

ALASKA STATE LEGISLATURE
SENATE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE

April 4, 2024

2:00 p.m.

MEMBERS PRESENT

Senator Forrest Dunbar, Chair
Senator Elvi Gray-Jackson (via teleconference)
Senator Jesse Bjorkman

MEMBERS ABSENT

Senator Donald Olson, Vice Chair
Senator Cathy Giessel

COMMITTEE CALENDAR

PRESENTATION(S): LOCAL BOUNDARY COMMISSION OVERVIEW

- HEARD

SENATE BILL NO. 174

"An Act relating to the Honor and Remember Flag and the Honor and Sacrifice Flag."

- HEARD & HELD

HOUSE CONCURRENT RESOLUTION NO. 8

Honoring United States military veterans exposed to Agent Orange during the Vietnam War; and expressing gratitude for the courageous service of those veterans to the United States.

- SCHEDULED BUT NOT HEARD

SENATE BILL NO. 252

Honoring United States military veterans exposed to Agent Orange during the Vietnam War; and expressing gratitude for the courageous service of those veterans to the United States.

- REMOVED FROM AGENDA

PREVIOUS COMMITTEE ACTION

BILL: SB 174

SHORT TITLE: HONOR & REMEMBER/HONOR & SACRIFICE FLAGS

SPONSOR(s) : SENATOR(s) BJORKMAN

01/16/24 (S) PREFILE RELEASED 1/12/24
01/16/24 (S) READ THE FIRST TIME - REFERRALS
01/16/24 (S) CRA
04/02/24 (S) CRA WAIVED PUBLIC HEARING NOTICE, RULE
23
04/04/24 (S) CRA AT 1:30 PM BELTZ 105 (TSBldg)

WITNESS REGISTER

SANDRA MOLLER, Director
Division of Community and Regional Affairs (DCRA)
Department of Commerce, Community and Economic Development
Anchorage, Alaska
POSITION STATEMENT: Delivered a Local Boundary Commission
Overview.

JEDIDIAH SMITH, Staff
Local Boundary Commission
Division of Community and Regional Affairs
Department of Commerce, Community and Economic Development
Anchorage, Alaska
POSITION STATEMENT: Answered questions during the Local Boundary
Commission Overview.

LAURA ACHEE, Staff
Senator Jesse Bjorkman
Alaska State Legislature
Juneau, Alaska
POSITION STATEMENT: Presented the sectional analysis on SB 174.

DAVID CASWELL, Director
Honor and Remember Alaska Chapter
Sterling, Alaska
POSITION STATEMENT: Gave invited testimony in support of SB 174.

ACTION NARRATIVE

[2:00:26 PM](#)

CHAIR FORREST DUNBAR called the Senate Community and Regional
Affairs Standing Committee meeting to order at 2:00 p.m. Present
at the call to order were Senators Gray-Jackson (via
teleconference), Bjorkman, and Chair Dunbar.

PRESENTATION(S) : LOCAL BOUNDARY COMMISSION OVERVIEW

[2:01:29 PM](#)

CHAIR DUNBAR announced a Local Boundary Commission overview. He invited Director Moller to put herself on the record and begin the presentation.

[2:02:31 PM](#)

SANDRA MOLLER, Director, Division of Community and Regional Affairs (DCRA), Department of Commerce, Community and Economic Development, Anchorage, Alaska, delivered an overview on the Local Boundary Commission.

[2:03:41 PM](#)

MS. MOLLER moved to slide 2 and said the Local Boundary Commission (LBC) was directed to be established by Alaska's Constitution:

Article X, Sec. 12 Alaska's Constitution

"A local boundary commission or board shall be established by law in the executive branch of state government. The commission or board may consider any proposed local government boundary change. It may present proposed changes to the legislature during the first ten days of any regular session. The change shall become effective forty-five days after presentation or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house. The commission or board, subject to law, may establish procedures whereby boundaries may be adjusted by local action."

MS. MOLLER stated that historical research and review of discussions from the Constitutional Convention revealed a strong belief in local governance at the local level, and that the state have broad interest. She explained that the Local Boundary Commission (LBC) was created to advance broad public interest in establishing and altering municipal governments. The Alaska Supreme Court, in an early piece of case law, affirmed the LBC's role in deciding matters of statewide interest. She said the advantage of this method lies in placing the process at a level where area wide or statewide needs can be taken into account. Arguments for and against boundary change can be analyzed objectively by placing authority in a third party. She opined that this is a key thread of the LBC on a statewide basis.

[2:05:15 PM](#)

MS. MOLLER moved to slide 3 which showed the following appointees, each selected from their respective judicial district, and the chair who is selected at-large from anywhere within Alaska:

- John Harrington, First Judicial District, Ketchikan
- Ely Cyrus, Second Judicial District, Kiana
- Richard "Clayton" Trotter, Third Judicial District, Eagle River
- Clay Walker, Fourth Judicial District, Fairbanks
- Larry Wood, Chair, At Large, Eagle River

She noted that each commissioner represents the entire state, not just the Judicial District they are from. This is done for geographical diversity and to form an independent, objective board that can consider both local and statewide interests and needs. She said that for 12 of the last 37 years, two LBC seats were filled by members from the unorganized borough. In 27 of the last 37 years, at least one seat on the LBC has been filled by a resident of the unorganized borough. She mentioned that while not a prerequisite, it is helpful if the five volunteers have a working knowledge or experience with municipal government.

[2:06:47 PM](#)

MS. MOLLER moved to slide 4 and said the following are the types of local governments in Alaska:

[Original punctuation provided.]

Local Government in Alaska

<u>Types of Local Government</u>	<u>Example</u>
Cities	
First Class City	City of Dillingham
Second Class City	City of Bethel
Home Rule City	City of Cordova
Boroughs	
Unified Home Rule	Municipality of Borough Anchorage
Non-Unified Home Rule Borough	Northwest Arctic Borough
First Class Borough	Municipality of Skagway
Second Class Borough	Matanuska-Susitna Borough

[2:07:16 PM](#)

MS. MOLLER noted that Alaska has 11 Home Rule cities, three of which are in the unorganized borough: Cordova, Valdez, and Nenana. There are also 18 first-class cities, 13 of which are in the unorganized borough, and first-class cities in the unorganized borough are required to operate school districts. Alaska has 211 second-class cities, and those in the unorganized borough are prohibited by law from operating school in the school district.

[2:07:57 PM](#)

MS. MOLLER moved to slide 5 and spoke to the power of boroughs:

[Original punctuation provided.]

Mandatory Areawide Powers

All boroughs have three mandatory area-wide powers:

- AS 29.35.160—Each borough constitutes a borough school district and establishes, maintains, and operates a system of public schools on an areawide basis
- AS 29.35.170— A borough shall assess and collect property, sales, and use taxes that are levied in its boundaries
- AS 29.25.180— shall provide for planning, platting, and land use regulation

[2:08:31 PM](#)

MS. MOLLER moved to slide 6 and provided a summary of borough formation in Alaska. She mentioned the LBC is currently drafting a preliminary report for a potential borough in the Hoonah district:

[Original punctuation provided.]

Borough Formation in Alaska

1961- Bristol Bay Borough

1963- Mandatory Boroughs Act (Ketchikan Gateway, City and Borough of Juneau, City and Borough of Sitka, Kodiak Island Borough, Kenai Peninsula Borough, Municipality of Anchorage, Matanuska-Susitna Borough, Fairbanks North Star Borough)*

1968- Haines Borough
1971- North Slope Borough
1986- Northwest Arctic Borough
1987- Aleutians East Borough
1989- Lake and Peninsula Borough
1990- Denali Borough
1992- City and Borough of Yakutat
2007- Municipality of Skagway
2010- City and Borough of Wrangell
2013- Petersburg Borough

* Legislatively mandated

[2:09:33 PM](#)

MS. MOLLER moved to slide 7 and said the map illustrates the breadth and depth of the unorganized borough, which covers 60 percent of Alaska's landmass but contains about 10 percent of its population. She referenced a quote "land does not vote," highlighting that voting is done by people, not land. This underscores the concern that having a member of the LBC from the unorganized borough does reduce the potential pool to 10 percent of the population.

[2:10:41 PM](#)

MS. MOLLER moved to slide 8, a map of Regional Education Attendance Areas (REAAs), and stated that Alaska does not have counties, but federal programs and agencies like to categorize land areas. REAAs, like counties, work with federal agencies. She explained that programs like Payment in Lieu of Taxes (PILT) and forest receipts are mechanisms for allocating federal funds across regional areas. She noted that there are 19 REAAs in Alaska. The map displays school districts in the unorganized borough. Each REAA has its own administration and school board elected from the communities within its boundaries. All REAAs are funded entirely by the legislature since second class cities are prohibited from operating a school district.

[2:11:52 PM](#)

MS. MOLLER moved to slide 9, Changing Local Government, Types of Boundary Changes, and said she would discuss the types of actions the LBC can take, provide examples, and explain how boundaries are changed. She noted that the LBC is currently considering the Hoonah Borough and Corporation petition, a process that typically takes a year. She highlighted that the LBC recently approved the City of Tanana's request to reclassify as a second-class city. This action followed a new process signed into law last session, which streamlines the procedure

but removes the consideration of the state's best interest from the process.

[Original punctuation provided.]

Changing Local Government

Types of Boundary Changes

Incorporation	Annexation	Detachment
Dissolution	Reclassification	Deunification
Merger	Consolidation	Unification

[2:12:39 PM](#)

MS. MOLLER moved to slide 10, Boundary Changes: Incorporation and said the first type of boundary change, similar to what Hoonah is pursuing, is basic incorporation. This occurs when an unincorporated community seeks to become a municipality by establishing city boundaries, rules, and a charter for governance. She noted that the most recent city incorporation approved by the Local Boundary Commission (LBC) was Whale Pass in 2017.

[2:13:17 PM](#)

MS. MOLLER moved to slide 11, Boundary Changes: Annexation and explained that annexation occurs when a municipality adds additional land to its boundaries. The most recent annexation considered by the LBC was from the City of Soldotna in 2020. That action is currently under review by the Alaska Supreme Court following an appeal of the LBC's decision on the petition. She noted that the Soldotna annexation petition initially followed the legislative review method, but during deliberations, the LBC converted it to a local action method. A Supreme Court decision on the matter is expected this year.

[2:14:03 PM](#)

MS. MOLLER moved to slide 12, Boundary Changes: Detachment, and said this occurs when part of a municipality seeks to separate from itself, a process that is fairly rare. She noted that in 1985, part of the North Slope Borough was detached to form the Northwest Arctic Borough. Additionally, in 2015, the City of Fairbanks detached a 48.5-acre parcel. While uncommon, she emphasized that detachment has occurred.

[2:14:47 PM](#)

CHAIR DUNBAR stated his belief that Eaglexit is seeking a detachment of the Eagle River-Chugiak area. He asked what step in the process Eaglexit is currently in.

MS. MOLLER replied the petition has not been received. However, the department is working with Eaglexit and has received a document for technical review.

[2:15:35 PM](#)

JEDIDIAH SMITH, Staff, Local Boundary Commission, Division of Community and Regional Affairs, Department of Commerce, Community and Economic Development (DCCED), Anchorage, Alaska, stated that regular discussions have been held with Eaglexit, and they have submitted some draft information. However, nothing has been officially filed with the Local Boundary Commission (LBC).

[2:16:04 PM](#)

CHAIR DUNBAR raised questions about municipal assets within the land proposed for detachment by Eaglexit, noting that significant investment has been made in these assets over the years. He cited examples such as the Anchorage Water Utility (AWU), including its reservoir, purification facility, and associated pipelines running through the proposed area. He also mentioned the Anchorage landfill. He asked how the LBC and the department address the fate of these assets during a detachment process.

[2:16:59 PM](#)

MR. SMITH acknowledged that the detachment and incorporation proposed by Eaglexit is highly complex. He stated that there is no clear answer at this point, as the process requires consultation with the Municipality of Anchorage. As part of their petition, Eaglexit must submit a transition plan detailing how municipal assets would be handled. He emphasized that the level of detail required is significant, and he has not yet seen that information or those details from Eaglexit. He assured that the LBC will consider all of these factors as part of the process.

[2:18:25 PM](#)

MS. MOLLER slide 13, Boundary Changes: Dissolution, which states dissolution is when a municipality ceases to exist, and a community may remain in its place. She said dissolutions are very rare but have recently occurred when forming a new borough government. She cited Skagway, Wrangell, and Petersburg as the most recent examples of dissolution in favor of either a unified

or non-unified Home Rule borough. In the 1990s, the state initiated the dissolutions of several cities that had become ineffective due to years of inactivity, not just a few months. She explained that the department is required to conduct a thorough investigation before recommending dissolution to the LBC. She noted that, in some cases, a city is formed but later decides it no longer wants to be a municipality, leading to its dissolution.

[2:19:33 PM](#)

MS. MOLLER moved to slide 14, Boundary Changes: Reclassification, and stated Tanana is an example of a first class city changing to a second class city. She noted it is rare to have a city downgraded. She said a first class city adopting a Home Rule charter is not an LBC process. A city can do this through a vote of its residents.

[2:20:10 PM](#)

MS. MOLLER moved to slide 15, Boundary Changes: Unification and stated that the Municipality of Anchorage, the City and Borough of Sitka, the City and Borough of Juneau, and the City and Borough of Wrangell are the only unified Home Rule boroughs in Alaska.

[2:20:37 PM](#)

MS. MOLLER moved to slide 16: LBC Process, and stated that boundary changes, incorporation, and municipal governance are serious matters that follow a lengthy process outlined in statute and regulations. She explained that the process typically includes three main opportunities for public comment. The first occurs when a petition is accepted for filing. The second happens after the preliminary report is issued, which is the current stage for Hoonah. The department has accepted Hoonah's petition, and staff are working on the preliminary report. The third opportunity for public comment occurs during a public hearing held in a community within the proposed boundary, where public testimony is received before the LBC.

[2:22:04 PM](#)

MS. MOLLER moved to slide 17: LBC Staff Role and said that answering questions for Eaglexit is an example of the staff's role. She noted that LBC staff also respond to questions from commissioners.

[Original punctuation provided.]

**LBC Staff Role
(3 AAC 110.425)**

- LBC Staff serves as an advisor to the LBC. May not act in an advocacy capacity as a petitioner.
- Provides technical assistance, information, and forms to petitioners, respondents, and interested persons with procedural questions.
- Ensures the commission is fully and accurately informed by providing new or additional information that supplements questions or refutes information provided by a petitioner, respondent, or other person.

[2:22:31 PM](#)

MS. MOLLER moved to slide to slide 18: What LBC Staff Can Do for You and said more important to know is what LBC staff do not do. In addition to handling inquiries, the staff produce an annual report for the legislature. Staff do not keep ordinances for municipalities, amended charts, or track land surveyors. Questions on these topics are referred to the local municipality, which has the most up-to-date information on their boundaries.

[Original punctuation provided.]

What LBC Staff Can Do For You

Certificates

- Municipal certificates
- Records of official municipal boundaries and classifications

Historical information

- Petition information and materials
- Boundary change information since territorial days
- Constitutional and legal historical information
- Some maps

Other information

- Municipal boundaries
- LBC publications
- REAA boundaries
- Original Village Corporation Charters

What we do not keep

- Ordinances
- Amended Charters
- Land Surveys

[2:23:48 PM](#)

CHAIR DUNBAR suggested that a piece of legislation before the committee is partly driven by concerns about a recent petition or plebiscite. He requested more information about what took place in that context.

[2:24:17 PM](#)

MS. MOLLER said she was unsure if she understood the question and asked if it referred to the last LBC meeting where additions were made to the agenda.

[2:24:31 PM](#)

CHAIR DUNBAR said he was unsure but recalled there was another action in addition to the Hoonah Borough petition, though the details were escaping him. He suggested that this action may have influenced the introduction of the bill to change the composition of the Local Boundary Commission (LBC). He asked if there had been any controversial LBC actions in the past year.

[2:25:02 PM](#)

MS. MOLLER stated that the term "controversial" would need to be defined, as people can have differing perspectives – for, against, or neutral – on various issues. She explained that this is why she began the presentation with the origins of the LBC, emphasizing the founders' intent and the constitutional framework for addressing governance as the state grows and evolves.

MS. MOLLER noted that under current statute, LBC membership includes representatives from the four judicial districts and one at-large member. She suggested that the proposed change might be related to specifying the location from which the fifth member must be selected. While she could not speak to the sponsor's motivation, she emphasized that each LBC commissioner represents the entire state, not just their judicial district. She pointed out that if the bill is passed as proposed, it would significantly reduce the pool of eligible volunteers from the entire state population to about 60,000 people.

[2:27:13 PM](#)

CHAIR DUNBAR thanked Ms. Moller for the presentation.

[2:27:15 PM](#)

At ease.

SB 174-HONOR & REMEMBER/HONOR & SACRIFICE FLAGS

[2:28:44 PM](#)

CHAIR DUNBAR reconvened the meeting and announced the consideration of SENATE BILL NO. 174 "An Act relating to the Honor and Remember Flag and the Honor and Sacrifice Flag."

The intention is to hear a brief introduction, the sectional analysis, invited testimony, and public testimony on SB 174.

[2:29:15 PM](#)

SENATOR BJORKMAN speaking as the sponsor of SB 174, explained that the bill seeks to recognize the "Honor and Remember" and "Honor and Sacrifice" flags as state symbols. These flags honor the service of members of the armed forces and first responders who serve their communities. He paraphrased the following sponsor statement:

[Original punctuation provided.]

The loss of a family member is difficult, made even more difficult when that person was lost in the line of duty. Senate Bill 174, "An Act relating to the Honor and Remember Flag and the Honor and Sacrifice Flag," would create state symbols that can be displayed to recognize the sacrifice of those lost in the line of duty while serving in the U.S. armed forces, or as a police officer or firefighter, and their families.

While monuments and memorials have been built to recognize those who lost their lives in service to their country or community, fewer than five percent of Americans will ever see them. Creating the Honor and Remember and Honor and Sacrifice Flags will provide an official emblem that recognizes with dignity and respect those that have offered the greatest sacrifice, as well as the ongoing loss that their families must endure. Twenty-seven states have adopted the Honor and Remember Flag as their states' symbol of recognition for military service members that have died in the line of duty, protecting, and defending our liberties.

SB 174 designates in state law the forms these flags must take, as well as where and when they may be flown. Implementation of the bill would not create additional costs for the State of Alaska, as it designates when and where the flags may be displayed but does not require State offices to do so.

[2:31:29 PM](#)

LAURA ACHEE, staff, Senator Jesse Bjorkman, Alaska State Legislature, Juneau, Alaska, presented the sectional analysis on SB 174, paraphrased as follows:

{Original punctuation provided.}

SB 174 Honor & Remember/Honor & Sacrifice Flags

Ver. B Sectional Analysis

Section 1 - Adds a new section AS 44.09.097 to designate the Honor and Remember Flag as an official symbol of the state to recognize and honor members of the armed forces of the United States who have died in the line of duty and their families, designate the design of the flag, and designate when and where the flag may be flown. This section includes direction that an employee may not be required to report to work solely for the purpose of displaying the flag and gives the Commissioner of Administration authority to adopt any necessary regulations.

Section 2 - Adds a new section AS 44.09.099 to designate the Honor and Sacrifice Flag as an official symbol of the state to recognize and honor police officers and firefighters that have died in the line of duty and their families, designate the design of the flag, and designate when and where the flag may be flown. This section includes direction that an employee may not be required to report to work solely for the purpose of displaying the flag and gives the Commissioner of Administration authority to adopt any necessary regulations.

[2:32:54 PM](#)

CHAIR DUNBAR announced invited testimony on SB 174.

[2:33:03 PM](#)

DAVID CASWELL, Director, Honor and Remember Alaska Chapter, Sterling, Alaska, gave invited testimony in support of SB 174. provided a brief work history including 13 years as director and ambassador of the Alaska chapter of Honor and Remember. He said he supports adopting the Honor and Remember flags as a state symbol. He noted that in the 247-year history of the United States, 1.3 million military personnel have died in the line of duty.

MR. CASWELL explained that Honor and Remember was established on Memorial Day 2008 as a national organization dedicated to honoring the memory of fallen military service members. The Honor and Sacrifice flag was first presented on the 15th anniversary of 9/11 to honor fallen first responders, including firefighters, law enforcement, and EMTs. Nationally, more than 5,000 personalized Honor and Remember flags have been presented to Gold Star families, and he has personally presented 21 of these flags to Alaska families.

MR. CASWELL stated that through his efforts, five Veteran Service Organizations, three fraternal organizations, two civic organizations, two boroughs, and six cities in Alaska and Texas have adopted the Honor and Remember flag. He noted that nationally, 36 organizations, including NASCAR, Goodyear, Spartan, Sargento, Norwegian Cruise Line, GEICO Insurance, and USAA, support Honor and Remember through ongoing sponsorship.

[2:35:49 PM](#)

MR. CASWELL shared the story of Tony Lutz, who died in December 2005. His father, George Lutz, visited other military families who had lost loved ones and identified two common concerns: that the sacrifice of their loved ones would not be in vain and that their sacrifice would not be forgotten. Seeing no national symbol to honor this sacrifice, George Lutz conceived the Honor and Remember flag. MR. C emphasized that while the United States is a "nation of flags" – with flags for states, military branches, and various organizations – no single symbol exists to recognize the sacrifice of military service members.

MR. CASWELL urged the State of Alaska to adopt the Honor and Remember flag as a state symbol, aligning with House Joint Resolution 53 passed in 2010, which called for national adoption of the flag. He stressed that adopting this flag as a symbol would show the families of fallen service members that their loved ones are not forgotten and that their sacrifice is honored as part of the freedoms Americans enjoy daily.

[2:38:43 PM](#)

CHAIR DUNBAR opened public testimony on SB 174; finding none, he closed public testimony.

[2:39:53 PM](#)

MR. CASWELL stated the flags are personalized by adding a person's rank, name, date and place of death.

[2:40:13 PM](#)

CHAIR DUNBAR noted that SB 174 lists specific times, places, and days for displaying the Honor and Remember and Honor and Sacrifice flags. He asked whether this implies that the state is limited to displaying the flags only on those specified days. He acknowledged that private citizens can display the flags at any time under First Amendment rights but questioned if the state would be bound to follow the listed display schedule.

MR. CASWELL explained that the word "may" was included to highlight significant dates for displaying the Honor and Remember and Honor and Sacrifice flags. He clarified that the flags can be flown every day, but the listed dates are preferred for greater recognition and significance.

[2:41:13 PM](#)

CHAIR DUNBAR stated that it was good to have on the legislative record that the list of dates is not a prohibition or an exhaustive list of when the flags can be flown. He suggested discussing offline whether to clarify this in the SB 174. He also mentioned that he had a specific day in mind that he would like to add to the list. He asked if the list of display dates follows a national standard used by all states or if individual states add dates that hold significance within their communities.

MR. CASWELL replied that the dates listed in SB 174 are of national importance. He noted that there is no limitation on adding specific dates for the State of Alaska.

[2:42:07 PM](#)

CHAIR DUNBAR invited last remarks.

[2:42:25 PM](#)

SENATOR BJORKMAN thanked the committee for hearing SB 174 and considering the adoption of the Honor and Remember and Honor and Sacrifice flags as official state symbols. He emphasized that the flags honor the service men and women who have made the

ultimate sacrifice while serving the country and their communities.

[2:42:58 PM](#)

CHAIR DUNBAR held SB 174 in committee.

[2:43:09 PM](#)

There being no further business to come before the committee, Chair Dunbar adjourned the Senate Community and Regional Affairs Standing Committee meeting at [2:43 p.m.].