

**ALASKA STATE LEGISLATURE**  
**SENATE RESOURCES STANDING COMMITTEE**

May 2, 2022

3:37 p.m.

**MEMBERS PRESENT**

Senator Joshua Revak, Chair  
Senator Peter Micciche, Vice Chair  
Senator Gary Stevens  
Senator Jesse Kiehl  
Senator Scott Kawasaki

**MEMBERS ABSENT**

Senator Click Bishop  
Senator Natasha von Imhof

**COMMITTEE CALENDAR**

SENATE BILL NO. 84

"An Act relating to the veterans' land purchase discount; establishing state land vouchers; relating to the permanent fund dividend; relating to the duties of the Department of Revenue; authorizing the Department of Natural Resources to accept state land vouchers; relating to eligibility for public assistance; and providing for an effective date."

- MOVED CSSB 84(RES) OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

BILL: SB 84

SHORT TITLE: LAND VOUCHERS; PFDS

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

02/12/21	(S)	READ THE FIRST TIME - REFERRALS
02/12/21	(S)	STA, RES, FIN
03/02/21	(S)	STA AT 3:30 PM BUTROVICH 205
03/02/21	(S)	Heard & Held
03/02/21	(S)	MINUTE(STA)
03/11/21	(S)	STA AT 3:30 PM BUTROVICH 205
03/11/21	(S)	Heard & Held
03/11/21	(S)	MINUTE(STA)
03/23/21	(S)	STA AT 3:30 PM BUTROVICH 205

03/23/21 (S) Moved SB 84 Out of Committee  
 03/23/21 (S) MINUTE(STA)  
 03/24/21 (S) STA RPT 2NR 3AM  
 03/24/21 (S) NR: SHOWER, COSTELLO  
 03/24/21 (S) AM: KAWASAKI, HOLLAND, REINBOLD  
 05/10/21 (S) RES AT 3:30 PM BUTROVICH 205  
 05/10/21 (S) Heard & Held  
 05/10/21 (S) MINUTE(RES)  
 01/31/22 (S) RES AT 3:30 PM BUTROVICH 205  
 01/31/22 (S) Heard & Held  
 01/31/22 (S) MINUTE(RES)  
 05/02/22 (S) RES AT 3:30 PM BUTROVICH 205

**WITNESS REGISTER**

BRIAN FECHTER, Deputy Commissioner  
 Department of Revenue  
 Anchorage, Alaska

**POSITION STATEMENT:** Provided a brief bill summary and answered questions during the discussion of SB 84.

CHRISTY COLLES, Chief of Operations  
 Division of Mining, Land, and Water  
 Department of Natural Resources  
 Anchorage, Alaska

**POSITION STATEMENT:** Answered questions during the discussion of SB 84.

**ACTION NARRATIVE**

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**CHAIR JOSHUA REVAK** called the Senate Resources Standing Committee meeting to order at 3:37 p.m. Present at the call to order were Senators Kawasaki, Kiehl, Stevens, Micciche, and Chair Revak.

**SB 84-LAND VOUCHERS; PFDS**

[3:38:00 PM](#)

CHAIR REVAK announced the consideration of SENATE BILL NO. 84 "An Act relating to the veterans' land purchase discount; establishing state land vouchers; relating to the permanent fund dividend; relating to the duties of the Department of Revenue; authorizing the Department of Natural Resources to accept state land vouchers; relating to eligibility for public assistance; and providing for an effective date."

[SB 84 was previously heard on 5/10/2021 and 1/31/2022.]

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BRIAN FECHTER, Deputy Commissioner, Department of Revenue, Anchorage, Alaska, summarized that this bill would allow permanent fund dividend (PFD) applicants to use a land voucher, which would be twice the statutory amount of the PFD. This voucher could be credited towards a future land purchase.

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SENATOR MICCICHE said he liked the bill. He wondered what would happen if the statute changed and AS 43.23.025 no longer existed. He asked how that would affect this bill in the long term.

MR. FECHTER answered that SB 84 would adopt the statutory formula in law by reference. Thus, if the legislature made a statutory change next year, it would be a legislative policy consideration whether to continue to fund the land voucher at twice the amount of the PFD or to adopt a new formula.

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SENATOR KIEHL recalled that the committee had extensive conversations about the face value of the voucher and the impact on residents receiving public assistance. He further recalled that the committee had asked for a general sense of parcel values for state land sales to the general public, such as the average or the median amount. He wondered if the department had that follow-up information.

MR. FECHTER deferred to DNR to respond.

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CHRISTY COLLES, Chief of Operations, Division of Mining, Land, and Water, Department of Natural Resources, Anchorage, Alaska, responded that the department calculated the average at \$5,000 per acre for parcels.

SENATOR KIEHL asked for a sense of the range of the parcel sizes and whether the parcels typically ranged from five to 20 acres or one to 40 acres.

MS. COLLES answered that it varies, but usually, the parcels range from about five to ten acres.

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SENATOR KIEHL noted that the committee passed a bill that revised a staking program. He asked whether these vouchers could be used to pay for surveys or appraisals under that type of program or if they must be used solely for the purchase price of the land from the state.

MS. COLLES answered the vouchers could be used towards the purchase price. She stated that for the current Remote Recreational Cabin Sites Staking Program, the costs are sometimes included in the purchase price. However, the department currently envisions the vouchers being used for the purchase price or value of the land.

SENATOR KIEHL related his understanding that the Alaska State Land Sales parcels include the surveying and appraisal costs. He asked whether the vouchers could indirectly cover those costs.

MS. COLLES answered yes. She stated that the subdivision sales were surveyed, appraised, and included in the purchase amount. She said the vouchers could not be used for the Remote Recreational Cabin Sites Staking Program survey or appraisal costs but could be used for the land purchase price, reducing out-of-pocket expenses for those using vouchers.

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SENATOR STEVENS asked if multiple vouchers could be used to purchase land. He wondered if family members or friends could combine vouchers or if only one could be used per purchase.

MS. COLLES answered that the department does not limit how many vouchers could be used to purchase the property.

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SENATOR MICCICHE asked if the vouchers could be characterized as legal tender. He wondered if someone could purchase vouchers if they wanted to combine vouchers to buy the land.

MS. COLLES deferred to the Department of Revenue (DOR). She related her understanding that people could sell their vouchers to other individuals, but she would like to confirm it with DOR.

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MR. FECHTER responded that the vouchers were transferable. He acknowledged that a person could purchase vouchers from family members, friends, or strangers. He anticipated that there would be a healthy secondary market for the land vouchers.

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SENATOR KIEHL asked whether the Division of Banking Securities, Department of Commerce, Community and Economic Development (DCCED), would consider the land vouchers as negotiable instruments or regulated securities.

MR. FECHTER answered that the Department of Revenue understood that the vouchers would not be heavily regulated or present a significant burden to DCCED.

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SENATOR KIEHL expressed concern that the land vouchers may be negotiable instruments under the state's banking and securities laws and that implications for certain people. He recalled the committee discussed at its meeting on January 31, 2022, that Alaskans who rely on public assistance might be excluded from the necessary public assistance if they participate in this voucher program. He expressed further concern about the effect on DNR's Land Disposal Income Fund (LDIF), which funds the appraisals required to get subdivisions ready for sale. He noted that DNR's fiscal analysis indicated that the fiscal note reflects an indeterminate loss to the LDIF. The committee heard a presentation by the department suggesting that the bill would result in significantly more land sales. He predicted that the effect of these vouchers would dramatically drain the fund. He wondered if it would be better to appropriate general fund monies to the LDIF to create numerous subdivisions rather than issue questionable vouchers. Doing so would allow more Alaskans to purchase remote cabin sites.

SENATOR KIEHL stated that while he supports the environmental opportunities for people to buy vouchers and preserve habitat or conservation parcels, he has many questions as this bill moves forward.

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SENATOR MICCICHE expressed concern about it not being serviceable, given the various plans for the PFD calculation, including the 50:50 proposal. He referred to page 3, line 9, to subsection (b) and asked whether the committee should insert "concurrent statutory" on line 10 before permanent fund dividend and remove the language "as would be calculated under AS 43.23.025." He said that by doing so, the current statutory formula would work, as would any future statutory language.

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MR. FECHTER asked whether he was suggesting adding language related to the current statutory formula.

SENATOR MICCICHE answered yes.

MR. FECHTER responded that it would fit well into the governor's intent with SB 84 because it would give people the option of receiving a voucher that has a value close to the statutory dividend. He characterized it as a friendly amendment that the administration would support.

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At ease

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CHAIR REVAK reconvened the meeting.

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SENATOR MICCICHE moved to adopt Conceptual Amendment 1.

#### **CONCEPTUAL AMENDMENT 1**

On page 3, line 9, preceding "permanent":  
Insert "current statutory"

On page 3, line 9, following "dividend":  
Delete "as would be calculated under AS 43.23.025"

[3:55:25 PM](#)

CHAIR REVAK objected for discussion purposes.

SENATOR MICCICHE explained Conceptual Amendment 1. He stated that the legislature recognizes the current statutory formula. However, if the formula were to change in the future, SB 84 would not work, and the administration would have to request a statutory change. Conceptual Amendment 1 would remedy it.

CHAIR REVAK asked him to read the language as revised by Conceptual Amendment 1.

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SENATOR MICCICHE read subsection (b), as amended by Conceptual Amendment 1.

(b) Notwithstanding the amount appropriated for the permanent fund dividend in a fiscal year, the value of each state land voucher must equal twice that of the

current statutory permanent fund dividend for that fiscal year if 50 percent of the income available for distribution were transferred to the dividend fund under AS 37.13.145(b).

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CHAIR REVAK [withdrew his objection.]; he found no further objection, and Conceptual Amendment 1 was adopted.

[3:57:03 PM](#)

SENATOR MICCICHE moved to report SB 84, 32-GS1612\A, as amended, from committee with individual recommendations and attached fiscal note(s).

CHAIR REVAK found no objection, and CSSB 84(RES) was reported from the Senate Resources Standing Committee.

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There being no further business to come before the committee, Chair Revak adjourned the Senate Resources Standing Committee meeting at 3:57 p.m.