

**ALASKA STATE LEGISLATURE  
HOUSE RESOURCES STANDING COMMITTEE**

May 10, 2022

3:05 p.m.

**MEMBERS PRESENT**

Representative Josiah Patkotak, Chair  
Representative Grier Hopkins, Vice Chair  
Representative Zack Fields  
Representative Calvin Schrage  
Representative Sara Hannan  
Representative George Rauscher  
Representative Mike Cronk  
Representative Ronald Gillham  
Representative Tom McKay

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

CS FOR SENATE BILL NO. 177(RES)

"An Act relating to nuclear facility siting permits; and relating to microreactors."

- MOVED CSSB 177(RES) OUT OF COMMITTEE

HOUSE BILL NO. 120

"An Act relating to state land; relating to the authority of the Department of Education and Early Development to dispose of state land; relating to the authority of the Department of Transportation and Public Facilities to dispose of state land; relating to the authority of the Department of Natural Resources over certain state land; relating to the state land disposal income fund; relating to the leasing and sale of state land for commercial development; repealing establishment of recreation rivers and recreation river corridors; and providing for an effective date."

- MOVED CSHB 120(RES) OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

BILL: SB 177

SHORT TITLE: MICROREACTORS

SPONSOR(s) : RULES BY REQUEST OF THE GOVERNOR

02/01/22 (S) READ THE FIRST TIME - REFERRALS  
02/01/22 (S) CRA, RES  
02/15/22 (S) CRA AT 3:30 PM BELTZ 105 (TSBldg)  
02/15/22 (S) Heard & Held  
02/15/22 (S) MINUTE(CRA)  
02/17/22 (S) CRA AT 3:30 PM BELTZ 105 (TSBldg)  
02/17/22 (S) Heard & Held  
02/17/22 (S) MINUTE(CRA)  
03/08/22 (S) CRA AT 3:30 PM BELTZ 105 (TSBldg)  
03/08/22 (S) Moved SB 177 Out of Committee  
03/08/22 (S) MINUTE(CRA)  
03/09/22 (S) CRA RPT 1DP 3NR  
03/09/22 (S) DP: HUGHES  
03/09/22 (S) NR: GRAY-JACKSON, MYERS, WILSON  
03/21/22 (S) RES AT 3:30 PM BUTROVICH 205  
03/21/22 (S) Heard & Held  
03/21/22 (S) MINUTE(RES)  
04/06/22 (S) RES AT 3:30 PM BUTROVICH 205  
04/06/22 (S) <Bill Hearing Rescheduled to 4/8/22>  
04/08/22 (S) RES AT 3:30 PM BUTROVICH 205  
04/08/22 (S) <Bill Hearing Canceled>  
04/11/22 (S) RES AT 3:30 PM BUTROVICH 205  
04/11/22 (S) Heard & Held  
04/11/22 (S) MINUTE(RES)  
04/20/22 (S) RES AT 3:30 PM BUTROVICH 205  
04/20/22 (S) Moved CSSB 177(RES) Out of Committee  
04/20/22 (S) MINUTE(RES)  
04/22/22 (S) RES RPT CS 4DP 1NR 1AM NEW TITLE  
04/22/22 (S) DP: REVAK, KIEHL, VON IMHOF, MICCICHE  
04/22/22 (S) NR: STEVENS  
04/22/22 (S) AM: KAWASAKI  
05/04/22 (S) TRANSMITTED TO (H)  
05/04/22 (S) VERSION: CSSB 177(RES)  
05/05/22 (H) READ THE FIRST TIME - REFERRALS  
05/05/22 (H) RES  
05/09/22 (H) RES AT 1:00 PM BARNES 124  
05/09/22 (H) Heard & Held  
05/09/22 (H) MINUTE(RES)  
05/10/22 (H) RES AT 8:00 AM BARNES 124

BILL: HB 120

SHORT TITLE: STATE LAND SALES AND LEASES; RIVERS

SPONSOR(s) : RULES BY REQUEST OF THE GOVERNOR

03/01/21 (H) READ THE FIRST TIME - REFERRALS

03/01/21	(H)	RES, FIN
04/30/21	(H)	RES AT 1:00 PM BARNES 124
04/30/21	(H)	Heard & Held
04/30/21	(H)	MINUTE(RES)
05/12/21	(H)	RES AT 1:00 PM BARNES 124
05/12/21	(H)	Scheduled but Not Heard
05/13/21	(H)	RES AT 1:00 PM BARNES 124
05/13/21	(H)	Heard & Held
05/13/21	(H)	MINUTE(RES)
05/02/22	(H)	RES AT 1:00 PM BARNES 124
05/02/22	(H)	Heard & Held
05/02/22	(H)	MINUTE(RES)
05/04/22	(H)	FIN AT 1:30 PM ADAMS 519
05/04/22	(H)	Scheduled but Not Heard
05/06/22	(H)	RES AT 1:00 PM BARNES 124
05/06/22	(H)	Heard & Held
05/06/22	(H)	MINUTE(RES)
05/09/22	(H)	RES AT 1:00 PM BARNES 124
05/09/22	(H)	Heard & Held
05/09/22	(H)	MINUTE(RES)
05/10/22	(H)	RES AT 8:00 AM BARNES 124

**WITNESS REGISTER**

CHRISTINA CARPENTER, Director  
 Division of Environmental Health  
 Department of Environmental Conservation  
 Anchorage, Alaska

**POSITION STATEMENT:** Answered questions regarding CSSB 177(RES) on behalf of the bill sponsor, Senate Rules Standing Committee, by request of the governor.

GWEN HOLDMAN, Director  
 Alaska Center for Energy and Power  
 University of Alaska Fairbanks  
 Fairbanks, Alaska

**POSITION STATEMENT:** During the hearing of CSSB 177(RES), answered questions.

BRENT GOODRUM, Deputy Commissioner  
 Office of the Commissioner  
 Department of Natural Resources  
 Anchorage, Alaska

**POSITION STATEMENT:** During the hearing on HB 120, provided comments on behalf of DNR and answered questions.

CRIS HESS, Deputy Director

Division of Land, Mining and Water  
Department of Natural Resources  
Anchorage, Alaska

**POSITION STATEMENT:** During the hearing on HB 120, answered questions.

CHRISTOPHER ORMAN, Attorney  
Civil Division-Juneau  
Natural Resources Section  
Department of Law  
Juneau, Alaska

**POSITION STATEMENT:** During the hearing on HB 120, answered a question.

ALPHEUS BULLARD, Legislative Counsel  
Legislative Legal Services  
Legislative Agencies and Offices  
Juneau, Alaska

**POSITION STATEMENT:** During the hearing on HB 120, answered questions.

THATCHER BROUWER, Staff  
Representative Geran Tarr  
Alaska State Legislature

**POSITION STATEMENT:** During the hearing on HB 120, presented Amendment 7 on behalf of Representative Rauscher.

REPRESENTATIVE GERAN TARR  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** During the hearing on HB 120, explained Amendment 7.

#### **ACTION NARRATIVE**

[3:05:27 PM](#)

**CHAIR JOSIAH PATKOTAK** called the House Resources Standing Committee meeting back to order at 3:05 p.m. [On 5/9/23 the committee recessed to 8 a.m. on 5/10/23, which was subsequently delayed to 3 p.m.] Representatives Fields, Schrage, Hannan, Rauscher, Cronk, Gillham, McKay, Fields, and Patkotak were present at the call back to order.

#### **SB 177-MICROREACTORS**

[3:05:56 PM](#)

CHAIR PATKOTAK announced that the first order of business would be CS FOR SENATE BILL NO. 177(RES), "An Act relating to nuclear facility siting permits; and relating to microreactors."

[3:06:24 PM](#)

REPRESENTATIVE FIELDS moved to adopt Conceptual Amendment 1 to CSSB 177(RES) [included in the committee packet], which read as follows [original punctuation provided]:

"all cities and boroughs must approve a site for a microreactor before DEC can permit it, except for unorganized boroughs in which siting is the responsibility of the legislature."

CHAIR PATKOTAK objected for the purpose of discussion.

[3:06:33 PM](#)

REPRESENTATIVE FIELDS explained Conceptual Amendment 1. He said the Department of Environmental Conservation's (DEC's) letter responding to questions about local authority over the siting of microreactors states it is the bill's intent that local governments do maintain siting authority regardless of the type of borough or municipality. He noted that cities and boroughs with planning and zoning already have this authority so [the bill] is not changing anything. However, he continued, DEC acknowledged some ambiguity for local governments which don't currently have planning and zoning authority. He related that the concept of Conceptual Amendment 1 is that in jurisdictions which don't currently have planning and zoning authority, comfort would be given to citizens who are concerned about the bill that their local government is going to have siting authority. He said he understands DEC's answer to be that the local governments will have that authority anyway and therefore Conceptual Amendment 1 is a clarifying amendment.

[3:08:29 PM](#)

CHAIR PATKOTAK invited DEC to provide context to the follow-up letter referenced by Representative Fields [provided in the committee packet] and to address the amendment.

CHRISTINA CARPENTER, Director, Division of Environmental Health, Department of Environmental Conservation (DEC), spoke to the question from Representative Fields about the siting requirement

for the Municipality of Anchorage. She said the current language in AS 18.45.025(c) includes the requirement that a DEC permit may not be issued until the municipality with jurisdiction over the proposed facility site has approved that permit. So, she advised, if DEC was looking at approving a microreactor site within the Municipality of Anchorage, the department would require that the municipality approve that before DEC would approve its permit, and that would not change under SB 177. She apologized for not having had a chance to read Conceptual Amendment 1.

[3:10:54 PM](#)

REPRESENTATIVE FIELDS agreed with Ms. Carpenter that it is clear Anchorage, Juneau, and the larger jurisdictions already have the siting authority, which he supports. He explained Conceptual Amendment 1 was designed to confirm that local jurisdictions which are organized but do not currently have planning and zoning authority, do still have siting authority. He read aloud Conceptual Amendment 1 and said he attempted to write the amendment to be consistent with DEC's understanding of the bill but provide clarity where DEC's memo suggested there is some ambiguity with the current language.

[3:11:50 PM](#)

GWEN HOLDMAN, Director, Alaska Center for Energy and Power, University of Alaska Fairbanks, stated she has been serving as a technical advisor on microreactors on behalf of the administration. She said this question has come up in her discussions with different stakeholders and constituents around the state. She noted she doesn't claim to be an expert in this area, but said her understanding is that an organized municipality can delegate this kind of authority to a planning committee but if that committee doesn't exist that authority is retained by the organizing city council or borough assembly. She related that this has also come up with renewable energy projects and siting authority related to those, so she knows that that is the process for a place which does not have a planning committee. She said she understands that the intent of the conceptual amendment is to clarify what the bill states, but offered her opinion that the language is not needed and doesn't add anything to her interpretation of the bill.

[3:13:28 PM](#)

REPRESENTATIVE SCHRAGE opined that the bill is clear as written. He said listening to the department's response gives him some relief. He inquired whether, with the amendment, the City of Fairbanks and the Fairbanks North Star Borough would both have to approve [a siting].

[3:13:55 PM](#)

REPRESENTATIVE FIELDS responded he is trying to specifically address the statement in the DEC memo that says, "Arguably the bill provides local governments with a specific grant of authority to approve these permits outside the planning process." He maintained that this statement has a degree of ambiguity. He said the letter continues with the statement, "As a practical matter a municipality might be able to solicit assistance." He related that the letter also says that the statute does not require the municipality to have the zoning authority, only that the municipality must provide approval. He said it seems, given these statements, that it is the understanding of DEC that municipalities probably have this authority, and he thinks they should, and they do have an agreement with Ms. Holdman. He said he will support the bill anyway but would like to clear up any ambiguity and give citizens some assurance that their local government retains jurisdiction over siting.

[3:15:11 PM](#)

CHAIR PATKOTAK stated he falls back to the comfort of the current statute and added that the conceptual amendment is last minute. He said the DEC letter speaks to AS 18.45.025(c) which states that the permit may not be issued until the municipality with jurisdiction over the proposed facility site has approved the permit. So, he continued, that covers municipalities and cities that have elected to adopt planning and zoning. He offered his understanding that the discussion point here is that unorganized cities or organized cities or boroughs that are lower class that don't retain planning and zoning permitting authority still have some sort of backstop versus it being a full legislature.

REPRESENTATIVE FIELDS confirmed that that is the intent of the proposed conceptual amendment.

[3:16:15 PM](#)

REPRESENTATIVE HOPKINS related that his home municipality of Fairbanks has planning and zoning powers but not economic development powers or utility powers. He said he will be supporting Conceptual Amendment 1 because, while it does say it in the DEC memo, double clarification from the amendment would be key so there is not some ambiguity in the future that a second-class borough without specific powers is excluded from the requirement. It would not be detracting or hurting the bill, he continued, it would just be making it clear.

[3:17:49 PM](#)

MS. HOLDMAN, in reference to the words siting and permitting, advised that it needs to be clear in the amendment that communities retain siting authority over a project and that the permitting of a project is the purview of DEC as well as the U.S. Nuclear Regulatory Commission (USNRC). She suggested that if the committee chooses to move forward with the amendment, the draft language be adjusted to ensure it's clear that it's the siting authority that is being retained by the local government, not the approval of the permit.

REPRESENTATIVE FIELDS responded that that is consistent with his intent that the local jurisdiction pertains to siting.

[3:19:01 PM](#)

REPRESENTATIVE SCHRAGE said he supports the intent of Conceptual Amendment 1 but isn't comfortable with the language and working so quickly. He stated he would like to get the perspective of Legislative Legal Services and clarify with DEC. He encouraged taking the route of a floor amendment and said that he cannot support the amendment.

[3:19:32 PM](#)

REPRESENTATIVE HANNAN surmised DEC has already started drafting regulations that it anticipates needing if the bill becomes law. She noted that in most state agencies which permit, it is an affirmative process whereby the agency says yes once thresholds have been met. She asked whether DEC is contemplating in its regulatory package what analysis it would do regarding community decisions and siting. For example, whether a community saying yes to a specific project in a specific location would be considered to be within DEC's oversight of the siting or whether DEC would do [its own] analysis with considerations such as earthquakes and tsunami hazards.

MS. CARPENTER replied that DEC has not started the regulation package but has discussed what is anticipated in a draft regulation package. She said this would include provisions of what criteria had to be met before DEC could issue a permit, such as local participation, the permit application review, and local approval of DEC's permit. Regulations, she continued, would include such things as minimum setback requirements from homes or property lines if applicable, surface water, and drinking water supply. She advised that the applicant would also be required to identify any potential releases or impacts to land, air, or water. She offered her understanding that tsunami and earthquake evaluations are part of the USNRC permit application process.

[3:22:44 PM](#)

REPRESENTATIVE FIELDS addressed Representative Schrage's point. He said if Conceptual Amendment 1 is adopted, Legislative Legal Services would write it because there would be a motion for technical changes. He said he is willing to have the amendment adopted now or to withdraw it and offer it on the floor.

REPRESENTATIVE SCHRAGE responded that the amendment is unclear as to whether it would be the cities or whether it would be the cities and the boroughs, and he is concerned about a duplicative approval process.

CHAIR PATKOTAK stated he is in support of something on the floor because, as the bill is, there has been a lot of work regarding recognizing the powers and preference of the different cities and places.

[3:24:04 PM](#)

REPRESENTATIVE FIELDS withdrew Conceptual Amendment 1.

[3:24:33 PM](#)

REPRESENTATIVE MCKAY asked whether the reactor for Eielson Air Force Base has been sited and whether DEC or the Fairbanks North Star Borough have been involved in that.

MS. HOLDMAN answered that the Eielson project is located jurisdictionally within the Fairbanks North Star Borough. She offered her understanding that it will be the borough that will make the decision whether to approve the siting of the project

within the borough assembly or at the advice of the borough's planning committee.

[3:25:58 PM](#)

REPRESENTATIVE HANNAN observed that the DEC fiscal note does not anticipate any new money being needed to develop supervision of microreactor permitting. She asked whether DEC is anticipating a job class with people who have nuclear science or nuclear engineering in their background or whether this will be absorbed with the kinds of staff currently within the department.

[3:26:53 PM](#)

MS. CARPENTER responded that DEC put forward a zero fiscal note in recognition that its microreactors are multiple years out. At this point, she stated, she doesn't have an idea of the job class or staffing requirements that will be needed. But, she continued, it is noted that DEC can soon begin working on the regulations package with existing staff because the department has the support of Ms. Holdman's staff and the various national laboratories that can assist DEC with the drafting of those regulations. She specified that once the facility is permitted in the state, it is subject to oversight by the U.S. Nuclear Regulatory Commission.

[3:27:55 PM](#)

CHAIR PATKOTAK requested Ms. Carpenter to make the department's closing comments.

MS. CARPENTER offered her appreciation to the committee for hearing CSSB 177(RES) and urged the committee's support for passing the bill.

[3:28:39 PM](#)

REPRESENTATIVE HOPKINS moved to report CSSB 177(RES) out of committee with individual recommendations and the accompanying [zero] fiscal note.

[3:28:52 PM](#)

REPRESENTATIVE HANNAN objected and said she will be voting no. She related that she wishes the committee was talking about a specific project, such as the Eielson project and the siting of that project, because of the many concerns that have been

brought to her. She noted that on an active U.S. Department of Defense (DoD) installation, some of the concerns about oversight, security, and waste management would be addressed because of the secured nature of a military site. She said the state doesn't have the expertise in place and if Alaska had one successful project then looking to change the law to make it easier for multiple jurisdictions to do it would be a logical step. No one has attempted to site a nuclear project in Alaska using the current statute, she continued, yet it is being attempted to throw it out. Representative Hannan said Alaska has 150-plus local jurisdictions that will get to weigh in and is going to trust the U.S. Nuclear Regulatory [Commission] to be the state's experts and have the state's best interests at heart. Things don't follow in a rational story of how the state should be acting, she opined, so right now she is vehemently opposed to the bill, but not to microreactors. She added that need has been demonstrated to change [the law] and it is premature.

[3:31:02 PM](#)

CHAIR PATKOTAK said he appreciates the scrutiny of a case-by-case basis and would like to see this brought forward.

[3:31:11 PM](#)

REPRESENTATIVE RAUSCHER offered his understanding that this process is a long way off and he doesn't think a lot of communities will be rushing in right away. He said he believes there will be scrutiny on the military base microreactor and the microreactor in his community of Valdez. Alaska is a great testing ground for this program, he opined, and it should be helped along to see how it works out. He said he would vote yes.

[3:32:38 PM](#)

A roll call vote was taken. Representatives McKay, Fields, Cronk, Hopkins, Rauscher, Gillham, Schrage, and Patkotak voted in favor of moving CSSB 177(RES) out of committee with individual recommendations and the accompanying [zero] fiscal note. Representative Hannan voted against it. Therefore, CSSB 177(RES) was reported out of the House Resources Standing Committee by a vote of 8-1.

**HB 120-STATE LAND SALES AND LEASES; RIVERS**

[3:33:46 PM](#)

CHAIR PATKOTAK announced that the final order of business would be HOUSE BILL NO. 120, "An Act relating to state land; relating to the authority of the Department of Education and Early Development to dispose of state land; relating to the authority of the Department of Transportation and Public Facilities to dispose of state land; relating to the authority of the Department of Natural Resources over certain state land; relating to the state land disposal income fund; relating to the leasing and sale of state land for commercial development; repealing establishment of recreation rivers and recreation river corridors; and providing for an effective date." [Before the committee was the proposed committee substitute (CS), Version 32-GH1634\G, Bullard, 4/22/22 ("Version G"), adopted as the working document on 5/2/22.]

CHAIR PATKOTAK noted that the committee worked through several amendments to Version G of HB 120 on 5/9/22, and today the committee would consider additional amendments.

[3:34:38 PM](#)

REPRESENTATIVE FIELDS moved to adopt Amendment 4 to Version G of HB 120, labeled 32-GH1634\G.4, Bullard, 5/9/22, which read:

Page 7, line 22, following "may":  
Insert ", subject to (r) of this section,"

Page 8, line 17, following "may":  
Insert ", subject to (r) of this section,"

Page 10, line 2, following "purchase.":  
Insert "Land sold under this subsection is subject to the easement described in (r) of this section."

Page 10, line 31:  
Delete "The"  
Insert "In addition to the public easement required under (r) of this section, the"

Page 11, lines 7 - 8:  
Delete "In this subsection, "traditional outdoor activity" has the meaning given in AS 38.04.200."

Page 11, following line 14:

Insert new subsections to read:

"(r) Notwithstanding its lease or sale, for the benefit of all state residents, state land leased or sold under this section is subject, at all times, to a perpetual affirmative public easement that runs with the land entitling a person to enter and use the land for subsistence and recreational purposes, including hunting, fishing, and other traditional outdoor activities. A person who leases or owns land subject to the easement imposed by this section is not liable for the death of or injury to a person who enters or uses the land for subsistence and recreational purposes, except when the trier of facts finds that the person's death or injury is due to intentional, reckless, or grossly negligent actions of the lessee or owner of the land. The attorney general shall bring an action in the name of the state to restrain and prevent obstruction of entry and use under this subsection.

(s) In this section, "traditional outdoor activity" has the meaning given in AS 38.04.200."

CHAIR PATKOTAK objected for purposes of discussion.

REPRESENTATIVE FIELDS explained Amendment 4. He noted that a variety of historic uses have occurred on many of these [state] lands. He said the uses are diverse, ranging from hunting, hiking, skiing, snowmachines, and all manner of travel. He said the amendment would ensure that when the Department of Natural Resources (DNR) liquidates a parcel that historically has been used by the public, the public will continue to exercise that access right. He offered his belief that that would be the appropriate interpretation under current law, but unfortunately that right has been contested. For example, he continued, the City of Eagle River allowed for a public right of way to be vacated, shutting off decades of public access, and in the Anchorage Hillside area there is currently litigation over a landowner shutting off historic access.

[3:36:44 PM](#)

BRENT GOODRUM, Deputy Commissioner, Office of the Commissioner, Department of Natural Resources (DNR), spoke to Amendment 4. He said the amendment is fundamentally counter to the purpose of this section of the bill, which is to stimulate economic development in the state. He agreed that access is critically important to Alaskans but offered his belief that Amendment 4

seeks to constitute a perpetual affirmative easement, and intentionally creates tension or public conflict and sabotages the intent of economic development of the land that is being considered. For example, he continued, 20 acres is being talked about here for a commercial use activity and if the state has 100,000,000 acres of land, that is 0.0000002 percent of state land that could be under a commercial activity, a very small parcel of land. He said he doesn't believe DNR is supportive of Amendment 4.

REPRESENTATIVE FIELDS responded that that is not the intent. He said that while parcels sold under this may be a small percent of state land, they can be very important to access, the Hatcher Pass area being one example. He posed a scenario in Hatcher Pass in which one parcel is sold for a lodge that caters to snow machine users. He said that could be a benefit if people not staying at the lodge can continue to snow machine across that property and access public land. He maintained there can be development along with public access. He added that he likes the idea of developing some of these parcels but wants to ensure that people can still access areas of historical use.

[3:40:38 PM](#)

REPRESENTATIVE MCKAY said he appreciates Representative Fields' intention but is concerned that someone obtaining a parcel of land in this manner on which a mine deposit or other resource is developed could make it unsafe for the public to walk through the development. He said he wouldn't want to have a perpetual easement where there might be an industrial operation that is dangerous for the public to be traversing.

REPRESENTATIVE FIELDS agreed there could be some situations like this. He said Caribou Creek is an example of an area where there is active mining development that people pass through, and it is their responsibility to be safe and not mess with the private property.

[3:42:31 PM](#)

CHAIR PATKOTAK removed his objection.

[3:42:35 PM](#)

REPRESENTATIVE CRONK objected.

REPRESENTATIVE RAUSCHER objected.

[3:42:43 PM](#)

A roll call vote was taken. Representatives Schrage, Hannan, Hopkins, and Fields voted in favor of Amendment 4. Representatives Rauscher, Cronk, McKay, Gillham, and Patkotak voted against it. Therefore, Amendment 4 failed to be adopted by a vote of 4-5.

[3:43:29 PM](#)

REPRESENTATIVE FIELDS moved to adopt Amendment 5 to Version G of HB 120, labeled 32-GH1634\G.6, Bullard, 5/9/22, which read:

Page 11, following line 14:

Insert a new subsection to read:

"(r) If the commissioner reserves a public easement or right-of-way under (p) of this section on or across land to be disposed of under this section, the commissioner shall sell the land subject to a perpetual covenant that runs with the land, for the benefit of all residents of the state, that requires the owner of the land to mark and maintain a reserved public easement or right-of-way on or across the land in a manner that allows the public to easily recognize and use the public easement or right-of-way. The attorney general or an aggrieved person may institute a civil action, including an action for injunctive relief, against a person who fails to mark or maintain a public easement or right-of-way as required by this subsection."

CHAIR PATKOTAK objected for the purpose of discussion.

REPRESENTATIVE FIELDS explained Amendment 5 has a similar intent to preserve public access on a historic route but is different in that it directs the new owner to show people how to get across the parcel to access other public land.

[3:44:23 PM](#)

MR. GOODRUM spoke to Amendment 5. He said DNR is concerned about the amendment because it would create a perpetual covenant and requires either the owner or lessee to mark and maintain the reserved public easement or right-of-way for use by the public and to actively maintain that in perpetuity. He noted that the last part of the provision directs the attorney general or an

aggrieved person to institute civil action. He said that this is weaponizing the easement that may be placed across this piece of property. He pointed out that if there is an existing access in advance on a piece of property, then it is a prior existing right so that easement would be preserved.

REPRESENTATIVE FIELDS responded that Amendment 5 doesn't change the way that the easements have been used historically, rather it provides clarity that if there is an acquisition the landowner is not going to shut off historic access. He pointed out that this has happened in south Anchorage, resulting in a years-long legal battle with gates being put up and threats with guns. He argued that it is better to have clarity at the outset so there is not that friction. He further argued that this is consistent with historic treatment in law and provides clarity and predictability to the developer and to the public.

MR. GOODRUM stated that the aforementioned situation may involve a private parcel that never came to the state or municipality, it was conveyed by the federal government and access across that property was likely not a legal access. So, he related, after users had potentially abused that access and littered the property, for example, the private landowner felt there was no other alternative but to block access. He said he is all about finding solutions for access but believes that that is the circumstance in this situation.

[3:46:53 PM](#)

CHAIR PATKOTAK removed his objection.

[3:46:59 PM](#)

REPRESENTATIVE RAUSCHER objected.

[3:47:19 PM](#)

A roll call vote was taken. Representatives Fields, Hopkins, and Hannan, voted in favor of Amendment 5. Representatives Cronk, Rauscher, Gillham, Schrage, McKay, and Patkotak voted against it. Therefore, Amendment 5 failed to be adopted by a vote of 3-6.

[3:48:04 PM](#)

REPRESENTATIVE FIELDS moved to adopt Amendment 6 to Version G of HB 120, labeled 32-GH1634\G.5, Bullard, 5/10/22, which read:

Page 3, following line 18:

Insert a new bill section to read:

"\* **Sec. 2.** AS 14.07.030 is amended by adding a new subsection to read:

(c) In addition to any other notice required by law, before the department acquires real property or transfers an interest in real property under (a)(6) of this section, the department shall provide written notice, in the manner provided under AS 38.05.945(b)(1), to each

(1) person who owns real property that is adjacent to or located within one-half mile of the real property or interest in real property to be acquired or transferred; and

(2) municipality or other unit of local government in which the real property or interest in real property is located."

Renumber the following bill sections accordingly.

Page 3, following line 31:

Insert a new bill section to read:

"\* **Sec. 4.** AS 19.30 is amended by adding a new section to read:

**Sec. 19.30.085. Notice.** In addition to any other notice required by law, before the director of the division of lands contracts with a person for the construction of an access road under AS 19.30.060 - 19.30.100, the director shall provide written notice, in the manner provided under AS 38.05.945(b)(1), to each

(1) person who owns real property that is adjacent to or located within one-half mile of the area in which the access road is to be constructed; and

(2) municipality or other unit of local government in which the access road is to be constructed."

Renumber the following bill sections accordingly.

Page 4, following line 14:

Insert a new subsection to read:

"(d) In addition to any other notice required by law, before the department vacates an easement under (a) of this section or contracts to sell, lease, or

exchange land or rights in land under (b) of this section, the department shall provide written notice, in the manner provided under AS 38.05.945(b)(1), to each

(1) person who owns real property that is adjacent to or located within one-half mile of the easement, land, or rights in land; and

(2) municipality or other unit of local government in which the easement, land, or rights in land is located."

Page 5, following line 20:

Insert a new subsection to read:

"(e) In addition to any other notice required by law, before the director offers land for sale by auction or sealed bid under this section, the director shall provide written notice, in the manner provided under AS 38.05.945(b)(1), to each

(1) person who owns real property that is adjacent to or located within one-half mile of the land to be offered for sale; and

(2) municipality or other unit of local government in which the land to be offered for sale is located."

Page 8, lines 9 - 16:

Delete all material and insert:

"In addition to the notice required under AS 38.05.945, the commissioner shall also provide

(1) notice, regardless of whether the land is located inside or outside a municipality, to a

(A) regional corporation if the boundaries of the corporation as established by 43 U.S.C. 1606(a) (sec. 7(a), Alaska Native Claims Settlement Act) encompass the land;

(B) village corporation organized under 43 U.S.C. 1607(a) (sec. 8(a), Alaska Native Claims Settlement Act) if the land is within 25 miles of the village for which the corporation was established;

(2) written notice to a person who owns real property that is adjacent to or located within one-half mile of the land subject to classification or reclassification under this subsection."

Page 11, line 2, following "governments,":

Insert "persons who own real property that is adjacent to or located within one-half mile of the land made available for commercial development,"

Page 11, line 5, following "AS 44.37.011":

Insert "Notice of a proposed easement or right-of-way provided under this subsection to a person who owns real property that is adjacent to or located within one-half mile of the land made available for commercial development must be in written form."

CHAIR PATKOTAK objected for the purpose of discussion.

REPRESENTATIVE FIELDS explained Amendment 6. He recounted that during discussion about the bill he expressed his concern that posting a potential sale of a property on Alaska's online public notice system and publishing a notice in a newspaper complies with the letter of the law. But, he allowed, he has never checked the online public notice system on a daily basis for regulations. He said the Mat-Su Frontiersman is an example of a newspaper of record, but that it isn't read by many people. He expressed his concern about a large and meaningful parcel being liquidated with hardly anyone, including the local government, having heard of it. Amendment 6, he stated, would require DNR to affirmatively notify people within a half mile of the property, as well as the local government, of a proposed sale. This would ensure that DNR has input about the potential disposition of the property so it can make a decision informed by the stakeholders who are most affected.

[3:49:22 PM](#)

MR. GOODRUM provided DNR's response to Amendment 6. He said the amendment essentially applies AS 38.05.945, DNR's public notice requirement, to many other statutes within the law and would also expand it in a non-consistent manner. He specified that the one procedural concern he has is potentially a procedural defect, and that is the requirement of proposed amendments to identify a person within one-half mile of certain actions. He advised that this may result in procedural errors when DNR identifies people outside of organized boroughs or municipalities because Alaska is not a mandatory property recording state. Therefore, he continued, identifying owners of property or interest in property is going to be problematic and will have deficiencies there, so legal defects could potentially be raised later. Mr. Goodrum related that in many of these situations, DNR's planning process and often its decisions go

out to public notice multiple times. He said DNR also communicates with local legislators about activities it is doing and communicates with local governments, so that notice is already being addressed. He further related that DNR and other departments are concerned about being asked to make increased notice requirements because it is inconsistent and will be confusing to both the public and agency folks.

[3:51:12 PM](#)

REPRESENTATIVE RAUSCHER commented that regardless of location in Alaska, it is hard to decipher who owns the land, and because of this, as well as DNR's statement, he has a problem [with the proposed amendment].

REPRESENTATIVE FIELDS responded that the amendment's intention is to protect homeowners who may not be checking online daily for state land sales. He said he is willing to accept a conceptual amendment that would replace real property with homeowners.

[3:52:53 PM](#)

REPRESENTATIVE HANNAN asked if she is correct in understanding that someone exercising a section line easement must notify the property owners along that section line. She further asked how the owners of section line easements would do that if they were outside an organized borough. Responding to Mr. Goodrum, she stated she is referencing an Alaska Mental Health Trust Authority property in Gustavus.

[3:55:04 PM](#)

CRIS HESS, Deputy Director, Division of Land, Mining and Water, Department of Natural Resources (DNR), answered that when a proposed application for development of a section line easement is received, DNR regulations require public notice as well as personal notification of the owners of property over which the section line easement crosses.

[3:55:52 PM](#)

REPRESENTATIVE HANNAN asked how someone exercising that section line easement would comply with the regulations if they were not part of an organized borough that has, say, a taxpayer database for property owners.

MS. HESS replied that with an unorganized borough, individual title research would be needed to find out if property along the [proposed] section line easement has ever been in state ownership or conveyed out of state ownership and has a section line easement through it. If it is an organized borough taxing authority, she continued, DNR would get the information through the tax assessing records.

REPRESENTATIVE HANNAN recalled that the committee was told regarding Amendment 6 that there isn't a comprehensive enough database to notify property owners. However, she continued, it is mandated that someone exercising section line easements do the research to notify the owners of property over which the [proposed] easement would cross. She therefore asked why it can be done for one kind of easement, but not for other situations. She said the question for all disposal issues becomes: "What are the ripple effects and how do the adjoining people know?"

[3:58:00 PM](#)

REPRESENTATIVE FIELDS addressed Representative Hannan's point and the notion that DNR can't comply. He stated that they are property owners of record and DNR is going to mail a letter to them regardless of what state they may live in.

REPRESENTATIVE CRONK stated that while he appreciates the amendment, it is another layer of delaying the process of trying to get land in people's hands.

REPRESENTATIVE FIELDS clarified that Amendment 6 only proposes [DNR] must send a letter to the landowner; it doesn't say DNR must get acknowledgement from the landowner that the letter was received.

[3:59:24 PM](#)

CHAIR PATKOTAK said he sees value in municipality or local government notice and understands some of the issue DNR may have with real property ownership versus home ownership. He requested Mr. Goodrum's comment on possibly amending language in paragraph (1) in Amendment 6 that states "person who owns real property" to say persons who are homeowners.

MR. GOODRUM deferred to Mr. Orman to provide an answer.

[4:00:27 PM](#)

CHRISTOPHER ORMAN, Attorney, Civil Division-Juneau, Natural Resources Section, Department of Law (DOL), responded by first addressing Amendment 6 itself. He said one issue with the amendment is that it would provide notice and add notice provisions but would do so on only certain statutes within the [Alaska National Interest Lands Conservation Act (ANILCA)]. For example, he continued, there would be an amendment pursuant to a bid sale under AS 38.05.055, but no amendment to other like lease sale provisions for DNR under AS 38.05.070-085 or sales under AS 38.05.810, which would create a hiccup. The second hiccup, he stated, is that it is unclear with these amendments how the interplay between these portions that would be within the statute and then AS 38.05.945 is supposed to work. In particular, he noted, AS 38.05.945 uses the language of "affected parties" and requires DNR to come up with a method of notice that will "sufficiently contact affected parties". He said the question then about adding in these provisions is: "Does this define what is an affected party or an affected person at this point in 38.05.945?" In general, Mr. Orman advised, if the goal is to add something that is consistent across all land sale statutes and all provisions, then the amendment would be in AS 38.05.945 and not necessarily in each of these statutes. He said this is because the complication is going to be with notice within each one of these statutes now, but not all the provisions of the Act.

MR. ORMAN addressed Chair Patkotak's question about notice and providing that type of notice to those individuals who own real property adjacent [the state land nominated for disposal]. He said the better approach would be in AS 38.05.945 to affected persons or an amendment that defines some term that might add clarity.

[4:03:34 PM](#)

The committee took an at-ease from 4:03 p.m. to 4:07 p.m.

[4:07:56 PM](#)

REPRESENTATIVE FIELDS stated that a question regarding Amendment 6 is whether it would be possible to clarify what is wanted for these expedited land sales. He asked whether DNR could be directed to notify homeowners within a half mile rather than real property owners, given owners of vacant land may be hard to track down.

[4:08:49 PM](#)

ALPHEUS BULLARD, Legislative Counsel, Legislative Legal Services, Legislative Agencies and Offices, responded that a different amendment or an amendment that would further clarify can be drafted.

[4:09:11 PM](#)

REPRESENTATIVE HANNAN asked what the functional difference would be in law of referencing "homeowners" versus "real property" owners.

MR. BULLARD replied that much depends on the context. For example, he said, this isn't something that determines who gets to vote in a local election, this is who receives notice. He stated he is unsure which section of the bill relating to notice is being asked about, so he isn't sure of the particulars. All that the courts would require, he advised, is that there is a legitimate state purpose served in contacting only homeowners and not the owners of real property and it doesn't relate to a fundamental right, or that it is most likely only a legitimate state reason for that policy choice.

REPRESENTATIVE HANNAN understood Mr. Bullard to have said that unless there was some substantial reason to distinguish homeowners versus real property [owners] the courts would think they should be treated the same. She further understood Mr. Bullard to have said that it would not be standard in policy to draw that distinction unless there was an underlying policy question or concern of how to treat people in their homes versus ownership rights.

MR. BULLARD reiterated that he is unsure which section of the bill is being talked about. He said it may be permissible to distinguish homeowners from property owners; much would depend on the facts and the context.

[4:11:37 PM](#)

CHAIR PATKOTAK specified that the question relates to Amendment 6, which states: "person who owns real property that is adjacent to or located within one-half mile of the real property or interest in real property to be acquired or transferred". He explained the committee is looking at the language "person who owns real property" versus "homeowner" because perhaps it would be a burden to reach a real property owner based on the area and whether the owner has filed with the recording office. It is

the folks living on the property, the homeowners, adjacent to land sales whom the committee is trying to ensure have proper notice, he added.

MR. BULLARD answered he doesn't know whether in this case that would be a distinction that would raise legal issues. He said much would have to do with the nature of the real property transfer or acquisition and whether it would be of equal value for property owners who were not homeowners within one-half mile of the affected area to be alerted. There might be some things, he continued, where it would be entirely rational and straightforward to notify only the homeowners, and there might be other transfers of properties that would be of equal interest to all property owners.

[4:13:41 PM](#)

CHAIR PATKOTAK said he prefers to resolve this concern regarding property owners through AS 38.05.945 by either defining affected individuals or expanding on that definition.

REPRESENTATIVE RAUSCHER stated that if he owned property and was planning on putting in apartment houses in the future, he would still want to understand what is coming along.

[4:14:48 PM](#)

CHAIR PATKOTAK removed his objection to Amendment 6.

[4:14:52 PM](#)

REPRESENTATIVE CRONK objected.

[4:15:01 PM](#)

A roll call vote was taken. Representatives Hopkins, Hannan, Schrage, and Fields voted in favor of Amendment 6. Representatives Cronk, Rauscher, Gillham, McKay, and Patkotak voted against it. Therefore, Amendment 6 failed to be adopted by a vote of 4-5.

[4:15:44 PM](#)

REPRESENTATIVE RAUSCHER moved to adopt Amendment 7, labeled 32-GH1634\G.1, Bullard, 5/9/22, which read:

Page 1, line 3, following "**land**":

Insert "relating to a program of state inspection for certain meat processing facilities;"

Page 1, line 8, following "exchange;":

Insert "establishing temporary grant programs for certain meat processing facilities and for farm development and improvement;"

Page 3, following line 18:

Insert new bill sections to read:

"\* **Sec. 2.** AS 17.20.005 is amended to read:

**Sec. 17.20.005. Powers and duties of commissioner.** To carry out the requirements of this chapter, the commissioner may issue orders, regulations, permits, quarantines, and embargoes relating to

- (1) food offered to the public or sold, subject to AS 17.20.017, including
  - (A) inspection of meat, fish, poultry, and other food products;
  - (B) standards of sanitation and handling methods for all phases of slaughtering, processing, storing, transporting, displaying, and selling;
  - (C) labeling; and
  - (D) the training, testing, and certification requirements for individuals who handle or prepare food, their supervisors, and their employers to ensure their knowledge of food safety and sanitation principles and requirements;
- (2) control and eradication of pests;
- (3) enforcement of hazard analysis critical control point programs for seafood processing that are developed in cooperation with appropriate industry representatives or, to the extent not inconsistent with this chapter or regulations adopted under the authority of this chapter, that are established by regulations of the United States Food and Drug Administration as they may periodically be revised;
- (4) labeling, subject to AS 17.20.013, and grading of milk and milk products and standards of sanitation for dairies offering to the public or selling milk or milk products to at least the minimum of current recommendations of the United States Public Health Service pasteurized milk ordinance as it may periodically be revised;

(5) standards and conditions for the operation and siting of aquatic farms and related hatcheries, including

(A) restrictions on the use of chemicals;  
and

(B) requirements to protect the public from contaminated aquatic farm products that pose a risk to health;

(6) monitoring aquatic farms and aquatic farm products to ensure compliance with this chapter and, to the extent not inconsistent with this chapter or regulations adopted under the authority of this chapter, with the requirements of the national shellfish sanitation program manual of operations published by the United States Food and Drug Administration as it may periodically be revised;

(7) tests and analyses that may be made and hearings that may be held to determine whether the commissioner will issue a stop order or quarantine;

(8) transportation of, use of, disposal of, recalls of, or warnings concerning quarantined or embargoed items;

(9) cooperation with federal and other state agencies.

\* **Sec. 3.** AS 17.20 is amended by adding a new section to read:

**Sec. 17.20.017. Inspection of processed meat products.** (a) The department may adopt regulations to establish a program of state inspection for the processing and sale of meat products, including meat products from amenable species.

(b) The department may administer and enforce regulations adopted under (a) of this section for a program of state inspection for the processing and sale of meat products from amenable species only if the program is approved by the federal government.

(c) Regulations adopted by the department under this section must impose requirements that are not less stringent than the requirements imposed under 21 U.S.C. 601 - 695 (Federal Meat Inspection Act) and 7 U.S.C. 1901 - 1907 (Humane Methods of Slaughter Act).

(d) Subject to (b) of this section, and except as provided in (e) of this section, if the department adopts regulations to establish a program of state inspection for the processing and sale of meat products, the department shall

(1) license facilities that process meat products for sale to the public;

(2) adopt license requirements and fees for facilities that process meat products for sale to the public; and

(3) use officers and employees of the department to inspect facilities that are licensed under this subsection.

(e) The department may not establish, administer, or enforce a program of inspection under this section for facilities that process meat products from equines.

(f) In this section,

(1) "amenable species" has the meaning given in 21 U.S.C. 601(w);

(2) "equine" means a member of the family Equidae."

Renumber the following bill sections accordingly.

Page 15, following line 15:

Insert new bill sections to read:

**\* Sec. 21.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TEMPORARY GRANT PROGRAM FOR MEAT PROCESSING FACILITIES. (a) The Department of Environmental Conservation shall establish a grant program by regulation for the purpose of funding

(1) upgrades to a facility that is expected to operate under a program of state inspection authorized under AS 17.20.017, added by sec. 3 of this Act;

(2) construction of a new facility that is expected to operate under a program of state inspection authorized under AS 17.20.017, added by sec. 3 of this Act; and

(3) expansion of a facility that operates under a program of federal inspection that plans to increase processing of meat from animals raised in the state.

(b) In administering the grant program established under (a) of this section, the Department of Environmental Conservation

(1) shall develop criteria for awarding a grant and a process for applying for a grant that includes requiring

(A) a grant applicant to submit a business plan that provides

(i) how the applicant will meet the criteria required by the department to approve a grant under this section;

(ii) a timeline for the applicant to meet the upgrades, construction, or expansion funded by the grant; and

(B) the department to

(i) approve an applicant's business plan before awarding a grant;

(ii) visit an applicant's facility or the site of a facility proposed by an applicant to be upgraded, constructed, or expanded with grant funds;

(2) shall

(A) award grants preferentially to support facilities that prioritize seasonally feasible processing of meat from animals raised in the state; and

(B) require a recipient of a grant to report to the department on the use of grant funds;

(3) may make grants of up to \$150,000 to an applicant whose business plan is approved under this subsection for eligible expenses approved by the department;

(4) may make grants under this section until July 1, 2023.

(c) A recipient of a grant made under this section may use grant funds for costs related to activities described in (a) of this section that are approved by the department, including costs of technical assistance and the purchase of equipment.

(d) The department may charge an administrative fee to the recipient of a grant made under this section to cover the department's costs of administering the temporary grant program. The department

(1) shall deduct the fee from the grant funds provided to the recipient; and

(2) may not charge a recipient more than three percent of the amount of a grant made to the recipient applicant under this section.

(e) The temporary meat processing facilities grant fund is established in the department and consists of appropriations to the fund. Appropriations to the fund do not lapse.

(f) Except as otherwise provided by this section, if work on a project under (a) of this section is not concluded by June 30, 2028, the grant recipient shall repay to the fund any money not spent from the grant. Grant funds used for expenses that are not eligible under (c) of this section or that are not accounted for in the recipient's business plan approved by the department under (b) of this section must also be repaid to the fund. On and after July 1, 2023, any money repaid by a grant recipient shall be deposited into the general fund.

\* **Sec. 22.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TEMPORARY GRANT PROGRAM FOR FARM DEVELOPMENT AND IMPROVEMENT. (a) The division of the Department of Natural Resources with responsibility for agriculture shall establish a grant program by regulation for the purpose of funding investments in agriculture to build resiliency in the state's food supply.

(b) In administering the grant program established under (a) of this section, the Department of Natural Resources

(1) shall develop criteria for awarding a grant and a process for applying for a grant that includes requiring

(A) a grant applicant to submit a business plan that provides

(i) how the applicant will meet the criteria required by the department to approve a grant under this section;

(ii) a timeline for the applicant to meet the upgrades, construction, or expansion funded by the grant; and

(B) the department to

(i) approve an applicant's business plan before awarding a grant;

(ii) visit an applicant's farm, facility, or other site that would receive funding under a grant made under this section;

(2) shall require a recipient of a grant to report to the department on the use of grant funds;

(3) may make grants of up to \$150,000 to an applicant for eligible farm development and improvement expenses approved by the department;

(4) may make grants under this section until July 1, 2023.

(c) Eligible expenses under (b)(3) of this section include expenses relating to

(1) clearing of land for agricultural purposes; and

(2) the purchase, building, installation, maintenance, or improvement of

(A) irrigation, drainage, and other water management systems;

(B) fencing, trellising, barns, greenhouses, or other farm buildings or structures;

(C) agricultural processing and farm equipment, including milking and pasteurization equipment;

(D) livestock, feed, seeds, fertilizer, and seasonal extension equipment; and

(E) bees and beekeeping equipment.

(d) The department may charge an administrative fee to the recipient of a grant made under this section to cover the department's costs of administering the temporary grant program. The administrative fee

(1) shall be deducted from the grant funds provided to the recipient; and

(2) may not exceed three percent of the amount of a grant made under this section.

(e) The temporary farm development and improvement grant fund is established in the department and consists of appropriations to the fund. Appropriations to the fund do not lapse.

(f) Except as otherwise provided by this section, if work on a project under (a) of this section is not concluded by June 30, 2028, the grant recipient must repay to the fund any money not spent from a grant received under this section. Grant funds used for expenses that are not eligible under (c) of this section or that are not accounted for in a recipient's business plan approved by the department under (b) of this section must also be repaid to the fund. On and after July 1, 2023, any money repaid by a grant recipient shall be deposited into the general fund.

**\* Sec. 23.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: REGULATIONS. The Department of Environmental Conservation and the Department of Natural Resources shall adopt regulations necessary to implement secs. 2, 3, 21, and 22 of this Act. The

regulations take effect under AS 44.62 (Administrative Procedure Act), but not before the effective date of the law implemented by the regulation."

Renumber the following bill sections accordingly.

Page 15, following line 16:

Insert new bill sections to read:

"\* **Sec. 25.** Sections 21 and 22 of this Act are repealed January 1, 2029.

\* **Sec. 26.** Sections 21 and 22 of this Act take effect January 1, 2023."

Renumber the following bill section accordingly.

Page 15, line 17:

Delete "This"

Insert "Except as provided by sec. 26 of this Act, this"

CHAIR PATKOTAK objected for the purpose of discussion.

[4:16:22 PM](#)

REPRESENTATIVE RAUSCHER deferred to Mr. Brouwer, staff to Representative Tarr, to explain Amendment 7.

THATCHER BROUWER, Staff, Representative Geran Tarr, presented Amendment 7 on behalf of Representative Rauscher. He explained that the amendment is something Representative Tarr has been working on with the Food and Farm Caucus. Amendment 7 would allow the Department of Environmental Conservation (DEC) to establish a meat inspection program so DEC could allow for the sale of meat products. Further, it would allow for a temporary grant program housed in DEC for meat processing facilities, but there have been discussions that it might be more appropriately housed in the [Division of Agriculture] within the Department of Natural Resources.

[4:17:39 PM](#)

REPRESENTATIVE GERAN TARR, Alaska State Legislature, echoed that she has been working on this issue with the Food and Farm Caucus. She related that dollars have been in the budget for food security and the caucus is trying to more effectively define how those dollars might be used. The [COVID-19] pandemic showed the need for more in-state meat processing facilities,

which is reflected in one section of Amendment 7. Another section, she said, is the temporary grant program for farm development and improvement. She noted that while funds have been proposed in the capital budget for the Nenana-Totchaket area, farmers in other areas of Alaska are asking that they not be forgotten in the distribution of funds. This program, she continued, is therefore intended to capture all the bases of agricultural work, whether it is folks in the infancy of their farm development project or folks who are well established, thereby increasing production for Alaskans and the overall goal of improving food security for the state.

[4:19:35 PM](#)

MR. GOODRUM provided DNR's response to Amendment 7. He said he and DNR Commissioner Feige recently met with the Food and Farm Caucus. He related that the department is in favor of the conversation and aligned with what he believes Amendment 7 is proposing to do. He said he understands a few tweaks to some of the language may be needed going forward. Conceptually, he added, DNR and the administration are supportive of increasing Alaska's food security and efforts to do that.

[4:20:55 PM](#)

REPRESENTATIVE HANNAN asked whether there was another bill that would have done this.

REPRESENTATIVE RAUSCHER replied that to his knowledge no bill was run this year, there was consideration of whether to do so or to run an amendment. He said an amendment would be better to do in a bill that was going to move across the line this year rather than to start over from scratch.

REPRESENTATIVE TARR confirmed the aforementioned. She related that language was drafted early in the session by the caucus to get the process going. But, she continued, the caucus quickly decided that it wanted to prioritize its focus on this lands bill.

REPRESENTATIVE HANNAN asked whether there is a fiscal note.

REPRESENTATIVE TARR answered that \$3 million is currently in the capital budget for this program and under consideration in the other body, so new dollars are not being sought. She said a \$7 million appropriation was originally proposed by the governor. She recounted that last year some dollars for food security were

put into the budget to the Alaska Department of Fish and Game (ADF&G), which were spent differently from how [the caucus envisioned]. [The caucus], she continued, therefore decided to put some effort into developing how it would like to see dollars spent.

REPRESENTATIVE HANNAN expressed her concern with Amendment 7 being added to a bill about land and land disposal with one week remaining in session and in only one committee meeting. She noted that HB 120 is complex and has been worked on for two sessions and argued that Amendment 7 would add a program that doesn't relate to the bill. She said Amendment 7 would stand up a new policy, and due diligence by the committee will not have been done to ensure the project helps the people it is intended to help. She agreed that meat processing is an area that needs to be supported and expanded but maintained that HB 120 is the wrong vehicle to do it.

[4:24:27 PM](#)

REPRESENTATIVE MCKAY stated he loves the intent of Amendment 7 but agrees with Representative Hannan that this would be far afield from the intent of HB 120. He expressed his concern that Amendment 7 would hinder the bill from passing this session.

REPRESENTATIVE TARR responded that she has confidence in the amendment because dozens of people have worked on it throughout the session and because agriculture provisions are in the lands bill in the other body, which is the reason for attaching this to HB 120. Regarding what the appropriate vehicle is, she said it has been a Food and Farm Caucus priority with the involvement of 8-10 senators who are interested in getting this shared priority across the finish line.

REPRESENTATIVE RAUSCHER added that there have been talks about the amendment with the administration and DNR. He said the timing is such because the amendment is written now, and HB 120 is being heard.

[4:27:39 PM](#)

REPRESENTATIVE CRONK remarked that great ideas come up and get a little funding, but never enough funding to get food security on the ground. He said this is a good start to educating people about having their own food security and to extending power to places. Once that happens, he continued, waiting for Nenana-Totchaket isn't necessary because [other] places are ready to

go. He said he supports Amendment 7 because continuing to wait is hampering Alaska's food security.

[4:28:56 PM](#)

REPRESENTATIVE HOPKINS observed that Amendment 7, page 4, lines 26-27, [as numbered on the amendment] state that the department "may make grants of up to \$150,000 to an applicant whose business plan is approved". He asked whether this is new language.

REPRESENTATIVE TARR answered that it has always been included as an element to ensure the dollars go to projects that have been reviewed and have a strong business plan.

REPRESENTATIVE HOPKINS asked whether a new grant is being created by Amendment 7.

REPRESENTATIVE TARR replied yes, it is a temporary program, and the repeal dates are at the end of the amendment.

[4:29:46 PM](#)

REPRESENTATIVE HOPKINS asked whether there is a cap [on the number of grants].

REPRESENTATIVE TARR responded it will be distributed based on the dollars available through the budget process. She reiterated that \$3 million is currently in the budget for this specific program.

REPRESENTATIVE HOPKINS calculated that to be 20 grants. He remarked that Amendment 7 is a big amendment, and because he only received it today he doesn't have a grasp on what all the amendment does. He observed that the amendment includes food handling, standards to be created by DEC that are at least a minimum of the federal Meat Inspection Act and Humane Methods of Slaughter Act, and creation of the grant program for \$3 million this year. He surmised that if the \$3 million doesn't make it through the conference committee on HB 120, the grant program would not be available this coming year. He asked whether there are other provisions in the amendment.

REPRESENTATIVE TARR explained that the first part uses the language "may" rather than "shall" to give DEC the ability to consider an in-state meat processing program given the challenges with the USDA facility. She noted that a prior

program was cut in 1999 due to budget cuts. She said the amendment includes the two temporary grant programs with repeal dates, and the same language is used for both programs to require a business plan, timeline, and site visit. The two programs differ in the items that qualify, she added, because one is more related to food/farm agricultural products and the other is related to the meat processing.

[4:32:36 PM](#)

REPRESENTATIVE HOPKINS asked whether Mr. Goodrum sees any issues related to Representative McKay's concerns about hindering the bill's movement since Amendment 7 deals with meat processing facilities, not lands. He further asked where the nexus is for the title of the legislation change.

MR. GOODRUM qualified he is not a legal expert as far as compatibility with the other land aspects but that there are other provisions in the bill which deal with food security. He advised that DNR desires to make more agricultural land available and more flexible in uses so that it's a profitable and marketable endeavor for Alaskans. He said the Division of Agriculture works closely with the Food and Farm Caucus, a food task force, and other groups that are all trying to move in the same direction [regarding food security]. During a recent meeting, he continued, DNR heard the concepts that were being discussed and they generally aligned with where the department felt it needed to go. So, he stated, it could be a good thing if Amendment 7 is attached to HB 120, and it is up to this committee to make that decision.

[4:34:19 PM](#)

REPRESENTATIVE SCHRAGE said he trusts that Amendment 7 is being presented accurately and thinks he supports what the amendment does, but today is the first time he has seen the amendment. He said he cannot support Amendment 7 today, having been given too short a notice, but maybe [he could support] the amendment on the House floor.

[4:35:05 PM](#)

REPRESENTATIVE HANNAN asked whether everything in Section 2 of Amendment 7 is about existing inspections staying the same, except for the addition of AS 17.20.017 on page 1, line 15.

REPRESENTATIVE TARR confirmed AS 17.20.017 is the only addition. She drew attention to page 2, Section 3, Sec. 17.20.017, which adds inspection of processed meat products if the state were to choose to do an in-state inspection program.

[4:36:43 PM](#)

REPRESENTATIVE FIELDS agreed Amendment 7 is long, but said he is comfortable deferring to the homework done by Representative Tarr and other colleagues in the caucus with this expertise.

[4:37:09 PM](#)

CHAIR PATKOTAK removed his objection to Amendment 7.

[4:37:15 PM](#)

REPRESENTATIVE SCHRAGE objected to Amendment 7.

[4:37:23 PM](#)

A roll call vote was taken. Representatives Rauscher, Gillham, McKay, Fields, Cronk, Hopkins, and Patkotak voted in favor of Amendment 7. Representatives Schrage and Hannan voted against it. Therefore, Amendment 7 was adopted by a vote of 7-2.

CHAIR PATKOTAK invited further discussion on HB 120, as amended.

[4:38:19 PM](#)

REPRESENTATIVE FIELDS stated he has strong objections to HB 120, as amended. He said it's sad that DNR didn't want to support amendments protecting public access where there is an opportunity to do development and access. If this bill becomes law, he opined, special interests will be scouring DNR's properties trying to sole source purchase properties for below market value, and adjacent landowners and local governments will not be aware of it. This is inconsistent with the constitutional language for the maximum benefit, he argued. He maintained that HB 120, as amended, is a political vehicle so the governor can say he is developing lands. The bill, he continued, is further politicized with the addition of the Alaska Native Vietnam veteran land exchange, which has nothing to do with the underlying bill and should have been a separate vehicle. He charged that legislators are being railroaded that if they don't support this bill they don't support Alaska Native

veterans. He opined that HB 120, as amended, is offensive and terrible legislation, and he stated he would fight to defeat it.

[4:40:00 PM](#)

REPRESENTATIVE RAUSCHER asked Representative Fields whether [his opinion] relates to specific amendments or the bill as a unit.

REPRESENTATIVE FIELDS replied that his primary concerns are lack of public notice and review by the public and lack of public access should properties be developed. He stated that had the notice and public access amendments been adopted, or had Section 13 been eliminated, then 95 percent of his concerns would have been eliminated.

[4:40:34 PM](#)

REPRESENTATIVE CRONK said the state has been fighting for public access and he doesn't see HB 120, as amended, as lessening that. The state is going to continue to protect public access, he added.

[4:41:11 PM](#)

REPRESENTATIVE RAUSCHER suggested that there might be a few small items that need tightening up on the floor.

[4:41:34 PM](#)

REPRESENTATIVE HANNAN stated that she has expressed her concerns and wishes that the focus of HB 120, as amended, had been narrowed to an agricultural bill and developing a specific viable industry versus making it all things to everyone where there isn't an understanding of their intersects. The bill as it now stands, she argued, would allow someone to individually nominate land to develop a commercial interest and then claim standing to oppose other kinds of development in the future. That is why, she continued, it is essential to have area management plans and not do it piecemeal. She maintained that HB 120, as amended, tries to do too many things that have different goals. She said she could stand behind the bill if Section 13 wasn't there because it would create headaches and need to be revisited.

[4:44:01 PM](#)

MR. GOODRUM stated that over the past couple years this bill has been before the committee in various forms and discussed. He said DNR is a big department with broad responsibilities and its mandate is to manage Alaska's lands and to make them available for use. The bill's goal, he specified, has always been to help facilitate economic growth in the state and to see fuller utilization of Alaska's lands. Further, he noted, DNR is working to improve the state's food security. Last, he said, it must be ensured that Alaska Native Vietnam veterans are made whole by promises made to them by the federal government [being upheld]. Many of those promises have not been fulfilled, Mr. Goodrum continued, and many of the lands that have been made available to them by the federal government are in areas that are of little interest to them because they have no tie to the land. This provision in HB 120, as amended, he added, could possibly be a better solution to them, their families, and their heirs.

[4:46:07 PM](#)

REPRESENTATIVE HOPKINS moved to report HB 120, as amended, out of committee with individual recommendations and the accompanying fiscal notes.

[4:46:25 PM](#)

REPRESENTATIVE FIELDS objected.

[4:46:37 PM](#)

A roll call vote was taken. Representatives Schrage, McKay, Cronk, Rauscher, Gillham, and Patkotak voted in favor of HB 120, as amended. Representatives Fields, Hopkins, and Hannan voted against it. Therefore, CSHB 120(RES) was reported out of the House Resources Standing Committee by a vote of 6-3.

CHAIR PATKOTAK noted that Legislative Legal Services can make technical changes to the bill.

[4:47:37 PM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the House Resources Standing Committee meeting was adjourned at 4:47 p.m.