

ALASKA STATE LEGISLATURE
SENATE STATE AFFAIRS STANDING COMMITTEE

March 27, 2019

6:10 p.m.

MEMBERS PRESENT

Senator Mike Shower, Chair
Senator Lora Reinbold
Senator Peter Micciche
Senator Scott Kawasaki

MEMBERS ABSENT

Senator John Coghill, Vice Chair

COMMITTEE CALENDAR

SENATE JOINT RESOLUTION NO. 4

Proposing amendments to the Constitution of the State of Alaska prohibiting the establishment of, or increase to, a state tax without the approval of the voters of the state; and relating to the initiative process.

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: SJR 4

SHORT TITLE: CONST. AM: STATE TAX; INTIATIVE

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

01/30/19	(S)	READ THE FIRST TIME - REFERRALS
01/30/19	(S)	STA, JUD, FIN
03/26/19	(S)	STA AT 1:30 PM BUTROVICH 205
03/26/19	(S)	Heard & Held
03/26/19	(S)	MINUTE(STA)
03/27/19	(S)	STA AT 6:00 PM BUTROVICH 205

WITNESS REGISTER

DAVE OTNESS, representing self,
Cordova, Alaska

POSITION STATEMENT: Stated that he was reluctant to support SJR 4 because the state is in dire financial straits and should not "jump too far too fast."

JEFF GUARD, representing self
Cordova, Alaska

POSITION STATEMENT: Stated vehement opposition to SJR 4.

EARL LACKEY, representing self
MatSu, Alaska

POSITION STATEMENT: Stated firm support for SJR 4.

MIKE COONS, President
Greater Alaska Chapter of AMAC
Palmer, Alaska

POSITION STATEMENT: Testified in support of SJR 4.

MICHELLE HAHN, representing self
Cordova, Alaska

POSITION STATEMENT: Stated that she opposes SJR 4 in part because the people elect their legislators to make these hard decisions.

CHRISTINE HUTCHISON, representing self
Kenai, Alaska

POSITION STATEMENT: Stated avid support for SJR 4.

WILLIAM TOPEL, representing self
Anchorage, Alaska

POSITION STATEMENT: Stated wholehearted support for SJR 4.

ACTION NARRATIVE

[6:10:38 PM](#)

CHAIR MIKE SHOWER called the Senate State Affairs Standing Committee meeting to order at 6:10 p.m. Present at the call to order were Senators Kawasaki, Reinbold, and Chair Shower.

SJR 4-CONST. AM: STATE TAX; INITIATIVE

[6:11:17 PM](#)

CHAIR SHOWER announced the consideration of SENATE JOINT RESOLUTION NO. 4, Proposing amendments to the Constitution of the State of Alaska prohibiting the establishment of, or

increase to, a state tax without the approval of the voters of the state; and relating to the initiative process.

He stated that the intent was to hear public testimony on the bill, which was last heard yesterday.

SENATOR REINBOLD reported that Senator Micciche was in a judiciary meeting.

[6:12:09 PM](#)

CHAIR SHOWER opened public testimony on SJR 4.

[6:12:50 PM](#)

DAVE OTNESS, representing self, Cordova, stated that he was reluctant to support SJR 4 because the state is in dire financial straits and should not "jump too far too fast." Instead, he urged legislators to take time to clarify what is happening and explore potential options.

[6:14:02 PM](#)

JEFF GUARD, representing self, Cordova, stated that he is vehemently opposed to SJR 4. He compared the Governor's budget proposals to budget proposals adopted in Kansas. "And Kansas ended up being a train wreck that's still trying to dig themselves out of it," he said. He described SJR 4, SJR 5, and SJR 6 as handcuffs on the legislature that would preclude any options if the state goes over a financial cliff.

[6:15:17 PM](#)

EARL LACKEY, representing self, MatSu, stated firm support for SJR 4. He urged the people who have voiced support for taxes to understand that the taxes would apply to all Alaskans and all Alaskans should therefore be able to vote on the idea.

[6:16:10 PM](#)

MIKE COONS, President, Greater Alaska Chapter of AMAC, Palmer, testified in support of SJR 4. He opined that the proposed constitutional amendment goes to the core of why this nation went to war with England in 1776. It was taxation without representation. He acknowledged that the proposed constitutional amendment would not stop sin taxes or more oil or business taxes. However, he said, it will stop cold the imposition of any income taxes without a citizen's referendum. He opined that since this is a republic rather than a democracy, the threshold should be a 2/3 vote rather than a simple majority.

[6:18:13 PM](#)

MICHELLE HAHN, representing self, Cordova, stated that she opposes SJR 4, in part because the people elect their legislators to make these hard decisions. She pointed out that city councils are elected for the same reason. She said she is one who favors a state income tax because she wants to see Alaska grow and thrive rather than languish because people are unwilling to give up the free ride and pay for needed services.

[6:19:58 PM](#)

CHRISTINE HUTCHISON, representing self, Kenai, stated avid support for SJR 4. She posited that it is imperative to delay the tax obligation until the people know exactly what they're paying for and what that costs. She admitted she is not an economist but she deduced from an earlier presentation that, based on the current population, an income tax won't work in Alaska. [Testimony indiscernible]

[6:21:50 PM](#)

WILLIAM TOPEL, representing self, Anchorage, stated wholehearted support for SJR 4. He said he would prefer it to be a two-thirds vote.

SENATOR REINBOLD asked if he was on his cell phone and if it was on speaker. She said the members were trying to figure out the reason for the excessive static.

MR. TOPEL confirmed he was on his cell phone but not on speaker.

[6:22:48 PM](#)

At ease

[6:26:01 PM](#)

CHAIR SHOWER reconvened the meeting.

SENATOR MICCICHE joined the committee.

JOSHUA MCHOES, representing self, Wasilla, [The testimony was indiscernible and then the connection was lost].

[6:26:56 PM](#)

At ease

[6:44:49 PM](#)

CHAIR SHOWER reconvened the meeting. Finding no others who wished to comment, he closed public testimony on SJR 4. He reminded the public that written testimony could be submitted to senate.state.affairs@akleg.gov.

6:45:53 PM

There being no further business to come before the committee, Chair Shower adjourned the Senate State Affairs Standing Committee meeting at 6:45 pm.