

ALASKA STATE LEGISLATURE
SENATE STATE AFFAIRS STANDING COMMITTEE

February 23, 2021

3:33 p.m.

MEMBERS PRESENT

Senator Mike Shower, Chair
Senator Mia Costello
Senator Roger Holland
Senator Scott Kawasaki

MEMBERS ABSENT

Senator Lora Reinbold, Vice Chair

COMMITTEE CALENDAR

SENATE JOINT RESOLUTION NO. 5

Proposing amendments to the Constitution of the State of Alaska relating to an appropriation limit; and relating to the budget reserve fund.

- MOVED SJR 5 OUT OF COMMITTEE

SENATE JOINT RESOLUTION NO. 7

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

- MOVED SJR 7 OUT OF COMMITTEE

SENATE JOINT RESOLUTION NO. 6

Proposing amendments to the Constitution of the State of Alaska relating to the Alaska permanent fund, appropriations from the permanent fund, and the permanent fund dividend.

- MOVED SJR 6 OUT OF COMMITTEE

SENATE BILL NO. 53

"An Act relating to use of income of the Alaska permanent fund; relating to the amount of the permanent fund dividend; relating to the duties of the commissioner of revenue; relating to an advisory vote on the permanent fund; providing for an effective

date by repealing the effective date of sec. 8, ch. 16, SLA 2018; and providing for an effective date."

- MOVED SB 53 OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: SJR 5

SHORT TITLE: CONST. AM: APPROP LIMIT; BUDGET RESERVE

SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

01/22/21	(S)	READ THE FIRST TIME - REFERRALS
01/22/21	(S)	STA, JUD, FIN
02/04/21	(S)	STA AT 3:30 PM BUTROVICH 205
02/04/21	(S)	Heard & Held
02/04/21	(S)	MINUTE(STA)
02/11/21	(S)	STA AT 3:30 PM BUTROVICH 205
02/11/21	(S)	Scheduled but Not Heard
02/23/21	(S)	STA AT 3:30 PM BUTROVICH 205

BILL: SJR 7

SHORT TITLE: CONST. AM: STATE TAX; VOTER APPROVAL

SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

01/22/21	(S)	READ THE FIRST TIME - REFERRALS
01/22/21	(S)	STA, JUD, FIN
02/04/21	(S)	STA AT 3:30 PM BUTROVICH 205
02/04/21	(S)	Heard & Held
02/04/21	(S)	MINUTE(STA)
02/11/21	(S)	STA AT 3:30 PM BUTROVICH 205
02/11/21	(S)	Scheduled but Not Heard
02/23/21	(S)	STA AT 3:30 PM BUTROVICH 205

BILL: SJR 6

SHORT TITLE: CONST. AM: PERM FUND & PFDS

SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

01/22/21	(S)	READ THE FIRST TIME - REFERRALS
01/22/21	(S)	STA, JUD, FIN
02/04/21	(S)	STA AT 3:30 PM BUTROVICH 205
02/04/21	(S)	Scheduled but Not Heard
02/09/21	(S)	STA AT 3:30 PM BUTROVICH 205
02/09/21	(S)	Heard & Held
02/09/21	(S)	MINUTE(STA)
02/11/21	(S)	STA AT 3:30 PM BUTROVICH 205
02/11/21	(S)	Scheduled but Not Heard
02/23/21	(S)	STA AT 3:30 PM BUTROVICH 205

BILL: SB 53

SHORT TITLE: PERM FUND; ADVISORY VOTE

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

01/25/21	(S)	READ THE FIRST TIME - REFERRALS
01/25/21	(S)	STA, JUD, FIN
02/04/21	(S)	STA AT 3:30 PM BUTROVICH 205
02/04/21	(S)	Scheduled but Not Heard
02/09/21	(S)	STA AT 3:30 PM BUTROVICH 205
02/09/21	(S)	Heard & Held
02/09/21	(S)	MINUTE(STA)
02/11/21	(S)	STA AT 3:30 PM BUTROVICH 205
02/11/21	(S)	Scheduled but Not Heard
02/23/21	(S)	STA AT 3:30 PM BUTROVICH 205

WITNESS REGISTER

MATTHEW MAIXNER, representing self
Juneau, Alaska

POSITION STATEMENT: Testified in support of SJR 7.

JORDAN HARARY, representing self
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SJR 7.

BERT HOUGHTALING, representing self
Big Lake, Alaska

POSITION STATEMENT: Testified in support of SJR 7.

CAROLYN REID, representing self
Soldotna, Alaska

POSITION STATEMENT: Testified in opposition to SJR 6.

TERRIE HARRIS, representing self
Anchor Point, Alaska

POSITION STATEMENT: Testified during the hearing on SJR 6 to state support for a vote of the people on the traditional formula of the PFD only.

TERESA HANSON, representing self
Alaska

POSITION STATEMENT: Testified on SJR 6 to say the legislature should not tap into the permanent fund without a vote of the people.

BERT HOUGHTALING, representing self

Big Lake, Alaska

POSITION STATEMENT: Testified in opposition to SJR 6.

VIKKI JO KENNEDY, representing self

Juneau, Alaska

POSITION STATEMENT: Testified in opposition to SJR 6.

MATTHEW MAIXNER, representing self

Juneau, Alaska

POSITION STATEMENT: Testified in support of SJR 6.

CRIS EICHENLAUB, representing self

Wasilla, Alaska

POSITION STATEMENT: Testified on SJR 6 to advocate for enshrining permission from the people to impose taxes or increase fees.

MATTHEW MAIXNER, representing self

Juneau, Alaska

POSITION STATEMENT: Testified in support of SB 53.

CRIS EICHENLAUB, representing self

Wasilla, Alaska

POSITION STATEMENT: Testified on SB 53 to state support for an advisory vote on the PFD.

TERRIE HARRIS, representing self

Anchor Point, Alaska

POSITION STATEMENT: Testified on SB 53 to state support for amending the language in the advisory vote on the PFD.

BERT HOUGHTALING, representing self

Big Lake, Alaska

POSITION STATEMENT: Testified that SB 53 is another version of stealing the PFD.

ACTION NARRATIVE

[3:33:12 PM](#)

CHAIR MIKE SHOWER called the Senate State Affairs Standing Committee meeting to order at 3:33 p.m. Present at the call to order were Senators Kawasaki, Costello, Holland, and Chair Shower.

SJR 5-CONST. AM: APPROP LIMIT; BUDGET RESERVE

[3:34:08 PM](#)

CHAIR SHOWER announced the consideration of SENATE JOINT RESOLUTION NO. 5 Proposing amendments to the Constitution of the State of Alaska relating to an appropriation limit; and relating to the budget reserve fund.

[3:34:21 PM](#)

CHAIR SHOWER opened public testimony on SJR 5; finding none, he closed public testimony and reminded the public that written testimony could be sent to ssta@akleg.gov.

CHAIR SHOWER found no questions or comments from the committee and solicited a motion to move the bill from committee.

[3:35:29 PM](#)

SENATOR HOLLAND moved to report [SJR 5,] work order 32-GS 1664\A, from committee with [individual recommendations and attached fiscal note(s)].

[3:35:44 PM](#)

CHAIR SHOWER found no objection and SJR 5 was reported from the Senate State Affairs Standing Committee.

[3:35:49 PM](#)

At ease

SJR 7-CONST. AM: STATE TAX; VOTER APPROVAL

[3:37:51 PM](#)

CHAIR SHOWER reconvened the meeting and announced the consideration of SENATE JOINT RESOLUTION NO. 7 Proposing amendments to the Constitution of the State of Alaska relating to prohibiting the establishment of a state tax without the approval of the voters of the state; and relating to the initiative process.

[3:38:24 PM](#)

CHAIR SHOWER opened public testimony on SJR 7.

[3:38:44 PM](#)

MATTHEW MAIXNER, representing self, Juneau, Alaska, stated that as a libertarian, he believes that all taxation is theft. He supports the passage of SJR 7 because voters should have a say on taxes and how they affect their pocketbooks.

[3:40:31 PM](#)

JORDAN HARARY, representing self, Anchorage, Alaska, stated that any taxation of the people should be approved by the people and SJR 7 ensures that will happen. He opined that taxation covers shortsighted fiscal policies in the short term but it impacts the economy of the state in the long term and only brings in minimal revenue. He also suggested the committee consider amending the resolution to require a two-thirds majority vote for this resolution to help prevent outside money from trying to sway voters.

[3:42:34 PM](#)

BERT HOUGHTALING, representing self, Big Lake, Alaska, agreed with previous testimony that any proposed tax should be approved by the voters. He suggested the committee amend the resolution to require voter approval of any proposed increase to existing taxes. He cited the gas tax as an example. He further agreed with the previous testifier about requiring a [super] majority vote to approve any tax, not just 51 percent.

He offered his understanding that that public testimony was already closed on SJR 5 and SJR 6 and he would have liked to testify against both resolutions. He concluded his testimony stating that, "Anything that restricts our permanent fund dividend - does not enshrine it under the statutory PFD - should not be bills that get presented forward going hereon forth."

CHAIR SHOWER advised that if he stayed on the line he would be able to testify on SJR 6 and SB 53.

[3:44:39 PM](#)

CHAIR SHOWER closed public testimony on SJR 7. Finding no further questions or comments from the committee, he solicited a motion to move SJR 7 from committee.

[3:44:54 PM](#)

SENATOR HOLLAND moved to report [SJR 7,] work order 32-GS1711\A, from committee [with individual recommendations and attached fiscal note(s)].

CHAIR SHOWER found no objection and SJR 7 was reported from the Senate State Affairs Standing Committee.

[3:45:15 PM](#)

At ease

SJR 6-CONST. AM: PERM FUND & PFDS

[3:46:44 PM](#)

CHAIR SHOWER reconvened the meeting and announced the consideration of SENATE JOINT RESOLUTION NO. 6 Proposing amendments to the Constitution of the State of Alaska relating to the Alaska permanent fund, appropriations from the permanent fund, and the permanent fund dividend.

[3:47:11 PM](#)

CHAIR SHOWER opened public testimony on SJR 6.

[3:47:58 PM](#)

At ease

[3:48:26 PM](#)

CHAIR SHOWER reconvened the meeting and asked Ms. Reid to begin her testimony.

[3:48:51 PM](#)

CAROLYN REID, representing self, Soldotna, Alaska, stated that the portion of the permanent fund that goes to the people of Alaska as a dividend should be left alone unless the people vote for a change. She opined that the majority of Alaskans do not want the legislature to take their dividend away and they want the dividends that have been stolen.

[3:50:13 PM](#)

TERRIE HARRIS, representing self, Anchor Point, Alaska, reminded the committee that they were not voted into office to make hard decisions. Rather, they were voted in to represent constituents and those constituents have repeatedly said to leave the dividend alone. She stated support for a vote of the people on the PFD on the traditional formula only.

MS. HARRIS said she also wanted to testify on SJR 7 in support of a two-thirds majority vote of the people on new taxes and increases to existing taxes.

[3:51:24 PM](#)

TERESA HANSON, representing self, [unk city] Alaska, recapped the history of the permanent fund up until the first \$1,000 checks were distributed in 1982. Since then, she said legislators have tapped the permanent fund without consideration of the voice of the people. She emphasized that the legislature should only tap into the permanent fund with a vote of the people, and it should "be restored back to its original agreement as set forth." The permanent fund should not be a tool for the legislature to use when it overspends in other areas,

she said. She concluded her comments by asking legislators to stop the steal.

[3:53:13 PM](#)

BERT HOUGHTALING, representing self, Big Lake, Alaska, stated opposition to the governor's proposal because it puts all control over the permanent fund in legislators' hands. "You will ultimately end up being able to determine who will and who won't be able to get a PFD in the future." He noted that the resolution changes "shall" to "may" meaning that the legislature may choose to protect the dividend for the future but it may also choose to change the law and not protect the dividend for the future. If there is a constitutional cap on the budget, there may be nothing left for the dividend "So I am a no when it comes to SJR 6."

[3:54:49 PM](#)

VIKKI JO KENNEDY, representing self, Juneau, Alaska, stated that she opposes SJR 6 because she does not want to put everything she depends on in the hands of the legislature when it can't be responsible for itself. She cited the example of legislators saying they would not collect per diem after 120 days but changing the law the next year. She stated support for using part of the permanent fund for essential services like road maintenance and ferry service.

[3:57:53 PM](#)

MATTHEW MAIXNER, representing self, Juneau, Alaska, stated support for SJR 6 and sending the question to the people for a vote. He said he believes there is confusion about what SJR 6 does. He offered his understanding that the resolution gives the people control over how the PFD is spent. If the dividend is in the Alaska Constitution, it is untouchable, he said. He disagreed with a previous testifier that there may be nothing left for a dividend because 25 percent is removed from the fund and used specifically for dividends for the people. He understood the concern about essential services, but he believes the most essential service is to get the people the money that they deserve. He also agrees that the legislature should stop stealing from the people. He concluded his comments stating, "I do advocate the return of the money that you guys took from us."

[4:01:07 PM](#)

CRIS EICHENLAUB, representing self, Wasilla, Alaska, testified on SJR 6 to advocate for enshrining permission from the people to impose taxes or increase fees. He offered his belief that from this point forward, no bills should pass that tax the

people or increase fees until the people have received their traditional formula PFD. He suggested that paying the people first would make the idea of taxes and fees more palatable.

He noted that he missed the opportunity to testify on SJR 5 and SJR 7 asked if he had to call back to testify on SB 53 or if the committee would take his word that he opposed that legislation.

CHAIR SHOWER apologized and advised that he could stay on the line to testify on SB 53 and he was welcome to submit written testimony on SJR 5 and SJR 7 to ssta@akleg.gov. It would be entered into the record.

[4:04:01 PM](#)

CHAIR SHOWER closed public testimony on SJR 6 and solicited a motion.

[4:04:37 PM](#)

SENATOR HOLLAND moved to report [SJR 6,] work order 32-GS1694\A from committee [with individual recommendations and attached fiscal note(s)].

There being no objection, SJR 6 was reported from the Senate State Affairs Standing Committee.

SB 53-PERM FUND; ADVISORY VOTE

[4:06:30 PM](#)

CHAIR SHOWER reconvened the meeting and announced the consideration of SENATE BILL NO. 53 "An Act relating to use of income of the Alaska permanent fund; relating to the amount of the permanent fund dividend; relating to the duties of the commissioner of revenue; relating to an advisory vote on the permanent fund; providing for an effective date by repealing the effective date of sec. 8, ch. 16, SLA 2018; and providing for an effective date."

He explained that this legislation from the Governor was tied to SJR 6.

[4:06:58 PM](#)

CHAIR SHOWER opened public testimony on SB 53,

[4:07:08 PM](#)

MATTHEW MAIXNER, representing self, Juneau, Alaska, stated that he favors SB 53 to help establish an advisory committee and he believes that people need to educate themselves about what the

PFD does. He opined that it would be beneficial for legislators to help in the education process during town hall meetings.

[4:09:06 PM](#)

CRIS EICHENLAUB, representing self, Wasilla, Alaska, testified on SB 53 to state support for an advisory vote on the PFD. He opined that the claims that constituents would rather have services than their dividend were untrue and the advisory vote would prove that. He further opined that the people who make those claims have numbered days.

[4:10:16 PM](#)

TERRIE HARRIS, representing self, Anchor Point, Alaska, testified on SB 53 to state support for an advisory vote on the PFD that has language about the traditional formula. She emphasized that a court should not be able to say the people would not get their PFD and legislators should have no say in whether the people get their PFD. "I want it taken out of your hands because the people no longer trust you to represent." She maintained that legislators are not hired to make hard decisions; they are hired to represent their constituents. The remaining testimony was off topic.

[4:12:10 PM](#)

BERT HOUGHTALING, representing self, Big Lake, Alaska, stated that SB 53 is another version of stealing the PFD. It combines the Earnings Reserve Account (ERA) with the corpus and allows legislators to authorize a PFD at their discretion. He said nothing protects Alaskans from legislators stealing the PFD for the state and capital budget. He suggested the committee "trashcan" SB 53. He posited that SJR 1 was the only bill that actually enshrines the PFD under the traditional formula and also allows a percent of market value (POMV) draw from the ERA.

He concluded that SJR 6 and SB 53 do not protect traditional formula for the permanent fund dividend and he was a resounding "No" on both.

[4:14:50 PM](#)

CHAIR SHOWER closed public testimony on SB 53. He restated that written testimony could be sent to ssa@akleg.gov and subsequently reminded the public that they would be able to comment further and offer suggestions when the Judiciary Committee heard the bill.

Finding no further questions or comments, he solicited a motion.

4:15:14 PM

SENATOR HOLLAND moved to report [SB 53], work order 32-LS1693\A, from committee [with individual recommendations and attached fiscal note(s)].

CHAIR SHOWER found no objection and SB 53 was reported from the Senate State Affairs Standing Committee.

4:15:50 PM

At ease

4:17:27 PM

CHAIR SHOWER reconvened the meeting and thanked the testifiers.

4:18:04 PM

There being no further business to come before the committee, Chair Shower adjourned the Senate State Affairs Standing Committee meeting at 4:18 p.m.