would pay \$20 per day or a total tax of \$200. She has found people back away from rentals due to the onerous tax. Typically, a couple or a father and son would rent two motorcycles and pay \$400 in taxes; however, since no tax cap exists, the rental taxes continue to accrue at \$20 per day.

MS. HULL reported that her customers ride and drive, which enables them to go to remote parts of the state. People regularly go to Wiseman, Circle, Deadhorse, Chicken, McCarthy, Valdez, and Deadhorse so remote businesses in these areas benefit from meals, hotels, and other tourism expenditures. Additionally, these motorcycle riders pass through the urban areas, such as Anchorage, the Matanuska-Susitna valley, and Fairbanks, spending time and money in those areas. She asked the committee to help her business grow by passing HB 56 this session. In 2003, when the tax was initiated, motorcycles were omitted from the discussion. She described the process these four tiny motorcycle businesses have taken to fix this as being a long and time-consuming process. She concluded by asking members for their support and to consider sponsoring or cosponsoring HB 56.

[1:34:23 PM](#)

CHAIR P. WILSON asked for the number of motorcycles she had when she started her business.

MS. HULL said she started with two motorcycles and this season she will likely rent 30 motorcycles

CHAIR P. WILSON remarked it adds up.

MS. HULL said the company is seasonal. Last year she computed the MVRT based on the complete tax. She recalled the total tax collected was \$8.5 million, but the total MVRT for the four motorcycle companies amounted to \$15,000 to \$20,000, or less than one tenth of one percent of the total tax.

CHAIR P. WILSON, after first determining no one else wished to testify, closed public testimony on HB 56.

[1:36:01 PM](#)

REPRESENTATIVE ISAACSON moved to report HB 56 out of committee with individual recommendations and the accompanying fiscal note. There being no objection, HB 56 was reported from the House Transportation Standing Committee.

The committee took an at-ease from 1:36 p.m. to 1:39 p.m.

**HB 94-CON AND NELLIE MILLER BRIDGES**

[1:39:32 PM](#)

CHAIR P. WILSON announced that the final order of business would be HOUSE BILL NO. 94, "An Act naming the northbound Chena Flood Channel Crossing Bridge the Nellie Miller Bridge and naming the southbound Chena Flood Channel Crossing Bridge the Con Miller Bridge."

[1:39:38 PM](#)

REPRESENTATIVE ISAACSON, as prime sponsor of HB 94, asked to read a prepared statement. He asked to read the sponsor statement into the record, which read [original punctuation provided]:

Conrad "Con" and Nellie Miller were some of the early settlers of the City of North Pole, arriving there in 1950. Con joined the Navy after leaving home at the age of 15 and served in China from 1927 to 1931. He worked on the construction of the Hoover Dam after a brief stint as a sheriff and private investigator. He later re-enlisted in the Navy during World War II, serving in the South Pacific.

Nellie was one of 15 children raised in Idaho Springs, Colorado and married Con in 1938 at the age of 15. Like many of Alaska's early pioneers, Nellie and Con moved to Alaska in 1950 with \$1.40 in their pocket and seeking a new beginning for their small family.

Con and Nellie Miller built their first business, a clothing store, in Fairbanks and Con travelled to rural communities to sell his wares. When he travelled, he often donned a red crushed velvet Santa suit, part of the stock the couple brought north from a previous business. As they began to build their store in North Pole in 1952, a child of a customer

from Northway asked Con if he was building a house for Santa Claus and the name stuck. The store became Santa Claus House.

Con and Nellie were known as Santa and Mrs. Claus and their family store brought worldwide attention to the City of North Pole, Alaska. The store has grown and evolved over time into the icon that stands today, including the 42-foot, 900 pound Santa Claus statue outside that entices visitors from around the globe to celebrate Christmas year-around.

Con was the longest serving mayor of North Pole, dedicating 19 years of leadership. In 1952 he carried the city's incorporation papers to Juneau. He also served as North Pole's postmaster and civil defense director for 20 years as well as serving as the fire chief. Nellie served on the local school board, as the postmistress and as the town's magistrate and marriage commissioner.

The Millers raised three children: sons, Terry and Mike; and daughter, Merry Christmas Miller. Their two sons served in both the Alaska State House and the Alaska State Senate and hold the distinction of being the only two siblings in the United States to have presided as Senate President. Terry Miller also served as Lt. Governor.

For their commitment to Alaska and their role in developing the City of North Pole, it is fitting that the Chena Flood Channel Bridges be named for these two distinguished Alaskans. The Northbound Bridge #1364 shall be known as the Nellie Miller Bridge and the Southbound Bridge #1866 shall be known as the Con Miller Bridge.

[1:43:58 PM](#)

REPRESENTATIVE JOHNSON remarked that the Millers are a great family in Alaska. He asked for clarification on whether the sponsor would like the sign to read, "Conrad Miller, or Con Miller" since the sign will be made.

REPRESENTATIVE ISAACSON answered Conrad Miller has always been known as Con Miller. He acknowledged it may be a good distinction and perhaps the sign could read, "Conrad 'Con'

Miller." He asked his staff to speak to the name for Mr. Miller's sign.

[1:44:47 PM](#)

BRENDA HEWITT, Staff, Representative Doug Isaacson, Alaska State Legislature, speaking on behalf of Representative Isaacson, sponsor of HB 94, stated that the family suggested using "Con" [Miller] as the name for the [southbound Chena Flood Channel] Bridge. She realized "Con" is a nickname or shortened name, but that's how the family felt most people would recognize Mr. Conrad Miller.

REPRESENTATIVE JOHNSON said the legislature is memorializing two great Alaskans so he just wanted to ensure that the name was correct.

REPRESENTATIVE ISAACSON suggested he would entertain a friendly amendment to the bill to consider changing the name to the "Conrad 'Con' Miller Bridge."

CHAIR P. WILSON suggested the committee use the name the family suggested since they indicated a preference for "Con Miller."

REPRESENTATIVE ISAACSON agreed.

[1:46:08 PM](#)

REPRESENTATIVE KREISS-TOMKINS asked how many bills name structures each year in the DOT&PF's Northern Region.

[1:47:01 PM](#)

STEVE TITUS, Regional Director, Northern Region, Department of Transportation & Public Facilities (DOT&PF), answered that the number of structures named typically total one each session. He recalled three structures were named in one bill last session.

[1:47:34 PM](#)

CHAIR P. WILSON noted no one was signed up to testify on the bill. She remarked that former Representative Mike Miller said he was very appreciative of the bill and the family will truly appreciate this honor.

[The committee treated HB 56 as having public testimony closed.]

REPRESENTATIVE ISAACSON referred to an [e-mail] in members' packets from commended this action from Peter Marshall, M.D.

[1:48:21 PM](#)

REPRESENTATIVE JOHNSON moved to report HB 94 out of committee with individual recommendations and the accompanying fiscal note. There being no objection, HB 94 was reported from the House Transportation Standing Committee.

[1:48:44 PM](#)

**ADJOURNMENT**

There being no further business before the committee, the House Transportation Standing Committee meeting was adjourned at 1:48 p.m.