

**ALASKA STATE LEGISLATURE**  
**SENATE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE**

March 19, 2024

1:32 p.m.

**MEMBERS PRESENT**

Senator Forrest Dunbar, Chair  
Senator Donald Olson, Vice Chair  
Senator Elvi Gray-Jackson  
Senator Jesse Bjorkman  
Senator Cathy Giessel

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 279 (CRA) AM  
"An Act relating to the Local Boundary Commission; and providing  
for an effective date."

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: HB 279

SHORT TITLE: LOCAL BOUNDARY COMMISSION

SPONSOR(S): REPRESENTATIVE(S) CRONK

01/18/24	(H)	READ THE FIRST TIME - REFERRALS
01/18/24	(H)	CRA
01/30/24	(H)	CRA AT 8:00 AM BARNES 124
01/30/24	(H)	Heard & Held
01/30/24	(H)	MINUTE (CRA)
02/13/24	(H)	CRA AT 8:00 AM BARNES 124
02/13/24	(H)	Heard & Held
02/13/24	(H)	MINUTE (CRA)
02/20/24	(H)	CRA AT 8:00 AM BARNES 124
02/20/24	(H)	-- MEETING CANCELED --
02/22/24	(H)	CRA AT 8:00 AM BARNES 124
02/22/24	(H)	Moved CSHB 279 (CRA) Out of Committee
02/22/24	(H)	MINUTE (CRA)
02/23/24	(H)	CRA RPT CS (CRA) 3DP 3NR
02/23/24	(H)	DP: BAKER, HIMSCHOOT, RUFFRIDGE

02/23/24 (H) NR: MEARS, MCCABE, MCCORMICK  
03/08/24 (H) TECHNICAL SESSION 3/8 - ON 3/11  
CALENDAR  
03/11/24 (H) TRANSMITTED TO (S)  
03/11/24 (H) VERSION: CSHB 279(CRA) AM  
03/12/24 (S) READ THE FIRST TIME - REFERRALS  
03/12/24 (S) CRA  
03/19/24 (S) CRA AT 1:30 PM BELTZ 105 (TSBldg)

**WITNESS REGISTER**

REPRESENTATIVE MIKE CRONK, District 36  
Alaska State Legislature  
Juneau, Alaska  
**POSITION STATEMENT:** Sponsor of HB 279.

DAVE STANCLIFF, Staff  
Representative Mike Cronk  
Alaska State Legislature  
Juneau, Alaska  
**POSITION STATEMENT:** Presented the sectional analysis for HB 279  
on behalf of the sponsor.

LARRY WOOD, Chair  
Alaska Local Boundary Commission (LBC)  
Eagle River, Alaska  
**POSITION STATEMENT:** Testified in opposition to HB 279,  
referencing an LBC position paper dated March 12, 2024.

JAMES SQUYRES, representing self  
Deltana, Alaska  
**POSITION STATEMENT:** Testified in support of HB 279.

CLAY WALKER, Member  
Local Boundary Commission  
Healy, Alaska  
**POSITION STATEMENT:** Testified HB 279 should be tabled.

SANDRA MOLLER, Director  
Division of Community and Regional Affairs  
Department of Commerce, Community and  
Economic Development (DCCED)  
Anchorage, Alaska  
**POSITION STATEMENT:** Answered questions during the discussion of  
HB 279.

## **ACTION NARRATIVE**

[1:32:32 PM](#)

**CHAIR FORREST DUNBAR** called the Senate Community and Regional Affairs Standing Committee meeting to order at 1:32 p.m. Present at the call to order were Senators Gray-Jackson, Olson, and Chair Dunbar. Senators Giessel and Bjorkman arrived shortly thereafter.

### **HB 279-LOCAL BOUNDARY COMMISSION**

[1:33:02 PM](#)

**CHAIR DUNBAR** announced the consideration of CS FOR HOUSE BILL NO. 279(CRA) am "An Act relating to the Local Boundary Commission; and providing for an effective date."

He said Representative Cronk will deliver a brief introduction of HB 279, his staff will present the sectional analysis, and open public testimony on the bill. He invited Representative Cronk and Mr. Stancliff to put themselves on the record and begin their testimony.

[1:33:40 PM](#)

**REPRESENTATIVE MIKE CRONK**, District 36, Alaska State Legislature, Juneau, Alaska, sponsor of HB 279 explained that HB 279 originated from a constituent's concern about unorganized boroughs lacking representation on the Local Boundary Commission (LBC). He and his staff investigated the issue and developed HB 279 to ensure commissioners from the four judicial districts reside and vote in the districts they represent and that at least one commissioner is from an unorganized borough. He noted HB 279 includes an effective date ensuring the current LBC composition remains unchanged until a seat becomes vacant.

[1:35:04 PM](#)

**SENATOR OLSON** asked if this legislation was brought forward due to a lack of variety within the four judicial districts.

**CRONK** replied that is correct. The constituent voiced concern that there was not fair representation from the unorganized borough.

**SENATOR OLSON** commented that is a fair reason to voice concern.

[1:35:36 PM](#)

DAVE STANCLIFF, Staff, Representative Mike Cronk, Alaska State Legislature, Juneau, Alaska, presented the sectional analysis for HB 279 on behalf of the sponsor.

**Section 1. AS 44.33.810 is amended.**

Page 1, Lines: 10-12

Establishes that at least one of the five Local Boundary commissioners appointed reside in the Unorganized Borough.

Requires a commissioner appointed from a Judicial District to be domiciled and registered to vote in that District.

The LBC chair is to be elected by Commission members.

**Section 2.**

Establishes an effective date clause to coincide with the next open seat on the commission. January 31, 2025.

MR STANCLIFF explained HB 279 proposes that the Commission members elect the LBC chair, a change from a political appointment by the governor.

[1:36:24 PM](#)

CHAIR DUNBAR asked a clarifying question regarding HB 279, noting that while it requires at least one member to be from the unorganized borough, representatives from the four judicial districts can already be from the unorganized borough. He sought confirmation that the bill changes the at-large seat to specifically designate it as an unorganized borough seat.

MR. STANCLIFF replied that is correct. He emphasized that the primary purpose of HB 279 is to ensure the perspectives of the rural areas of the state, the unorganized borough, have at least one of the five seats on the Local Boundary Commission.

[1:37:10 PM](#)

CHAIR DUNBAR clarified that the distinction lies in the previous structure, which included four seats from the judicial districts and one at-large seat. He noted that HB 279 does not require one of the judicial district seats to be from the unorganized borough but instead designates the at-large seat as the unorganized borough seat.

[1:37:30 PM](#)

MR. STANCLIFF replied yes, the legislation simply says one person shall be from the unorganized district, in effect giving the at-large seat to the unorganized borough.

[1:37:45 PM](#)

SENATOR GRAY-JACKSON sought confirmation that HB 279 allows the governor to name any commissioner as chair.

MR. STANCLIFF explained that currently, five individuals are appointed to the Local Boundary Commission—one from each of the four judicial districts and one at-large member, with the governor selecting the at-large member to serve as chair. He noted that an amendment passed on the House floor allows the commission to elect its own chair, rather than the governor appointing the chair. This change was suggested to favor the public and reduce political influence.

SENATOR GRAY-JACKSON expressed appreciation for the response but said HB 279, Section 1, allows "the governor to name any commissioner appointed as chair." She sought confirmation that the HB 279 does not permit the governor to appoint the chair but instead give authority to the board.

MR. STANCLIFF replied yes.

SENATOR GRAY-JACKSON responded that is really good.

MR. STANCLIFF said HB 279 [version B], [page 1], line 12, says, "The commission shall select a chair from among its members."

SENATOR GRAY-JACKSON said she was confused by the sectional analysis.

[1:39:35 PM](#)

CHAIR DUNBAR said the sectional analysis might predate the amendment and confirmed that HB 279 [version B.A], [page 1], line 14 says, "The commission shall select a chair from among its members."

[1:40:09 PM](#)

CHAIR DUNBAR opened public testimony on HB 279.

[1:40:29 PM](#)

LARRY WOOD, Chair, Alaska Local Boundary Commission (LBC), Eagle River, Alaska, testified in opposition to HB 279, asked if the

committee had received an LBC position paper dated March 12, 2024 and cover letter dated March 14, 2024.

[1:41:08 PM](#)

CHAIR DUNBAR replied the letter and paper were received.

[1:41:09 PM](#)

MR. WOOD asked if the biographical information on the five serving members was received by members of the committee.

CHAIR DUNBAR replied it was received.

MR. WOOD urged the committee to review the biographical information of the Local Boundary Commission (LBC) members. He stated he is uncertain whether LBC members are political appointees but shared that he was contacted and selected by the governor's office for the role. He emphasized that LBC commissioners are volunteers, not state employees, chosen for their interest in government affairs, objectivity, and skills. He explained that the commission operates in a quasi-judicial capacity, addressing incorporation, dissolution, and annexation petitions impartially. He highlighted the commission's history, noting its creation under the state constitution to ensure a statewide entity represents all Alaskans fairly in local boundary decisions.

[1:43:29 PM](#)

MR. WOOD stated he is unsure why Governor Dunlevy appointed him to the LBC, noting his 50-year career as an attorney in Alaska and his long residency in Anchorage, Fairbanks, and Eagle River. He speculated the appointment might relate to his legal background or prior role as a Republican member and later chair of the Alaska Public Offices Commission (APOC). He emphasized that his service is not tied to any state contract but reflects his commitment to Alaska and its people. He added that a review of other commissioners' records over the past 60 years would show similar dedication.

[1:44:21 PM](#)

MR. WOOD stated he would like to focus on the history of the Local Boundary Commission (LBC) from 1987 onward, addressing comments about representation of the Unorganized Borough. He noted that the Unorganized Borough geographically encompasses over half of Alaska but has about 10 percent of the state's population, with most of it located in the Fourth Judicial District. He referenced a letter and position paper submitted on behalf of the LBC, emphasizing that representation of the

Unorganized Borough has existed since the commission's inception, as every judicial district includes parts of it, particularly the Fourth Judicial District. He remarked that HB 279 appears tied to broader issues beyond changing his position or appointing a representative from the organized borough.

[1:45:32 PM](#)

MR. WOOD pointed out a connection to HB 151, which introduces challenges to one of two methods of borough formation in Alaska. He highlighted the larger issue of borough formation, particularly disparities in education costs between borough and unorganized borough residents, as noted by the Ketchikan Gateway Borough mayor in a recent House committee meeting. Speaking as an advocate for borough formation and the commission's work, he urged consideration of Alaska's history of local government establishment and the methods for incorporating boroughs and cities in the Unorganized Borough and why that process makes sense.

[1:46:15 PM](#)

SENATORS GIESSEL and Bjorkman joined the meeting.

[1:46:54 PM](#)

MR. WOOD emphasized the quasi-judicial nature of the commission and refrained from commenting on specific proposals but called for a broader perspective. He highlighted the long history of commissioners from the Unorganized Borough, listing past members and chairs from Wrangell, Nome, Pelican, Valdez, and Tok, and noted periods when two members from the Unorganized Borough served simultaneously. He urged the committee to recognize the continuous representation of the Unorganized Borough on the LBC and to consider the broader context and history of borough formation in the state.

[1:48:59 PM](#)

MR. WOOD urged the committee to examine the history and development of local government formation in Alaska, emphasizing the importance of considering the broader context beyond HB 279. He noted that other related legislation has been introduced, including a proposal by Representative Prax from [North Pole] that deals with educational funding.

[1:49:52 PM](#)

SENATOR OLSON stated that the issue was raised because some people felt the unorganized borough lacked adequate representation. He asked Mr. Wood, the commission's chair, if he sees this as a problem the legislature needs to resolve.

[1:50:16 PM](#)

MR. WOOD stated that inadequate representation from the unorganized borough had not been a problem. He suggested the committee speak with Mr. Walker from Healy, located in the Denali Borough. He noted it was coincidental that no current LBC member resides in the borough. He added that if the goal is to require representation from people living in the unorganized borough outside of municipalities, HB 279 will not accomplish it.

[1:51:29 PM](#)

MR. WOOD requested the committee consider the objective of the commission. He referenced several boards, such as the Workers' Compensation Board, as examples where diverse perspectives are important. He said the legislature acts as assembly for the unorganized borough providing representation. He questioned the value of encouraging local interest only when looking at statewide decisions. He opined that the framers of the Constitution wanted a board that looked at incorporation questions from a statewide perspective.

[1:52:49 PM](#)

SENATOR OLSON stated that perspectives differ between those living in an organized borough and those in an unorganized borough, where residents rely on the legislature to act as their borough assembly. He emphasized having strong feelings that the proposed legislation looks out for individuals from unorganized boroughs, and he is glad the legislation was brought forward.

[1:53:37 PM](#)

JAMES SQUYRES, representing self, Deltana, Alaska, testified in support of HB 279. He stated that he lives in the Fourth Judicial District within the unorganized borough and supports HB 279. He referenced art. X, sec. 3 of the Constitution of the State of Alaska which mandates that the entire state be divided into organized or unorganized boroughs, noting that about half the state lies in the unorganized borough. He explained that the LBC consists of five commissioners representing the four judicial districts and one at-large position, but all five commissioners currently come from organized boroughs. He argued that the claim that commissioners represent unorganized borough perspectives is unconvincing.

[1:54:42 PM](#)

MR. SQUYRES stated that the HB 279 does not change the requirement for a commissioner from each judicial district but

ensures that at least one of the five commissioners comes from the [unorganized] borough. He said HB 279 addresses misrepresentation on the LBC and promotes a broader balance of perspective, expertise, and knowledge. This change would improve representation for the large land areas that may face boundary changes or organization issues in the future. He recommended amending HB 279 to increase the number of appointed commissioners from unorganized boroughs to at least two. He suggested requiring that at least one commissioner live in the unorganized borough outside an incorporated municipality to ensure a broader perspective. He noted that a similar amendment received broad support on the House floor and could be confirmed if sent back with this change. He emphasized that having two of the five commissioners from unorganized boroughs would not unbalance the Local Boundary Commission (LBC).

[1:55:34 PM](#)

MR. SQUYRES expressed concern that the current makeup of the LBC lacks perspective and working knowledge of the unorganized borough, which could result in poor decisions. He cited a recent full-day LBC meeting on a petition to form a new borough in the Hoonah area, where commissioners struggled to understand fiscal metrics related to unorganized boroughs. He stated that a qualified commissioner from an unorganized borough would already have knowledge about Regional Education Attendance Areas (REAs), federal Payments in Lieu of Taxes (PILT), and the unique distribution of federal impact aid.

[1:56:29 PM](#)

MR. SQUYRES noted a lack of sufficient coverage during the afternoon session of the meeting to address the fiscal metrics of organized and unorganized areas along the pipeline corridor. He stated that during public testimony, he briefed the LBC on the fiscal contributions of unorganized areas along the pipeline to the state general fund. He encouraged committee members to review the oil and gas property tax portion of the State of Alaska 2023 Fall Revenue Forecast. He concluded that passing HB 279 is a proper exercise of legislative authority under the Alaska Constitution, art. X, sec. 6, to promote a fair and balanced LBC.

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SENATOR OLSON asked if the sponsor of HB 279 would be in favor of the amendment Mr. Squyres talked about.

[1:57:55 PM](#)

MR. STANDCLIFF replied that there was considerable discussion about adding a second member from an unorganized borough, which raised concerns about potentially unbalancing the Local Boundary Commission (LBC) or influencing its stance on organization. He noted that Representative Cronk has been in contact with the governor regarding the legislation. He emphasized that while the governor appoints commissioners, the legislature establishes the laws and procedures governing the LBC. He highlighted that it is unusual for members of a quasi-judicial body to influence policy regarding the make-up of the body, something he had not seen in his 27 years of experience. While not recommending the addition of a second member at this time, he said Representative Cronk supports having one of the five commissioners from an unorganized borough, citing the valuable experience and perspective they would bring to the LBC's deliberations.

[1:59:19 PM](#)

CLAY WALKER, Member, Local Boundary Commission, Healy, Alaska, stated that he was appointed to the Fourth Judicial District seat on the Local Boundary Commission (LBC) last year and resides in the Denali Borough, which was established in 1990. He provided an overview of his experience in local government and service on various boards. He stated his belief that he was appointed by the governor due to his extensive study of Alaska's municipal government and feels qualified to represent the diverse Fourth Judicial District, which includes the Bethel, Wade-Hampton, and Southeast Fairbanks census areas, as well as the Fairbanks North Star and Denali boroughs.

MR. WALKER asserted that LBC commissioners should not speak to policy issues regarding its composition and should instead participate through public testimony. He stated his belief that the decision of the framers of the Constitution to base representation on the four Judicial Districts fairly reflects the diverse areas of Alaska. Adding a fifth at large seat makes a deliberative body from which the governor can select the most qualified candidate from the state's entire population. He described this as fair and said mandating that the at-large seat come from roughly 10 percent of the population, seemed unfair. He pointed out that, since organized areas can expand, requiring a seat to come from an area that is structurally designed to contract is poor policy. He argued that HB 279 appears to be a legislative attempt to undermine the constitutional goal of maximizing local government and urged the committee to table the bill.

[2:02:51 PM](#)

SENATOR OLSON asked Mr. Walker, a person from an unorganized borough, whether unorganized borough residents, who are fully dependent on the legislature for fair statewide representation, deserve board representation.

[2:03:14 PM](#)

MR. WALKER stated that he represents the interests of the unorganized borough and emphasized that the LBC is charged with fairly, objectively, and impartially analyzing potential boundary changes, incorporations, or detachments. He said he does not believe that residing in an organized area within the Fourth Judicial District makes him impartial or non-objective when reviewing matters before the body. He opined that many issues facing the unorganized borough are addressed by the legislature, and he stressed that every legislator, like LBC commissioners, has a responsibility to represent the interests of their unorganized borough residents.

SENATOR OLSON stated that Mr. Walker lives on the road system in the Denali Borough, while he resides in the hinterland of the unorganized borough in western Alaska. He expressed doubt that Mr. Walker understands the priorities of those he represents, who live in more remote unorganized areas, where efforts are focused on supporting livelihoods. He said he respectfully disagreed with Mr. Walker's perspective.

[2:04:46 PM](#)

SENATOR BJORKMAN stated that he appreciates Mr. Walker's expertise regarding local governments across Alaska. He noted that the representative from the Second Judicial District resides in Kiana, a community within the Northwest Arctic Borough. He questioned how the practical experience of someone from Kiana, in terms of local government or the absence of local government, would differ from the experience of someone living in an unorganized borough.

[2:05:34 PM](#)

MR. WALKER responded by saying he disagreed with Mr. Squyres' earlier comment that residents of unorganized boroughs have a deeper understanding of federal Payments in Lieu of Taxes (PILT) and federal Impact Aid compared to those in organized boroughs. He asserted that he has a strong understanding of both. However, he emphasized that broad representation is essential to any statewide body and praised the commissioner from the Second Judicial District for effectively representing rural Alaska.

[2:06:40 PM](#)

SENATOR BJORKMAN stated that he had a genuine question with no specific intent or direction. He asked if there are areas within the unorganized borough that, are not currently in compliance with the Mandatory Borough Act of 1964.

MR. WALKER stated that he had not reviewed the Mandatory Borough Act of 1964 recently but noted that most Alaskans live in boroughs formed under it. He observed that Alaska's development of governmental structures has been slow and often disincentivized. He suggested that it might be more relevant to review the model borough framework developed by the legislature and the LBC in 2006, rather than focusing solely on the 1964 act.

[2:08:26 PM](#)

CHAIR DUNBAR closed public testimony on HB 279.

[2:08:36 PM](#)

CHAIR DUNBAR asked Director Moeller about the past makeup of the LBC.

[2:09:08 PM](#)

SANDRA MOLLER, Director, Division of Community and Regional Affairs, Department of Commerce, Community and Economic Development (DCCED), Anchorage, Alaska, stated that her division has been reviewing historical representation on the LBC in light of the two introduced bills. Since 1987, there have been 185 seats (33 years x 5 seats). Of those appointments, 33 have come from the unorganized borough, accounting for about 18 percent of the total. She noted that, like many state boards and commissions, the availability of interested applicants may affect representation. She said her division plans to investigate the extent of interest from potential applicants, as other boards and commissions have faced challenges in attracting volunteers.

[2:10:55 PM](#)

CHAIR DUNBAR acknowledged that the LBC is a volunteer, uncompensated board. He asked if there are additional costs associated with the board, inquiring whether most of the work is done remotely and if the LBC has a large travel budget. He requested an overall sense of the board's operational costs.

[2:11:10 PM](#)

MS. MOLLER stated that there is no separate budget specifically for the LBC. The commission is supported by one full-time staff member, and most costs are related to travel. So far, this

fiscal year, travel expenses have totaled about \$3,000, but higher costs are expected as commissioners will travel from their home locations to the boundaries of the new petition for the proposed Hoonah Borough in the Southeast Judicial District 1. She explained that travel costs vary depending on commission activity, with travel primarily occurring when there are active petitions. Meetings are required and typically covered by the general fund, while commissioner travel is linked to specific petitions.

[2:10:53 PM](#)

CHAIR DUNBAR sought clarification, asking if most travel occurs in response to petitions while typical meetings are conducted telephonically.

MS. MOLLER replied that is correct.

[2:12:44 PM](#)

CHAIR DUNBAR closed public testimony on HB 279.

[2:12:48 PM](#)

CHAIR DUNBAR held HB 279 in committee.

[2:13:27 PM](#)

There being no further business to come before the committee, Chair Dunbar adjourned the Senate Community and Regional Affairs Standing Committee meeting at 2:13 p.m.