

**ALASKA STATE LEGISLATURE  
SENATE RESOURCES STANDING COMMITTEE**

March 17, 2021

3:32 p.m.

**MEMBERS PRESENT**

Senator Joshua Revak, Chair  
Senator Peter Micciche, Vice Chair  
Senator Click Bishop  
Senator Gary Stevens  
Senator Natasha von Imhof  
Senator Jesse Kiehl  
Senator Scott Kawasaki

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

SENATE BILL NO. 97

"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."

- HEARD & HELD

CONFIRMATIONS HEARING(S)

Regulatory Commission of Alaska

Robert Pickett

Keith Kurber

- CONFIRMATIONS ADVANCED

**PREVIOUS COMMITTEE ACTION**

BILL: SB 97

SHORT TITLE: STATE LAND SALES AND LEASES; RIVERS

SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

03/03/21 (S) READ THE FIRST TIME - REFERRALS  
03/03/21 (S) RES, FIN  
03/17/21 (S) RES AT 3:30 PM BUTROVICH 205

**WITNESS REGISTER**

CORRI FEIGE, Commissioner  
Department of Natural Resources  
Anchorage, Alaska

**POSITION STATEMENT:** Provided an overview of SB 97.

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

**POSITION STATEMENT:** Delivered a PowerPoint to introduce SB 97.

DAVE SCHADE, Director  
Division of Agriculture  
Department of Natural Resources  
Palmer, Alaska

**POSITION STATEMENT:** Provided an overview of agricultural land disposal and an amended definition of agricultural land use during the hearing on SB 97.

MEL GILLIS, representing self  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of SB 97.

MARGARET STERN, representing self  
Talkeetna, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 97.

HOWARD CARBONE, Board Member  
Susitna River Coalition  
Talkeetna, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 97.

ANDREW COUCH, representing self  
Palmer, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 97.

KENDRA ZAMZOW, representing self

Chickaloon, Alaska

**POSITION STATEMENT:** Testified in opposition to SB 97.

MICHAEL OVERCAST, owner  
Tordrillo Mountain Lodge  
Judd Lake, Alaska

**POSITION STATEMENT:** Testified in support of SB 97.

ROBERT PICKETT, Commissioner Appointee  
Regulatory Commission of Alaska (RCA)  
Department of Commerce, Community and Economic Development  
Palmer, Alaska

**POSITION STATEMENT:** Testified as appointee to the Regulatory Commission of Alaska.

KEITH KURBER, Commissioner Appointee  
Regulatory Commission of Alaska (RCA)  
Department of Commerce, Community and Economic Development  
Fairbanks, Alaska

**POSITION STATEMENT:** Testified as appointee to the Regulatory Commission of Alaska.

ALYSSA SAPPENFIELD, representing self  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in opposition to Mr. Kurber's appointment to the Regulatory Commission of Alaska.

#### **ACTION NARRATIVE**

[3:32:17 PM](#)

**CHAIR JOSHUA REVAK** called the Senate Resources Standing Committee meeting to order at 3:32 p.m. Present at the call to order were Senators Stevens, von Imhof, Kiehl, Kawasaki, Micciche, and Chair Revak. Senator Bishop arrived soon thereafter.

#### **SB 97-STATE LAND SALES AND LEASES; RIVERS**

[3:33:02 PM](#)

**CHAIR REVAK** announced the consideration of SENATE BILL NO. 97 "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."

CHAIR REVAK listed the presenters and the individuals available to answer questions.

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CORRI FEIGE, Commissioner, Department of Natural Resources, Anchorage, Alaska, stated a top priority of Governor Dunleavy is to open land up for enjoyment, personal and commercial use, to create opportunities for Alaskans to grow businesses and the economy, and to create opportunities for Alaskan ownership. She stated that Senate Bill 97 removes certain land designations which create unnecessary restrictions and conflicting barriers to land use and development.

COMMISSIONER FEIGE said that this bill improves Alaska's ability to rely on what we can hunt, gather, and grow locally. It will mitigate supply chain vulnerability to improve overall food security. The Commissioner summed-up that the bill's statutory changes streamline management processes aimed at the removal of barriers to land use and sales and is expected to get individuals and commercial operators back to work sooner.

COMMISSIONER FEIGE deferred further introduction of SB 97 to Marty Parsons.

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SENATOR BISHOP joined the committee meeting.

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MARTY PARSONS, Director, Division of Mining, Land, and Water, Department of Natural Resources, Anchorage, Alaska, opened with slide 1 for his presentation "SB 97 State Land Sales and Leases; Rivers." He explained, in slide 2, that SB 97 amends current statute to allow the Department of Transportation and Public Facilities (DOTPF) and the Department of Education and Early Development (DEED) to independently dispose of certain surplus property. Specifically, property acquired under the authority of each department's respective statutes and property that is no longer needed for the purpose of its original acquisition. Under current standard operating procedures, surplus land is transferred to the Department of Natural Resources (DNR) prior to disposal. This bill allows DNR to be bypassed, so the disposal process is streamlined, and multi-agency efforts reduced.

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SENATOR STEVENS said this issue is relevant to school sites that are no longer needed but he asked how other agencies wind-up with surplus property.

MR. PARSONS answered that DOTPF has the authority to acquire land for highways and public facilities. He said suppose DOTPF acquires property for a capital expansion or a port expansion project. If the capital expansion never materializes or the port never expands, the land becomes surplus. This bill allows DOTPF to dispose of these properties, which were never utilized for the purpose intended.

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SENATOR KAWASAKI asked if the department works with local municipalities prior to the disposal of public state land.

MR. PARSONS answered yes, the department works closely with local municipalities if it is disposing of lands through a land disposal process or a lease agreement with a company or individual.

MR. PARSONS noted that he is not familiar with all DOTPF and DEED land disposal statutes and regulations, but the Constitution of the State of Alaska requires a public land disposal process and the public must be informed.

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SENATOR KIEHL brought up a philosophical point. He said the administration emphasizes consolidation of government operations, in particular purchases. However, this bill takes the opposite approach; it decentralizes operations. He asked how it is an improvement to have two additional departments, with separate rules, dispose of lands.

MR. PARSONS answered that DOTPF already has the authority to dispose of land; this bill provides an additional method.

SENATOR KIEHL drew attention to the bill section that fails to denote existing DOTPF rules as the authority for land disposal. Rather, the commissioner may establish the terms for the land disposal.

MR. PARSONS responded that is correct. In most cases, the commissioner chooses this option for land disposal. He noted the importance of a robust public process prior to the adoption of

any regulations. He cited AO 266 which requires public engagement prior to adopting any regulations.

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MR. PARSONS advanced to slide 3, Land Disposal Income Fund (LDIF). He said this slide explains the need for an LDIF cap increase from \$5 million to \$12 million. The chart on slide 3 depicts the diminished value of working capital as it is squeezed between a 20-year-old fund cap and ever-increasing direct personnel and development costs.

**LAND DISPOSAL INCOME FUND  
(LDIF)**

**Increase Land Disposal  
Income Fund (LDIF) Cap**

Increase spending authority from the  
LDIF for project development

The cap on the LDIF is proposed to be increased from \$5M to \$12M to provide additional capital for the department to develop and dispose of state lands and to offset inflation since the fund was established in 2000

- The \$5M cap has not been adjusted in 20 years
- Personnel and Development costs have increased significantly, reducing the available "working capital"
- This will result in more acreage available for sale and construction of access
- This is not an appropriation increase, simply an adjustment to the funding cap

MR. PARSONS stated that to have the available working capital to build infrastructure at municipality and borough standards, the cap needs to increase to \$12 million.

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SENATOR VON IMHOF stated that sometimes land must be developed in order to obtain the best sale price. She requested clarification of the following point on slide 3:

The cap on the LDIF is proposed to be increased for the department to develop and dispose of state lands...

SENATOR VON IMHOF asked if this phrase means to "develop and dispose," "develop in order to dispose," or "develop or dispose."

MR. PARSONS answered that all three interpretations apply. He said the land development process requires a survey, established corners for lot lines, and the construction of a road system. The cap increase would provide the revenue necessary to fund infrastructure development, this is especially true in boroughs and municipalities as these projects must be approved by platting boards to be eligible to sale.

SENATOR VON IMHOF asked if this occurs all over the state, from Ketchikan to Utqiagvik, or if this pertains to one section of the state.

MR. PARSONS answered that the land sale program is statewide.

SENATOR VON IMHOF asked how many acres SB 97 is expected to affect.

MR. PARSONS replied that normally the department offers 200 parcels in 3 to 5 acre-sized lots. He expressed a belief that an expanded fund cap will result in doubling the department's annual offering.

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SENATOR STEVENS noted that the commissioner emphasized hunting, gathering, and growing in her opening remarks. He asked how the department plans to balance two very different things, that is, the balance between hunting, gathering, and growing with private ownership.

MR. PARSONS answered that balance is maintained through a robust, 2 to 5-year, statewide planning process which identifies lands selected for habitat, lands selected for agriculture, lands selected for future development, and lands selected for retention under state ownership.

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SENATOR VON IMHOF asked for verification that over 90 percent of land in Alaska is owned by public federal, state, and municipal entities, compared to less than 10 percent of land that is individually owned or owned by private entities.

MR. PARSONS answered that one percent of Alaska is privately owned. He added that combined with ANCSA corporations, private land ownership totals 12 percent.

SENATOR VON IMHOF asked whether 12 percent is the lowest percentage of privately held land in the United States.

MR. PARSONS answered yes. Alaska has the lowest percentage of privately owned land of any state in the union.

SENATOR VON IMHOF concluded that Alaskans enjoy not only the largest number of square miles for public use, but the largest percentage of public land designated for recreational use, play and enjoyment in the United States.

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SENATOR BISHOP asked if the fund cap was lifted from \$5 million to \$12 million, would that result in more working capital to conduct surveys and build access roads. Also, would the lift theoretically increase the value of the property, so larger premiums might be obtained.

MR. PARSONS expressed his belief the statement is accurate. He said that the department could certainly increase the number of offerings it makes. He continued that wherever access is expanded, whether it be through constructed roads, hardening trails, or off-road vehicle paths, access adds value to the land.

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MR. PARSONS moved on to slide 4, Commercial Use.

## **COMMERCIAL USE**

### **Commercial Use Land Sales**

This new statute governing the leasing and sale of state lands deemed suitable for commercial development, within Qualified Opportunity Zones or in state determined commercial development areas

- Land can be nominated by the public
- Leasing option to complete requirements for sale and allow immediate commercial activity

- After conclusion of the lease requirements a sale will occur
- Individuals have requested a program to allow for such sales
- The number of acres identified for proposed development will be significant and the number of acres conveyed will depend on the proposals received

MR. PARSONS said that the department wants to foster and promote commercial development of state lands. He compared the current land purchase process with the process detailed in section 14 of SB 97, which is also outlined in the bullet points above. He briefly explained that this bill allows an individual to approach the department with a plan to develop up to a 20-acre parcel, it allows the commissioner to enter into a lease agreement with the individual, and it allows the individual who has proved-up and is in good standing, to purchase the property for continued commercial use. He said this creative idea supports businesses; it provides access to one of the state's largest assets, that being land. He hoped that this will encourage development and expand economies in remote areas of Alaska.

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SENATOR KIEHL referenced the following in Section 14 of SB 97:

Sec. 38.05.086.

(b)(2) state land nominated by the public; public nominations under this paragraph are limited to one for each person and may not exceed 640 acres in size;

Sec 39.05.086.

(e)(2) the specific location and description, including amount, of land requested for the proposed commercial development; the amount of land requested in a response to request for proposals may not exceed 20 acres and must be reasonably compact.

SENATOR KIEHL asked for further explanation of the process, specifically the 640-acre nomination of public land and the 20-acre request for proposal limit.

MR. PARSONS explained that a person may identify an appropriate site for their commercial business, then nominate up to 640 acres where that commercial activity could potentially occur. The intent is not to convey large acreage for commercial

purposes. While 640 acres may be nominated, a 20-acre limit is deemed ample for most small businesses to develop.

SENATOR KIEHL asked whether the commissioner could approve a 20-acre lease request or if the request would have to go through a competitive bid process.

MR. PARSONS answered there are two ways to approve a lease. First, an individual may nominate land and provide a plan, then the commissioner may enter directly into a lease. Second, the department identifies commercial sites, then opens the sites for proposals. If only one proposal is submitted, the commissioner may enter into a lease with that individual. If more than one proposal is submitted, those who submitted proposals would bid competitively against each other for the lease.

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SENATOR MICCICHE sought clarification about the difference between current practice and the proposed changes in this bill. He asked if both methods to acquire land, either through the annual program or through a nomination process, are allowed today.

MR. PARSONS answered that both the annual program and the nomination process are currently available.

SENATOR MICCICHE asked what the difference is between the current methods to attain land and the methods proposed for commercial use in this bill.

MR. PARSONS replied that land nominated by an individual, under current statute, must go through the competitive bid process. This bill allows an individual to nominate land for commercial purposes, submit a plan, bypass the competitive bid process, enter into a lease agreement and prove-up on the land in order to be eligible to purchase that land. He added that this bill brings in elements of the old homestead and commercial leasing statutes currently in place for commercial/recreational development.

SENATOR MICCICHE followed-up with a question about recreational leases. He noted that a gap exists currently that fails to benefit previously improved recreational property in the same way as commercial. He asked if SB 97 might absorb previously leased recreational lands under the commercial property category.

MR. PARSONS answered that neither the commercial nor the agricultural portion of this bill pertain to recreational parcels. He said further conversation is needed to address the gap for recreational sites.

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DAVE SCHADE, Director, Division of Agriculture, Department of Natural Resources, Palmer, Alaska, continued the presentation with slide 5, Agriculture Lands. He stated that simple but important changes to the bill reduce restrictions on agricultural land disposal.

### **Reduced Restrictions to Agricultural Land Disposals**

Statutes are modified to reduce restrictions on agricultural land to private ownership

- Reduces parcel size from a minimum of 40 acres to 20 acres when subdividing
- Increases the number of parcels from a maximum of four parcels to eight parcels when subdividing

MR. SCHADE explained this allows the larger 640-acre parcels of agriculture to be divided into smaller, more economic units.

- Allows for land use and improvements, including those that do not limit the primary use for agricultural purposes

MR. SCHADE noted that another important modification is the expanded interpretation of the term "agricultural use." The original statute was written for traditional agricultural use, mainly, to grow crops. This bill allows a broader range of farm activities. So long as the activities do not conflict with the farm's primary agricultural purpose, other activities such as agri-tourism, may not be limited. He noted that this small, but significant, change to the definition of agricultural use is expected to increase potential earnings on farms.

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CHAIR REVAK asked whether the agricultural provisions of SB 97 apply to both individuals who currently have agricultural land as well as to individuals who have yet to enter into an agricultural lease agreement.

MR. SCHADE explained that there are two designations for currently owned agricultural property:

Old Title - old title land may be subdivided an unlimited number of times; each parcel may be no smaller than 40-acres.

New Title - new title land may be subdivided a maximum of 4 times into 4 lots; each parcel may be no smaller than 40-acres.

MR. SCHADE said that subdivided land is a one-time deal. Specifically, this bill will not apply to old or new title land which has already been subdivided. SB 97 will not affect that which was already done. However, this bill will impact land that has not been subdivided and is currently in private ownership with agricultural covenants. It allows the department to sell land with agricultural covenants down to 20 acres instead of the minimum 40-acre parcel.

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MR. PARSONS continued with slide 6, Development.

## **DEVELOPMENT**

### **Road Development and Minimum Lot Size Standards**

The bill clarifies statutes relating to the development of roads and minimum lot size standards

- Provides statute language to ensure State land disposals are held to the same platting and zoning requirements as all municipal projects for both lot size and constructed access

MR. PARSONS recalled a bill proposed in a previous session that granted the state platting authority of all state lands, even lands within organized boroughs. He stated that after careful consideration of the input from the Alaska Municipal League (AML), the department's "platting authority" position changed. Hence, "platting authority" verbiage was removed from the bill. He expressed the belief that the LDFI fund cap increase will enable the state to comply with borough and municipal concerns that pertain to road construction standards. He added that the state and AML jointly agreed to modify construction standards in AS 19.30.080, so the state is held to the same construction standards as any developer, not greater standards. This puts the

state on a level playing field for development costs to bring the land to market.

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MR. PARSONS continued the presentation with slide 7, Additional Sales and Authorities.

## **ADDITIONAL SALES AND AUTHORITIES**

### **Additional Sale Authorities**

Provides for ease of Land Sales purchase contracts and clarification

- Modifies auction requirements for easier administration of land offerings
  - Allows for more modern sale options, including online auctions

MR. PARSONS added that the objective is to reach a wider audience and increase involvement in state land sales. SB 79 brings auction language up to date with modern sales practices, so that auctions reach a wider audience. He cited the example of online auctions like eBay.

- Increase max contract term to 30 years
  - Currently capped at 20 years
  - Allows for longer financing of higher value parcels

MR. PARSONS explained that the state wants to remove cost barriers to make the purchase of land more attainable. The term increase from 20 years to 30 years reduces the monthly/quarterly/annual payment amount, which makes the purchase of land less cost prohibitive.

- Language referencing "foreclosure" is modified to "termination" to align with the current administrative process

MR. PARSONS stated that this small language modification protects the state from certain foreclosure related litigation.

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SENATOR KIEHL asked which sections of the bill reference online sales.

MR. PARSONS replied Section 5 of the bill references auctions.

SENATOR KIEHL asked which sections of the bill require competition and public notice to prevent collusion and bid rigging.

MR. PARSONS replied that the constitutional and statutory requirements for competition and public notice are intact. He said that although this bill allows for an additional sales method, the public process remains unchanged.

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MR. PARSONS advanced to slide 8, Recreational Rivers. He provided a historical overview of the enormous increase in recreational river use and commercial development that occurred in the Anchorage area and Susitna River drainage in the mid-70s to early-80s. In response to river use and development, the Susitna Basin Recreational River Management Plan (SBRRMP, also known as: Recreational Rivers, Rec Rivers, and the Plan) was established and codified in 1988. The Plan put severe restrictions on land usage, facility construction and left little wiggle room for the state to work with developers to expand and grow. He cited several untenable Plan restrictions. Restrictions included 100 square foot dock-size limitations and removal of docks every freeze-up. Travel schedule restrictions included motorized travel one week, but not the next. He said that the Plan had valuable elements, but restrictions stifled development and were too extensive for the state to provide adequate enforcement.

## **RECREATIONAL RIVERS**

### **Repeal of Recreational Rivers Statutes**

The bill repeals statutes relating to the designation of certain rivers in southcentral Alaska as recreation rivers, in order to allow for more effective management of state land

- Reduction of current limitations on land management

- Repeal will end unenforceable management issues and restrictions on recreational and commercial use on over 260,000 acres
- o Provides for generally allowed uses
- o Allows expansion of commercial land use opportunities
- Protection of access will be accomplished through classification of lands that require retention in state ownership

MR. PARSONS said that currently to amend the Plan, the governor must appoint a thirteen-member board to review significant change requests. He described the process as cumbersome; it is difficult for the state to work alongside lodges that want to expand and grow their businesses. He said, in contrast to the restrictive tenants of the current Plan, tools are now available which accomplish the Plan's mission more efficiently. He continued that the Susitna Basin Recreational River Management Plan comprises roughly 260,000 acres, all of which has now been classified under two recently adopted area plans: "habitat" and "public recreation use dispersed." The two classifications provide the framework for equivalent protections, but with the added flexibility to make amendments through the public process rather than through a board.

MR. PARSONS concluded that rescission of the Susitna Basin Recreational River Management Plan and associated legislation, enables the state to manage state land more nimbly within the recreational rivers.

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SENATOR KAWASAKI referenced the term "generally allowed uses" on slide 8 and asked whether it is a term of art.

MR. PARSONS replied no and clarified that "generally allowed uses" are established in regulation and determine allowed uses on state land. For example, the type and size of off-road vehicles that can be used, the number of days a camp may be set-up on state land and the type of clearing that can be done for trail construction.

SENATOR KAWASAKI referenced the repealers for the Recreation Rivers statutes in Section 19 and requested a list of affected statutes.

MR. PARSONS agreed and drew attention to a one-page document provided to the committee. He added that all of the lands which were contained in the Recreational Rivers Plan are now classified in, and have management intent under, the Susitna-Matanuska Area Plan and the Southeast Susitna Area Plan.

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SENATOR KIEHL quoted Mr. Parson's testimony that the lands "could not be cut up and sold off." He said that statement appears to contradict Section 14 that specifically says that any area not currently planned is available for commercial use. It can be nominated and the commissioner can classify or reclassify it in any land classification, with the exception of areas designated by the legislature.

SENATOR KIEHL asked whether the land would become eligible to be cut up and sold if the legislative designations were repealed.

MR. PARSONS answered that the land would be eligible for nomination but would remain subject to a specified disposal classification unless it is reclassified, which requires a public process.

SENATOR KIEHL responded that is precisely what is provided for in the bill. He questioned the validity of the notion that the current Management Plan is too restrictive and too tough to change, especially as it pertains to float plane docks. He stated that aircraft use is a legislatively compatible activity, as are recreational and lodge-type facilities. He then asked how it is that the Management Plan disallows activities that the statutes expressly permit and why these differences should be of legislative concern.

MR. PARSONS answered the Plan restricts the number of feet a dock can protrude into a lake, although weeds in that water interfere with aircraft moorage. This creates a problem when planes are unable to get close enough to shore for passengers to disembark and to unload freight. To amend dock stipulations requires a 13-member board approval.

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SENATOR KIEHL responded that he previously served on the Juneau Assembly which has 34 boards; members were appointed all the time and rewrote a lot of plans. He recalled previously proposed legislation and noted the Mat-Su Borough had concerns about the

repeal of the Rec Rivers. He asked whether the borough's position had changed on this issue.

MR. PARSONS answered that significant concerns had not been received from the Mat-Su Borough. He reiterated that Plan changes would require a public process and the state would work, as partners, with boroughs. He stated the notion that the public process will be eliminated is inaccurate; this is not an opportunity through fiat to make changes.

SENATOR KIEHL clarified that he neither questioned the administration's use of the public process nor believes the administration governs by fiat.

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CHAIR REVAK shared one of the problem scenarios that led to the establishment of the Recreational Rivers Plan. He said that a few days before a fish run, a number of campers would use their campsites to fashion barricades in order to prevent access to the river, which effectively monopolized "fishing holes." Residents voiced concern about the barricades and wanted to ensure everyone had access to the rivers. He asked for reassurance that access to the rivers would not be affected by the repeal.

MR. PARSONS replied that the repeal will not affect "generally allowed uses." He explained that the Department of Natural Resources currently is unable to enforce public access to the rivers; the department is not authorized to issue a citation nor a ticket. The department's authority to move campers is the same whether the Plan is in place or not.

CHAIR REVAK asked about parcel sales on fishing spots.

MR. PARSONS replied that prior to a sale, land must go through a public process to be reclassified as either "habitat" or "dispersed public recreation" and go through the Mat-Su Borough platting board for plan approval. It is a multiple-iterative public process before the lands can be offered for sale.

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SENATOR VON IMHOF referred to a handout which identified the following recreational rivers: Alexander Creek, Kroto Creek, Moose Creek, etc... She asked him to repeat the titles of the plans that would govern the rivers if SBRRMP were repealed.

MR. PARSONS answered the Susitna-Matanuska Area Plan, and the Southeast Susitna Area Plan. He clarified that land identified as "wildlife habitat" and "public use recreation dispersed" under SBRRMP, would retain those classifications in state ownership along with the Plan's management intent. Any adjudicator that issued a permit would do so in accordance with the Plan's management intent. Also, to be eligible for disposal, any land sales must go through a public process to be reclassified as settlement land or agricultural land.

SENATOR VON IMHOF requested confirmation that two state area plans are currently established to manage the rivers should SBRRMP be repealed.

MR. PARSONS answered that is correct.

SENATOR VON IMHOF commented that it makes sense to relieve a degree of pressure on Ship Creek, Bird Creek, Russian River, Kenai River and Kasilof River. Alaska has a lot of land to recreate and that is why we live in this great state, she said.

[4:28:05 PM](#)

SENATOR MICCICHE stated that in the Mat-Su drainage, people have put a lot of time and energy into the issues, and habitat protection has been the key in the area. He requested a list of statutory matchups to verify protections remain in effect if the recreational river statutes are repealed.

MR. PARSONS answered that he will provide the matchups, as well as the stipulations from the area plans that provide the same protections.

SENATOR MICCICHE changed subjects. He mentioned that agricultural use requirements have softened in the Lower 48 and resulted in the split-up of large swaths of land; small subdivisions are sold off en masse and it rendered the land unusable for its intended purpose. He asked for further explanation of Section 16 which pertains to this topic but is unclear.

MR. PARSONS deferred to Mr. Schade.

MR. SCHADE asked Senator Micciche to repeat the question.

SENATOR MICCICHE referenced Section 16, page 11, lines 25-28 of the bill:

(3) the commissioner may not  
(A) limit the right of the landowner to use the land and improvements for purposes that are [INCIDENTAL TO AND] not inconsistent with and do not limit the primary use of the land for agricultural purposes;

SENATOR MICCICHE asked whether the proposed change in paragraph (3)(A) eliminates the requirement that land be used strictly for agricultural purposes. He voiced concern that the proposed change might chip away at the purpose for which agricultural use only lands were established.

MR. SCHADE explained that the primary purpose of land under Section 16 continues to be for agricultural use. The difference is that the definition of agricultural use is expanded to include improvements that are consistent with, and that do not limit, the land's primary purpose. For example, a landowner would be permitted to start an agriculture-related business under SB 97, such as, an agri-tourism, "participation on the farm" bed and breakfast, so long as the business did not interfere with the primary purpose of the land. This type of symbiotic, agricultural business-model is not currently permitted, but would be under SB 97.

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SENATOR MICCICHE switched topics and asked for examples of lands that are available for conveyance through both commercial and agricultural programs, what the land looks like and where the land is located.

MR. SCHADE referred the commercial portion of the question to Mr. Parsons but spoke to the agricultural portion of the question. He said the state currently has 180,000 acres in the Nenana Totchaket Project. The department is actively designing the first phase of the project which crosses the Tanana at Nenana; the bridge was opened in July. The private sector laid 17 miles of road that made it possible to get Lidar (light detection and ranging) and photography. The Division of Mining, Land and Water was able to work with the Division of Agriculture on a preliminary design. He said that of the 180,000 acres designated to this project, 120,000 acres are suitable for agriculture.

MR. SCHADE listed the following locations of additional small parcels around the state:

- the Interior;
- the Peninsula "North Fork Micro Project" is under development by the Division of Mining, Land and Water and the Division of Agriculture. Approximately 400 acres of agriculture/general use land will be available in the next couple of years;
- potential ranch land in 20-acre to 640-acre parcels in the Nenana Totchaket Project;
- agricultural land in North Susitna; and
- agricultural hydroponics on a small scale in Southeast.

MR. SCHADE concluded that indoor agriculture can be used from Bethel to northern Alaska and the possibilities are exciting.

SENATOR MICCICHE commented that he likes SB 97 because it is time to put more land in private hands.

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SENATOR VON IMHOF lamented that there are too few economic opportunities in rural communities. She stated that land sales are a good way to stimulate cottage industries, small businesses, and sole proprietorships, so citizens can earn a living.

[4:36:46 PM](#)

CHAIR REVAK thanked the presenters and opened public testimony on SB 97.

[4:37:40 PM](#)

MEL GILLIS, representing self, Anchorage, Alaska, stated that for the past 40 years, he has been unable to buy the piece of property which he leased, built a cabin on, and used for guide services. He said it has been difficult for small businesses to obtain property, and he supports SB 97.

[4:39:04 PM](#)

MARGARET STERN, representing self, Talkeetna, Alaska, testified in opposition to SB 97. She echoed the concerns that the borough raised when the bill was presented in 2020. She stated that the bill and repeal of protections are short-sited and detrimental to the interests of the people and Alaskans in the watershed. She encouraged responsible development.

CHAIR REVAK stated that it was difficult to hear Ms. Stern's testimony and invited her to email it to sres@akleg.gov.

[4:41:08 PM](#)

HOWARD CARBONE, Board Member, Susitna River Coalition, Talkeetna, Alaska, testified in opposition to SB 97. He cited Governor Dunleavy and disputed that the bill's purpose is to give Alaskans greater access to land. He expressed his belief that the purpose of SB 97 is to promote land sales to facilitate the easiest, fastest, and cheapest construction of the West Susitna Access Road, regardless of the consequences to Alaska's land and natural resources. He stated that if the bill passes, the protectionary barriers currently in place will be removed from statute. These include the six recreation rivers, five of which are in the West Susitna area.

MR. CARBONE said that the Recreational Rivers Plan was established with visionary, bi-partisan legislation to protect fish and wildlife. This is why both the Mat-Su Borough and the Mat-Su Fish and Wildlife Commission oppose this bill. He recommended that the state avoid destructive short-cuts and develop in such a way as to protect the state's natural resources.

[4:42:53 PM](#)

ANDREW COUCH, representing self, Palmer, Alaska, testified in opposition to SB 97. He stated that he is the owner of Fishtale River Guides and he works in the Mat-Su Valley. He guides on Alexander Creek, Deshka River and Little Susitna River, and fishes on Talkeetna River and Lake Creek, but has never been all the way to Talachulitna River. He described these salmon streams as the best in the Valley since the founding of the Recreational Rivers Plan. He noted that Alexander Creek has declined due to the heavy population of pike. The most heavily used streams for recreational use are the Deshka, Little Susitna, Talkeetna, and Lake Creek; the streams are very important to recreational users. He said that although commercial use is not available on these streams, the streams receive a lot of it already. He suggested that the expansion of commercial users might displace the businesses that are already established. In addition to guides and lodges, the rivers are used by dip netters, subsistence fishers, and also by commercial users in Cook Inlet. He said that the removal of the Susitna Basin Recreation Rivers Management Plan coupled with increased development along the rivers is likely to be detrimental to both fish and wildlife. He concluded that although Alaskans may not be able to drive to all the rivers, there is good access by boat to hunt and fish. Unfortunately, private ownership up and down the river will affect, possibly restrict, public access and use.

[4:45:57 PM](#)

KENDRA ZAMZOW, representing self, Chickaloon, Alaska, testified in opposition to SB 97. Ms. Zamzow indicated that she has served on a board within the Mat-Su borough and participates on the Science and Data Committee of the Mat-Su Salmon Habitat Partnership. She stated that she opposes parts of SB 97, namely:

- Repeal of the Recreational Rivers. She said that she knows through personal experience it is not difficult to put a board together to resolve problems.

- Changes to agricultural land covenants in Sections 15 - 17. She warned that changes to the covenants could open the door to the destruction of soil. She clarified that if anything is more precious than the state's rivers and riparian areas, it is its agricultural soil. She stated that she is not opposed to a one-acre bed and breakfast on a 160-acre farm. However, economic boosts are not adequate reason to permit large-scale soil removal. She recommended amending SB 97 to include the prevention of soil removal from agricultural land.

[4:47:38 PM](#)

MICHAEL OVERCAST, owner, Tordrillo Mountain Lodge, Judd Lake, Alaska, testified in support of SB 97. He stated that he, Tommy Moe, and others own a limited liability company which operates the Tordrillo Lodge. It is located on Judd Lake at the top of the Talachulitna River. The lodge opened in 2005 and offers visitors both summer and winter activities. He stated he supports the repeal of the Recreational Rivers Act in Sections 19 and 20 of the bill. He mentioned that Judd Lake is a 50-acre lake and sits within the management area covered by the Act.

MR. OVERCAST provided a historical overview of the Recreational Rivers. He stated that the Recreational Rivers Act became law in 1988 and was adopted in 1991. He said that the Recreational Rivers Act and Susitna Basin Recreational River Management Plan were intended to be flexible. They were to be reviewed every five years with public input and input from a Recreational Rivers Advisory Board comprised of a broad cross-section of the affected public. He said the shelf life of the Plan was intended to be 20 years. He underscored that it has been more than 30 years since the Plan was adopted and there has never been:

- a periodic five-year review of the Plan;
- a public review of the Plan;
- public input; nor

- input from the Recreation Rivers Advisory Board. He said the Recreation Rivers Advisory Board is not even seated or functional today and has not been for several years.

MR. OVERCAST remarked that the Plan has never been funded for staff nor public outreach. He commented that in light of today's economic reality, it is unrealistic to expect Plan funding for proper implementation, broad public input, a recurrent five-year review, and an educational component.

MR. OVERCAST stressed that the world has changed dramatically in the past 30-years while the Act and Plan have remained static. He said the Plan, by its own terms, was to be flexible and to be amended as conditions changed around the world. He said it does not make sense for DNR to continue to administer a Plan that lags 30-years behind. It impedes development of recreation opportunities that are harmonious with nature, in both the private and commercial sector. It also puts approved commercial recreation opportunities in peril. He suggested that the Recreational Rivers Plan be retooled, specifically to give DNR the authority to keep the Plan up-to-date and relevant.

[4:51:09 PM](#)

CHAIR REVAK asked Mr. Overcast to specify which parts of the Plan should be retooled.

MR. OVERCAST replied that he would retool the dock size limitation. He explained that the 100 square foot dock limitation fails to protrude far enough out into the lake; it only extends far enough out to reach a water depth of two feet. He pointed out that the original dock extended further into the lake and was incorporated into the Plan as such. Later however, DNR denied a request to rebuild the dock with better materials.

[4:52:19 PM](#)

SENATOR VON IMHOF indicated that Senator Micciche previously requested a chart to compare/contrast the SBRRP against the Susitna-Matanuska Area Plan. She stated that it makes sense to repeal the SBRRP if the Matanuska Area Plan is adequate. She supported reasonable docks to avoid the problem of operating a Beaver, Otter or 206 in only two feet of water.

MR. OVERCAST agreed that two feet of water is a problem.

[4:53:07 PM](#)

CHAIR REVAK closed public testimony on SB 97 and held the bill in committee for further consideration.

**CONFIRMATION HEARINGS**  
**Regulatory Commission of Alaska**

[4:53:23 PM](#)

CHAIR REVAK announced the consideration of governor appointees to the Regulatory Commission of Alaska (RCA).

SENATOR REVAK recognized Robert Pickett who was reappointed to a third term on March 1, 2020. If confirmed, his term would expire March 1, 2026. He asked Mr. Pickett to give a brief summary of his personal background and the reasons he wants to continue to serve.

ROBERT PICKETT, Appointee, Regulatory Commission of Alaska (RCA), Department of Commerce, Community and Economic Development (DCCED), Palmer, Alaska, stated he had been an RCA commissioner for the past 13 years and chair for eight of those years.

MR. PICKETT said that he wishes to continue to serve on the Commission as it faces the following challenges:

- The Sunset Review Process of the Alaska Universal Service Fund. With the passage of SB 83 (ch. 24, SLA 19) the telecom deregulation act created challenges for the future of rural telecommunications and questions about the appropriate role for the Commission.

- SB 123 (ch. 29, SLA 20) directs the Commission to oversee the creation of an electric reliability organization. Passage of this bill was triggered by a 2014 legislative directive to evaluate the Railbelt electrical system and find the most appropriate structure to coordinate grid development. After vigorous input from industry, concerned parties and the public, the Commission submitted findings and recommendations to the legislature on July 21, 2015, which resulted in the passage of Senate Bill 123. The Commission is currently in the regulation development phase, so that changes made in that legislation can be implemented.

- Due to the change of ownership, the Commission concurrently regulates the Trans Alaska Pipeline System (TAPS) in conjunction with the Federal Energy Regulatory Commission. Issues to be addressed include tariff actions and critical infrastructure protection.

[4:57:51 PM](#)

SENATOR KAWASAKI read the eligibility requirements to serve as an RCA commissioner, then invited Mr. Pickett to elaborate on his qualifications to serve on the commission.

MR. PICKETT recounted his experience. He stated that he studied EE for a couple of years, then switched focus to earn a Bachelor of Arts in political science and public administration. He stated that he served in the public sector for twenty-one years, the majority of which was at the Alaska Housing Finance Corporation. He noted that he managed a number of different public programs.

[4:58:59 PM](#)

CHAIR REVAK thanked Mr. Pickett for his service. Senator Revak announced the next appointee up for consideration to the Regulatory Commission of Alaska is Keith Kurber, appointed March 1, 2021. If confirmed, his term would expire March 1, 2027. He asked Mr. Kurber to give a synopsis of his personal background and tell the committee why he is interested in serving on the Regulatory Commission of Alaska.

KEITH KURBER, Appointee, Regulatory Commission of Alaska (RCA), Department of Commerce, Community and Economic Development (DCCED), Fairbanks, Alaska, stated that he served 30 years in the United States Army, spread evenly between active duty, the National Guard and the US Army Reserve. He specified that his service included three wartime mobilizations, Operation Enduring Freedom I and XIII, and Iraqi Freedom V. He retired with the rank of colonel as a Special Forces officer in 2011.

MR. KURBER said that his civilian career included service as vocational minister, pastor, and police and fire officer at the Fairbanks International Airport. Formal educational experience includes a Bachelor of Science degree from the U.S. Military Academy at West Point, a master's degree in organizational leadership and a Doctor of Ministry from the Luther Rice College and Seminary. He said that graduation from a variety of military training courses were very formative in his personal and professional development. Such training included, U.S. Army Rangers and Special Forces, and Alaska State Troopers.

MR. KURBER expressed his belief that his strong service ethos coupled with his background and life experience qualifies him to analyze complex issues and make critical decisions under severe time pressure. He stated that he brings a geographical diverse perspective which will be valuable to the Commission.

SENATOR VON IMHOF stated both appointees have impressive backgrounds and thanked both appointees.

[5:03:04 PM](#)

CHAIR REVAK echoed the sentiments of Senator von Imhof and opened public testimony on the Regulatory Commission of Alaska appointees.

[5:03:47 PM](#)

ALYSSA SAPPENFIELD, representing self, Anchorage, Alaska, testified in opposition to Mr. Kurber's appointment to the RCA. She stated she is an energy analyst for the Alaska Public Interest Research Group, AKPIRG, established in 1974 to advocate on behalf of public and consumer interests.

MS. SAPPENFIELD referred to the RCA press release which announced Mr. Kurber's appointment. She pointed out that the press release failed to demonstrate Mr. Kurber met the eligibility requirements to serve on the commission. She stressed that the RCA has a responsibility to oversee high stakes cases where critical issues of regulatory policy arise. Arbiters represent interests as diverse as low-income consumers and large industrial entities. Cases raise issues of law, economics, accounting, finance, and engineering that can establish legal precedent for future legal cases. She stated that the RCA's regulatory role is the pursuit of outcomes which protect and promote the overall public interest. Each decision can be appealed to a state or federal court and must be supported by evidentiary records, applicable laws, and regulations. Hence, the technical qualifications required by statute are not dispensable or superfluous. She said the importance of statutory requirements cannot be overstated.

MS. SAPPENFIELD recited Mr. Kurber's academic history and said it does not equate with the statutory requirements. She requested that the statutory requirements be satisfied and asked that Mr. Kurber's qualifications be clarified for the public.

[5:06:41 PM](#)

CHAIR REVAK closed public testimony and took a brief at ease.

[5:07:38 PM](#)

CHAIR REVAK reconvened the meeting and offered Mr. Kurber the opportunity to speak to his qualifications.

MR. KURBER clarified that his Bachelor of Science was not awarded with a specifically named major. He explained that at the time, West Point graduates received a Bachelor of Science and general engineering degree, because that was their mandate. He said this has since changed and graduates now have a choice. He said that his transcripts reflect a heavy focus in science and engineering with a concentration in Russian literature. He surmised that his 36-year work history has provided a broad focus in public affairs and public administration that will serve him well as a commissioner. He quipped that under duress, the engineering was not always his favorite subject, but that he was proud he got through it, graduated West Point, and went on to use what he learned in practical applications.

[5:09:38 PM](#)

CHAIR REVAK found no further questions and asked for a motion.

SENATOR VON IMHOF moved that the following named appointees be forwarded to a joint session of the legislature for consideration.

Regulatory Commission of Alaska

Robert Pickett - Palmer

Keith Kurber II - Fairbanks

CHAIR REVAK asked if there was objection.

SENATOR KIEHL stated he would take Mr. Kurber up on his offer for the transcripts, but he had no objection to the motion.

[5:10:17 PM](#)

CHAIR REVAK found no objection and the motion passed. He stated that in accordance with AS 39.05.080, a signature on the report in no way reflects individual members' intent to vote for or against the confirmation of the individuals during any further sessions.

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There being no further business to come before the committee, Chair Revak adjourned the Senate Resources Standing Committee meeting at 5:10 p.m.