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City of Unalaska Legislative Report **2/10/24**

The fifth week of the 2024 Legislative session started off with an [administrative order](#) by Governor Dunleavy calling for public agencies to stop doing business with companies that support an economic boycott of Israel.

Education continues to be a hot topic in Juneau. After teeing up his concerns about Alaska's underperforming public education system in his State of the State Address last week, the Governor drove the point home during a [press conference](#) on Wednesday after a six-member legislative negotiating team began closed door meetings on the state's education funding package. The governor continues to cite a recent Harvard study that found Alaska's charter schools turned in the best academic performance in the nation. Dunleavy wants legislators to include his proposed teacher retention bonuses and a measure to expand charter schools. The education industry is rejecting the bonuses in lieu of base student allocation increases, which Dunleavy argues has been tried repeatedly with no improvement in student performance.

Natural gas is getting a lot of airtime as well in lieu of warnings by ENSTAR that Southcentral Alaska will experience a shortfall as early as next year. In a [joint House and Senate Resources Committee hearing](#) on Wednesday, ENSTAR consultants also warned that large-scale LNG imports will not be available until 2030 due largely to delays in federal permitting requirements. In the meantime, the Renewable Energy Alaska Project is asking the Regulatory Commission of Alaska (RCA) to force Chugach Electric to provide data regarding customer energy consumption toward its efforts to propose an energy-saving payment plan designed to reduce consumption of natural gas. Chugach is arguing against cost burdens and customer privacy issues. REAP is asking RCA for a decision by Tuesday.

Of note is HB 55. A Feb. 5 [Alaska Support Industry Alliance newsletter](#) is calling it the bad bill of the week. It's meant as typical a 5-year extension of the Technical Vocational Education Program funds (TVEP), which is generally something we all support. However, the newsletter points to a recent audit of the program which cites multiple shortcomings in the programs and ultimately recommends the legislature repeal the current statute and suggested TVEP funding be awarded by a competitive grant process, this method prove more costly and cause potential program/facility shutdowns. The bill is scheduled for a hearing in the House Education Committee on Monday, February 12 @ 8:00 AM and will be teleconferenced and public testimony will be taken.

A second "[Bad Bill of the Week](#)" was awarded to HB 305/SB 218 "An Act relating to vehicle weight limits. The bill is fraught with problems and would require fuel trucks to run with less fuel forcing more runs to deliver the same amount of fuel.



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HB 3, Gold and Silver Species as Legal Tender, was heard and held in Senate State Affairs on Thursday. This bill prohibits cities and boroughs from imposing a tax on the sale of specie. It also defines legal tender as a recognized medium of exchange for the payment of debts and specie as gold or silver valued based on its metal content and in the form of a coin or bullion stamped with its weight and purity.

Upcoming Schedule

Description	Date, Time & Location
BARNES 124 -HOUSE ENERGY -- Please Note Time Change -- + Overview: Renewable Energy Fund, Round 16 by TELECONFERENCED Alaska Energy Authority + Bills Previously Heard/Scheduled TELECONFERENCED	Tue 2/13/24 11:00 AM
BARNES 124 -HOUSE LABOR & COMMERCE -- Delayed to 4:15 PM -- += HB200 GAMING; ELECTRONIC PULL-TABS TELECONFERENCED += SB45 DIRECT HEALTH AGREEMENT: NOT INSURANCE TELECONFERENCED + Bills Previously Heard/Scheduled TELECONFERENCED	Fri 2/16/24 3:15 PM

Bill	Title	Prime Sponsor	Status & Upcoming Hearings	Position
* SB 146	Gaming; Electronic Pull-tabs	RULES	(S) REFERRED TO LABOR & COMMERCE (5/10)	

HB 3	Gold And Silver Specie As Legal Tender	MCCABE	(S) Heard & Held (2/8)	
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Gold and silver coins would be legal currency in Alaska, and local governments would be forbidden from taxing the buying and selling of gold and silver coins, if to be used as legal tender.

HB 18	Fishery Development Assoc.; Assessments	STUTES	(H) REFERRED TO FISHERIES (1/19)	
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The state would help create nonprofit regional fishing cooperatives intended to develop new fisheries in the state. These would be funded by fees paid by fishermen in the area.

HB 21	School/university Employee Health Insur	VANCE	(H) Minutes (HFIN) (5/8)	
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This Bill amends current statute to create the opportunity for school districts, the University of Alaska, and governmental units such as cities and boroughs to optionally participate in AlaskaCare: state employee healthcare program. These entities would have the choice to opt into the pool as an entire entity, enabling Alaska's Department of Administration to negotiate a better cost of healthcare.

Local governments and school districts would be able to join the state's health insurance program.

HB 22	Peace Officer/firefighter Retire Benefits	JOSEPH-SON	(H) -- Please Note Time & Location Change -- (3/23)	
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The state would create a pension program for police and firefighters.

HB 54	Approp: Supplemental; Reapprop; Amending	RULES	(S) Minutes (SFIN) (4/18)	
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This is the state's \$105 million supplemental budget, making changes to the budget that lawmakers passed last year. PASSED BOTH BODIES.

HB 63	Repeal Workers' Comp Appeals Commission	RAUSCHER	(H) REFERRED TO FINANCE (2/2)	
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House Bill 63 is suggested to save \$433,000 per year by repealing the Alaska Workers' Compensation Appeals Commission. HB 63 will return jurisdiction over appeals of Workers' Compensation Board decisions to the Superior Court. Currently the Appeals Commission handles these cases, and their decisions can be appealed to the Supreme Court.

HB 70	Municipal Property Tax Exemptions	TO-MASZEWSKI	(H) Heard & Held (4/13)	
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This bill would include the following to the properties exempt from general taxation:

A parking lot owned by an organization incorporated under state law that is exempt from taxation and used for parking or another use as long as the parking or other use is permitted without charge;

Real and personal property of a store operated by an organization incorporated under state law that is exempt from taxation under 26 U.S.C. 501(c) if the store deals exclusively in donated inventory that is distributed without cost as part of a program to provide needy persons with food, shelter, clothing, or health care without charge or sells merchandise below market value to support a literacy program or a program to provide needy persons with food, shelter, clothing, or health care without charge.

HB 74	Geothermal Resources	RULES	(H) REFERRED TO FINANCE (3/15)	
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This bill removes obstacles for exploration and development of Alaska's geothermal resources. The bill updates the definition of "geothermal resources" to allow for modern uses. The bill also increases the time available for exploration from three years to five years.

HB 84	Muni Prop Tax Exemption/tax Blighted Prop	SUMNER	(H) Minutes (HCRA) (3/21)	
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SB 77 Companion Bill

HB 100	Paid Family Leave	ARM-STRONG	(H) REFERRED TO FINANCE (2/2)	
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HB 133	Public Meetings: Exempt Muni Svc Area Bds	SUMNER	(H) Minutes (HCRA) (4/27)	
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HB 134	Property Transfer Tax; Muni Telecomm Tax	COULOMBE	(H) SUMNER, STAPP (4/28)	
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A borough may not levy or collect a sales or use tax on the transfer of real property. This subsection applies to home rule and general law municipalities.

HB 142	State Sales And Use Tax	CARPENTER	(H) Heard & Held -- Delayed to 6:20 PM -- (3/29)	
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HB 142 levies a 2% sales tax on the purchase or lease of personal property, and the sale services.

HB 156	Income Tax	GALVIN	(H) Minutes (HW&M) (4/17)	
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HB 170	Misuse Of Pub. Officer Official Position	CRONK	(H) Heard & Held (1/29)	
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HB 173	Public Construction Contracts Wage Rates	MCCABE	(H) REFERRED TO STATE AFFAIRS (4/24)	
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HB 173 would change the threshold that applies to a public construction contracts which exceed \$150,000.

HB 180	Commercial Salmon Fishery Closure	CRONK	(H) REFERRED TO FISHERIES (4/26)	
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HB 185	Income Tax Equal To Dividend	FIELDS	(H) -- MEETING CANCELED -- (5/16)	
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HB 193	Internet For Schools	HOUSE FINANCE	(S) <Pending Referral> -- Please Note Time Change -- (2/14) 02/14/24 8:30 AM in ADAMS 519 02/14/24 9:30 AM in SENATE FINANCE 532	
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HB 200	Gaming; Electronic Pull-tabs	RULES	(H) -- Delayed to 4:15 PM -- (2/16) 02/12/24 3:15 PM in BARNES 124 02/16/24 3:15 PM in BARNES 124	
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HB 203	Payment Of Wages; Payroll Card Account	SUMNER	(H) <Bill Hearing Canceled> -- MEETING CANCELED -- (2/9)	
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HJR 16	Jones Act Waiver: Transport Oil Rigs	MCKAY	(H) REFERRED TO TRANSPORTATION (1/16)	
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SB 11	Teachers & Pub Employee Retirement Plans	KIEHL	(S) REFERRED TO LABOR & COMMERCE (1/18)	
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All public employees would be enabled to choose between the state's existing 401k-style retirement program or a new pension program.

SB 14	Retire Incen Prog: Pub Employees/teachers	KAWASAKI	(S) REFERRED TO LABOR & COMMERCE (2/22)	
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School districts would be able to create incentive programs to encourage employees to retire early in order to cut staff.

SB 20	Appropriation Limit; Gov Budget	KAUFMAN	(S) Minutes (SJUD) (4/5)	
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The state's statutory spending cap would be set to an average of 11.5% of the state's gross domestic product over the preceding five years.

SB 35	Peace Officer/firefighter Retire Benefits	KAWASAKI	(S) REFERRED TO LABOR & COMMERCE (1/18)	
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The state would create a pension program for police and firefighters.



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SB 39	Disclosure Of Wage Information	DUNBAR	(S) REFERRED TO LABOR & COMMERCE (1/18)	
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An employer would be required to post the wage, salary or salary range of a job when they advertise a vacancy and seek to hire someone.

SB 69	Geothermal Resources	RULES	(S) Heard & Held (1/22)	
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This bill removes obstacles for exploration and development of Alaska's geothermal resources. The bill updates the definition of "geothermal resources" to allow for modern uses. The bill also increases the time available for exploration from three years to five years.

SB 77	Muni Prop Tax Exemption/tax Blighted Prop	DUNBAR	(H) REFERRED TO RULES (5/16)	
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The House companion is HB 84 by Rep. Sumner. That bill is in the House C&RA committee also, but since the senate bill came first it is now the primary vehicle. Both bills have bipartisan cosponsors and Rep. McCabe developed a definition in the House committee, now in SB 77 as an amendment, of what constitutes "blight." Witnesses in hearings said the term needs definition because without it municipalities will set differing standards to the disadvantage of property owners. A city or borough would be able to tax properties that it deems "blighted."

SB 79	Reclassification Of First Class Cities	BISHOP	(S) Minutes (SCRA) (4/25)	
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Notwithstanding AS 29.04.040, a first class city with a population of less than 400 persons based on the most recent decennial census conducted by the United States Bureau of the Census may be reclassified as a second class city if the council submits a written request to the Local Boundary Commission.

SB 88	Retirement Systems; Defined Benefit Opt.	GIESSEL	(H) REFERRED TO STATE AFFAIRS (2/5)	
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The new version has changes to the original SB 88, one being increasing the range of employee cost share from 8 percent to 12 percent if the pension portfolio underperforms in returns. Other changes are mainly technical in resolving transition problems from the current Defined Contribution 401(k) type, or DC plan to the option of a DB plan for traditional pensions.

SB 88 establishing a new defined benefit retirement plan for police officers and firefighters, teachers, and all other public employees. The lack of a Defined Benefit plan is said to be making Alaska uncompetitive with other states, causing outmigration of families and our workforce.

SB 107	Permanent Fund Dividend; Pomv Split	SENATE FINANCE	(H) REFERRED TO FINANCE (5/11)	
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SB 128	Commercial Salmon Fishery Closure	OLSON	(S) Minutes (SJUD) (5/12)	
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SB 140	Internet For Schools	HOFFMAN	(H) RETURNED TO RULES COMMITTEE (1/24)	
SB 158	School Grants And Bond Debt Reimbursement	MYERS	(S) REFERRED TO EDUCATION (1/16)	
SB 167	Municipal Property Tax Exemptions	MYERS	(S) REFERRED TO COMMUNITY & REGIONAL AFFAIRS (1/16)	
SB 179	Property Transfer Tax; Muni Telecomm Tax	BJORK-MAN	(S) COMMUNITY & REGIONAL AFFAIRS at 01:30 PM BELTZ 105 (TSBldg) (2/15) 02/15/24 1:30 PM in BELTZ 105 (TSBldg)	
SB 186	Approp: Operating Budget; Cap; Supp; Am	RULES	(S) Heard & Held (1/23)	
SB 187	Approp: Cap; Reapprop	RULES	(S) Heard & Held (1/23)	
SB 200	Trs Contr Rate; Pers Soc Security Or Sbs	STEDMAN	(S) REFERRED TO LABOR & COMMERCE (1/22)	
SJR 4	Const. Am: Approp Limit	KAUF-MAN	(S) Minutes (SJUD) (4/5)	

The Alaska Constitution's spending limit would be tightened.