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City of Unalaska Legislative Report **4/6/25**

It was another busy week in the Capitol City with significant movement on several key pieces of legislation including the operating and supplemental budget bills. The Alaska Industrial Development and Export Authority (AIDEA) gave several presentations before House and Senate committees providing updates on significant AIDEA-backed projects as well as general overviews of AIDEA's role and benefit to Alaskans.

In other news from Juneau, the Capitol building will soon have an airport-style security checkpoint, screening all visitors to the building. The added security measure comes as a result of a 9-4 vote during a Joint Legislative Council meeting last week. The new security screening protocol is expected to be in place before the conclusion of the 121-day session.

The Senate Education Committee advanced its Committee Substitute (CS) for HB 69, the BSA-increasing legislation. The bill includes a \$1,000 BSA along with other provisions like maximum class sizes and tying homeschool allotment funding to students participating in standardized testing. Shortly following the bill's advancement from the Senate Education Committee, Governor Dunleavy released a statement indicating the bill falls short of the Administration's expectations and will likely see opposition unless further changes are made.

The House Finance Committee concluded it works on the Supplemental, Operating and Mental Health budgets, passing all three out of committee. HB 56, the supplemental bill, passed the full body on a floor vote of 21-19 but failed to approve the bill's funding mechanism, a draw from the Constitutional Budget Reserve (CBR), a move that will retain negotiating power for the House Minority. HB 53, the operating budget, was also passed out of the House Finance Committee - the bill retains a near \$78 million unallocated cut and a full PFD. Attempts through amendments were made to reduce the PFD to \$1,000, but failed to be adopted due to two majority members committed to a full statutory PFD. A lengthy debate on the operating budget on the House floor is expected next week.

The House Finance Committee took two breaks from the operating budget amendment process to consider HB 78, the defined benefit bill seeking to address workforce recruitment and retention issues. Nils Andreasson (AML) testified on Friday detailing impacts of current retirement benefit programs from a municipality perspective and cautioned that a return to a defined benefit program would need to include better off-ramps for smaller participating entities like municipalities that simply may not be able to afford it. A change to the State's public employee benefit offerings continues to be a priority for legislators in both bodies as recruitment and retention challenges continue to exacerbate personnel budgets across departments.



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In a press conference this week Senator Stedman indicated that the bare-bones Capital Budget (SB 57) currently before the Senate Finance Committee will see another iteration through the release of a new Committee Substitute (CS) next week. Stedman noted that while there will be some additions, it will be limited to critical projects like deferred maintenance.

The Senate Majority also reiterated support for the adoption this session of new revenue measures during their press conference this week. [SB 92](#), the S-Corp tax bill, moved out of the Senate Resources Committee this week, with its first hearing before Senate Finance Wednesday of next week. Other proposed revenue measures including [SB 112](#), Oil and Gas Production Tax and [SB 113](#), the bill taxing out-of-state companies doing online business in Alaska, continue to move through the process as lawmakers look towards new revenue to help solve the state's current and future budget deficits.

Next week's committee schedule is expected to be relatively light in preparation for a lengthy House floor debate on the operating budget, aiming to facilitate a tentative budget exchange between the House and Senate by April 11th. Regardless of the House's actions on the bill, the Senate has made it clear that unallocated budget cuts will not be accepted, as such action would constitute a relinquishment of legislative authority to the Executive Branch. Additionally, the Senate has reaffirmed its commitment to passing only a balanced budget.

Upcoming Schedule

Description	Date, Time & Location
BARNES 124 -HOUSE LABOR & COMMERCE + SB 50 MUNICIPAL COMPREHENSIVE PLANS: HOUSING TELECONFERENCED -- Testimony -- *+ HB 171 INTERCHANGE FEES: TAX & GRATUITY TELECONFERENCED -- Testimony -- += HB 70 EMERGENCY MED SVCS; OPERATIONAL CANINES TELECONFERENCED + Bills Previously Heard/Scheduled TELECONFERENCED **Streamed live on AKL.tv**	Mon 4/7/25 3:15 PM
SENATE FINANCE 532 -SENATE FINANCE + SB 55 TRS CONTR RATE; PERS/TRS SOC SECUR OR SBS TELECONFERENCED -- Invited & Public Testimony -- += SB 57 APPROP: CAPITAL/SUPPLEMENTAL/FUNDS TELECONFERENCED += HB 56 APPROP: SUPPLEMENTAL; FUND CAP TELECONFERENCED Bills Previously Heard/Scheduled **Streamed live on AKL.tv**	Tue 4/8/25 9:00 AM



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Description	Date, Time & Location
BARNES 124 -HOUSE LABOR & COMMERCE += SB 50 MUNICIPAL COMPREHENSIVE PLANS: HOUSING TELECONFERENCED -- Public Testimony -- += HB 171 INTERCHANGE FEES: TAX & GRATUITY TELECONFERENCED -- Public Testimony -- + Bills Previously Heard/Scheduled TELECONFERENCED **Streamed live on AKL.tv**	Wed 4/9/25 3:15 PM
BUTROVICH 205 -SENATE RESOURCES += SB 130 FISHERIES PROD DEVELOPMENT TAX CREDIT TELECONFERENCED -- Public Testimony -- += SB 135 REFUND OF FISH BUSINESS TAX TO MUNIS TELECONFERENCED -- Public Testimony -- += SB 67 PROCURE PREF: AGRIC. & FISH PRODUCTS TELECONFERENCED -- Public Testimony -- *+ SB 131 DUTIES OF ASMI BOARD; MEANING OF SEAFOOD TELECONFERENCED -- Invited & Public Testimony -- Bills Previously Heard/Scheduled **Streamed live on AKL.tv**	Wed 4/9/25 3:30 PM

Bill	Title	Prime Sponsor	Status & Upcoming Hearings	Position
HB 1	Specie As Legal Tender	MCCABE	(H) REFERRED TO STATE AFFAIRS (1/22)	

HB 1, titled Species As Legal Tender, aims to establish gold and silver specie as legal tender in Alaska. The bill prohibits boroughs and cities from levying sales and use taxes on the sale or exchange of specie. It defines specie as gold or silver valued primarily based on its metal content, in the form of coins or bullion stamped with its weight and purity. The bill also authorizes the Legislative Budget and Audit Committee to study the possibility of establishing additional forms of legal tender.

HB 13	Municipal Property Tax Exemptions	GRAY	(H) Heard & Held (3/27)	
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HB 13, Municipal Property Tax Exemptions, is a bill that aims to provide optional municipal property tax exemptions for certain long-term rental units, mobile home parks, and real property rented to low-income families. The bill allows municipalities to exempt or partially exempt from taxation structures converted from short-term to long-term rental units, mobile home parks for up to 10 years after construction or renovation, and real property rented to low-income families at a rent not exceeding 30% of the median family income. This legislation seeks to incentivize affordable housing and support low-income families in Alaska.



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<u>HB 18</u>	Vehicles/boats: Transfer On Death Title	RAUSCHER	(H) Heard & Held (2/13)	
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HB 18 aims to simplify the process of transferring ownership of vehicles and boats in Alaska upon the death of the owner. The bill allows the owner to obtain a "transfer on death title" for their vehicle or boat, which automatically transfers ownership to a designated beneficiary upon the owner's death. This process eliminates the need for probate and reduces the administrative burden on the estate. The bill outlines the requirements for obtaining a transfer on death title, including the submission of an application and payment of a fee. It also provides for the revocation or change of a transfer on death title and establishes the rights and responsibilities of the designated beneficiary.

<u>HB 26</u>	Statewide Public & Community Transit Plan	MINA	(H) TRANSPORTATION at 01:00 PM BARNES 124 (4/10) 04/10/25 1:00 PM in BARNES 124	
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HB 26 aims to enhance the duties of the Department of Transportation and Public Facilities in Alaska. The bill requires the department to develop a comprehensive, long-range intermodal transportation plan, including public, tribal, and community transit programs. It also mandates the department to study alternative means of transportation, considering economic, social, and environmental effects. The bill adds a new responsibility to the department, requiring it to develop a statewide public and community transit plan in cooperation with public and community transit operators, local governments, communities, and tribal entities. This plan will help improve transportation systems in urban, rural, and remote areas. Furthermore, the bill emphasizes the importance of coordination and cooperation with federal, state, and local government agencies, as well as private organizations and persons.

<u>HB 31</u>	Vessels: Registration/dere- lict Fund	STUTES	(H) REFERRED TO RULES (3/14)	
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HB 31 aims to amend the registration requirements for commercial vessels in Alaska and make changes to the derelict vessel prevention program fund. The bill would exempt certain boats from registration, including those with valid certificates of number from other states and foreign boats operated in Alaska for less than 90 days. The bill would also repeal the derelict vessel prevention program fund and transfer its balance to the general fund. The changes aim to simplify vessel registration and address the issue of derelict vessels in Alaska's waters.

<u>HB 33</u>	Conflict Of Interest: Bd Fisheries/game	STUTES	(H) REFERRED TO RULES (3/21)	
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HB 33 amends Alaska law to clarify conflict of interest rules for members of the Board of Fisheries and the Board of Game. The bill requires members to disclose personal or financial interests related to fish or game resources, but allows them to deliberate and participate in matters unless their involvement would result in a violation of conflict of interest laws. Members with a conflict of interest may not vote on the matter. The bill aims to balance the need for expertise and public participation with the need to prevent conflicts of interest.



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<u>HB 78</u>	Retirement Systems; Defined Benefit Opt.	HOUSE FINANCE	(H) Heard & Held (4/4)	
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HB 78 is a bill that allows certain employees to opt-in to the defined benefit retirement plan. The bill impacts municipalities as it affects the retirement plans of their employees. The legislation applies to teachers and public employees who first became members of the defined contribution retirement plan after June 30, 2006, and before July 1, 2025.

<u>HB 125</u>	Board Of Fisheries Membership	JIMMIE	(H) FISHERIES at 10:00 AM GRUENBERG 120 (4/8) 04/08/25 10:00 AM in GRUENBERG 120	
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HB 125, titled Board of Fisheries Membership, aims to revise the composition of the Alaska Board of Fisheries. The bill proposes a seven-member board, appointed by the governor, with specific representation from various fishing interests. The breakdown includes two members each from commercial, sport, and subsistence fishing, with the latter being selected from a list submitted by the Alaska Federation of Natives. One member will represent the scientific community, chosen from a list provided by the National Oceanic and Atmospheric Administration. Existing board members will continue to serve until their term expires, with new appointments following the revised guidelines.

<u>HB 169</u>	Property Tax Exemption	TO-MASZEWSKI	(H) REFERRED TO COMMUNITY & REGIONAL AFFAIRS (4/2)	
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HB 169 aims to provide a municipal property tax exemption for certain individuals. The exemption would apply to real property owned and occupied as the primary residence and permanent place of abode by: 1. Residents 65 years of age or older 2. Disabled veterans 3. Widows or widowers of residents 65 years of age or older or disabled veterans The exemption would cover the first \$250,000 of the assessed value of the real property, an increase from the current \$150,000. Municipalities may also grant exemptions beyond the first \$250,000 in cases of hardship, and may provide exemptions to widows or widowers under 60 years of age of disabled veterans or residents who died from service-connected causes. The bill also establishes eligibility requirements and application procedures for the exemption, and allows municipalities to determine the specifics of the exemption. The bill would take effect immediately upon passage.

<u>SB 10</u>	Paid Family Leave/wage Replacement Insur.	DUNBAR	(S) REFERRED TO LABOR & COMMERCE (1/22)	
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SB 10 establishes a Paid Family Leave program in Alaska, providing wage replacement coverage for employees taking family leave. The program will be available to state employees, and private employers with over 50 employees can opt-in. A purchasing pool will be established for employees of smaller employers and individuals. The program will provide up to 18 weeks of leave for



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pregnancy, childbirth, adoption, or serious health conditions. Employers can choose to pay premiums or pass costs to employees. A tax credit will be available to employers who pay for family leave insurance coverage. The program will be operational by January 1, 2027.

SB 50	Municipal Comprehensive Plans: Housing	DUNBAR	(H) -- Public Testimony -- (4/9) 04/07/25 3:15 PM in BARNES 124 04/09/25 3:15 PM in BARNES 124	
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SB 50 amends Alaska Statute 29.40.030(a) to require first and second-class boroughs to include a housing plan in their comprehensive plans. The bill aims to guide physical, social, and economic development in these boroughs, addressing housing needs and providing recommendations for implementation of the comprehensive plan.

SB 55	Trs Contr Rate; Pers/trs Soc Secur Or Sbs	STEDMAN	(S) -- Invited & Public Testimony -- (4/8) 04/08/25 9:00 AM in SENATE FINANCE 532	
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SB 55, introduced by Senator Stedman, aims to modify employer contributions in the Teachers' Retirement System (TRS) and supplemental employee benefits. The bill increases the employer contribution rate from 12.56% to 14.56% of base salaries and increases the employer contribution to individual accounts from 7% to 9% of member compensation. Additionally, it allows employers not participating in the federal social security system to become participating employers in the employee benefits program. The bill takes effect on July 1, 2025. These changes aim to provide relief to employers while maintaining benefits for TRS members.

SB 79	Payment Of Wages; Payroll Card Account	SENATE LABOR & COMMERCE	(H) Heard & Held (3/24)	
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SB 79 is a bill that relates to wage payments in Alaska. The bill amends existing law to allow employers to pay employees' wages by crediting a payroll card account, but only if the employee has voluntarily authorized the credit or has not authorized deposit of their wages. The bill requires employers to notify employees of their wage payment options, payroll card terms and conditions, and fees associated with the payroll card.

The bill aims to provide employees with greater flexibility and protection in receiving their wages, while also allowing employers to use payroll card accounts as a convenient and cost-effective way to pay employees.

SB 81	Public Employer Pension Contributions	STEDMAN	(S) Heard & Held (4/4)	
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Alaska's SB 81 adjusts employer contribution rates in the Teachers' Retirement System and Public Employees' Retirement System to ensure sufficient funding for past service liability and employer contributions.

SB 135	Refund Of Fish Business Tax To Munis	RULES	(S) -- Public Testimony -- (4/9) 04/09/25 3:30 PM in BUTROVICH 205	
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