

**ALASKA STATE LEGISLATURE
HOUSE STATE AFFAIRS STANDING COMMITTEE**

May 4, 2023

3:07 p.m.

MEMBERS PRESENT

Representative Laddie Shaw, Chair
Representative Stanley Wright, Vice Chair
Representative Ben Carpenter
Representative Craig Johnson
Representative Jamie Allard
Representative Jennie Armstrong
Representative Andi Story

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 116

"An Act relating to appropriations from the restorative justice account."

- MOVED CSHB 116 (STA) OUT OF COMMITTEE

HOUSE BILL NO. 118

"An Act relating to the sale and possession of used detached catalytic converters; and establishing the crime of possession, sale, or purchase of a used detached catalytic converter."

- HEARD & HELD

CS FOR SENATE BILL NO. 12 (JUD)

"An Act relating to the duties of the Department of Administration; creating an address confidentiality program; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 116

SHORT TITLE: RESTORATIVE JUSTICE ACCT APPROPRIATIONS

SPONSOR(S): REPRESENTATIVE(S) COULOMBE

03/17/23 (H) READ THE FIRST TIME - REFERRALS
03/17/23 (H) STA, FIN
04/18/23 (H) STA AT 3:00 PM GRUENBERG 120
04/18/23 (H) Heard & Held
04/18/23 (H) MINUTE(STA)
05/04/23 (H) STA AT 3:00 PM GRUENBERG 120

BILL: HB 118

SHORT TITLE: CATALYTIC CONVERTERS: SALE/POSSESSION

SPONSOR(s): REPRESENTATIVE(s) D.JOHNSON

03/17/23 (H) READ THE FIRST TIME - REFERRALS
03/17/23 (H) STA, JUD
05/04/23 (H) STA AT 3:00 PM GRUENBERG 120

BILL: SB 12

SHORT TITLE: ADDRESS CONFIDENTIALITY PROGRAM

SPONSOR(s): SENATOR(s) KIEHL

01/18/23 (S) PREFILE RELEASED 1/9/23
01/18/23 (S) READ THE FIRST TIME - REFERRALS
01/18/23 (S) STA, JUD, FIN
02/02/23 (S) STA AT 3:30 PM BELTZ 105 (TSBldg)
02/02/23 (S) Heard & Held
02/02/23 (S) MINUTE(STA)
02/28/23 (S) STA AT 3:30 PM BELTZ 105 (TSBldg)
02/28/23 (S) Moved CSSB 12(STA) Out of Committee
02/28/23 (S) MINUTE(STA)
03/01/23 (S) STA RPT CS 1DP 3NR NEW TITLE
03/01/23 (S) DP: KAWASAKI
03/01/23 (S) NR: WIELECHOWSKI, BJORKMAN, MERRICK
03/08/23 (S) JUD AT 1:30 PM BUTROVICH 205
03/08/23 (S) Heard & Held
03/08/23 (S) MINUTE(JUD)
03/15/23 (S) JUD AT 1:30 PM BUTROVICH 205
03/15/23 (S) Moved CSSB 12(JUD) Out of Committee
03/15/23 (S) MINUTE(JUD)
03/17/23 (S) JUD RPT CS 3DP 1AM NEW TITLE
03/17/23 (S) DP: CLAMAN, TOBIN, KIEHL
03/17/23 (S) AM: KAUFMAN
03/28/23 (S) FIN AT 9:00 AM SENATE FINANCE 532
03/28/23 (S) Heard & Held
03/28/23 (S) MINUTE(FIN)
04/03/23 (S) FIN RPT CS(JUD) 3DP 3NR 1AM
04/03/23 (S) DP: OLSON, HOFFMAN, KIEHL
04/03/23 (S) NR: STEDMAN, MERRICK, BISHOP
04/03/23 (S) AM: WILSON

04/03/23 (S) FIN AT 9:00 AM SENATE FINANCE 532
04/03/23 (S) Moved CSSB 12(JUD) Out of Committee
04/03/23 (S) MINUTE(FIN)
04/24/23 (S) TRANSMITTED TO (H)
04/24/23 (S) VERSION: CSSB 12(JUD)
04/26/23 (H) READ THE FIRST TIME - REFERRALS
04/26/23 (H) STA, JUD, FIN
05/04/23 (H) STA AT 3:00 PM GRUENBERG 120

WITNESS REGISTER

JOSHUA WALTON, Staff
Representative Laddie Shaw
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Gave the explanation of changes for the proposed CS for HB 116, Version B, on behalf of Representative Shaw.

EDRA MORLEDGE, Staff
Representative Julie Coulombe
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Offered closing remarks on CSHB 116(STA) on behalf of Representative Coulombe, prime sponsor.

REPRESENTATIVE DELENA JOHNSON
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented HB 118, as the prime sponsor.

SAVAYA BIEBER, Staff
Representative DeLena Johnson
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Offered introductory remarks on HB 118 on behalf of Representative Johnson, prime sponsor.

TREVOR STEFANO, Owner
CSI Protect AK
Anchorage, Alaska

POSITION STATEMENT: Gave invited testimony during the hearing on HB 118.

HOWARD HANDLER
National Insurance Crime and Borough
Chicago, Illinois

POSITION STATEMENT: Gave invited testimony during the hearing on HB 118.

ARTY FONOP, Owner
Eagle Eye Secure Storage
Juneau, Alaska

POSITION STATEMENT: Testified in support of HB 118

CORNELIUS SIMS, Captain
Alaska State Troopers
Department of Public Safety
Anchorage, Alaska

POSITION STATEMENT: Answered questions during the hearing on HB 118.

PAM HALLORAN, Director
Division of Administrative Services
Department of Public Safety
Juneau, Alaska

POSITION STATEMENT: Answered questions during the hearing on HB 118.

SENATOR JESSE KIEHL
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented CSSB 12(JUD), as the prime sponsor.

KEELEY OLSON, Executive Director
Standing Together Against Rape
Anchorage, Alaska

POSITION STATEMENT: Gave invited testimony during the hearing on CSSB 12(JUD).

JODY REAUSAW, Business Agent
Alaska Correctional Officers Association (ACOA)
Anchorage, Alaska

POSITION STATEMENT: Gave invited testimony during the hearing on CSSB 12(JUD).

SUZI PEARSON, Executive Director
Abused Women's Aid in Crisis
Anchorage, Alaska

POSITION STATEMENT: Gave invited testimony during the hearing on CSSB 12(JUD).

ACTION NARRATIVE

[3:07:32 PM](#)

CHAIR LADDIE SHAW called the House State Affairs Standing Committee meeting to order at 3:07 p.m. Representatives C. Johnson, Allard, Story, Wright, and Shaw were present at the call to order. Representatives Carpenter and Armstrong arrived as the meeting was in progress.

HB 116-RESTORATIVE JUSTICE ACCT APPROPRIATIONS

[3:08:18 PM](#)

CHAIR SHAW announced that the first order of business would be HOUSE BILL NO. 116, "An Act relating to appropriations from the restorative justice account."

[3:08:58 PM](#)

REPRESENTATIVE WRIGHT moved to adopt the proposed committee substitute (CS) for HB 116, Version 33-LS0602\B, Nauman, 5/2/23, as the work draft.

CHAIR SHAW objected for the purpose of discussion.

[3:09:27 PM](#)

JOSHUA WALTON, Staff, Representative Laddie Shaw, Alaska State Legislature, on behalf of Representative Shaw, summarized the changes in the proposed CS for HB 116 [included in the committee packet], which read as follows [original punctuation provided]:

The House State Affairs Committee presents a proposed work draft of CS for House Bill 116 (STA); the work draft is labeled as work order 33-LS0602\B.

In the work draft, the House State Affairs Committee has made the following changes to House Bill 116 (work order 33-LS-0602\A):

- A change to the title to more precisely indicate "grants and costs funded by" the restorative justice account.
- The addition of a new Section 1, providing legislative intent language regarding the establishment of a public safety initiative to prevent domestic violence and sexual assault.

- Providing an effective date for the Act of July 1, 2024.
- Conforming title and numbering changes.

CHAIR SHAW removed his objection. There being no further objection, Version B was before the committee.

[3:10:58 PM](#)

REPRESENTATIVE WRIGHT moved to report CSHB 116, Version 33-LS0602\B, Nauman, 5/2/23, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSHB 116(STA) was reported out of the House State Affairs Standing Committee.

[3:11:30 PM](#)

EDRA MORLEDGE, Staff, Representative Julie Coulombe, Alaska State Legislature, on behalf of Representative Coulombe, prime sponsor, thanked the committee for hearing the bill.

[3:11:51 PM](#)

The committee took a brief at-ease.

HB 118-CATALYTIC CONVERTERS: SALE/POSSESSION

[3:12:28 PM](#)

CHAIR SHAW announced that the next order of business would be HOUSE BILL NO. 118, "An Act relating to the sale and possession of used detached catalytic converters; and establishing the crime of possession, sale, or purchase of a used detached catalytic converter."

[3:13:11 PM](#)

REPRESENTATIVE DELENA JOHNSON, Alaska State Legislature, prime sponsor, presented HB 118. She paraphrased the sponsor statement [included in the committee packet], which read as follows [original punctuation provided]:

Since the beginning of the pandemic, the theft of catalytic converters from vehicles has soared. Auto insurers are publishing warnings as they process millions of dollars in losses. In between the years of 2019 and 2022, the National Insurance Crime Bureau

(NICB) had seen a catalytic converter theft spike of over 1,200%.

According to the NICB, in 2019, only 3,389 catalytic converter thefts were reported nationwide. In 2020, the reported number spiked to 14,433. In 2021, the number went up to 65,400, and in 2022, the numbers skyrocketed up to 153,000 reported stolen converters. It is important to note that these numbers only come from reported policyholders' claims. These numbers are considered very underreported for two reasons; 1) the amount of people without car insurance who cannot file a claim; and, 2) if a police report was made before the insurance claim, it was officially documented under missing car parts, not specific to catalytic converter theft.

Thirty-two states have adopted or amended laws to combat catalytic converter theft, and 11 more states are anticipated to at least introduce legislation to combat thefts, by requiring identifying information for anyone trying to sell used catalytic converters.

House Bill 118 gives statutory authority to Alaska law enforcement to charge and prosecute individuals unlawfully possessing used catalytic converters. It also requires businesses and individuals purchasing used catalytic converters to document and maintain information about persons possessing and selling used catalytic converters to said business.

[3:15:31 PM](#)

SAVAYA BIEBER, Staff, Representative DeLena Johnson, Alaska State Legislature, gave introductory remarks on HB 118, on behalf of Representative Johnson, prime sponsor. She stated that the bill would add statutory language to require scrap metal dealers to register with the Department of Public Safety (DPS) prior to purchasing a used detached catalytic converter. Should the bill pass, scrap metal dealers would be required to maintain a paper or electronic record of transactions that included time, location, and proof of an in-person transaction. Scrap metal dealers would be required to keep record of the registry for five years, she added. Furthermore, dealers would be required to make their records available to law enforcement during regular business hours.

[3:17:21 PM](#)

CHAIR SHAW opened invited testimony.

[3:17:34 PM](#)

TREVOR STEFANO, Owner, CSI Protect AK, gave invited testimony on HB 118. He reported that Oregon law enforcement has busted a 14-man multistate crime ring with 54,000 catalytic converters. He expressed the understanding that the lucrative underground market had existed because of a lack of regulations. He shared that CSI Protect AK has etched identifiers into metal catalytic converters, and the marked catalytic converters have been registered into a global database used in over 33 countries. He stated that law enforcement has been given access to the database, thereby allowing stolen converters to be identified and traced back to their owners. He cited Section 4 of the bill and recommended changing the class A misdemeanor to a class C felony, as this would deter bad actors and prevent further "clogging" of the judicial system. Additionally, he suggested including a definition of "mechanic" in the bill, as referenced in Section 5.

[3:28:25 PM](#)

HOWARD HANDLER, National Insurance Crime and Borough (NICB), gave invited testimony on HB 118. He presented the following prepared remarks [copy included in the committee packet]:

The National Insurance Crime Bureau (NICB) is a national, century-old, not-for-profit organization supported by approximately 1,200 property and casualty insurance companies, including many who write business in Alaska. Working hand-in-hand with our member companies and Alaska state and local law enforcement, we help to detect, prevent, and deter insurance crimes, including vehicle theft.

Catalytic converter theft has skyrocketed in recent years in part due to the significant rise in the price of various precious metals, including rhodium, platinum, and palladium. All are used in the construction of catalytic converters. Criminals are seizing the opportunity to profit off these increased prices by removing the catalytic converter from vehicles - in relatively easy fashion - and selling the stolen part on the black market. The component

precious metals can be recycled into new products. Nationally, catalytic converter thefts more than quadrupled from 3,389 in 2019 to 14,433 in 2020. Thefts jumped dramatically yet again to over 52,000 in 2021, an increase of 1,215% since 2019.

Additionally, installing a replacement catalytic converter can cost thousands of dollars. Because thieves try to remove the converters as quickly as possible, their hastiness often causes higher repair costs due to incidental damage. Moreover, businesses with large vehicle fleets, such as vehicle dealerships or utility companies, are often targeted due to the number of potential marks in a small area. Thefts from commercial carriers can lead to replacement costs in excess of tens of thousands of dollars, and additional lost revenue due to halted operations.

House Bill 118 seeks to curb catalytic converter thefts by, among other things: criminalizing possession of a used catalytic converters in certain instances; limiting purchases of used catalytic converters to scrap metal dealers; and imposing certain record keeping requirements on scrap metal dealers. This bill will help deter catalytic converter thefts by discouraging illegal secondary market sales and providing law enforcement with additional records to help investigate cases.

Accordingly, we respectfully request your support for HB 118

We thank you for scheduling a hearing and for considering our views as you deliberate the merits of this bill. We strongly encourage you to utilize NICB as a resource and partner in the fight against catalytic converter theft. If you have any questions or need additional information, please contact me at hhandler@nicb.org or 847-544-7083.

[3:31:33 PM](#)

The committee took a brief at-ease.

[3:32:41 PM](#)

CHAIR SHAW opened public testimony on HB 118.

[3:33:19 PM](#)

ARTY FONOP, Owner, Eagle Eye Secure Storage, testified in support of HB 118. He stated that he has been personally affected by catalytic converter theft and shared his experience, noting that the ability to turn the devices into cash has fueled the crime. He explained that scrap dealers do not require proof of ownership from customers, and this is problematic if the converters are stolen. He shared the belief that every vehicle owner in Anchorage would benefit from the passage of HB 118.

[3:35:56 PM](#)

CHAIR SHAW, after ascertaining that there was no one else who wished to testify, closed public testimony on HB 118. He sought questions from committee members.

[3:36:26 PM](#)

REPRESENTATIVE STORY directed attention to page 4, line 7 of the bill and asked how DPS's central registry of scrap metal dealers would work. She asked whether an educational component would be needed.

[3:37:33 PM](#)

MS. BIEBER directed the question to the department.

[3:38:19 PM](#)

CORNELIUS SIMS, Captain, Alaska State Troopers, Department of Public Safety (DPS), acknowledged the necessity of an educational component for the scrap metal dealers. He suggested that an online registry could be developed, in addition to a paper form option that could be mailed into the department.

REPRESENTATIVE STORY sought to confirm that scrap metal dealers would be statutorily required to keep a separate registry.

PAM HALLORAN, Director, Division of Administrative Services, Department of Public Safety, referred to the fiscal note, which indicated that DPS would need to develop and implement an application to develop a central registry for persons engaged in the business of purchasing the converters. She shared her understanding that law enforcement would engage with people

purchasing the converters while the department would build and develop the registry.

[3:40:45 PM](#)

CAPTAIN SIMS, in response to Representative Story, confirmed that law enforcement would develop a registry separate from that of the scrap metal dealers.

CHAIR SHAW requested an explanation of the fiscal note.

MS. HALLORAN reported that the fiscal note reflected an amount of \$141,700 in 2024 and \$123,300 in 2025, and this would be to create a criminal justice specialist position, who would develop and maintain the new database.

REPRESENTATIVE STORY asked whether there would be a registration fee.

MS. HALLORAN responded that the fees have not been discussed.

REPRESENTATIVE STORY asked why the bill stipulated a five-year timeframe for record retention.

MS. HALLORAN offered to follow up with the requested information.

[3:43:38 PM](#)

REPRESENTATIVE CARPENTER referred to the exclusions in Section 5, subsection (c)(2) of the bill. He asked what "documentation" referred to and whether a receipt and registration for the vehicle from which the catalytic converter came from would suffice.

MS. HALLORAN deferred to Captain Sims.

[3:44:47 PM](#)

CAPTAIN SIMS expressed uncertainty. He shared his understanding that a used catalytic converter would not be added to the registry if the person turning it in for profit provided proof of ownership.

REPRESENTATIVE STORY expressed her concern about criminalizing the possession of a detached catalytic converter.

[3:47:45 PM](#)

REPRESENTATIVE CARPENTER asked how the ownership of a catalytic converter could be proven with documentation, per Section 5 and Section 3 of the bill.

CAPTAIN SIMS expressed uncertainty.

REPRESENTATIVE C. JOHNSON referred to the testimony from Mr. Stefano who owned a company that tagged catalytic converters. Additionally, she reported that current carmakers place the vehicle identification number (VIN) on catalytic converters.

[3:51:55 PM](#)

REPRESENTATIVE CARPENTER asked whether the theft of catalytic converters could be prevented by prohibiting the sale of these converters to scrapyards.

REPRESENTATIVE D. JOHNSON suggested that the crime was often "drug inspired." She said the legislation is modeled after a bill in Tennessee, and the intent is to provide a tool for law enforcement. She acknowledged that Representative Carpenter has identified an issue that requires further examination.

[3:54:11 PM](#)

REPRESENTATIVE STORY asked whether DPS could provide statewide rates of catalytic converter theft.

[3:54:50 PM](#)

CHAIR SHAW announced that HB 118 would be held over.

[3:55:25 PM](#)

The committee took a brief at-ease.

SB 12-ADDRESS CONFIDENTIALITY PROGRAM

[3:56:13 PM](#)

CHAIR SHAW announced that the final order of business would be CS FOR SENATE BILL NO. 12(JUD), "An Act relating to the duties of the Department of Administration; creating an address confidentiality program; and providing for an effective date."

[3:57:11 PM](#)

SENATOR JESSE KIEHL, Alaska State Legislature, prime sponsor, presented CSSB 12(JUD). He paraphrased the sponsor statement [included in the committee packet], which read as follows [original punctuation provided]:

SB 12 creates an address protection program for victims of sexual assault and domestic violence, peace officers and correctional officers, and their families.

Alaska is one of only nine states without any form of address protection program. They are so widespread because they are essential. A person needs an address to vote, drive, work, send children to school, and much more. When that address shows up in a public record, an Alaskan seeking safety from a stalker or abuser faces unnecessary danger. So do Alaska law enforcement professionals who face threats of retribution.

An address protection program gives those Alaskans a tool to stay safe.

Under SB 12, the state would keep a Post Office Box and confidentially forward mail to Alaskans with a protective order, public safety professionals, and their families. Victims and those protecting our state deserve the chance to live safely.

CHAIR SHAW noted that Representative Armstrong is sponsoring a companion bill in the House. He invited her to speak on the proposed legislation.

[4:02:42 PM](#)

REPRESENTATIVE ARMSTRONG highlighted the need for the bill due to the high rate of domestic violence and sexual assault in the state. In Alaska, she reported that more women are killed by men per capita compared to any other state. She further noted that Alaska is one of nine states without an address protection program. She described safety as one of the most fundamental human needs, adding that the bill would provide safety to Alaskans and law enforcement officials facing threats of retribution.

4:04:07 PM

CHAIR SHAW inquired about the fiscal note.

SENATOR KIEHL spoke to the fiscal note from the Department of Administration (DOA), which includes a one-time cost of \$50,000 for startup expenses, followed by \$375,000 for operating expenses in subsequent years.

CHAIR SHAW opened invited testimony.

4:06:28 PM

KEELEY OLSON, Executive Director, Standing Together Against Rape, gave invited testimony during the hearing on CSSB 12(JUD). She read the following prepared remarks [copy included in the committee packet]:

Thank you for sponsoring this important piece of legislation and thank you for the opportunity to comment in favor of an Alaska Address Confidentiality Program.

Prior to working at STAR, I was a Victim Advocate with a Prosecuting Attorney's Office in Washington State. Washington's Address Confidentiality Program was an essential tool used by Victim Advocates to assist someone with high lethality risk to be safer. Combined with comprehensive safety planning and an emergency relocation plan, and done in a very particular order, the Address Confidentiality Program was a lifesaver for more than a few of my clients.

While the program was accessible and easy to use, I did not see the program being used in inappropriate ways, and never heard of it being a burden on State Administrators. Address Confidentiality Programs are currently available in up to forty states nationwide, at no cost to enrollees, which is an important consideration for those sometimes-fleeing abuse with little access to funds. I recall there were avenues to accessing the Washington program without the necessity of a current civil protective order being in place, so I do advocate for additional paths being available for those who feel endangered by seeking such orders - such as criminal no contact orders, current criminal

charges, criminal history and/or supporting letters from Crime Victim Advocates.

I also know law enforcement officers and District Attorneys who use public and private names and put their owned real and personal property in a spouse or family member's name to protect their addresses, so I can appreciate the reason for the inclusion of public servants serving in law enforcement as well.

I appreciate the opportunity to testify and comment in support of SB 12. Thank you for all your work to increase safety for victims of domestic violence, sexual assault, and stalking.

[4:11:48 PM](#)

JODY REAUSAW, Business Agent, Alaska Correctional Officers Association (ACOA), gave invited testimony during the hearing on CSSB 12(JUD). She expressed ACOA's support for the bill to protect survivors of sexual assault and domestic violence across the state, as well as law enforcement officers. She relayed correctional officers' concerns about keeping their families safe and their information private; nonetheless, she suspected that a low percentage of officers would take advantage of the program. Ultimately, she opined that the bill would provide peace of mind and another tool for officer safety.

[4:14:00 PM](#)

SUZI PEARSON, Executive Director, Abused Women's Aid in Crisis (AWAIC), gave invited testimony during the hearing on CSSB 12(JUD). She reported that victims often change their address to AWAIC's address, which has become the "warehouse" for victim's mail. she stated that many high-risk individuals choose to keep their mailing address at AWAIC, even after moving from the shelter to keep their location private. She pointed out that the bill would provide access to a safe, long-term resource for victims; furthermore, it would allow victims access to services without organizations connecting them to AWAIC's services, should they choose to remain confidential. She reiterated AWAIC's support for the bill, as drafted.

CHAIR SHAW opened public testimony. After ascertaining that there was no one who wished to testify, [he closed public testimony].

4:16:15 PM

REPRESENTATIVE STORY asked whether the bill sponsor had considered including judges and attorneys in the legislation.

SENATOR KIEHL said he had considered including a number of groups. He explained that the bill, as drafted, went beyond similar legislation in other states by including peace officers and correctional officers. He noted that he has not received a request from the Alaska Court System or the Department of Law (DOL) to expand the bill; however, they could be included in the future if a need arose.

4:17:44 PM

CHAIR SHAW announced that CSSB 12(JUD) would be held over.

4:19:07 PM

ADJOURNMENT

There being no further business before the committee, the House State Affairs Standing Committee meeting was adjourned at 4:19 p.m.