

ALASKA STATE LEGISLATURE
HOUSE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE

March 7, 2024

8:02 a.m.

MEMBERS PRESENT

Representative CJ McCormick, Chair
Representative Kevin McCabe, Vice Chair
Representative Tom McKay
Representative Justin Ruffridge
Representative Rebecca Himschoot
Representative Donna Mears

MEMBERS ABSENT

Representative Thomas Baker

COMMITTEE CALENDAR

HOUSE BILL NO. 5

"An Act relating to convening the legislature in Anchorage; relating to the regulation of lobbying; relating to annual student guests of the legislature; relating to locations of sessions of the legislature; relating to the Legislative Ethics Act; relating to the relocation of functions of state government; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 317

"An Act relating to the municipal tax exemption of farm use land and structures on farm use land; requiring a vote in municipalities that do not currently provide a general tax exemption for structures used in farming activity; and providing for an effective date."

- HEARD & HELD

SENATE JOINT RESOLUTION NO. 13

Encouraging the United States Congress and the President of the United States to pass and sign legislation amending the Alaska Native Claims Settlement Act to release certain land held in trust back to affected Alaska Native village corporations.

- HEARD AND HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 5

SHORT TITLE: HOLD LEGISLATIVE SESSIONS IN ANCHORAGE

SPONSOR(S): REPRESENTATIVE(S) RAUSCHER

01/19/23 (H) PREFILE RELEASED 1/9/23
01/19/23 (H) READ THE FIRST TIME - REFERRALS
01/19/23 (H) CRA, STA, FIN
03/07/24 (H) CRA AT 8:00 AM BARNES 124

BILL: HB 317

SHORT TITLE: FARM USE LAND/STRUCTURES: TAX EXEMPTION

SPONSOR(S): REPRESENTATIVE(S) CARPENTER

02/09/24 (H) READ THE FIRST TIME - REFERRALS
02/09/24 (H) CRA
03/07/24 (H) CRA AT 8:00 AM BARNES 124

BILL: SJR 13

SHORT TITLE: AMEND ALASKA NATIVE CLAIMS SETTLEMENT ACT

SPONSOR(S): SENATOR(S) DUNBAR

01/26/24 (S) READ THE FIRST TIME - REFERRALS
01/26/24 (S) CRA
02/01/24 (S) CRA AT 1:30 PM BELTZ 105 (TSBldg)
02/01/24 (S) Heard & Held
02/01/24 (S) MINUTE(CRA)
02/06/24 (S) CRA AT 1:30 PM BELTZ 105 (TSBldg)
02/06/24 (S) Moved SJR 13 Out of Committee
02/06/24 (S) MINUTE(CRA)
02/07/24 (S) CRA RPT 2DP 1NR
02/07/24 (S) DP: DUNBAR, GRAY-JACKSON
02/07/24 (S) NR: BJORKMAN
02/14/24 (S) TRANSMITTED TO (H)
02/14/24 (S) VERSION: SJR 13
02/15/24 (H) READ THE FIRST TIME - REFERRALS
02/15/24 (H) CRA
03/07/24 (H) CRA AT 8:00 AM BARNES 124

WITNESS REGISTER

REPRESENTATIVE GEORGE RAUSCHER
Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: As prime sponsor, presented HB 5.

RYAN MCKEE, Staff

Representative George Rauscher

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Presented the sectional analysis for HB 5, on behalf of Representative Rauscher, prime sponsor.

REPRESENTATIVE BEN CARPENTER

Alaska State Representative

Juneau, Alaska

POSITION STATEMENT: As prime sponsor, presented HB 317.

KENDRA BROUSSARD, Staff

Representative Ben Carpenter

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Provided the sectional analysis and PowerPoint presentation for HB 317, on behalf of Representative Carpenter, prime sponsor.

DONNA ARDUIN, Staff

Representative Ben Carpenter

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Answered questions during the hearing on HB 317.

SENATOR FORREST DUNBAR

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: As prime sponsor, presented SJR 13.

GREGG RENKES, Senior Vice President for Government Relations

Chenega Corporation

Washington, D.C.

POSITION STATEMENT: Gave invited testimony during the hearing on SJR 13.

MARJORIE MARY, President

Baan O Yeel Kon Corporation

Fairbanks, Alaska

POSITION STATEMENT: Gave invited testimony during the hearing on SJR 13.

BENJAMIN MALLOTT, Vice President
Alaska Federation of Natives
Anchorage, Alaska

POSITION STATEMENT: Gave invited testimony during the hearing on SJR 13.

ACTION NARRATIVE

[8:02:11 AM](#)

CHAIR MCCORMICK called the House Community and Regional Affairs Standing Committee meeting to order at 8:02 a.m. Representatives McKay, Ruffridge, Himschoot, Mears, McCabe, and McCormick were present at the call to order.

HB 5-HOLD LEGISLATIVE SESSIONS IN ANCHORAGE

[8:03:05 AM](#)

CHAIR MCCORMICK announced that the first order of business would be HOUSE BILL NO. 5, "An Act relating to convening the legislature in Anchorage; relating to the regulation of lobbying; relating to annual student guests of the legislature; relating to locations of sessions of the legislature; relating to the Legislative Ethics Act; relating to the relocation of functions of state government; and providing for an effective date."

[8:03:15 AM](#)

The committee took a brief at-ease.

[8:03:44 AM](#)

REPRESENTATIVE GEORGE RAUSCHER, Alaska State Legislature, prime sponsor, presented HB 5. He shared the sponsor statement [included in the committee packet], which read as follows [original punctuation provided]:

House bill 5 would bring the legislative session to a place where most Alaskans could participate. Currently, with the legislative session being held in Juneau, it is incredibly expensive for a constituent to participate in person. And while there are options to view meetings online, moving the legislative

session to Anchorage would provide Alaskans with a way to participate in the legislative process in person, like is done in most other states.

In addition to making sessions more accessible to Alaskans, moving the legislative session to Anchorage would also help reduce the huge cost involved in moving all 60 legislators and staff to and from Juneau each year. Furthermore, with the session being held in Anchorage, a good portion of those legislators and staff would also not require housing. House Bill 5 will help bring down the cost of legislative session while giving the public an opportunity to participate in the legislative process without having to spend large amounts of money.

REPRESENTATIVE RAUSCHER listed the financial benefits of holding the legislative session in Anchorage, including per diem and travel for legislators, constituents, and lobbyists.

[8:08:57 AM](#)

RYAN MCKEE, Staff, Representative George Rauscher, Alaska State Legislature, on behalf of Representative Rauscher, prime sponsor of HB 5, presented the sectional analysis [included in the committee packet], which read as follows [original punctuation provided]:

Section 1: AS 15.13.072(d) This would change the location where a legislator or legislative employee may not solicit or accept a contribution unless it occurs in a place other than the Municipality of Anchorage, replacing the Capital city, during regular or special legislative session.

Section 2: AS 15.13.072(g) This would change the location from the Capital city to Municipality of Anchorage where a candidate or individual who incurs election related expenses for election or reelection to the office of the governor or lieutenant governor may not solicit or accept contributions.

Section 3: AS 24.05.090 This would change the location of the legislative session to convene in the Municipality of Anchorage, not the Capital.

Section 4: AS 24.05.100(b) This would change the location of a special session if the governor designates a location other than the Municipality of Anchorage.

Section 5: AS 24.10.030 This would change the location for the chief clerk and senate secretary to serve their duties at the location of the session until the completion of their work relating to that session.

Section 6: AS 24.10.130(a) This would change the location of the legislative session to the Municipality of Anchorage when handling the member's reimbursement of travel expenses from their place of residence.

Section 7: AS 24.45.041(b) This would change a lobbyist's requirement to provide the temporary residential and business address in the location of the session instead of the state capital.

Section 8: AS 24.45.041(e) This would change the location where the lobbyist directory shall be made available to the legislative chambers in the Municipality of Anchorage.

Section 9: AS 24.50.010 This would change the location where annual students guests may stay to the Municipality of Anchorage.

Section 10: AS 24.50.040 This would change the location of the essay contest to the location of the session and adds that each legislative guest "hosted under AS 24.50.010" to further define the annual student guests.

Section 11: AS 24.60.030(a) This would change the location where a legislator or legislative employee may not solicit or benefit other than official compensation or use public funds, facilities, equipment, services, or other government asset or resource for nonlegislative purposes in the primary location of the session.

Section 12: AS 24.60.031(a) This would change the location, from the capital city to Municipality of

Anchorage, where an employee may or may not solicit or accept a contribution or promise or pledge to make a contribution.

Section 13: AS 24.60.031(b) This would change the location, from the capital city to Municipality of Anchorage, where a legislator may or may not solicit or accept a contribution or promise.

Section 14: AS 24.60.080(c) This would change the location, from the capital city to Municipality of Anchorage, in relation to gifts.

Section 15: AS 44.99.007 This would specify the location where the governor shall declare proclamation an emergency temporary location or locations for the seat of government or for the session. Section 16: AS 44.06.050, 44.06.055, and 44.06.060 are repealed. Section 17: sets an effective date.

[8:13:48 AM](#)

REPRESENTATIVE RAUSCHER reiterated the bill would only relocate the legislative session, not move the capital city. He said he did not understand the associated fiscal note and presumed that staff could be re-hired in the Anchorage area.

CHAIR MCCORMICK sought questions from committee members.

[8:14:25 AM](#)

REPRESENTATIVE HIMSCHOOT asked whether any other state held the legislative session in a city other than its capital.

REPRESENTATIVE RAUSCHER offered to follow up with the requested information.

[8:15:42 AM](#)

REPRESENTATIVE MCKAY opined that the capital is already effectively in Anchorage, as the governor and most commissioners spend most of their time in Anchorage.

[8:16:17 AM](#)

REPRESENTATIVE MCCABE asked whether the bill sponsor knew of any other state capital that is inaccessible to constituents by road.

REPRESENTATIVE RAUSCHER shared his belief that no other U.S. capitals are inaccessible by road.

CHAIR MCCORMICK shared that he met a representative who lived in the Los Angeles area who had to fly to Sacramento because of the long drive.

REPRESENTATIVE RAUSCHER corrected his last statement, as the capital of Hawaii is on an island. He recalled that citizens had voted to move the capital more than once; however, it never happened because of the expense. He asserted that the bill would save money and make the legislators more accessible to constituents during session.

[8:17:59 AM](#)

REPRESENTATIVE RUFFRIDGE said this was a highly requested topic from his constituents. He suggested holding one half of the two-year legislative session in Anchorage and the other half in Juneau.

REPRESENTATIVE RAUSCHER said he had not considered that. He pointed out that if half of session were to be held in Juneau, the savings proposed in HB 5 would not materialize for the year spent in Juneau. He said the major change would be the 40 support staff who work for the legislature that would need to either relocate or the position would be filled by someone in Anchorage.

[8:21:26 AM](#)

REPRESENTATIVE HIMSCHOOT opined that the playing field in Juneau is level because all but three legislators are away from their families. She said the city of Juneau has done a lot to accommodate the legislature, adding that she would need to think about this proposal further.

CHAIR MCCORMICK acknowledged the issue of equity and wondered what he could do for the villages he represents who are left out of the equation.

[8:24:04 AM](#)

CHAIR MCCORMICK announced that HB 5 would be held over.

HB 317-FARM USE LAND/STRUCTURES: TAX EXEMPTION

[8:24:14 AM](#)

CHAIR MCCORMICK announced that the next order of business would be HOUSE BILL NO. 317, "An Act relating to the municipal tax exemption of farm use land and structures on farm use land; requiring a vote in municipalities that do not currently provide a general tax exemption for structures used in farming activity; and providing for an effective date."

[8:24:51 AM](#)

REPRESENTATIVE BEN CARPENTER, Alaska State Representative, prime sponsor, presented HB 317. He paraphrased the sponsor statement [included in the committee packet], which read as follows [original punctuation provided]:

House Bill 317 is a proactive measure designed to foster a favorable environment for agricultural growth and sustainability in Alaska. By providing tax incentives for farm structures and preserving farm use land, we aim to incentivize farming practices, stimulate economic activity, and strengthen our food production systems.

Alaska is the largest U.S. state, yet it has one of the smallest agricultural industries according to the USDA. As such, the food supply does not yet meet demand. Alaska relies heavily on imported food and is thus more vulnerable to interruptions in the food import supply chain. Currently, only 5% of the food Alaskans consume is produced in Alaska.

House Bill 317 amends current statute giving municipalities the authority to partially or fully exempt farm structures used exclusively for farming activities from taxation. This exemption applies to structures engaged in various farming-related functions, such as crop production, feed storage, and dairy operations.

The Bill also ensures that farm use land and structures dedicated to farming operations are assessed based on their agricultural value, rather than being subject to taxation as if used for non-agricultural purposes. This provision safeguards the integrity of agricultural land and supports its continued use for farming activities.

Alaska statutes currently help with the cost of farming, through limited property tax assessments and local option tax exemptions. Alaska state law allows farmland to be assessed at the farmland use rate, which can be lower than the highest and best use tax rate for the property. This helps encourage farmers to keep their land in production, rather than selling it or converting it for other uses. HB 317 removes all current statutory requirements that operators have to be commercial farmers, to receive the tax breaks.

REPRESENTATIVE CARPENTER shared a personal anecdote about the agricultural infrastructure he witnessed in South Korea. He explained how property taxes increase when a structure, like a greenhouse, is built on a residential lot. He said HB 317 would attempt to incentivize the growth of agriculture by reducing the tax burden on agriculture use.

[8:30:03 AM](#)

KENDRA BROUSSARD, Staff, Representative Ben Carpenter, Alaska State Legislature, on behalf of Representative Carpenter, prime sponsor of HB 317, presented the sectional analysis [included in the committee packet], which read as follows [original punctuation provided]:

Sections 1

Amends Property tax exemptions for farm use structure by removing the requirement that the person engaged in farming derive at least 10 percent of the person's yearly gross income from farming.

Section 2

Amends farm use land assessment statute to add structures for farm purposes.

Section 3

Amends farm use land assessment statute to remove requirement for first time farmers to file intended percentage of income, as that requirement is being removed from law.

Section 4

Amends farm use land assessment statute by removing the requirement that the person engaged in farming derive at least 10 percent of the person's yearly gross income from farming.

Section 5

Repeals the ability to waive, for crop failure, the 10 percent of income requirement, as that requirement is being removed from law.

[8:31:42 AM](#)

MS. BROUSSARD directed attention to a PowerPoint presentation, titled "Let's Grow, Alaska" [included in the committee packet]. She began on slide 2, "Proactive Measure," which read as follows [original punctuation provided]:

Alaska is the largest U.S. state, yet it has one of the smallest agricultural industries according to the USDA. As such, the food supply does not yet meet demand. Alaska relies heavily on imported food and is thus more vulnerable to interruptions in the food import supply chain. Currently, only 5% of the food Alaskans consume is produced in Alaska.

House Bill 317 is a proactive measure designed to foster a favorable environment for agricultural growth and sustainability in Alaska. By providing tax incentives for farm structures and preserving farm use land, we aim to incentivize farming practices, stimulate economic activity, and strengthen our food production systems.

MS. BROUSSARD continued to slide 3, "Alaska Food Security and Independence Task Force 2022," which read as follows [original punctuation provided]:

Alaska's supply chain is vulnerable and in turn, our food supply is unstable, of which 95% of purchased foods are imported.

Extreme weather events and seasonality make rural communities, far beyond the end of the road, susceptible to weeks without food delivery and the food that arrives often has a high spoilage rate due to long travel time and poor storage conditions. Additionally, by importing most of our food supplies, around \$2 billion is sent out of state each year. Alaska is past due for activating a strategic approach to creating a more inclusive, equitable, and resilient food system for all.

[8:33:20 AM](#)

MS. BROUSSARD advanced to slide 4, "What's Hindering Alaska Agriculture?" Slide 4 read as follows [original punctuation provided]:

- Sustainability Challenges
- Marketing Issues
- Business Plans
- Access to Affordable & Adequate Land

MS. BROUSSARD turned to slide 5, "Promising Efforts Underway," which read as follows [original punctuation provided]:

- Seaweed Supply
- Farmers Markets and Food Hub Activity
- Room For Growth
- Current Economic Impact

[8:33:40 AM](#)

MS. BROUSSARD proceeded to slide 6, "Agriculture Tax Breaks in the U.S.," which read as follows [original punctuation provided]:

You don't have to be a full-time farmer to take advantage of a variety of agricultural tax breaks that will help you with your property taxes. In some cases, all you need is a piece of land that's not currently being used. You can use the land to preserve timber, for example, or put it to some kind of agricultural use to save on property taxes.

The size of agricultural property tax exemptions varies from state to state. Qualifications for agricultural tax exemptions vary from state to state, too. Some states base eligibility on the size of the property, while others set a minimum dollar amount for agricultural sales of goods produced on the property. Many use a combination of gross sales and acreage requirements. Grazing a single cow on your property can be enough to trigger tax breaks in some places.

If you qualify, an agricultural tax exemption can knock thousands off your property tax bill. Depending on your state's rules, one way to execute this tax strategy is to offer use of your land to a local farmer. For example, you could allow a nearby farmer to harvest hay on acres you're not using or rent your land to a farmer. You don't necessarily have to do the work yourself to claim the exemption for your property.

[8:35:04 AM](#)

MS. BROUSSARD continued to slide 7, "Current Agriculture Tax Breaks in Alaska," which read as follows [original punctuation provided]:

AS 29.45

Allows for commercial farmland to be assessed for property tax purposes as farmland rather than if the land was used for some other purpose.

AS 29.45

Allows municipalities to allow voters to approve reduced tax rates for farm structures use for farming activity.

[8:35:34 AM](#)

MS. BROUSSARD presented slides 8 and 9, which read as follows [original punctuation provided]:

House Bill 317 ensure that not only farm use land, but also structures dedicated to farming operations, are assessed based on their agricultural value, rather than being subject to taxation as if used for non-agricultural purposes. This provision safeguards the

integrity of agricultural land and supports its continued use for farming activities.

HB 317 also removes the requirement that the farm use land or structures be used for commercial activities to lower the barrier of entry for start-up farmers and small operations. Which encourages growth in both commercial farming and farming to feed your family and community.

[8:36:15 AM](#)

MS. BROUSSARD concluded on slide 10, which read as follows [original punctuation provided]:

Current statute gives municipalities the authority to partially or fully exempt farm structures used exclusively for farming activities from taxation. This exemption applies to structures engaged in various farming-related functions, such as crop production, feed storage, and dairy operations.

HB 317 requires municipalities, who do not currently give tax rate exemptions for farm use structures, to place a partial or total tax exemption before their voters in the next general election.

CHAIR MCCORMICK sought questions from committee members.

[8:37:02 AM](#)

REPRESENTATIVE MEARS commented on the increased interest in gardening and agriculture during the pandemic and expressed concern that the bill is "too fine" on that point and "the ability of the assessment to be able to fully capture that that be beneficial."

REPRESENTATIVE CARPENTER explained that currently, when a greenhouse is added to a property, the assessor changes the property value assessment because it's considered an improvement to the land. If the bill were to pass, the value assessment on greenhouses would be lowered and a municipal tax reduction would be offered. He noted that current statute allows for the reduction in tax rolls to be covered by state funds. Lowering the tax burden through a reduction in property tax would incentivize people to build greenhouses, he said.

[8:41:40 AM](#)

REPRESENTATIVE HIMSCHOOT sought to clarify the definition of "agriculture" and whether growing a garden for personal consumption would be included.

REPRESENTATIVE CARPENTER clarified that the bill would not change the statutory definition of "agriculture" or "agriculture use."

REPRESENTATIVE HIMSCHOOT expressed concern that anyone could call a cultivated raspberry bush an agricultural endeavor to reduce the property tax. She asked sought to verify that an actual structure must be built to qualify for the tax break.

REPRESENTATIVE CARPENTER pointed out that if everyone started growing raspberries, raspberries would no longer need to be imported to Alaska, thereby decreasing the cost of out-of-state food purchases.

[8:44:58 AM](#)

DONNA ARDUIN, Staff, Representative Ben Carpenter, Alaska State Legislature, on behalf of Representative Carpenter, prime sponsor of HB 317, defined farming activity and farm use as raising and harvesting crops; feeding, breeding, managing livestock; dairying; or any combination of these activities. She further clarified that the assessor would still be responsible for determining whether a raspberry bush, for example, is truly farm use, which would make a difference.

REPRESENTATIVE HIMSCHOOT sought to confirm that the bill would remove existing thresholds to be considered a farm.

REPRESENTATIVE CARPENTER confirmed that the bill would remove the dollar figure associated with an agricultural commercial venture in statute.

REPRESENTATIVE HIMSCHOOT asked for verification that the statutory definition of "farming" would still need to be met by growing crops, dairy, or livestock.

REPRESENTATIVE CARPENTER agreed, adding that a claim of "agriculture use" or "agriculture land" would still need to be verified by an assessor.

[8:47:35 AM](#)

REPRESENTATIVE HIMSCHOOT said she was concerned about the burden that would be placed on municipal tax assessors. She asked why the municipal vote in Section 6 of the bill would be required, not optional.

REPRESENTATIVE CARPENTER explained that the requirement is intended to prompt a conversation and incentivize local food production.

REPRESENTATIVE HIMSCHOOT opined that the goal is worthy; however, she felt uncomfortable with imposing a municipal mandate. She mentioned the barrier to growing crops presented by Alaska's climate.

REPRESENTATIVE CARPENTER agreed that certain things do not grow in Alaska and that food importation would never be entirely replaced; however, any money saved by food production would be good for local economy, he said.

[8:52:23 AM](#)

REPRESENTATIVE RUFFRIDGE asked whether a meat processing plant on a chicken farm could apply for the tax incentive.

REPRESENTATIVE CARPENTER reiterated that the bill would remove the requirement that only commercial operations are eligible for a tax reduction. Consequently, individuals, families, and businesses would be treated the same by the assessor.

[8:53:48 AM](#)

CHAIR MCCORMICK sought closing remarks from the bill sponsor.

[8:54:00 AM](#)

REPRESENTATIVE CARPENTER stated that Alaska has the capacity to grow more food, but he questioned whether the will is there. He opined that by the government encouraging that behavior, Alaskans would be healthier, stronger, and more resilient.

CHAIR MCCORMICK announced that HB 317 would be held over.

[8:54:43 AM](#)

The committee took an at-ease from 8:54 p.m. to 8:57 p.m.

SJR 13-AMEND ALASKA NATIVE CLAIMS SETTLEMENT ACT

[8:57:46 AM](#)

CHAIR MCCORMICK announced that the final order of business would be SENATE JOINT RESOLUTION NO. 13, Encouraging the United States Congress and the President of the United States to pass and sign legislation amending the Alaska Native Claims Settlement Act to release certain land held in trust back to affected Alaska Native village corporations.

[8:58:05 AM](#)

SENATOR FORREST DUNBAR, Alaska State Legislature, prime sponsor, presented SJR 13. He paraphrased the sponsor statement [included in the committee packet], which read as follows [original punctuation provided]:

SJR 13 supports the Alaska Native Village Municipal Lands Restoration Act of 2023 introduced in S.2615 by Senators Murkowski and Sullivan and H.R. 6489 by Congresswoman Peltola in response to the desire of the state of Alaska to end the Municipal Lands Trust (MLT).

Rural communities across Alaska are facing challenges due to the lack of affordable housing and limited opportunities for economic and community development. One of the contributing factors challenging many communities is a legacy of the Alaska Native Claims Settlement Act (ANCSA).

When it was enacted, section 14 (c)(3) of ANCSA required the reservation of lands allotted to Alaska Native Village Corporations for future municipalities. Today, those lands are held in trust by the state of Alaska through the MLT. The architects of ANCSA did not consider that many communities would not incorporate under Alaska state law. Only 8 ANCSA villages have formed a new municipality to date, the last in 1995. Today, the MLT holds approximately 11,500 acres and the state of Alaska is forced by its

trust responsibility to manage these lands in way that limits access and opportunity in communities.

SJR 13 expresses the Alaska State Legislature's support for the Alaska Native Village Municipal Lands Restoration Act of 2023, joining groups like the Alaska Federation of Natives, Alaska Native Village Corporation Association and State of Alaska in support of dissolving the trust and returning lands to support community development. I urge you to support SJR 13.

[9:00:51 AM](#)

GREGG RENKES, Senior Vice President for Government Relations, Chenega Corporation, gave invited testimony during the hearing on SJR 13. He said SJR 13, along with the governor's support, would help Alaska's delegation push the [Alaska Native Village Municipal Lands Restoration Act of 223] with the hope of it becoming law by the end of the 118th United States Congress. The federal legislation addresses a loose end and unintended consequences of the Alaska Native Claims Settlement Act (ANCSA). He highlighted Section 14(c)(3) of ANCSA and explained that for the vast majority of villages, the land is still being managed by the state Municipal Lands Trustee (MLT) Program. Decades after the passage of ANCSA and many years after village corporations turned over land, no new municipalities have been created. In the 50 years that the state has administered the federal program for nearly 50 years, only 8 ANCSA villages have formed a new municipality. Perpetual management of these lands in the state trust was not envisioned by the crafters of ANCSA. He said it's time to return the land to these village corporations so they can own and manage the land for the benefit of their community members and shareholders. He noted the difficulty of developing these lands due to restrictions imposed by the state's fiduciary responsibility to a future, yet unknown, municipality. He reported that 83 communities across Alaska still have their land tied up in the MLT program. In addition to the 83 communities, all village corporations and communities that want to develop their lands but have never participated in the land trust must deal with the cloud on title. He explained that many buildable areas in Chenega that could be future development sites fall within lands held by the trust, undermining the corporation's right to self-determination and self-governance. He asserted that Chenega should control these lands, not the State of Alaska. Most critically, the MLT program prevents Chanega from improving the community with

additional housing and creating economic opportunity for the residents. He said the unintended consequences, such as the failure of the land trust to provide a sunset provision, need to be addressed to fulfill the promise of ANCSA and allow for economic opportunity and housing in small communities across the state.

[9:09:55 AM](#)

REPRESENTATIVE MCCABE asked whether the state is supposed to be managing lands held in the MLT program.

MR. RENKES said the state had taken responsibility as the fiduciary to a future municipality not to allow any use of these lands that would predetermine their uses by said municipality. He said the safest legal path forward for the state is to allow limited use of the lands to keep them intact for future use.

REPRESENTATIVE MCCABE asked whether the state, as the fiduciary, should be maintaining the land with proper forest management practices.

MR. RENKES said proactive measures to protect the lands would be part of the state's fiduciary responsibility; however, most of the 11,550 acres in the trust are vacant lands in the centers of small village communities.

[9:14:05 AM](#)

REPRESENTATIVE HIMSCHOOT asked whether the original intent was to make the land available for a "state function," such as a courthouse.

MR. RENKES answered yes.

REPRESENTATIVE HIMSCHOOT inquired about the communities' various levels of reconveyance and sought to confirm that [the federal legislation] would remove state ownership and return the lands to the communities.

MR. RENKES responded yes, regardless of partial or full reconveyance, or no conveyance, all village corporations would be put be "put back on the same footing" in control of the lands in these communities.

REPRESENTATIVE HIMSCHOOT noted the huge struggle to place Alaska Department of Fish & Game (ADF&G) biologists and teachers in remote places throughout the state. She asked whether the opportunity to house a trooper in a bunk house would be lost if the land is returned.

MR. RENKES said even now that is not possible because it violates appropriate use of the land. However, housing is a critical need, so returning land to the village corporation could free up opportunity for workforce housing.

[9:19:02 AM](#)

MARJORIE MARY, President, Baan O Yeel Kon (BOYK) Corporation, gave invited testimony during the hearing on SJR 13. She provided a brief history of Rampart Village, a federally recognized Tribe located on the banks of the Yukon River approximately 120 air miles north of Fairbanks. She said the formula provided in ANCSA Section 14(c)(3) has proved problematic to the BOYK Corporation since the passage of the law, and as a result, the corporation chose to provide those lands via lease or by quitclaim deed to the Rampart Village council for bonafide municipal use. She explained most recently, the corporation attempted to support the council with 10 acres of land selected with the assistance of the Department of Environmental Conservation (DEC) for the development of a new community landfill and obtained U.S. Environmental Protection Agency (USEPA) grant funds that would build a road to the approved site; however, the MLT program decided not to accept the parcel. Consequently, with no other recourse, the corporation transferred the deed via quitclaim directly to the council, as well as a portion of land adjacent to the airport, that would allow access to a gravel site and the development of a new baseball park. She said while the BOYK corporation wishes to comply with ANCSA's terms, they also have a duty to shareholders and the community. She opined that the management of the municipal trust has been a major impediment to rural Alaska's economic development. She urged full consideration of SJR 13. If the legislation passes, she said the corporation would continue to work to fulfill land requirements of the Tribe without the additional constraints and lackadaisical management of the MLT program thwarting their growth.

[9:24:42 AM](#)

BENJAMIN MALLOTT, Vice President, Alaska Federation of Natives (AFN), gave invited testimony during the hearing on SJR 13. He said AFN has long supported Section 14(c)(3) legislation and passed multiple resolutions urging congress to restore lands conveyed under ANCSA. He said that having the state unified with Alaska corporations and villages makes a big difference and characterized SJR 13 as a big step forward.

CHAIR MCCORMICK invited questions from committee members.

[9:27:02 AM](#)

REPRESENTATIVE RUFFRIDGE shared his understanding that the provision under Section 14(c)(3) was intended to incentivize incorporation, which 8 communities have accomplished. He questioned the barrier to other villages following suit.

SENATOR DUNBAR reiterated that the land was intended for municipal facilities. He spoke to the difficulty of working with the state to build housing, for example, which would spur incorporation.

MR. RENKES said the capacity and cost of setting up municipal government makes it "awkward" for small villages, so Tribes or village corporations have taken over some of those responsibilities.

[9:30:58 AM](#)

REPRESENTATIVE MCKAY referenced a sentence in the governor's letter [included in the committee packet] and asked how SJR 13 would affect the pipeline.

SENATOR DUNBAR shared his belief that it would not affect the pipeline and suggested that the governor's words may be a request for a broader revision of ANCSA.

MR. RENKES said the issue referenced by Representative McKay has nothing to do with Section 14(c)(3).

[9:32:43 AM](#)

CHAIR MCCORMICK shared his belief that SJR 13 would address the housing crisis in rural Alaska and for that reason, he intended to move it forwarded as quickly as possible. He announced that SJR 13 would be held over.

9:33:28 AM

ADJOURNMENT

There being no further business before the committee, the House Community and Regional Affairs Standing Committee meeting was adjourned at 9:33 a.m.