

ALASKA STATE LEGISLATURE
HOUSE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE

February 7, 2015

8:04 a.m.

MEMBERS PRESENT

Representative Cathy Tilton, Chair
Representative Paul Seaton, Vice Chair
Representative Benjamin Nageak
Representative Harriet Drummond
Representative Dan Ortiz

MEMBERS ABSENT

Representative Shelley Hughes
Representative Lora Reinbold

COMMITTEE CALENDAR

PRESENTATION(S): MUNICIPAL REGULATION OF MARIJUANA

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

DENISE MICHELS, Mayor
City of Nome
Nome, Alaska

POSITION STATEMENT: Testified on the municipal regulation of marijuana.

SHIRLEY MARQUARDT, Mayor
City of Unalaska
Unalaska, Alaska

POSITION STATEMENT: Testified on the municipal regulation of marijuana.

HEATH HILYARD, Staff
Representative Tilton
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: During discussion of municipal regulation of marijuana, provided information.

KATHIE WASSERMAN, Executive Director
Alaska Municipal League (AML)
Juneau, Alaska

POSITION STATEMENT: Testified on the municipal regulation of marijuana.

ACTION NARRATIVE

[8:04:25 AM](#)

CHAIR CATHY TILTON called the House Community and Regional Affairs Standing Committee meeting to order at 8:04 a.m. Representatives Seaton, Hughes, Nageak, Ortiz, Drummond, and Tilton were present at the call to order.

PRESENTATION(S): Municipal Regulation of Marijuana

[8:06:01 AM](#)

CHAIR TILTON announced that the only order of business would be presentations regarding the municipal regulation of marijuana.

[8:06:51 AM](#)

DENISE MICHELS, Mayor, City of Nome, began by pointing out that the marijuana law poses some challenges and opportunities for municipalities. The City of Nome's chief of police and attorney have been hard at work coordinating with the Alaska Municipal League (AML) on the regulations that will impact local government, profit, and commerce. The city looks to the state for reasonable regulations that comply with the federal mandate. As a local government, the City of Nome is dealing with the personal use and commercialization issues. The City of Nome wants an open public process to comply with the public initiative. The city is considering the definition of "public use," the creation of an advisory board, and a fine schedule with regard to personal use. The city will look to the legislature [for guidance] in terms of commercial use. Mayor Michels then expressed concern that many cities in rural Alaska don't have access to running water, and thus the threat of fires from oils is of concern. Furthermore, the lack of law enforcement in many rural areas is of concern in terms of how communities will regulate the new laws. She expressed the hope that the state's local government specialists will work with

communities to update their ordinances and fine schedules now rather than waiting until the legislature is done, particularly since the personal use goes into effect this month. The impact on taxation powers is also of concern. Therefore, the city is reviewing what can be done to offset the expenses that will arise for law enforcement for inspections. She questioned how the [duties of the state health inspector] will be carried out in rural communities. The City of Nome, she related, has a drug dog that will now have to be retrained and the entire process will have to be revamped. Mayor Michels, in response to Chair Tilton, informed the committee that the City of Nome is a first class city in an unorganized borough and all the villages in the region are second class cities.

[8:11:22 AM](#)

REPRESENTATIVE SEATON reminded the committee that there are different [views] with regard to the local option and whether it should be an areawide or nonareawide power. He then inquired as to whether the City of Nome is located in a borough.

MAYOR MICHELS clarified the City of Nome is located in an unorganized borough.

[8:12:21 AM](#)

REPRESENTATIVE SEATON inquired as to what Mayor Michels meant when she expressed the need for help clarifying the federal mandate as related to the law.

MAYOR MICHELS explained that under the Drug Free Act in the Workplace federal funds are received when in compliance with the act. Many local villages in the area receive federal funds, and therefore local government specialists from the Department of Commerce, Community & Economic Development (DCCED) would be helpful to update the personnel policies and ordinances.

[8:13:18 AM](#)

MAYOR MICHELS, in response to Chair Tilton, clarified that the city is a subsidiary of the state and within the city limits it has the power to define its ordinances, rules, and regulations.

[8:14:34 AM](#)

REPRESENTATIVE SEATON recalled testimony from boroughs that were concerned with cities having control within their city limits

because there could be different regulations within the city limits and the borough lands. He asked whether the City of Nome, an unorganized borough, or the second class cities have expressed concern regarding whether [having different regulations within city and borough land] would be any more problematic than it already is with alcohol.

MAYOR MICHELS confirmed that the City of Nome has been holding discussions on the aforementioned, which is of concern. With regard to commercialization, one suggestion being discussed with Representative Foster is to create a 25-mile buffer zone from the city boundary with regard to the local option. In further response to Representative Seaton, Mayor Michels agreed to provide the committee with the aforementioned proposal.

[8:17:08 AM](#)

REPRESENTATIVE NAGEAK recalled that outside the city limits of an unorganized borough, the state is responsible/has jurisdiction.

[8:17:48 AM](#)

REPRESENTATIVE SEATON, recalling the mention of commercial use and lack of law enforcement, asked whether the marijuana local option creates anything different than what exists for the alcohol local option.

MAYOR MICHELS confirmed the concern is that the responsibility for law enforcement in an unorganized borough would fall to the Alaska State Troopers. She informed the committee that the Bering Straits region is the size of West Virginia. The 8 Alaska State Troopers who serve the [unorganized borough] can't be present in all 17 communities [of the unorganized borough/region] at once.

[8:19:01 AM](#)

REPRESENTATIVE SEATON turned attention to the consequence for violating a commercial [marijuana] license, such as with a liquor license. He asked if the possibility of a revocation of license rather than a fine would address the problem of immediate law enforcement.

MAYOR MICHELS opined that consistent enforcement could address that. However, she opined that the [difficulties surrounding]

enforcement and regulations would likely cause people to continue to work until they are caught.

[8:20:37 AM](#)

MAYOR MICHELS, in response to Representative Drummond, clarified that there are 17 villages in the unorganized borough some of which are dry, damp, and wet.

REPRESENTATIVE DRUMMOND asked if Mayor Michels expected the dry villages to forbid commercial marijuana operations in their boundaries.

MAYOR MICHELS replied yes, noting that she has heard many of the leaders in the region oppose any commercialization [of marijuana]. She reiterated the need for local government specialists to help the villages [implement] a vote, create an ordinance, or move through the procedures to ban [commercialization of marijuana].

REPRESENTATIVE DRUMMOND pointed out that per the Act, after February 24, 2015, personal use in one's home will be legal throughout the state.

MAYOR MICHELS acknowledged that is the case, but reiterated that many of the local communities haven't had the opportunity to update their ordinances to define public use.

[8:23:16 AM](#)

SHIRLEY MARQUARDT, Mayor, City of Unalaska, began by opining that she didn't believe those who voted yes on Ballot Measure 2 had any clue what they were really voting on, which she characterized as a Pandora's box. She informed the committee that although Unalaska is located in an unorganized borough, it has no neighbors. Therefore, the ordinance that Unalaska is considering will only affect it. Unalaska has chosen to address personal use and define "public", which is necessary to address by February 24th. She opined that the City of Unalaska's nonsmoking ordinance will help because marijuana can be tied into that and a decision as to whether the areas for public use should be increased can be made. Mayor Marquardt informed the committee that the City of Unalaska will place before residents a change to its housing ordinances such that personal use isn't allowed in city-funded housing inhabited by city employees. She opined that there are some small communities and villages within the [unorganized] borough that won't have the wherewithal to

perform enforcement, permitting, etcetera. Therefore, it may make sense in this case for the borough to establish the rules while it may not for other situations. Mayor Marquardt then suggested that the legislature should concentrate on creating a new board or board through the Alcoholic Beverage Control (ABC) Board that continues the current process used by the ABC Board that provides for public review of permits up for reauthorization. She then opined that a permit for a commercial establishment that sells edibles should be up for review annually. She surmised that the City of Unalaska will choose not to allow the cultivation of marijuana for commercial uses or sale of edibles. She expressed the need for the state to address the edibles issue and to ban butane hash oil. She then expressed the need for some sort of quality control process that tests for pesticides, other drugs, and additives in the marijuana sold in the state. She informed the committee that the City of Unalaska has already had five folks seeking permits. Mayor Marquardt related her belief that proponents of the legalization of marijuana are very loud and forceful, and thus she predicted they would charge the legislature with not doing enough or not doing enough fast enough. To which she expressed the hope the legislature would say it takes its time to perform a full analysis of the public policy it sets to ensure there aren't any unintended consequences.

[8:31:15 AM](#)

CHAIR TILTON noted that there have been discussions with the [Marijuana Policy Project] in Washington, D.C., regarding issues specific to Alaska.

[8:31:38 AM](#)

REPRESENTATIVE ORTIZ inquired as to the City of Unalaska's "public use" definition.

MAYOR MARQUARDT related that the City of Unalaska drafted that definition with the help of the city's long-time attorney, Brooks Chandler, who has also been working on the issue statewide. She explained the City of Unalaska took its existing ordinance for public places in terms of tobacco. The definition of public place in terms of tobacco is 20 feet in front of the entrance of a building. Furthermore, tobacco cannot be used on city or school property. She informed the committee that the city is trying to determine how far it can go with the definition of "public place." There has been the suggestion that "public use" is anywhere that's in the public's view.

Someone using a marijuana product inside their home but in view of those outside, say in front of a picture window, can't be [considered a public place]. However, using a marijuana product in the front yard, say, would be problematic. Mayor Marquardt offered to provide the committee with the draft language the City of Unalaska will be considering.

8:33:51 AM

HEATH HILYARD, Staff, Representative Tilton, Alaska State Legislature, noted that [he] participated in a work session in which Brooks Chandler participated. Although every municipality will be allowed to have its own definition through ordinance, the work session determined it necessary in AS 17.38 to make reference to AS 11.81.900, which includes the following definition pertaining to criminal law:

(53) "public place" means a place to which the public or a substantial group of persons has access and includes highways, transportation facilities, schools, places of amusement or business, parks, playgrounds, prisons, and hallways, lobbies, and other portions of apartment houses and hotels not constituting rooms or apartments designed for actual residence;

MR. HILYARD related that the municipal attorneys recommended making the aforementioned the standard definition as it pertains to marijuana. He informed the committee that such a definition will likely be included in a forthcoming committee substitute. He acknowledged that the cities can decide to take make their own definition more restrictive.

8:36:52 AM

REPRESENTATIVE SEATON recalled Mayor Marquardt wanting to [prohibit the use of marijuana] within residences owned through the state. He opined that he isn't sure how far [the definition] can go, particularly with the [Alaska] Supreme Court decision regarding privacy and use within the home. He surmised the matter will ultimately be a court case.

MAYOR MARQUARDT explained that the City of Unalaska has an 8-plex, a 4-plex, an 8-unit apartment building, and two duplexes. For City of Unalaska employees to live in those buildings, the tenant lease requires several things. The City of Unalaska has

chosen to include in its tenant lease a requirement prohibiting the use of marijuana in the publicly owned housing.

[8:39:34 AM](#)

REPRESENTATIVE DRUMMOND asked if the City of Unalaska forbids the consumption of alcohol or smoking of cigarettes in the city owned housing.

MAYOR MARQUARDT replied that the use of alcohol is not forbidden, but smoking is not allowed in [the city owned housing].

[8:40:19 AM](#)

REPRESENTATIVE SEATON recalled the City of Unalaska is considering the prohibition of the sale of edibles within its boundaries, which seems to be at odds with the ABC Board's consideration of licenses. The definition of marijuana basically includes every product that includes Tetrahydrocannabinol (THC). He then asked if the City of Unalaska has had discussions with the ABC Board regarding whether a community can prohibit specific products if the city doesn't entirely opt out of commercialization.

MAYOR MARQUARDT responded that she wasn't aware that any such discussions directly with the ABC Board had been held. The notion with regard to permitting for commercial use, she relayed, would require obtaining a permit from the municipality to sell either marijuana to be inhaled or THC in an edible form. The City of Unalaska doesn't want to issue a permit for the sale of edibles. Although she acknowledged that marijuana in any form could come into the community, those who smoke wouldn't be able to do so in a public place whereas she didn't know how one could enforce the consumption of edibles. Therefore, the City of Unalaska would rather not permit such. She then asked whether the level of THC in edible or inhaled marijuana products could be regulated. She reiterated that the City of Unalaska will try not to permit the sale of edibles or marijuana for commercial use.

[8:44:27 AM](#)

REPRESENTATIVE SEATON offered that currently it appears a license would allow any of the aspects of marijuana, including the ability to manufacture, create, and refine products. He related his understanding that other committees are considering

the serving size, the amount of milligrams of THC, and amount of servings in a package including the child proof packaging aspect.

[8:46:16 AM](#)

REPRESENTATIVE ORTIZ related his understanding that the City of Unalaska will move toward not permitting any commercial activity and the concerns regarding edibles are in terms of private possession.

MAYOR MARQUARDT (indisc.)

[8:47:22 AM](#)

REPRESENTATIVE NAGEAK opined the interaction between the cities and boroughs vary. However, the unorganized boroughs have to follow the state's lead.

MAYOR MARQUARDT noted her agreement. The regions of the state can be extremely different such that even within boroughs there are communities with different ideas as to what's important to them or how to provide services to their communities. In terms of the City of Unalaska, the property outside of the city is owned by Alaska Native corporations and require the use of permits.

REPRESENTATIVE NAGEAK pointed out that not only are there regional corporations, there are also village corporations with jurisdiction on their lands.

[8:50:17 AM](#)

REPRESENTATIVE SEATON recalled a discussion from an earlier hearing regarding the possibility of a 25-mile buffer zone. He asked if the City of Unalaska has discussed the expansion of the city limits in order that the city's ordinances cover a buffer zone.

MAYOR MARQUARDT answered no, adding that it would require the City of Unalaska to come into agreement with the Ounalashka Corporation to purchase or take property. The City of Unalaska, she opined, doesn't believe the aforementioned is necessary because the entire community, business community, and residential community are incorporated within the City of Unalaska's city limits and directly outside that is the

Ounalashka Corporation land, which is considering its own protections.

8:53:19 AM

The committee took an at ease from 8:53 a.m. to 8:57 a.m.

8:58:01 AM

KATHIE WASSERMAN, Executive Director, Alaska Municipal League (AML), provided the committee with the "Local Government Primer," which provides the basic tenets of government. She highlighted that pages 4-5 specify all the powers of cities according to their status. The map on page 6 shows the large area of the state that makes up the unorganized borough. Pages 8-9 are a chart of the powers and duties of boroughs. Ms. Wasserman emphasized that AML simply offers municipalities information and helps municipalities coordinate between each other. In fact, AML will hold a marijuana summit on February 17th during which there will be speakers from the states of Washington, Colorado, and Alaska. She specified that AML's main interest is protecting municipalities and ensuring that a local option is one of the top tenets of anything coming out of the legislature.

MS. WASSERMAN opined that local governments need flexibility in terms of dealing with the positive and negative aspects resulting from the legalization of marijuana. She then turned to the borough and city issue, pointing out that the assembly for the unorganized borough is the sitting assembly of the unorganized borough. She then posed a scenario in which an individual wants to permit a growing facility in Glennallen, which is not an organized city nor is it located in an organized borough. Therefore, the legislature is going to be in charge of establishing the rules for a place such as Glennallen and there are many such places throughout the state. The majority of the state's second class cities, as well as many unorganized communities, are located in the unorganized borough. The legislature, she opined, is going to find that what works in Glennallen may not work elsewhere. She further opined that there will be a large jurisdictional issue [with regard to the Alaska Native corporation lands]. Not only will municipalities be responsible for establishing some rules and laws to address the legalization of marijuana, the state will as well because the state will likely have to sit as the assembly of the unorganized borough. To date, the legislature hasn't sat as the assembly for the unorganized borough.

MS. WASSERMAN recalled testimony from boroughs relating that public meetings and open houses on the legalization of marijuana were packed, which she opined illustrates that local residents rely on local government to make laws and rules. She then recalled Representative Nageak mentioning jurisdictional lines and the confusion that could be created. However, she opined it's clear that municipalities can only opt out of the sale and retail aspect of marijuana. She said she didn't consider the jurisdiction to be confusing as people will merely go to where marijuana is sold, particularly since use is allowed throughout the state. The law refers to local governments; it doesn't specify what kind of local government. Furthermore, opening up Title 29 could open a Pandora's Box on everything else because each borough treats cities differently. Again, the decision should be left to the local option. She then pointed out that many communities receive federal grants, which could be in danger according to what regulations the [federal government] chooses.

MS. WASSERMAN then moved on to edibles and hash oils and Governor Walker's memorandum to Senator Stoltze outlining that he believes the legislature should address the following: keeping marijuana away from underage persons; protecting public health and safety; respecting privacy and constitutional rights; and preventing illegal sales and export of marijuana and marijuana products. She opined that the state needs to help [local governments] with those items, particularly since local governments don't have the capacity to test and inspect edibles. With regard to the situation in which an individual processes [marijuana] without a permit in a community without law enforcement, she opined that it would be a civil offense to which Alaska State Troopers won't respond in the small communities. She emphasized her concern with regard to how this will impact small communities, which have little capacity to follow through and make things work. She expressed further concern that things would be tailored for the larger communities. There needs to be discussion as to how to provide residents of small communities the protection they deserve.

MS. WASSERMAN pointed out that although municipalities have the ability to create a local regulatory board, the financial crisis in the state lends itself for utilizing the ABC Board, which has expertise with substance use. Most of the impacts from the legalization of marijuana will be felt at the municipal level. Therefore, there will be discussion as to how the municipal level will pay in terms of police, EMS, fire, and health care.

Sales taxes are already levied by boroughs and first class cities and few second class cities levy taxes. An excise tax is a possibility. Municipalities, she noted, could seek a share of the \$50 per ounce charge that goes to the Department of Revenue. She questioned who would pay for the blood test to detect marijuana. With regard to the expansion of city limits, she informed the committee that annexation is a long process and marijuana likely won't figure into it. Recalling discussion of the possibility of a buffer zone, Ms. Wasserman informed the committee there is no legal means for such, and thus such action would require a new legal term in statute or the existing annexation option would have to be used.

[9:17:06 AM](#)

REPRESENTATIVE DRUMMOND, recalling that Dillingham tried to annex nearby land in relation to fish taxes, asked whether the annexation was approved.

MS. WASSERMAN answered that she didn't know, but noted that almost every annexation is about taxation in some form.

[9:18:34 AM](#)

REPRESENTATIVE DRUMMOND then asked whether the cash basis of the marijuana business has been discussed.

MS. WASSERMAN expressed her concern that a cash business denotes a "black market." She expressed further concern with how the Department of Revenue (DOR) will perform taxation with a cash business.

CHAIR TILTON related her understanding that Colorado estimated that in the first year marijuana sales would generate \$139 million, and in nine months marijuana sales generated \$20 million. Therefore, she acknowledged that [taxation] could be challenging.

[9:19:41 AM](#)

REPRESENTATIVE DRUMMOND reminded the committee that she visited a marijuana dispensary in Seattle, Washington. She characterized the dispensary as a very high-tech business with each marijuana bud sealed with a serial number. In fact, the store doesn't even smell of marijuana. Furthermore, the point of sale (POS) system required by the State of Washington for every store allows the state the ability to look at sales, which

does not include customer names as it's a cash transaction. Moreover, they don't accept credit cards and may not even accept checks. Payroll is also paid in cash.

MS. WASSERMAN opined that the state probably couldn't make that work in communities other than Juneau, Fairbanks, and Anchorage, which is of concern.

REPRESENTATIVE DRUMMOND interjected that the state's inability [to look at marijuana sales] illustrates the state's lack of a robust Internet service as well as the fact that many communities don't function on a cash basis.

[9:21:49 AM](#)

REPRESENTATIVE NAGEAK suggested that the tribal government may become involved in some fashion.

MS. WASSERMAN opined that one of the positive aspects of the initiative is that it may bring to light the municipal and tribal issues that have long existed, but have been ignored.

[9:23:22 AM](#)

REPRESENTATIVE SEATON, addressing the concern that law enforcement won't take place, pointed out that there are often busts of the importation of alcohol in dry communities. If marijuana is regulated as alcohol, [he assumed it would be enforced] as would any of the local options available to communities.

MS. WASSERMAN clarified that she has looked at the illegal importation versus little issues that arise in a community on a daily basis. She suggested that it's sometimes easier to address the illegal importation because it usually starts from a large community and involves a carrier. However, there is no help for day-to-day small issues at the small community level. For instance, when she was the mayor of a small community, she received a call at 2:00 a.m. to deal with a gun fight between large drunken fishermen. Those in the small communities are left with no one to help them and no way to address such problems and this [Act] adds another possible avenue to create problems.

[9:26:07 AM](#)

REPRESENTATIVE SEATON said he appreciated Ms. Wasserman's points. However, he opined that illegal operations, illegal importation, or operating outside of a license is related to bootlegging rather than to personal use. He expressed confidence that those who want a license, and will operate within the terms if there is suspension and revocation of the license, rather than just a fine.

MS. WASSERMAN opined that the legislature can iron out how the civil offenses would be enforced in small communities [without law enforcement].

[9:29:17 AM](#)

REPRESENTATIVE SEATON questioned whether municipalities should consider a standard [blood test] for impaired driving rather than one related to the specific substance used that generated the impaired driving.

MS. WASSERMAN confirmed there have been some discussions about the aforementioned, which she characterized as a great point. She said there is likely something already on the books that addresses this. In fact, there are already reckless and careless driving statutes. She emphasized that impaired driving is impaired driving, no matter the reason. Furthermore, trying to define why one is driving impaired may create more problems, she opined.

[9:33:08 AM](#)

REPRESENTATIVE DRUMMOND asked whether the issue of impairment is going to be addressed by the House Health and Social Services Standing Committee.

REPRESENTATIVE SEATON answered that he believes the legal aspect will be addressed in the House Judiciary Standing Committee. He reiterated that at this point, it seems [that the standard could be] impairment with field impairment tests, such that the actual actions of people are considered rather than what might have been the cause of the action.

[9:35:44 AM](#)

REPRESENTATIVE DRUMMOND related her understanding that there is a portion of THC that [causes] the impairment, and another portion of the chemical specifies that someone partook of it during a certain time period in the past. The impairment

chemical, she further related, only remains viable in the blood for a number of hours and there is a structure for judging that. She agreed with Representative Seaton that the aforementioned isn't the purview of this committee.

MS. WASSERMAN related her belief that's very important and goes along with Representative Seaton's comments. She opined that having separate [impaired] driving tests might be setting up the state for lawsuits. At some point [the standard] needs to be tight. She then noted her agreement with Representative Seaton that the impaired driving offense would be tighter.

REPRESENTATIVE DRUMMOND noted her agreement with Representative Seaton as well regarding having an impaired driving offense.

REPRESENTATIVE NAGEAK remarked that someday, when there are driverless cars, driving impaired will be moot.

[9:39:22 AM](#)

REPRESENTATIVE SEATON recalled testimony that sales tax on alcohol is limited by statute to be the same rate as everything else. He then asked whether municipalities want the ability to have a different excise tax than the general sales tax amount for marijuana and alcohol, or do they want it to be limited to the general sales tax amount for marijuana.

MS. WASSERMAN pointed out the sales tax for boroughs, first class cities, and a few second class cities is not very high. Therefore, communities will receive a small return for the predicted issues they will face. She then reminded the committee that a sales tax has to be fair across the board for all purchases. An excise tax has been discussed, she opined, because it might provide communities more ability to cover the expenses [related to the legalization of marijuana]. She said there isn't definite knowledge as to the costs [related to the legalization of marijuana], there is the need for flexibility.

[9:42:09 AM](#)

REPRESENTATIVE SEATON asked whether cities currently have the ability to establish an excise tax on alcohol or is that prevented. He then asked what types of local governments have the ability to establish an excise tax.

MS. WASSERMAN said she would have to review Title 29, but could provide that information to the committee. In further response

to Representative Seaton, Ms. Wasserman mentioned that Anchorage just went through an alcohol tax issues

REPRESENTATIVE DRUMMOND informed the committee that when the Anchorage Assembly discussed placing an initiative to raise a small percentage of taxes from alcohol in order to address the negative impacts of alcohol in Anchorage. However, the Anchorage Assembly couldn't overcome the heavy industry pressure, which resulted in the assembly setting it aside. Therefore, she opined that such a change would have to come from the citizens rather than the governing body.

[9:44:54 AM](#)

REPRESENTATIVE SEATON recalled that Anchorage is placing something on the ballot for approval by the voters. He then asked whether municipalities have the ability to establish an excise tax by ordinance or a vote of the people.

MS. WASSERMAN informed the committee that for almost everything taxable under state law, municipalities have different rules. Although for most [taxes] municipalities have to go through the voters, she clarified that she needed to review Title 29 because some taxes aren't allowable by the state.

[9:47:27 AM](#)

MS. WASSERMAN, in response to Chair Tilton, said that on February 17th, 1:00-5:00 p.m., there will be an AML conference on marijuana in the Treadwell Room. The fee to attend is \$25.

CHAIR TILTON announced that the committee will not be meeting on February 17th so that members can attend the aforementioned AML conference.

[9:48:42 AM](#)

MAYOR MICHELS, in closing, pointed out that the current law doesn't include a provision for tribal law, and thus it may need to be added.

[9:49:31 AM](#)

REPRESENTATIVE SEATON asked if Mayor Michels was referring to the ability to expand a local option to village corporations or tribal governments.

MAYOR MICHELS informed the committee that under current law there is no ability for tribal governments to create ordinances to make any laws within the community; city governments have the ability to do so.

[9:50:45 AM](#)

MAYOR MARQUARDT noted her agreement with Mayor Michels in terms of the complexity of the issue. She opined that the saying, "The devil is in the details." has never been more true. She then reiterated the need for the legislature to take its time on this issue.

[9:52:25 AM](#)

CHAIR TILTON stated that the goal of the committee is to listen to the local governments with regard to how the legislature can help them.

[9:52:43 AM](#)

MS. WASSERMAN related her appreciation for the committee asking the communities to be involved, particularly since one of her main complaints over the years has been that most decisions made about municipalities has been done without much comment being sought from the municipalities.

[9:53:58 AM](#)

CHAIR TILTON agreed this is a complex matter. She then highlighted the following points that arose at today's meeting: municipal and tribal government issues; public safety issues in smaller communities versus larger communities; and that this may be the first time in history the legislature sits as the assembly for the unorganized borough.

[9:54:39 AM](#)

REPRESENTATIVE SEATON, regarding the relationship between the tribal governments and the cities, said he is totally unprepared as to how to address that issue. Therefore, he suggested that the committee solicit tribal and local communities to obtain suggestions to address the issues.

MS. WASSERMAN characterized the difficulties [between the tribal governments and the cities] as a larger issue that could be solved with one or two decisions. She related her understanding

that the current administration is working on such matters, and thus she encouraged the legislature to work with them. Ms. Wasserman noted that some municipalities and tribal governments have a good relationship and work together because they have to do so. She then emphasized that one of the large looming issues the state hasn't addressed is with regard to who takes over the services that become unavailable due to the reductions in state funding to municipalities.

[9:58:52 AM](#)

ADJOURNMENT

There being no further business before the committee, the House Community and Regional Affairs Standing Committee meeting was adjourned at 9:58 a.m.