

ALASKA STATE LEGISLATURE
SENATE RESOURCES STANDING COMMITTEE

April 13, 2015

3:31 p.m.

MEMBERS PRESENT

Senator Cathy Giessel, Chair
Senator Mia Costello, Vice Chair
Senator John Coghill
Senator Peter Micciche
Senator Bert Stedman
Senator Bill Stoltze
Senator Bill Wielechowski

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

CS FOR HOUSE BILL NO. 153(RES)

"An Act expanding the Palmer Hay Flats State Game Refuge."

- MOVED SCS CSHB 153(RES) OUT OF COMMITTEE

SENATE BILL NO. 57

"An Act relating to the development of state emission standards in accordance with the federal Clean Air Act."

- HEARD AND HELD

SENATE BILL NO. 101

"An Act relating to fees for use of state park system facilities; and relating to the sale of merchandise by the Department of Natural Resources."

- MOVED CSSB 101(RES) OUT OF COMMITTEE

CS FOR HOUSE BILL NO. 100(FIN)

"An Act establishing a credit against the net income tax for an in-state processing facility that manufactures urea, ammonia, or gas-to-liquid products; relating to establishing the value of the state's royalty share of gas production based on contracts with certain in-state processing facilities that manufacture urea, ammonia, or gas-to-liquid products; and providing for an effective date."

- SCHEDULED BUT NOT HEARD

CS FOR HOUSE BILL NO. 41(FIN) am
"An Act relating to sport fishing services, sport fishing operators, and sport fishing guides; and providing for an effective date."

- SCHEDULED BUT NOT HEARD

PREVIOUS COMMITTEE ACTION

BILL: HB 153

SHORT TITLE: PALMER HAY FLATS GAME REFUGE

SPONSOR(s): REPRESENTATIVE(s) COLVER

03/20/15	(H)	READ THE FIRST TIME - REFERRALS
03/20/15	(H)	RES
03/30/15	(H)	RES AT 1:00 PM BARNES 124
03/30/15	(H)	Moved CSHB 153(RES) Out of Committee
03/30/15	(H)	MINUTE(RES)
03/31/15	(H)	RES RPT CS(RES) 8DP
03/31/15	(H)	DP: HERRON, JOHNSON, SEATON, TARR, JOSEPHSON, OLSON, HAWKER, TALERICO
04/08/15	(H)	TRANSMITTED TO (S)
04/08/15	(H)	VERSION: CSHB 153(RES)
04/09/15	(S)	READ THE FIRST TIME - REFERRALS
04/09/15	(S)	RES
04/13/15	(S)	RES AT 3:30 PM BUTROVICH 205

BILL: SB 57

SHORT TITLE: CLEAN AIR ACT PLAN

SPONSOR(s): SENATOR(s) GIESSEL

02/20/15	(S)	READ THE FIRST TIME - REFERRALS
02/20/15	(S)	NRG, RES
03/17/15	(S)	NRG AT 1:00 PM BUTROVICH 205
03/17/15	(S)	Moved CSSB 57(NRG) Out of Committee
03/17/15	(S)	MINUTE(NRG)
03/18/15	(S)	NRG RPT CS 3DP 1NR NEW TITLE
03/18/15	(S)	DP: MICCICHE, BISHOP, EGAN
03/18/15	(S)	NR: HOFFMAN
03/18/15	(S)	FIN REFERRAL ADDED AFTER RES
03/18/15	(S)	RES AT 3:30 PM BUTROVICH 205
03/18/15	(S)	Heard & Held
03/18/15	(S)	MINUTE(RES)
03/20/15	(S)	RES AT 3:30 PM BUTROVICH 205
03/20/15	(S)	Heard & Held

03/20/15 (S) MINUTE(RES)
03/25/15 (S) FIN AT 2:00 PM SENATE FINANCE 532
03/25/15 (S) <Pending Referral>
03/27/15 (S) RES AT 3:30 PM BUTROVICH 205
03/27/15 (S) Scheduled but Not Heard
04/13/15 (S) RES AT 3:30 PM BUTROVICH 205

BILL: SB 101

SHORT TITLE: STATE PARKS FEES & SALES OF MERCHANDISE

SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

04/08/15 (S) READ THE FIRST TIME - REFERRALS
04/08/15 (S) RES, FIN
04/10/15 (S) RES AT 3:30 PM BUTROVICH 205
04/10/15 (S) Heard & Held
04/10/15 (S) MINUTE(RES)
04/13/15 (S) RES AT 3:30 PM BUTROVICH 205

WITNESS REGISTER

REPRESENTATIVE COLVER

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Sponsor of HB 153.

WYN MENEFEY, Chief of Operations

Division of Mining, Land and Water

Department of Natural Resources (DNR)

Anchorage, Alaska

POSITION STATEMENT: Commented on HB 153.

BRUCE DALEN, Acting Director

Division of Wildlife Conservation

Alaska Department of Fish and Game (ADF&G)

POSITION STATEMENT: Commented on HB 153.

HERMAN GRIESE

Alaskans for Palmer Hay Flats Game Refuge

Palmer, Alaska

POSITION STATEMENT: Supported HB 153.

TOM ROTHE, representing himself,

Eagle River, Alaska

POSITION STATEMENT: Supported HB 153.

VIVIAN STIVER, staff to Senator Giessel

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Explained the proposed changes in the committee substitute (CS) for SB 57 for the sponsor.

BEN ELLIS, Director
Division of Parks and Outdoor Recreation
Department of Natural Resources (DNR)
Anchorage, Alaska

POSITION STATEMENT: Commented on SB 101.

AKIS GIALOPSOS, staff to Senator Giessel
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Commented on the committee substitute to SB 101 for the sponsor.

ACTION NARRATIVE

[3:31:38 PM](#)

CHAIR CATHY GIESSEL called the Senate Resources Standing Committee meeting to order at 3:31 p.m. Present at the call to order were Senators Coghill, Costello, Stoltze, and Chair Giessel.

HB 153-PALMER HAY FLATS GAME REFUGE

[3:32:21 PM](#)

CHAIR GIESSEL announced consideration of HB 153 [CSHB 153(RES), version E, was before the committee].

REPRESENTATIVE COLVER, Alaska State Legislature, Juneau, Alaska, as sponsor, introduced HB 153. He explained that it expands the Palmer Hay Flats State Game Refuge, which was established in 1975, to basically encompass the deltas of the Matanuska and Knik Rivers, Cottonwood Creek and Wasilla Creek, all areas that had dropped two feet in the 1964 Earthquake. A lot of it was uplands before it dropped and became salt water marshes. The estuary is important for water fowl, and shorebirds; it also has a lot of overwintering moose, because the browse is readily available and the snow is not deep. It's a multi-use management area managed by the Alaska Department of Fish and Game (ADF&G) with a management plan. Common activities are bird hunting, water fowl hunting, viewing at Reflection Lake, moose hunting, trapping, bird dog training and sport fishing; the Mchetanz Elementary School is also located in the area and sent about 200 letters in support of the refuge expansion.

[3:33:07 PM](#)

SENATOR MICCICHE joined the committee.

REPRESENTATIVE COLVER said this bill came about because the Board of Game passed a proposal recommending that the legislature add state-owned lands to the refuge. The available lands were traded to the state for the specific purpose of being included in the refuge and have been managed as such. This includes 2,900 acres that were acquired as far back as 1989.

He explained that motorized vehicles are allowed and the management plan has conditions for things like snow machining and designated trails for motorized four-wheelers because of certain wetland areas.

[3:36:00 PM](#)

SENATOR WIELECHOWSKI joined the committee.

SENATOR COSTELLO moved to adopt the work draft SCS CSHB 153(), labeled 29-LS0653\N, as the working document.

CHAIR GIESSEL objected for discussion purposes.

REPRESENTATIVE COLVER said other lands were acquired that were managed by DNR through an Interagency Land Management Assignment Plan (ILMA) and displayed maps of the refuge and the parcels being moved into it. He said the CS on page 3, lines 25 through page 4, line 1, adds a legal description of the ILMA lands that explicitly excludes the Railroad right-of-way from inclusion in the refuge.

SENATOR MICCICHE said he saw letters of support only and asked if there had been any opposition.

REPRESENTATIVE COLVER answered that HB 153 had received no opposition and had reached out to sporting groups like Ducks Unlimited, the Outdoor Council and some conservation groups.

[3:41:37 PM](#)

SENATOR MICCICHE remarked that the letters from the kids were pretty incredible.

SENATOR COGHILL said there was a question on covenants and asked what things were restricted on this particular refuge.

REPRESENTATIVE COLVER said he wasn't that well versed and that the department could better address that.

[3:42:49 PM](#)

WYN MENEFEE, Chief of Operations, Division of Mining, Land and Water, Department of Natural Resources (DNR), Anchorage, Alaska, answered that the ADF&G manages the refuge and the DNR co-manages if there are certain types of easements for power lines and such; those are allowed within the refuge.

[3:43:25 PM](#)

BRUCE DALEN, Acting Director, Division of Wildlife Conservation, Alaska Department of Fish and Game (ADF&G), explained that when property was acquired through Great Land Trust, Nature Conservancy and others, the deeds had restrictions for refuge purposes only. The management plan for the refuge that would apply to these lands include snow machine use before the ground is sufficiently frozen and there is sufficient snow for snow machine use, a seasonal horsepower restriction for boats and a restriction of 4-wheelers to trails.

SENATOR COGHILL said he was concerned that at one end they are closer to the occupied areas and the other end is closer to wilderness and asked if bow hunting was restricted.

MR. DALEN answered that the Palmer Wasilla management area, which encompasses much of this area, is a weapons restricted hunt, so large caliber rifles are not permitted, but that is not specific to the refuge.

CHAIR GIESSEL removed her objection and said the Senate CS, version N, is adopted. She opened public testimony.

[3:45:49 PM](#)

HERMAN GRIESE, Alaskans for Palmer Hay Flats Game Refuge, Palmer, Alaska, supported HB 153. He was a Palmer wildlife biologist while the conservation lands were being accumulated but not being added to the refuge. The refuge had no manager until the later part of the 1990s. They dealt with trash at all the access sites; one was commonly referred to "Rambo Rest Stop." Those sites required a tremendous amount of effort to maintain cleanliness over the years, but in 2004 a group of citizens called the Alaskans for Palmer Hay Flats Game Refuge was formed to take that task on and became a 501 (c)(3) in 2006. Their goal was to improve the access sites for cleanliness and make them amenable to bringing school classes down for education programs.

The Cottonwood Creek and Reflections Lake, Knik River (has boat access) and Rabbit Slew are the primary access points to the refuge. This bill would include those and a very important site on the western side, the Cowboy Creek access. It would be good to have entire tract in the refuge and the sponsor had worked very hard to make sure it meets the requirements of the refuge.

[3:50:31 PM](#)

SENATOR STEDMAN joined the committee.

TOM ROTHE, representing himself, Eagle River, Alaska, supported HB 153. He and his wife often use the Palmer Hay Flats Refuge for hunting water fowl. He is the one who wrote a proposal to the Board of Game (BOG) to amend the refuge boundaries to redefine the legal area to include the new conservation lands that were available to the state. He also worked for ADF&G for 25 years as a water fowl coordinator; part of his duties were to manage wetland habitats useful for ducks and geese, including the managing the State Duck Stamp Program, which provided some funding as seed money to enhance management of places like Palmer Hay Flats.

He emphasized that this is a win-win situation, because the people who own this land ended up owning a lot of wetlands that are unbuildable due to subsidence from the earthquake and various other events that made the whole area wetlands. When ADF&G partnered with other conservation groups and private interests, it was an opportunity for non-governmental folks go to those owners and offer them a fair value for their lands along with some tax incentives. Ultimately, the various partners brought over \$1.5 million, mostly private dollars, to the table. Conservation grants were used along with State Duck Stamp and Sport Fishing Access funds as seed money to get these transaction done. So, there was almost no cost to the state to acquire these 3,000 or so acres. The ultimate winners are the public who gets access where before it would have been trespassing. They get fish and wildlife habitat, like wetlands and shrub lands that are good for moose habitat, and streams that are running with salmon.

[3:54:26 PM](#)

MR. ROTHE said he got into this ultimately, because he felt like including these legally into the refuge really fulfilled promises to all the partners that stepped up with money to provide the public with these benefits.

He said these lands came to the state with covenants on them but generally say these lands should be used for refuge purposes, and they are subject to a really good comprehensive management plan and a set of regulations to make sure the use is diverse but reasonable.

CHAIR GIESSEL thanked him for his efforts and finding no further comments, closed public testimony.

SENATOR STOLTZE said he appreciated Representative Colver's efforts.

[3:56:58 PM](#)

SENATOR COSTELLO moved to report SCS CSHB 153(RES), version N, from committee with individual recommendations and attached zero fiscal note. There were no objections and it was so ordered.

[3:57:39 PM](#)

At ease from 3:57 to 3:59 p.m.

SB 57-CLEAN AIR ACT PLAN

[3:59:13 PM](#)

CHAIR GIESSEL announced consideration of SB 57.

SENATOR COSTELLO moved to adopt the work draft CSSB 57(), labeled 29-LS0523\S, as the working document.

CHAIR GIESSEL objected for discussion purposes.

VIVIAN STIVER, staff to Senator Giessel, Alaska State Legislature, Juneau, Alaska, explained the proposed changes in the committee substitute (CS) for SB 57 for the sponsor. The first change is on page 1, lines 9-12, where it had once required the department to develop a state plan that would not result a list of effects. New language says:

The department may not submit a plan, waiver or exemption to the United States Environmental Protection Agency unless the department includes with the plan, waiver or exemption a description of the effects of the plan, waiver or exemption on that list of criteria.

The second change was made in Section (c) on page 3, line 8, that directed the plan's report to the legislature to now being given to legislators.

[4:01:06 PM](#)

CHAIR GIESSEL removed her objection and finding no further objections, said that Version S [of CSSB 57()] is adopted.

SENATOR COGHILL said the impacts are a big deal and gathering that information by way of public testimony is going to be an important part.

SENATOR STEDMAN said he felt the same sentiment that Senator Coghill just reflected upon.

CHAIR GIESSEL held SB 57 in committee for further discussions over the Interim.

SB 101-STATE PARKS FEES & SALES OF MERCHANDISE

CHAIR GIESSEL announced consideration of SB 101.

SENATOR COSTELLO moved to adopt the work draft CSSB 101 (), labeled 29-GS1040\W, as the working document.

CHAIR GIESSEL objected for discussion purposes.

BEN ELLIS, Director, Division of Parks and Outdoor Recreation, Department of Natural Resources (DNR), Anchorage, Alaska, asked for a copy of the new committee substitute (CS).

[4:03:29 PM](#)

AKIS GIALOPSOS, staff to Senator Giessel, Alaska State Legislature, Juneau, Alaska, explained that the changes in the CS to SB 101 reflect a deletion of sections 2 and 3 of the prior working document. Those sections enabled the DNR to engage in the procurement and sale of merchandise for a cost and a sale price that would be in excess of the department's cost. This bill clarifies the ambiguity that Senator Wielechowski asked for of whether or not it is legal to procure a rental of a public cabin or parking permit through electronic means rather than just within a park unit as is currently in statute.

CHAIR GIESSEL removed her objection and finding no further objections said that version W is adopted.

SENATOR WIELECHOWSKI thanked the director for supplying that language change and asked if the department selling merchandise is being taken out of the bill.

MR. ELLIS answered that was correct.

SENATOR WIELECHOWSKI said he thought the fundamental reason the division asked for the change is because they wanted to sell merchandise.

MR. ELLIS responded that was correct, also. The original purpose of the bill was to raise revenue through another revenue stream outside of fee increases. In that research they noticed a technical amendment was needed to update the statute up to current uses of the internet.

[4:06:10 PM](#)

Concerns have been stated about the government being in the business of business and another model was suggested that was much closer to the Alaska Grown model. The Division of Agriculture does not have the statutory authority to sell Alaska Grown anything, although they have the trademark. It is used judiciously through non-profits. A non-profit has a series of requirements to meet before the Alaska Grown trademark can be applied. The director said they did not receive any revenue from it. So, he asked the chair if he could look at another model than the South Carolina model (that made over \$2.7 million over what the program cost).

CHAIR GIESSEL said it seems like this is something he would like to do as soon as possible and that is why she felt that breaking the bill up would let further research be done.

SENATOR STOLTZE said it's not his intent to throw a wet blanket over the good intentions of this division, but he had real trepidations about the state trying to set up a retail business.

MR. ELLIS said he wanted to bring the very best revenue enhancing sources that he can and he had not looked at other models as closely as this one, and he will be back with a lot more information on other models.

CHAIR GIESSEL removed her objection and finding no further objections said that version W of [CSSB 101 ()] is adopted.

[4:11:28 PM](#)

SENATOR WIELECHOWSKI said he was compelled to thank Mr. Ellis and told him to please come back. He supported the section that was taken out.

[4:12:31 PM](#)

SENATOR MICCICHE said he was also disappointed and applauded him for bringing it forward and hoped it could be worked out.

CHAIR GIESSEL opened public testimony and finding none, closed it.

SENATOR COSTELLO moved to report CSSB 101(RES), version W, from committee with individual recommendations and attached fiscal note(s). There were no objections and it was so ordered.

[4:15:24 PM](#)

CHAIR GIESSEL adjourned the Senate Resources Committee meeting at 4:15 p.m.