

ALASKA STATE LEGISLATURE
SENATE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE

March 21, 2017

3:31 p.m.

MEMBERS PRESENT

Senator Click Bishop, Chair
Senator Anna MacKinnon
Senator Lyman Hoffman
Senator Bert Stedman
Senator Berta Gardner

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE BILL NO. 77

"An Act relating to service areas in second class boroughs; and providing for an effective date."

- MOVED SB 77 OUT OF COMMITTEE

SENATE BILL NO. 18

"An Act relating to third class boroughs."

- HEARD & HELD

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 7(CRA)

"An Act relating to the exhibition of marked ballots and the prohibition on political persuasion near election polls."

- HEARD & HELD

HOUSE BILL NO. 8

"An Act relating to protective orders."

- SCHEDULED BUT NOT HEARD

PREVIOUS COMMITTEE ACTION

BILL: SB 77

SHORT TITLE: SECOND CLASS BOROUGH SERVICE AREAS

SPONSOR(s): SENATOR(s) MICCICHE

03/03/17 (S) READ THE FIRST TIME - REFERRALS
03/03/17 (S) CRA, STA
03/16/17 (S) CRA AT 3:30 PM BELTZ 105 (TSBldg)
03/16/17 (S) Heard & Held
03/16/17 (S) MINUTE(CRA)
03/21/17 (S) CRA AT 3:30 PM BELTZ 105 (TSBldg)

BILL: SB 18

SHORT TITLE: NEW CLASS OF BOROUGH

SPONSOR(s): SENATOR(s) HOFFMAN

01/13/17 (S) PREFILE RELEASED 1/13/17
01/18/17 (S) READ THE FIRST TIME - REFERRALS
01/18/17 (S) CRA, STA
03/21/17 (S) CRA AT 3:30 PM BELTZ 105 (TSBldg)

BILL: HB 7

SHORT TITLE: MARKED BALLOT PHOTOS; PERSUASION AT POLLS

SPONSOR(s): REPRESENTATIVE(s) KREISS-TOMKINS

01/18/17 (H) PREFILE RELEASED 1/9/17
01/18/17 (H) READ THE FIRST TIME - REFERRALS
01/18/17 (H) STA, CRA
01/31/17 (H) STA AT 3:00 PM GRUENBERG 120
01/31/17 (H) Heard & Held
01/31/17 (H) MINUTE(STA)
02/02/17 (H) STA AT 3:00 PM GRUENBERG 120
02/02/17 (H) Moved CSHB 7(STA) Out of Committee
02/02/17 (H) MINUTE(STA)
02/06/17 (H) STA RPT CS(STA) NT 7DP
02/06/17 (H) DP: JOHNSON, WOOL, LEDOUX, KNOPP,
BIRCH, TUCK, KREISS-TOMKINS
02/18/17 (H) CRA AT 10:00 AM BARNES 124
02/18/17 (H) Moved CSHB 7(CRA) Out of Committee
02/18/17 (H) MINUTE(CRA)
02/22/17 (H) CRA RPT CS(CRA) NT 3DP 2NR
02/22/17 (H) DP: WESTLAKE, DRUMMOND, PARISH
02/22/17 (H) NR: TALERICO, FANSLER
03/01/17 (H) TRANSMITTED TO (S)
03/01/17 (H) VERSION: CSHB 7(CRA)
03/03/17 (S) READ THE FIRST TIME - REFERRALS
03/03/17 (S) CRA, STA
03/21/17 (S) CRA AT 3:30 PM BELTZ 105 (TSBldg)

WITNESS REGISTER

RACHEL HANKE, staff
Senator Peter Micciche
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Introduced SB 77 for the sponsor.

ROY BROWNING
Central Emergency Services
Soldotna, Alaska

POSITION STATEMENT: Supported SB 77.

JAMES BAISDEN, Fire Chief
Nikiski Fire Department
Nikiski, Alaska

POSITION STATEMENT: Supported SB 77.

MARIDON BOARIO, staff
Senator Lyman Hoffman
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Introduced SB 18 for the sponsor.

LORRAINE EGNATY, representing herself
Wasilla, Alaska

POSITION STATEMENT: Opposed SB 18.

JOANN BLACKBURN, representing herself
Anchorage, Alaska

POSITION STATEMENT: Opposed SB 18.

LAMAR COTTEN, consultant
Kuskokwim Corporation
Juneau, Alaska

POSITION STATEMENT: Had problems with SB 18.

MAVER CAREY, President and CEO
Kuskokwim Corporation
Anchorage, Alaska

POSITION STATEMENT: Respectfully opposed SB 18.

KEJA WHITEMAN, Kuskokwim Corporation
Anchorage, Alaska

POSITION STATEMENT: Opposed SB 18.

ANDREA GUSTY, Vice President
Corporate Affairs

Kuskokwim Corporation
Anchorage, Alaska
POSITION STATEMENT: Opposed SB 18.

ALICIA NORTON, Intern
Representative Jonathan Kreiss-Tomkins
Alaska State Legislature
Juneau, Alaska
POSITION STATEMENT: Explained HB 7 for the sponsor.

REID MAGDANZ, staff
Representative Jonathan Kreiss-Tomkins
Alaska State Legislature
Juneau, Alaska
POSITION STATEMENT: Available to comment on HB 7.

ACTION NARRATIVE

[3:31:36 PM](#)

CHAIR CLICK BISHOP called the Senate Community and Regional Affairs Standing Committee meeting to order at 3:31 p.m. Present at the call to order were Senators Stedman, Hoffman, MacKinnon, Gardner, and Chair Bishop.

SB 77-SECOND CLASS BOROUGH SERVICE AREAS

[3:32:17 PM](#)

CHAIR BISHOP announced consideration of SB 77. He noted that Senator Micciche was the sponsor, and public testimony had been opened and closed.

[3:33:05 PM](#)

RACHEL HANKE, staff, Senator Peter Micciche, Alaska State Legislature, Juneau, Alaska, briefly reviewed that SB 77 would expand the authority of second class boroughs to exercise the local option of creating a non-taxable service area to provide emergency services along highway corridors. Since there are no voters residing in the service area boundaries, the borough will be able to use a portion of its federal payment in lieu of taxes (PILT) allocation to cover the costs. Then every highway corridor traveler will receive these vital emergency response benefits with no additional cost to the state.

CHAIR BISHOP opened public testimony on SB 77.

[3:34:01 PM](#)

ROY BROWNING, Central Emergency Services, Soldotna, Alaska, supported SB 77. His service area covers 61 miles of the Sterling Highway and provides mutual aid to some of the communities that this bill would create a possible service area for. They currently provide mutual aid to the communities of Cooper Landing, Moose Pass, and Bear Creek when needed. However, there are times when Cooper Landing and Moose Pass don't have the structure or the ability to provide ambulance service, and his community's ambulance ends up going 20 to 30 miles outside of their service area to respond to their emergencies putting the burden back on the Soldotna service area. When the service area is established, then the local communities in the affected areas can establish what parameters and training are needed to help them provide primary response in their areas.

[3:36:03 PM](#)

JAMES BAISDEN, Fire Chief, Nikiski Fire Department, Nikiski, Alaska, said he supports SB 77 for all the reasons Chief Browning spoke about.

[3:37:01 PM](#)

CHAIR BISHOP, seeing no further questions or comments, closed public testimony on SB 77.

[3:37:15 PM](#)

At ease

[3:38:57 PM](#)

SENATOR MACKINNON moved to report SB 77, labeled 30-LS0657\A, from committee with individual recommendations and attached fiscal note.

CHAIR BISHOP announced that without objection, SB 77 moved from the Senate Community and Regional Affairs Standing Committee.

SB 18-NEW CLASS OF BOROUGH

[3:39:24 PM](#)

CHAIR BISHOP announced consideration of SB 18.

[3:39:35 PM](#)

SENATOR LYMAN HOFFMAN, sponsor of SB 18, said everyone in Alaska is aware that energy costs continue to be a challenge. He said he has worked extensively on weatherization and alternative energy legislation and many other programs to try to address the high cost of living in the State of Alaska, particularly rural and northern Alaska. These programs have been quite successful

and have saved millions of dollars for thousands of Alaskans. This particular piece of legislation is an option for areas to consider in addressing the high costs of energy in their area. It is in no way trying to deter anyone from considering other forms of government.

[3:42:14 PM](#)

MARIDON BOARIO, staff to Senator Hoffman, Alaska State Legislature, Juneau, Alaska, explained that SB 18 would allow communities the option of creating a new class of borough, called an energy borough. It would have limited powers to tax a non-renewable resource within its boundaries, and use that tax revenue to fund energy projects that would directly contribute to lowering the cost of energy within the borough. It would be allowed to levy a property tax and impose liens to enforce it on property used to explore for, develop, or produce non-renewable resources. It would be allowed to enter into PILT with the taxpayer, have limited bonding capacity to fund energy infrastructure projects in the borough, and only borrow money for energy projects. SB 18 does not mandate borough formation; it just adds another form of borough option in state statute.

SENATOR HOFFMAN asked her to go over what the taxing ability would be limited to, because it is an integral part of this legislation that is of great concern to many people.

[3:44:13 PM](#)

MS. BOARIO responded that this energy borough would only be able to levy property taxes on a non-renewable resource within its boundaries. It would not be allowed to levy a property tax on individuals, recreational, or any other personal property.

SENATOR STEDMAN asked which version she was working from.

MS. BOARIO said she was using version \U, although it hadn't been adopted yet.

SENATOR MACKINNON moved to adopt CSSB 18(), version 30-LS0252\U.

[3:45:26 PM](#)

CHAIR BISHOP said the committee would work off of this version for the time being. He asked Ms. Boario to provide a sectional analysis.

MS. BOARIO responded that sections 1 - 6 deal with Title 14, the education statutes, and that is because SB 18 is not proposing

to change anything currently in the unorganized boroughs. The first sections have to be put in so they can be taken out to show that nothing changes in the education funding statutes.

Section 8 adds energy borough to the list of borough classifications in Title 29, the borough statutes. Section 9 authorizes incorporation and adds the requirements.

Section 10 refers back to the education requirement that this legislation is exempting.

Section 11 lists the powers that she mentioned, which are the ability to impose a property tax on tangible personal properties, to explore for, develop, or produce non-renewable resources, to issue bonds to finance energy infrastructure projects, and the power to create an assembly that would oversee the borough government.

CHAIR BISHOP found no objections and said the CSSB 18 (), version 30-LS0252\U, was adopted.

[3:48:08 PM](#)

SENATOR STEDMAN said normally a borough has property taxes excluding exempt property or deed restricted property and such. So, why would you want to exempt all of the property other than just the mine?

MS. BOARIO answered the idea is not to impose another layer of government on areas that maybe don't have it already or have an individual city, or their own taxes. It specifically taxes an energy infrastructure.

SENATOR STEDMAN said asked how the tax revenue coming from the mine would build electrical generation plants within the borough boundaries and if that energy would be dispensed just within the borough and benefit nobody outside of it.

MS. BOARIO answered yes, the money from the tax on the resource would be used to create an infrastructure that would then help lower the costs of energy. If the infrastructure went outside of the borough, that would be another question, but she thought transmission lines going into another borough would follow current procedures.

[3:50:07 PM](#)

SENATOR MACKINNON asked how the borough comes together as an energy borough to establish its boundaries if it is not a

borough currently and multiple people are claiming subsurface rights, as with mining.

MS. BOARIO answered the process is currently described in statute. An area would have to decide it wants to use this energy type of borough; it would have to vote on it and go through the prescribed process.

SENATOR MACKINNON asked if the process would include coming back before the legislature to establish the energy borough.

MS. BOARIO answered there are two types of processes - one is a petition process and the other is initiated by the legislature - and both have to come before the legislature for review.

SENATOR GARDNER asked if the sponsor intends to create a specific borough someplace.

MS. BOARIO answered no.

SENATOR GARDNER asked if this bill passes, then nothing happens unless the people who are on the ground in a particular area say they want to do it.

MS. BOARIO said that was correct.

SENATOR GARDNER said some people came into her office for something unrelated but started talking about SB 18, and they had a lot of concerns and questions. She told them she would be happy to ask the questions, but it's a new issue to her. She didn't think this bill affected them, because it just creates the possibility of somebody someday forming an energy borough.

MS. BOARIO said that is correct. Also, other borough petitions are in the early processes of forming and nothing in this bill precludes that process. This is just another option.

[3:54:06 PM](#)

SENATOR STEDMAN said a couple of areas are challenging in rural Alaska: one is energy and the other is education. So, on the energy side, how does power cost equalization (PCE) interact with this idea and why would the sponsor want to exclude tax dollars available from the mine being spent on education?

[3:54:44 PM](#)

MS. BOARIO answered if the cost of energy came down significantly, fewer PCE dollars would be needed, which would

save the state money. And since education dollars come from the state, if energy costs were lowered significantly, the state would have more money to appropriate to education.

SENATOR HOFFMAN said that was correct and the state uses a formula based primarily on an average of three areas as a threshold for qualifying to participate in PCE. If they fall below that threshold, they are not eligible for PCE. His intention somewhere down the road is that maybe all areas of the state will have affordable energy and PCE would not be needed.

He said that people in rural Alaska continue to spend the highest percentage of disposable income on energy costs. Many are spending north of 40 percent of their disposable income on energy and he believes every opportunity should be looked at to lower the cost of energy to make all areas of Alaska more affordable to live in.

[3:57:26 PM](#)

CHAIR BISHOP opened public testimony on SB 18.

[3:57:36 PM](#)

LORRAINE EGNATY, representing herself, Wasilla, Alaska, opposed SB 18. She was from Sleetmute, but had lived in Wasilla for six years and her children go to school there. She didn't know if this is about the Donlin mine, but she does know that people in the villages are struggling, because there are no jobs out there. Schools are shutting down. She is being told this energy bill would help with heating, but she wasn't sure how the people would benefit from it because they don't have an income. However, if the mine comes in, everyone will have jobs for 15 years or so.

SENATOR HOFFMAN asked if she knew the price of gas for snow machines and heating in Sleetmute.

MS. EGNATY answered it's almost \$350/barrel and going up every year. Gasoline is \$7/gallon.

SENATOR HOFFMAN asked when she is living in Sleetmute how much of her disposable income she spent on heating fuel, gasoline, and electricity.

MS. EGNATY answered they use gas for snow machines.

SENATOR HOFFMAN said the intent of this legislation is to address the same concerns she is talking about. It is very

difficult for people to live in rural Alaska, but she lives in urban Alaska now and is enjoying much lower energy costs than when she lived in Sleetmute. This legislation does not say Sleetmute will become part of the energy borough; that is something the people of Sleetmute would vote on if they wanted it. The intent of this legislation is to address the hardships they face today.

[4:03:32 PM](#)

MS. EGNATY said she was still concerned about how it would affect peoples' lives.

SENATOR HOFFMAN said this measure just puts another tool in the tool box, and the people of Sleetmute will decide for themselves if they want to use it. It will be their decision.

JOANN BLACKBURN, representing herself, Anchorage, Alaska, opposed SB 18. She said she wanted to know more about this bill, but she believes when the state says it's trimming costs what they really mean is they are enlarging the cost exponentially for a private land owner, no matter where he or she may be. She asked if this bill was written by international bankers, and if not, why the people who are affected never get to know about it until later.

CHAIR BISHOP said international bankers did not write the bill.

MS. BLACKBURN said the private property owners could be very negatively impacted by receiving a large bill for taxes.

[4:05:38 PM](#)

CHAIR BISHOP said he appreciated her testimony, but it's obvious that there are some misconceptions about what was originally introduced and the current version of the bill, so he would keep public testimony open.

SENATOR HOFFMAN said the answer to Ms. Blackburn's question about international bankers is "no."

[4:06:23 PM](#)

LAMAR COTTEN, consultant, Kuskokwim Corporation, Juneau, Alaska, said they had problems with SB 18. He related his background experience as a borough manager in a number of boroughs around Alaska, and said he truly appreciates the sponsor's concern about energy. There is no question about the cost of energy, and heating energy particularly, but the idea of taxing one industry

alone is unconstitutional. No city or borough in the state allows that for recreation, fishing, lodges, or anything else.

In addition, the bill is silent as to who will own the assets for the money spent and debt issued on a project. He realizes there have been instances when a municipality may issue debt or do conduit financing or industrial bonds, but even that is tricky. When you add taxing only one industry to that, he just thought that made the future of this bill uncertain.

If an area is going to have a large mine, it will require a response to three things: the impacts related to increased services and education costs. There are multiple school districts within a third class borough, and the state continues to be the sole source of income. If you have pressure internally and the legislature cuts more or there is less money to spend, they have no way to raise money to address those issues. They have no way to address the needs for infrastructure unless they go to the state, and that is counter intuitive when you have a large project.

The other power that is disallowed is planning, but planning is needed. It is not about zoning or taking away property, but it is a tool that every borough, every first class or home rule city, and in some instances second class cities in the state have. So, why would they deny planning powers to an area that has a large infrastructure project on the way? No disrespect to the sponsor, Mr. Cotten said, but that approach opens the door cherry picking what services to provide and what type of taxes a taxpayer has to pay. That sets a bad precedent, not only in the sense of mining, but why would the standard be different for other areas?

[4:11:49 PM](#)

He realizes for instance, the Chulista area is not over-abundantly wealthy on a per capita basis, and it would be hard for them to come up with 2.65 mils without a larger project. The law is set up for one school district, but right now there are five school districts. That may be a difficult change for some people.

MR. COTTEN urged them to consider expanding Port Authority language in Title 29.35 as a better mechanism to help finance energy projects.

He added that a borough is organized primarily through two options: the local option, which means voting, and the other is

legislative review in which the commission authorizes a petition, but he couldn't recall that option ever being used.

[4:14:24 PM](#)

SENATOR HOFFMAN responded as the prime sponsor, that this legislation does not target mining, but any resource that is non-renewable: oil or gas, for instance. Another issue is that the area is vast, and trying to set up another layer of government is daunting there. That is why this legislation doesn't propose doing that.

SENATOR HOFFMAN said in many respects other services are provided by the federal entities: health services by the Health Corporation and a federal housing authority; and the Association of Village Counsel Presidents (AVCP) provides numerous programs. This is a proposal for the people to consider while leaving those systems alone and not figure out how they would interface, not try to dismantle them, not try to do anything regarding those other services - just living the life they have without forming another layer of government, because many of those communities have three different forms of government already. He is willing to listen to all other ideas from profit corporations and non-profit corporations on how to lower energy costs.

[4:18:13 PM](#)

MAVER CAREY, President and CEO, Kuskokwim Corporation, Anchorage, Alaska, respectfully opposed SB 18. She has a lot of respect for Senator Hoffman and thanked him for all that he had done for their region. She agreed that the cost of energy in their region is a huge issue and wished she had a solution, but she respectfully disagreed with having this option in this area. She was concerned that it would form another layer of government, which is what forming a new borough would do, and looking down the road that looks like annexation to her.

She said the State of Alaska currently has 19 organized boroughs that have to perform three mandatory functions. The first one is to provide additional education dollars to the school district. Right now the school districts in the boroughs receive additional money, but the state still provides funding assistance. The borough's main function is to provide additional education resources to one school district, but her region has 10 villages - Upper and Lower Kalskag, Aniak, up to Stoney River - that shares the same exact boundaries as the Kuspuk School District, which consists of 10 villages.

The second mandatory function a borough must do is raise revenue. In her area, that tax base would be the Donlin Mine, because there are no other jobs in the region.

The third thing a borough must do is provide planning services for the villages. Her main concern with this measure is that it is doing one part of planning and not providing for the others, all while not providing any additional revenue sources to the school district, and there are five or seven school districts within the Chulista region.

MS. CAREY said they hired Lamar Cotten two and a half years ago and went out to the 10 villages two or three times, and started educating themselves on what a borough is. At first, the villages were adamant about not wanting another form of government. Their response was if we don't do it, someone else will do it for us and then we will have no say.

So today she brought copies of a model borough boundary report that was done by the Department of Community and Regional Affairs (DCRA) in the 1980s. It was put together, because larger boroughs were trying to annex smaller boroughs. The report has hundreds of testimonials and was put together so that the local boundary commission could have some sort of study to use in the future for the different types of model boroughs in the region. Three borough were recommended in the Chulista region: the Kuspuk Borough, Lower Kuskokwim Borough, and the Lower Yukon Borough.

[4:22:44 PM](#)

MS. CAREY said a steering committee was formed with Mr. Cotten's help and they actually wrote a draft charter for the Kuspuk Borough. It was put on the shelf, because Donlin is in its permitting stages and won't make a go/no go decision until the year 2020, and Kuspuk was adamant that they didn't want to form a borough unless it had that tax base.

They kept borough staff small for planning and funneled federal dollars through the tribes and cities so that local people could be hired. They would provide employment and know what projects are needed in their region. In addition, they talked about increasing cultural and recreational activities to the Kuspuk School District, because funding had been cut heavily.

SENATOR HOFFMAN asked population of those 10 villages.

MS. CAREY answered about 1,500.

[4:24:45 PM](#)

KEJA WHITEMAN, Kuskokwim Corporation, Anchorage, Alaska, opposed SB 18. She said she had about 20 years of public policy experience with tribes and local governments, and while this region is new, the idea of public infrastructure and policy is not new.

Earlier, Senator Stedman referenced that the big issues in Alaska are education and energy and she would provide a quick synopsis today. Recognizing the noble intent of SB 18, she thought it would have huge impacts on education instead of lowering energy costs. It may not change the law, but it certainly changes the precedent. Right now local education contributions from boroughs excluding first class cities exceed \$450 million per year, and this provides an opportunity for boroughs to opt out. She couldn't envision the worst case scenario happening, but what if Anchorage decides to reclassify and become an energy borough? The state would be on the hook for an additional \$200 million a year.

This measure cripples the local communities that want to become self-sustainable and who want to give local contributions. It doesn't require consolidation, but allows energy boroughs to have multiple districts, or REAAs. So, potentially the six Chulista districts could be expanded into one unmanageable unrealistic school district, probably not a good thing for those schools. On the opposite end of the spectrum it allows multiple districts within one borough, changing the precedent. She understands that change is not being required, but education dollars and multiple districts within a borough issues are being opened up.

MS. WHITEMAN said one of the underlying issues is that people keep hearing about the potential to build a pipeline, and that it's possible to take the gasline from Donlin Mine down to Bethel and lower the cost of energy. It sounds good, but she spent the last couple of months working with regional energy plans, the Alaska Energy Authority, and local energy experts, and the reality is that the numbers just don't make that feasible. Another report commissioned by the state through the Alaska Energy Authority in 2016 concluded the same thing. It listed several places in rural Alaska that LNG and natural gas do not work, and it specifically mentioned Bethel. In addition, this pipeline would incur environmental issues, topographical issues, subsistence concerns, and a \$400 million price tag. It would serve less than 10,000 people.

Running the numbers and working with energy experts again, they evaluated usage, efficiency, amortization, construction costs (not including offtakes or processing for gas), and the reality is that even if the natural gas were free when it went into the pipeline, it would not be cheaper than running diesel right now.

4:28:40 PM

SENATOR HOFFMAN commented that this legislation was not introduced to decide what form of energy would be utilized, and a board that would decide what the options are. This plan was not put together in consultation with Nuvista. It's something to put on the books to try to address the high costs of energy and it in no way or measure was contemplated to consider any specific project that has been discussed.

4:30:09 PM

ANDREA GUSTY, Vice President, Corporate Affairs, The Kuskokwim Corporation (TKC), Anchorage, Alaska, opposed SB 18. She is originally from Aniak on the middle Kuskokwim River within TKC and Chulista regions. SB 18 is a statewide bill with statewide implications, but from a Chulista standpoint it is about the Donlin gold mine.

Essentially, they feel that SB 18 would tie TKC's hands. Its population is 1,400-1,500 people on a good day when everybody is in town, and when it comes to a vote for creating a new type of government it loses to the Kuskokwim metropolitan area of Bethel every time. This is one of the reasons they are so concerned. If Donlin does decide to move into construction and operations, it would arguable have the biggest impacts on their region in terms of infrastructure needs and providing services for additional people that the mine would bring in. However, the only thing that would matter would be energy infrastructure and projects.

MS. WHITEMAN said the Chulista area is 56 villages large and the model borough boundaries that the state looked at suggests it would perhaps be best served by three distinct boroughs. Combining them into a single energy borough would simply be unmanageable and the local voices would be lost. The bigger a government gets the less the individual voices matter. They want to make sure that the middle Kuskokwim area that would be most impacted by a major infrastructure project on the horizon would not be able to address some of those needs and would be solely reliant on dwindling state and federal money coming in.

SENATOR STEDMAN commented that Alaska is vast and Senator Hoffman's district, the size of the State of Washington, has 90 communities, but he wondered if the timber industry in Southeast qualify for this. Could Prince of Wales Island enact an energy borough and tax whatever the developer is - a saw mill or mine - and then not help with school financing and other issues that cities and boroughs normally face? The island also has a mix of restricted deed and trust property, but there is a lot of other property, and he was struggling with how broad the concept actually is.

SENATOR HOFFMAN said that timber is renewable, because you cut it down and it grows back, but if you take gold out, it doesn't grow back. If you take oil out, it may come back in billions of years. And comparing Chulista Region to the State of Washington is true, but that is only a portion of his Senate district, which goes way beyond that, halfway to Japan with the Aleutian Islands. He understands the concern about the concept of broadening this to a larger area, but the fact is that it doesn't expand government for all of those areas. It compresses it to one issue: the issue is if nothing else happens with energy in this region nothing is going to change. There will never in the next 30 to 50 years be a vote to form a borough in the lower part of this district. This is an opportunity to have the option of forming a borough to help the people of all of the region address the energy costs, and they should not be afraid of it.

Further, Senator Hoffman added that this resource is owned by the 15,000 people Chulista people who came to him and asked how they can best utilize this resource to benefit all the people of the region. This measure doesn't mandate anything, and it doesn't tie the hands of people. It frees up an opportunity that can be considered to address one of the largest concerns of all of the people of that region.

4:40:26 PM

In the past when costs soared high, people from Marshall had to decide whether or not to feed their children or heat their homes. Maybe that is not the case today, Senator Hoffman said, but there is still a high burden placed upon how individuals with limited incomes spend their small portion of disposable income.

CHAIR BISHOP closed public testimony and held SB 18 in committee for a future hearing.

HB 7-MARKED BALLOT PHOTOS; PERSUASION AT POLLS

[4:41:11 PM](#)

CHAIR BISHOP announced consideration of HB 7, sponsored by Representative Jonathan Kreiss-Tomkins.

[4:42:04 PM](#)

ALICIA NORTON, Intern for Representative Jonathan Kreiss-Tomkins, Alaska State Legislature, Juneau, Alaska, introduced herself.

REID MAGDANZ, staff to Representative Kreiss-Tomkins, Alaska State Legislature, Juneau, Alaska, introduced himself and said he was here to backup Alicia on the introduction of HB 7.

MS. NORTON said currently it's illegal to take a photo or a photo with yourself with your marked ballot. These are commonly known as "ballot selfies." HB 7 just aims to legalize the ability to take and share a photo of your marked ballot. Section 1 was adopted in the House Community and Regional Affairs Committee, after members raised concerns were raised about sharing a ballot photo in the polling place or within 200 feet of the polling place. Taking a photo of your marked ballot with a phone and then physically displaying the photo to someone within that line is illegal and section 1 confirms that.

She explained that historically, ballot photo sharing has been prohibited to prevent voter intimidation, but as times have changed - with social media and the internet - sharing photos is just a way to communicate or share what you like or enjoy. Taking a photo of your marked ballot or with your marked ballot is just another way to communicate support for a candidate or a cause, or simply asking others to vote.

MS. NORTON said this law is not heavily enforced in Alaska and there haven't been any court cases. Courts in Indiana and New Hampshire have ruled that banning ballot selfie use violates the first amendment. She said HB 7 would also provide the Division of Elections some relief as they receive many phone calls every election asking if ballot selfies are legal, and HB 7 would give them the ability to actually say "yes."

She related that a House member proposed a floor amendment that tightened the language on prohibiting someone from forcing someone else to show a photo of their marked ballot, and it was voted down. The sponsor was indifferent to it, because it just

closed some loopholes, but they are more than happy to have it explored further in the Senate.

SENATOR MACKINNON asked where the bill allows a selfie.

4:46:28 PM

MS. NORTON said it was referenced in Section 3 (b)(2).

4:46:56 PM

At ease

4:47:26 PM

CHAIR BISHOP called the meeting back to order. He found no questions or public testimony. He closed public testimony on HB 7 and held the bill for further consideration.

4:48:12 PM

CHAIR BISHOP finding no further business to come before the committee, adjourned the Senate Community and Regional Affairs Committee meeting at 4:48 p.m.