

SENATE FINANCE COMMITTEE

March 20, 2018

9:02 a.m.

9:02:10 AM

CALL TO ORDER

Co-Chair MacKinnon called the Senate Finance Committee meeting to order at 9:02 a.m.

MEMBERS PRESENT

Senator Lyman Hoffman, Co-Chair
Senator Anna MacKinnon, Co-Chair
Senator Click Bishop, Vice-Chair
Senator Peter Micciche
Senator Gary Stevens
Senator Natasha von Imhof

MEMBERS ABSENT

Senator Donny Olson

ALSO PRESENT

Juli Lucky, Staff, Senator Anna MacKinnon; Senator Kevin Meyer, Sponsor; Senator Mike Shower, Sponsor; Jake Almeida, Staff, Senator Mike Shower; Representative George Rauscher, Chairman, Jonesville Action Committee; Lynne Woods, Self, Juneau; Nancy Meade, General Counsel, Alaska Court System; Mercedes Colbert, Staff, Representative Scott Kawasaki; Monica Windom, Director, Division of Public Assistance, Department of Health and Social Services; Bill Williams, Service Coordinator, Southeast Senior Services; Jayne Andreen, Volunteer, AARP, Douglas.

PRESENT VIA TELECONFERENCE

Jim Sykes, Assembly Member, Matsu Borough Assembly; Patti Barber, Self, MatSu; Kenny Barber, Self, MatSu; Marty Parsons, Deputy Director, Division of Mining, Land, and Water, Department of Natural Resources; Hans Brinke, Director, Alaska State Troopers, Anchorage; Bruce Dale, Director, Division of Wildlife Conservation, Department of Fish and Game, Palmer; Eric Philips, Manager, Land and Resources, MatSu Borough, Wasilla; Hugh Leslie, Manager,

Parks and Recreation, MatSu borough, Wasilla; Deb Etheridge, Deputy Director, Division of Senior and Disability Services, Department of Health and Social Services, Anchorage; Ken Helander, Advocacy Director, AARP, Anchorage; David Blacketer, Chair, Alaska Commission on Aging, Kodiak; Gordon Glaser, Member, Alaska Commission on Aging, Anchorage; Mike Coons, President, Alaska Chapter of Association of Mature American Citizens, Palmer; George Pierce, Self, Kasilof.

SUMMARY

SB 65 JONESVILLE PUBLIC USE AREA

SB 65 was HEARD and HELD in committee for further consideration.

SB 155 REAL ESTATE APPRAISAL MNGMT. COMPANIES

CSSB 155 (FIN) was REPORTED out of committee with a "do pass" recommendation and with one new fiscal impact note from the Department of Commerce, Community and Economic Development.

CSHB 236 (FIN)

EXTEND: SENIOR BENEFITS PAYMENT PROGRAM

CSHB 235 (FIN) was HEARD and HELD in committee for further consideration.

#sb155

SENATE BILL NO. 155

"An Act relating to the registration and regulation of real estate appraisal management companies; relating to the establishment of fees by the Department of Commerce, Community, and Economic Development; relating to the Board of Certified Real Estate Appraisers; and relating to real estate appraisers."

9:03:10 AM

Vice-Chair Bishop MOVED to ADOPT the proposed committee substitute for SB 155, Work Draft 30-LS1295\0 (Radford, 3/15/18).

Co-Chair MacKinnon OBJECTED for discussion.

[9:03:37 AM](#)

JULI LUCKY, STAFF, SENATOR ANNA MACKINNON, discussed, "Explanation of Changes CS for SB 155 (FIN) version: 30-LS1295\0" (copy on file):

- Reorganizes and rewords section 4 for clarity (page 3, lines 24-29).
- Removes the requirement that a controlling person be certified as a real estate appraiser in Alaska; the new CS requires the controlling person to be certified in "a state" on page 5, line 25.

Co-Chair MacKinnon wondered whether there were more changes.

Ms. Lucky discussed the final change in the bill:

Adds effective date sections starting on page 10, line 14, to ensure that the bill is effective on the date required by the federal government and, if possible, give the department time to process applications prior to requiring registration.

Specifically, the bill will take effect on August 10, 2018 unless the department notifies the revisor of statutes that an extension was granted, in which case the department would be able to start taking applications on January 1, 2019 and the AMCs would have to be registered by March 1, 2019.

[9:07:32 AM](#)

SENATOR KEVIN MEYER, SPONSOR, supported the changes in the committee substitute.

Co-Chair MacKinnon WITHDREW the objection. There being NO OBJECTION, it was so ordered.

Ms. Lucky discussed the new fiscal note from Department of Commerce, Community and Economic Development (DCCED).

Senator Micciche surmised that one-third of a position would be partnered with several other licensing responsibilities, and used only receipt services in the

fiscal note. Ms. Lucky deferred to the department, but confirmed that it was all receipt-supported services. She stated that one-third or one-half was accurate.

[9:09:29 AM](#)

AT EASE

[9:10:02 AM](#)

RECONVENED

[9:10:09 AM](#)

Co-Chair MacKinnon remarked that the public testimony had occurred in a previous meeting.

Senator Meyer felt that there had been a thorough discussion of the bill. He remarked that other states had passed similar legislation. He noted that the committee substitute allowed for some flexibility.

Vice-Chair Bishop MOVED to REPORT CSSB 155(FIN) out of committee with individual recommendations and accompanying fiscal note. There being NO OBJECTION, it was so ordered.

CSSB 155 (FIN) was REPORTED out of committee with a "do pass" recommendation and with one new fiscal impact note from the Department of Commerce, Community and Economic Development.

[9:12:01 AM](#)

AT EASE

[9:14:12 AM](#)

RECONVENED

#sb65

SENATE BILL NO. 65

"An Act establishing the Jonesville Public Use Area."

[9:14:46 AM](#)

SENATOR MIKE SHOWER, SPONSOR, introduced the legislation:

The community of Sutton is home to the incredible "coal hills" which provides Alaskans with a variety of outdoor recreational opportunities. Due to the lack

of defined activities zones, the area has become dangerous for both users and residents. Unfortunately, the Sutton/Jonesville area is commonly referred to as the Wild West.

The recreational area has become a serious public safety issue due to a multitude of issues from litter, to drugs, to abandoned burned and shot-up vehicles, to the unsafe discharge of firearms across hiking trails and homes, and the fatal shooting of a photographer. Recognizing that it is difficult for the Mat-Su Borough's 36 officers to adequately patrol the equivalent of West Virginia, a public use area is needed to help improve public safety at this beautiful recreational site.

SB 65 would establish the Jonesville Public Use Area to protect, maintain, enhance, and perpetuate the current use of the area for:

- year-round general public recreation,
- protecting and maintaining habitats for fish and wildlife,
- use of off-road vehicles,
- access for miners and owners of private property, and
- other activities as designated by the commissioner of DNR.

The Jonesville Public Use Area would increase public safety while preserving the recreational site for use by all Alaskans.

[9:17:36 AM](#)

JAKE ALMEIDA, STAFF, SENATOR MIKE SHOWER, discussed the Sectional Analysis (copy on file):

Section 1 -

- Sec. 41.23.280 - establishes the purpose of the public use area
- Sec. 41.23.282 -
 - o Provides for management of the surface and subsurface estate to be managed by DNR and

the fish and wildlife to be managed by Fish and Game.

o Clarifies that the public use area is not part of the state park system

- Sec. 41.23.284 - provides for the type of uses that may and may not be prohibited
- Sec. 41.23.286 - defines the boundaries of the public use area
- Sec. 41.23.288 - describes who has enforcement authority for violations committed
- Sec. 41.23.289 - states that the penalty is a violation as defined in AS 11.81.900 and requires the Supreme Court to create a bail schedule for those violations

Section 2 -

- Uncodified law - directs the Supreme Court to create a bail schedule within 90 days after the management plan is adopted

[9:19:58 AM](#)

Co-Chair Hoffman wondered whether there were roads in the area, and who were responsible for maintaining those roads. Senator Shower replied there were a few roads, but there were mostly unmaintained trails. He stated that the one road was the Jonesville Road that exited from the Glenn Highway, and was maintained by the state. That road stopped approximately 200 yards past the neighborhood, and became the unmaintained trails.

Co-Chair Hoffman asked whether the trails were used by recreational vehicles (RVs). Senator Shower replied in the affirmative.

Senator von Imhof looked at page 2, line 6, "the commissioner is responsible for the management." She wondered whether that was the commissioner of Department of Natural Resources (DNR). Senator Shower replied in the affirmative.

Senator von Imhof looked at line 8, "after adequate public hearings." She wondered whether those hearings would begin after the bill is passed, and it became a public use area. Senator Shower replied in the affirmative.

Senator von Imhof noted that there could be a long public process, and then incorporate a long public process. Senator Shower replied that it would take approximately three to five years.

Senator von Imhof wondered whether there would be a request to expand or upgrade the parking lot. Senator Shower responded that, if the DNR commissioner decided to execute the management plan, there would possibly be an attached fiscal note.

Senator Micciche noted that the letter from the commissioner stated that the process would take five years without additional funding, or three years with an appropriation of \$166,000 for the next two years to support additional staff and contract work. He felt that Alaskans needed to perhaps adjust to a parking fee.

Co-Chair MacKinnon announced that there were some people available for questions.

[9:25:26 AM](#)

AT EASE

[9:25:41 AM](#)

RECONVENED

[9:25:59 AM](#)

REPRESENTATIVE GEORGE RAUSCHER, CHAIRMAN, JONESVILLE ACTION COMMITTEE, explained that there had been various attempts to manage the area. He remarked that those attempts should have included all the users in the group. He remarked that there were four-wheelers, equestrians, hikers, hunter, skiers, etc. He shared that the committee would connect with the different groups about how to manage the area. He noted that DNR had put \$9 million into the area to reacclimate the old coal mines with some infrastructure and access.

[9:30:21 AM](#)

Vice-Chair Bishop encourage working with the different funds moving forward. Representative Rauscher replied with "thank you."

[9:31:17 AM](#)

JIM SYKES, ASSEMBLY MEMBER, MATSU BOROUGH ASSEMBLY (via teleconference), stated that he represented the area with the Jonesville Mine in the assembly. He encouraged the committee to support the legislation. He felt that the management would result in a more family friendly area. He felt that the framework needed to be put in place in order to develop the management plan. He recognized various people involved in the process.

[9:36:57 AM](#)

Senator Micciche wondered whether the area was 20 square miles. Mr. Sykes could not recall the exact amount, but agreed that is sounded somewhat accurate. He noted that most of it was state land.

Senator Micciche asked whether the damage that was hoping to be managed was within a distance of the parking area or spread throughout the property. Mr. Sykes replied that most of the damage was near the entrance where the old mining entrance was located.

Senator Micciche thanked the community for coming together, as he had problematic locations in his community.

Senator von Imhof noted that there was significant support for the public area designation. She hoped that a nonprofit called, "Friends of the Jonesville Recreation Area" may be created.

Senator Stevens understood the importance of the plan for the community. He wanted to ensure that it would not end the community and assembly's participation in the plan. Mr. Sykes replied that the borough and land manager were committed to the plan.

[9:43:13 AM](#)

PATTI BARBER, SELF, MATSU (via teleconference), testified in support of the bill.

[9:44:11 AM](#)

KENNY BARBER, SELF, MATSU (via teleconference), spoke in support of the legislation.

[9:45:32 AM](#)

LYNNE WOODS, SELF, JUNEAU, spoke in support of the bill.

Co-Chair MacKinnon CLOSED public testimony.

Senator Micciche wondered whether Marty Parsons was available.

Co-Chair MacKinnon asked Ms. Parsons for comments on the legislation.

[9:48:22 AM](#)

MARTY PARSONS, DEPUTY DIRECTOR, DIVISION OF MINING, LAND, AND WATER, DEPARTMENT OF NATURAL RESOURCES (via teleconference), stated that he had worked closely with the community on the bill. He stated that it was a similar situation to the Knik Public Use Area. He felt that it was an admirable program.

Senator Micciche wondered whether it was problematic that there was no DNR authority if it's not state park land, and how it had worked in Knik Arm for the department. Mr. Parsons replied that as part of the bill, enforcement authority was provided to DNR similar to the Knik Public Use Area. He stated that a bail schedule was set by the Supreme Court, and a sworn individual could write citations. He stated that without the action of the legislature, DNR would not have the authority.

Senator Micciche wondered whether there had been dramatic changes in authority in Knik Arm. Mr. Parsons responded that there was not a rapid change, but it was a steady change over time.

[9:51:49 AM](#)

HANS BRINKE, DIRECTOR, ALASKA STATE TROOPERS, ANCHORAGE (via teleconference), echoed some previous testimony. He stated that he was a commander in the Mat Su valley

previously. He noted a dramatic decrease in the issues in the Knik Public Use Area after change in management. He remarked that individuals moved to recreate in the Jonesville area. He agreed with the issues about gunfire and trash. He wanted to get the troopers there for proactive enforcement, but there were some recruitment issues that caused limitations.

[9:53:58 AM](#)

BRUCE DALE, DIRECTOR, DIVISION OF WILDLIFE CONSERVATION, DEPARTMENT OF FISH AND GAME, PALMER (via teleconference), introduced himself.

Vice-Chair Bishop wondered whether there were sport fish opportunities in the area. Mr. Dale replied that there were two or three stocked lakes in the area that were popular for fishing.

Vice-Chair Bishop asked whether the lakes were stocked on an annual basis. Mr. Dale replied in the affirmative.

[9:55:03 AM](#)

NANCY MEADE, GENERAL COUNSEL, ALASKA COURT SYSTEM, introduced herself.

Vice-Chair Bishop wondered whether the bail schedule for the Knik Public Use Area would be similar to the Jonesville schedule. Ms. Meade replied expected that it would be similar.

[9:55:59 AM](#)

ERIC PHILIPS, MANAGER, LAND AND RESOURCES, MATSU BOROUGH, WASILLA (via teleconference), provided a letter of support the year prior. He felt that it was still an important idea.

[9:56:23 AM](#)

HUGH LESLIE, MANAGER, PARKS AND RECREATION, MATSU BOROUGH, WASILLA (via teleconference), spoke in support of the bill. He stated that it had the opportunity to be an economic generator for the community through sales of fuel and groceries.

Co-Chair Hoffman queried the establishment of the boundaries. Senator Shower replied that the boundaries were established with the help of the Mat Su Borough. The various communities involvement groups worked with the borough land management to find the boundaries; and plotted around the state boundaries.

Co-Chair Hoffman wondered whether the borough owned any of the adjoining properties. Senator Showers deferred to Mr. Sykes.

Mr. Sykes stated that there was only 40 acres of borough land that was contained within the boundaries, and the remainder was state land.

Co-Chair Hoffman wondered whether the borough owned any of the adjoining properties. Mr. Sykes deferred to Mr. Philips.

Mr. Philips could not address the question.

Co-Chair MacKinnon asked for the information.

[10:00:21 AM](#)

Representative Rauscher stated that there were a couple of pieces of property, which were mostly easements to Usibelli. He stressed that they were not large portions of land.

Senator Shower highlighted that there was much community and borough involvement in the legislation's plan.

Senator Micciche was encouraged by the community's action. He stated that he had faced similar issues in the Kenai.

Vice-Chair Bishop discussed the zero fiscal notes.

Co-Chair MacKinnon announced that amendments were due by 5pm.

SB 65 was HEARD and HELD in committee for further consideration.

[10:05:09 AM](#)

AT EASE

[10:12:47 AM](#)

RECONVENED

#hb236

CS FOR HOUSE BILL NO. 236 (FIN)

"An Act extending the Alaska senior benefits payment program."

[10:13:25 AM](#)

MERCEDES COLBERT, STAFF, REPRESENTATIVE SCOTT KAWASAKI, explained the bill. She stated that it would extend the sunset clause to 2024.

[10:16:12 AM](#)

AT EASE

[10:16:59 AM](#)

RECONVENED

[10:17:19 AM](#)

MONICA WINDOM, DIRECTOR, DIVISION OF PUBLIC ASSISTANCE, DEPARTMENT OF HEALTH AND SOCIAL SERVICES, spoke in support of the bill.

Co-Chair MacKinnon asked for more information about the eligibility requirements. Ms. Windom responded that an individual who would want senior benefits must submit an application and report their income to the department. That income was verified several different ways. She stated that the social security interface would provide information about residency and citizenship. She stated that the information would allow for determination of the amount of the eligible benefit.

Co-Chair MacKinnon queried a qualification interface with the permanent fund dividend. Ms. Windom replied in the affirmative.

Senator von Imhof queried more difficult to verify income. Ms. Windom replied that there could be a request of a copy of the tax return.

Senator von Imhof surmised that the verification process would be determined based on how it was listed in the application. Ms. Windom replied in the affirmative.

[10:20:18 AM](#)

Co-Chair MacKinnon wondered how many people received the program benefits. Ms. Windom replied that in December 2017, there were 11,322 individuals receiving senior benefits. The level that currently received \$76 per month were 5,183 individuals; the \$175 benefit level had 4,597 individuals; and the \$250 benefit had 1,493 individuals.

Senator Stevens queried the poverty level of each of those benefit levels. Ms. Windom replied that 100 percent of the poverty level was approximately \$1600 per month.

Co-Chair MacKinnon wondered whether the program was at 100 percent poverty level, or 203 percent poverty level. Ms. Windom replied that it varied, because the different levels depended on the level of poverty.

Co-Chair MacKinnon surmised that it was 175 percent of the poverty level. Ms. Windom deferred to Ms. Colbert.

Co-Chair MacKinnon queried the annual benefit for a qualified individual, and the percentages used as the criteria to filter the candidates. Ms. Colbert replied that at 75 percent of the federal poverty line, an individual received \$250 in monthly payments, and must make \$11,295 annually. She stated that the 75 percent poverty level for a married couple was \$15,218. She stated that a 100 percent poverty line level received \$175 per month, and their individual income must be \$15,060; and a married couple would be \$20,290. She shared that at the 170 percent poverty line, at an individual would make \$26,355; and a married couple would be \$35,508 annually.

[10:24:33 AM](#)

DEB ETHERIDGE, DEPUTY DIRECTOR, DIVISION OF SENIOR AND DISABILITY SERVICES, DEPARTMENT OF HEALTH AND SOCIAL SERVICES, ANCHORAGE (via teleconference), introduced herself.

Co-Chair MacKinnon queried comments on the legislation. Ms. Etheridge replied that she had no comment.

[10:25:22 AM](#)

KEN HELANDER, ADVOCACY DIRECTOR, AARP, ANCHORAGE (via teleconference), spoke in support of the reauthorization of the Senior Benefits Program. He testified in support of the legislation, as a critical safety net program for thousands of Alaskans over 65-years-old. He urged reconsideration of restoration of money taken from beneficiaries as 175 percent of federal poverty level two years prior. He stressed that the 175 percent meant that they could not make any more than that level.

Senator Micciche asked whether there was a letter from Mr. Helander on record.

[10:29:56 AM](#)

DAVID BLACKETER, CHAIR, ALASKA COMMISSION ON AGING, KODIAK (via teleconference), shared that he and his wife had financial obligations. He spoke in support of the bill, because it provided money to pay for groceries.

[10:31:17 AM](#)

GORDON GLASER, MEMBER, ALASKA COMMISSION ON AGING, ANCHORAGE (via teleconference), spoke in support of the legislation. He echoed the previous testifiers. He stressed that the program was targeted toward the older and more frail communities. He stressed that it provided independence and dignity.

Senator Stevens asked for thoughts on whether those who were in an assisted living homes receipt of the benefit. Mr. Glaser replied that it was something worth examining. He stressed that it was difficult to remove a service.

[10:34:29 AM](#)

BILL WILLIAMS, SERVICE COORDINATOR, SOUTHEAST SENIOR SERVICES, shared that he worked with seniors in Juneau who lived in public housing. He tried to help those people to live more independently, so to keep the burden away from the Pioneer Home. He spoke in support of the bill. He remarked that most of his clients had senior benefits. He shared a personal story.

Senator Stevens wondered whether Section 8 housing was considered assisted living. Mr. Williams replied in the negative. He stated that Section 8 housing was government subsisted housing.

[10:39:42 AM](#)

MIKE COONS, PRESIDENT, ALASKA CHAPTER OF ASSOCIATION OF MATURE AMERICAN CITIZENS, PALMER (via teleconference), spoke in support of the bill.

[10:42:10 AM](#)

GEORGE PIERCE, SELF, KASILOF (via teleconference), spoke in support of the bill.

[10:44:00 AM](#)

JAYNE ANDREEN, VOLUNTEER, AARP, DOUGLAS, spoke in support of the bill.

Co-Chair MacKinnon announced that amendments were due by Friday at 5pm. She also discussed the following day's agenda.

CSHB 236(FIN) was HEARD and HELD in committee for further consideration.

#

ADJOURNMENT

[10:46:59 AM](#)

The meeting was adjourned at 10:46 a.m.