

**ALASKA STATE LEGISLATURE**  
**SENATE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE**

February 25, 2014

3:34 p.m.

**MEMBERS PRESENT**

Senator Peter Micciche, Chair  
Senator Cathy Giessel, Vice Chair  
Senator Click Bishop  
Senator Lyman Hoffman

**MEMBERS ABSENT**

Senator Dennis Egan

**OTHER LEGISLATORS PRESENT**

Representative Steve Thompson

**COMMITTEE CALENDAR**

HOUSE BILL NO. 223

"An Act authorizing municipalities to exempt or partially exempt for up to 10 years property in a military facility zone that creates or supports industry, development, or educational or training opportunities."

- MOVED HB 223 OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

BILL: HB 223

SHORT TITLE: MUNI TAX EXEMPTION: MIL. FACILITY ZONE

SPONSOR(S): REPRESENTATIVE(S) THOMPSON, ISAACSON, SADDLER, TARR

01/21/14	(H)	PREFILE RELEASED 1/10/14
01/21/14	(H)	READ THE FIRST TIME - REFERRALS
01/21/14	(H)	CRA
02/04/14	(H)	CRA AT 8:00 AM BARNES 124
02/04/14	(H)	Moved Out of Committee
02/04/14	(H)	MINUTE(CRA)
02/05/14	(H)	CRA RPT 5DP 1NR
02/05/14	(H)	DP: FOSTER, OLSON, REINBOLD, LEDOUX, NAGEAK
02/05/14	(H)	NR: HERRON
02/07/14	(H)	TRANSMITTED TO (S)

02/07/14 (H) VERSION: HB 223  
02/10/14 (S) READ THE FIRST TIME - REFERRALS  
02/10/14 (S) CRA  
02/20/14 (S) CRA AT 3:30 PM BUTROVICH 205  
02/20/14 (S) Heard & Held  
02/20/14 (S) MINUTE(CRA)  
02/25/14 (S) CRA AT 3:30 PM BUTROVICH 205

#### **WITNESS REGISTER**

REPRESENTATIVE STEVE THOMPSON  
Alaska State Legislature  
Juneau, Alaska  
**POSITION STATEMENT:** Sponsor for HB 223.

JANE PIERSON, Staff  
Representative Thompson  
Alaska State Legislature  
Juneau, Alaska  
**POSITION STATEMENT:** Provided an overview of HB 223.

AARON GRIFFIN, Assemblyman  
Kodiak Island Borough  
Kodiak, Alaska  
**POSITION STATEMENT:** Supports HB 223.

#### **ACTION NARRATIVE**

[3:34:47 PM](#)

**CHAIR PETER MICCICHE** called the Senate Community and Regional Affairs Standing Committee meeting to order at 3:34 p.m. Present are Senators Bishop, Giessel, Hoffman, and Chair Micciche.

#### **HB 223-MUNI TAX EXEMPTION: MIL. FACILITY ZONE**

[3:35:46 PM](#)

**CHAIR MICCICHE** announced that today is the second hearing on HB 223.

[3:36:01 PM](#)

**REPRESENTATIVE STEVE THOMPSON**, Alaska State Legislature, Juneau, Alaska, HB 223 sponsor. He announced to the committee that Ms. Pierson will provide an overview of HB 223.

[3:36:11 PM](#)

JANE PIERSON, Staff, Representative Thompson, Alaska State Legislature, Juneau, Alaska; said HB 223 gives permissive authority for local governments to seek up to ten years of full or partial property tax exemptions in the Military Facility Zone (MFZ). She said the MFZ property tax exemptions would create and support industry, development, educational, or training opportunities related to defense activities in Alaska. She set forth that the flexibility in HB 223 allows each community with a MFZ to provide broad authority for their exemptions to be specifically defined to give maximum benefits to the region. She pointed out that HB 223 will expand on HB 316. She explained that HB 316 was passed in the 27th Legislature and provided statutory authority to the Department of Military and Veterans Affairs to establish MFZs. She summarized that HB 223 provides a tool for local governments in military installations to support economic development of projects that enhance the military's operations, missions, and the economic development goals of the community.

CHAIR MICCICHE announced that public testimony remains open from the previous committee meeting.

[3:37:53 PM](#)

AARON GRIFFIN, Assembly Member, Kodiak Island Borough (KIB), Kodiak, Alaska; announced that KIB is very interested in the prospects that HB 223 will provide the borough. He said KIB is currently in the process of formalizing its application to create a MFZ. He detailed that an MFZ will allow access to a possible joint housing venture with the Coast Guard base. He said currently the Coast Guard is having a very hard time positioning additional resources in Kodiak simply because the city does not have access to housing for the Coast Guard's personnel. He explained that every C-130 Hercules aircraft comes with close to 30 men, every H-60 helicopter comes with 12 people, and a Coast Guard Cutter comes with over 100 personnel. He asserted that having access to any vehicle that will help KIB build infrastructure is a highly desirable. He noted a joint housing venture project at Joint Base Elmendorf-Richardson where the contractor actually owns the property. He remarked about the prospects provided by HB 223 in giving a break in property taxes for an area that is currently not generating revenue for KIB and would provide a huge incentive to draw in contractors. He stated that KIB is wholeheartedly in support of HB 223's prospects.

CHAIR MICCICHE asked if anyone would like to testify.

[3:39:40 PM](#)

CHAIR MICCICHE closed public testimony.

CHAIR MICCICHE asked if there is a motion to move HB 223.

3:39:52 PM

SENATOR GIESSEL moved to report HB 223, version 28-LS0993\A from committee with individual recommendations and attached zero fiscal note.

3:40:06 PM

CHAIR MICCICHE announced that without objection, [HB 223 moved from committee.]

3:40:24 PM

There being no further business to come before the committee, Chair Micciche adjourned the Senate Community and Regional Affairs Standing Committee at 3:40 p.m.