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City of Unalaska Legislative Report **3/17/24**

The Governor's spring revenue forecast presented an optimistic outlook for the state treasury, largely due to a projected \$200 million increase in revenue over the next two years driven by rising oil prices. The forecast predicts an annual average price of \$84.08 per barrel for FY 2024 and \$78.00 for FY 2025 for Alaska North Slope oil. It is assumed that the prices will remain within a range of \$69.00 to \$75.00 per barrel for the rest of the forecast period.

In an unprecedented joint session of the state House and Senate last Tuesday, the Alaska Legislature rejected eight [executive actions](#) proposed by Gov. Mike Dunleavy. These actions were aimed at making changes to various regulatory bodies and decision-making processes within the state. The rejected proposals mean that state boards overseeing professions such as midwives, barbers, and massage therapists will continue to function without the proposed changes.

Governor Dunleavy's recent veto of a bipartisan education bill, Senate Bill 140, which contained a significant increase in school funding, has sparked controversy and raised concerns about the state's education funding and reform efforts. The Governor cited the bill's failure to address the innovations needed for Alaskan students to excel as the primary reason for his veto. He expressed support for education funding reform but raised issues with the bill's provisions and its alignment with his education priorities, such as expanding charter schools and implementing a teacher bonus program.

The Legislature plans to convene in a joint session Monday to consider overriding the governor's decision. Overriding the veto would require the support of 40 out of Alaska's 60 lawmakers. Despite strong initial support for the bill when it passed, the outcome of the potential override remains uncertain. The broadly supported bipartisan education bill passed overwhelmingly on a vote of 56-3.

Upcoming Schedule

Description	Date, Time & Location
SENATE FINANCE 532 -SENATE FINANCE + Presentation: Fiscal Update TELECONFERENCED by Legislative Finance Division + Bills Previously Heard/Scheduled TELECONFERENCED	Mon 3/18/24 9:00 AM



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Description	Date, Time & Location
GRUENBERG 120 -HOUSE FISHERIES += SJR14 SUPPORT STATE SEAFOOD INDUSTRY TELECONF- ENCED += HB195 COOK INLET: NEW ADMIN AREA;PERMIT BUYBACK TEL- ECONFERENCECED += HB329 AQUATIC FARM AND HATCHERY LEASES TELECONF- ENCED + Bills Previously Heard/Scheduled TELECONFERENCECED	Tue 3/19/24 10:00 AM
BELTZ 105 (TSBldg) -SENATE COMMUNITY & REGIONAL AFFAIRS *+ HB279 LOCAL BOUNDARY COMMISSION TELECONFERENCECED -- Invited & Public Testimony -- + Bills Previously Heard/Scheduled TELECONFERENCECED	Tue 3/19/24 1:30 PM
ADAMS 519 -HOUSE FINANCE += HB268 APPROP: OPERATING BUDGET; CAP; SUPP; AM TELECON- FERENCECED += HB270 APPROP: MENTAL HEALTH BUDGET TELECONFERENCECED + Overview: Committee Substitute 2 TELECONFERENCECED + Bills Previously Heard/Scheduled TELECONFERENCECED	Thu 3/21/24 1:30 PM
ADAMS 519 -HOUSE FINANCE -- Please Note Time Change -- += HB268 APPROP: OPERATING BUDGET; CAP; SUPP; AM TELECON- FERENCECED += HB270 APPROP: MENTAL HEALTH BUDGET TELECONFERENCECED + Bills Previously Heard/Scheduled TELECONFERENCECED	Fri 3/22/24 8:30 AM

Bill	Title	Prime Spon- sor	Status & Upcoming Hear- ings	Position
HB 3	Gold And Silver Specie As Legal Tender	MCCABE	(S) Heard & Held (2/8)	

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 As- soc.; 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 Em- ployee 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



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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 63	Repeal Workers' Comp Appeals Commission	RAUSCHER	(H) REFERRED TO FINANCE (2/2)	
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HB 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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This bill primarily removes the capitalize words in section (8)'s exemptions of open meetings act, -meetings of municipal service area boards established under AS 29.35.450 - 29.35.490 [WHEN MEETING SOLELY TO ACT ON MATTERS THAT ARE ADMINISTRATIVE OR MANAGERIAL IN NATURE].

HB 134	Property Transfer Tax; Muni Telecomm Tax	COU- LOMBE	(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	CARPEN- TER	(H) Heard & Held (2/26)	
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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) Failed to Move Out of Committee (2/26)	
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HB 156 – There would be a state income tax of \$20 for people earning less than \$200,000 per year, and anyone earning more than that would also pay 2% of their earnings above \$200,000.

HB 170	Misuse Of Pub. Officer Official Position	CRONK	(H) Minutes (HJUD) (1/29)	
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HB 173	Public Construction Con- tracts Wage Rates	MCCABE	(H) Heard & Held (3/5)	
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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 Fish- ery Closure	CRONK	(H) REFERRED TO FISHERIES (4/26)	
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HB 185	Income Tax Equal To Dividend	FIELDS	(H) -- MEETING CAN- CELED -- (5/16)	
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HB 185 – The state would have an income tax equal to the amount of the year’s Permanent Fund dividend, with the income tax on nonresidents and Alaskans with incomes above \$75,000 for individuals and \$150,000 for couples.

HB 193	Internet For Schools	HOUSE FI- NANCE	(S) <Pending Referral> -- MEETING CANCELED - - (2/20)	
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HB 200	Gaming; Electronic Pull- tabs	RULES	(H) LABOR & COM- MERCE at 03:15 PM BARNES 124 (3/18) 03/18/24 3:15 PM in BARNES 124	
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HB 203	Payment Of Wages; Payroll Card Account	SUMNER	(H) LABOR & COMMERCE at 03:15 PM BARNES 124 (3/18) 03/18/24 3:15 PM in BARNES 124	
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HB 333	Tax Credit Child Care/utility/house/food	RULES	(H) Heard & Held (3/6)	
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HB 347	Property Assessment	COU-LOMBE	(H) -- Testimony <Invitation Only> -- (3/19) 03/19/24 8:00 AM in BARNES 124	
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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) Heard & Held (2/19)	
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SB 20 - 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.

SB 39	Disclosure Of Wage Information	DUNBAR	(S) REFERRED TO LABOR & COMMERCE (1/18)	
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SB 39- 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 107	Permanent Fund Dividend; Pomv Split	SENATE FINANCE	(H) REFERRED TO FINANCE (5/11)	
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SB 107 – There would be a new formula for setting the Permanent Fund dividend; 25% of the annual transfer from the Permanent Fund to the state treasury would be reserved for dividends, and the other 75% would be reserved for services. The Senate passed this in 2023, but the House has not passed it.

SB 128	Commercial Salmon Fishery Closure	OLSON	(S) Minutes (SJUD) (5/12)	
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SB 140	Edu: Internet/charter/transp./funding/bsa	HOFFMAN	(S) VETOED BY GOVERNOR 3/14/24 (3/15)	
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SB 146	Gaming; Electronic Pull-tabs	RULES	(S) Heard & Held (3/13)	
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SB 158	School Grants And Bond Debt Reimbursement	MYERS	(S) Heard & Held (3/13)	
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SB 167	Municipal Property Tax Exemptions	MYERS	(S) REFERRED TO COMMUNITY & REGIONAL AFFAIRS (1/16)	
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SB 179	Property Transfer Tax; Muni Telecomm Tax	BJORK-MAN	(S) REFERRED TO RULES (3/4)	
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SB 186	Approp: Operating Budget; Cap; Supp; Am	RULES	(S) Minutes (SFIN) (2/22)	
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SB 186 – This is the Senate version of the state’s annual operating budget.

SB 187	Approp: Cap; Reapprop	RULES	(S) Minutes (SFIN) (2/22)	
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SB 187 – This is the Senate version of the state’s annual capital construction and renovation budget.

SB 200	Trs Contr Rate; Pers Soc Security Or Sbs	STEDMAN	(S) -- Testimony <Invitation Only> -- (3/18) 03/18/24 1:30 PM in BELTZ 105 (TSBldg)	
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SB 237	Tax Credit Child Care/utility/house/food	RULES	(S) Heard & Held (3/15)	
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SJR 4	Const. Am: Approp Limit	KAUF-MAN	(S) Heard & Held (2/19)	
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SJR 4 - The Alaska Constitution’s spending limit would be tightened.