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City of Unalaska Legislative Report **5/12/25**

In the closing weeks of the first regular session of the 34th Alaska State Legislature, the momentum towards an orderly and timely conclusion has encountered significant obstacles. Governor Dunleavy made headlines this week by declaring his intention to veto the Legislature's latest compromise effort on education funding, HB 57. During a meeting with district superintendents, he also raised the possibility of vetoing education funding in the FY26 budget should lawmakers fail to provide the education policies he has proposed.

While it appears that the votes necessary to override the anticipated veto exist within the Legislature, such outcomes are never assured. Moreover, Governor Dunleavy has expressed disinterest in a revenue bill passed by the Legislature that seeks to extend Alaska's corporate tax to online businesses located outside the state—this legislation serves as a financial mechanism for a reading grant incentive included in HB 57. His recent remarks suggest that any tax-related measures sent to him this session are unlikely to escape veto.

Simultaneously, HB 53, the Operating Budget, is headed to a conference committee after the House declined to agree with the Senate's amendments. During the House floor debate, several lawmakers voiced dissatisfaction over austere cuts to vital community services made by the Senate, while others advocated for one last chance to increase the dividend. In contrast, some minority members recommended concurring with the Senate's stringent version, fearing that the conference committee's deliberations might result in further unaffordable inclusions for the State. Ultimately, the House's attempt to concur failed, with a vote of 11-27. Limited negotiations regarding the differences between the House and Senate versions of the Operating Budget are scheduled to begin next week, although neither chamber has yet appointed members to the conference committee—action anticipated to occur as early as Monday.

This weekend marked the House's first floor session, during which six pieces of legislation, including SB 57, the Capital Budget, were on the agenda. The most contentious piece of legislation discussed was HB 78, a defined benefit bill championed by Representative Kopp. A lengthy debate ensued over numerous amendments, primarily from minority members aiming to mitigate the potential financial implications of the legislation. Ultimately, the bill was tabled for a vote at the next floor session on Monday. This postponement applied to most bills on the calendar, except for SB 183, a Senate Rules bill intended to address the Department of Revenue's resistance to provide essential information



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to the State's auditor. This bill smoothly traversed the committee process and following a nearly unanimous vote on Saturday, is now heading to the Governor for approval.

As the week unfolds, this coming Monday is poised to be exceptionally busy at the Capitol. The House will consider amendments to the Capital Budget and vote on several key bills that were deferred from Saturday. Additionally, the conference committee will begin its critical work, enabling lawmakers to make one final push to advance priority funding before the session concludes.

Have a great week.

Bill	Title	Prime Sponsor	Status & Upcoming Hearings	Position
HB 1	Specie As Legal Tender	MCCABE	(H) -- Public Testimony <Time Limit May Be Set> -- (5/15) 05/15/25 3:15 PM in GRUENBERG 120	

This legislation would allow gold and silver specie to be used as legal tender in Alaska, exempting them from borough and city sales and use taxes. It also defines specie and requires a study on establishing additional forms of legal tender for state debts.

HB 13	Municipal Property Tax Exemptions	GRAY	(H) ADVANCED TO THIRD READING 5/12 CALENDAR (5/10)	
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This legislation would allow municipalities to exempt certain properties from taxation, including long-term rental units converted from short-term rentals, mobile home parks for up to 10 years, and real property rented to low-income families at affordable rates, promoting affordable housing and community development.

HB 18	Vehicles/boats: Transfer On Death Title	RAUSCHER	(H) Heard & Held (2/13)	
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This legislation 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.

HB 26	Statewide Public & Community Transit Plan	MINA	(S) REFERRED TO COMMUNITY & RE- GIONAL AFFAIRS (5/5)	
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This legislation would require DOT 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.

HB 31	Vessels: Registration/derelect Fund	STUTES	(S) REFERRED TO FINANCE (5/7)	
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This bill would exempt active commercial fishing vessels from duplicative registration requirements created by the passage of SB 92, “the derelict vessel bill,” in 2018. Specifically, the bill removes the requirement for U.S. Coast Guard (USCG) documented vessels with a current Commercial Fisheries Entry Commission (CFEC) license to register every three years with the Division of Motor Vehicles (DMV).

HB 33	Conflict Of Interest: Bd Fisheries/game	STUTES	(H) RULES TO CALENDAR 5/12/2025 (5/10)	
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This legislation amends Alaska's conflict of interest laws for the Board of Fisheries and Board of Game members. It allows members to deliberate and participate in matters related to their personal or financial interests, but prohibits voting if it would result in a conflict of interest

HB 78	Retirement Systems; Defined Benefit Opt.	HOUSE FINANCE	(H) ADVANCED TO THIRD READING 5/12 CALENDAR (5/10)	
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This bill would amend Alaska's retirement systems, allowing certain employees to choose between defined benefit and defined contribution plans. 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. It also provides for the transfer of contributions and purchase of credited service, and makes changes to medical benefits, actuarial assumptions, and plan administration.

HB 125	Board Of Fisheries Membership	JIMMIE	(H) REFERRED TO RULES (5/7)	
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The bill proposes a seven-member board, appointed by the governor, including 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.

HB 169	Municipal Property Tax Exemption	TO-MASZEWSKI	(H) REFERRED TO COMMUNITY & REGIONAL AFFAIRS (4/2)	
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This bill would exempt primary residences of residents 65+, disabled veterans, and their widows/widowers from municipal property taxes on the first \$250,000 (an increase from existing \$150,000) of assessed value. Municipalities may grant additional exemptions for hardship cases or service-connected deaths. Effective immediately.



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<u>HB 203</u>	Prohibit Bottom Trawling	MCCABE	(H) REFERRED TO FISHERIES (4/22)	
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HB 203, Prohibit Bottom Trawling, is introduced to protect Alaska's seafloor ecosystems and fish habitats by restricting the use of trawl or dredge fishing gear that makes substantial bottom contact. The bill requires the Department of Fish and Game to conduct a comprehensive study on the effects of bottom trawling and submit a report by January 1, 2027. The bill's provisions would take effect on January 1, 2028, if passed.

<u>SB 10</u>	Paid Family Leave/wage Replacement Insur.	DUNBAR	(S) REFERRED TO LABOR & COMMERCE (1/22)	
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This bill would establish a paid family leave insurance 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 other employees.

<u>SB 50</u>	Municipal Comprehensive Plans: Housing	DUNBAR	(H) REFERRED TO RULES (4/11)	
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This bill would 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, including private and public sectors, and provide recommendations for implementation.

<u>SB 55</u>	Trs Contr Rate; Pers/trs Soc Secur Or Sbs	STEDMAN	(S) Heard & Held (4/14)	
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This bill would adjust employer contributions in the Teachers' Retirement System and supplemental employee benefits. It amends contribution rates and eligibility for the supplemental employee benefits program, particularly for employers not participating in the federal social security system. The bill takes effect on July 1, 2025.

<u>SB 79</u>	Payment Of Wages; Payroll Card Account	SENATE LABOR & COMMERCE	(H) -- Public Testimony -- (5/12) 05/12/25 3:15 PM in BARNES 124	
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This bill would amend Alaska's wage payment laws to allow employers to pay employees via payroll card accounts, provided employees have voluntarily authorized the method. The bill sets requirements for payroll card accounts, including cost-free withdrawals, balance checks, and insurance of employee wages.

<u>SB 81</u>	Public Employer Pension Contributions	STEDMAN	(S) Heard & Held (4/4)	
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This bill would adjust employer contribution rates in Alaska's Teachers' Retirement System and Public Employees' Retirement System. It ensures the annual employer contribution rate covers normal costs, past service liability, and required employer contributions.



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SB 130	Fisheries Prod Develop- ment Tax Credit	RULES	(S) REFERRED TO FI- NANCE (4/15)	
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This bill expands the Fisheries Product Development Tax Credit to further incentivize value-added products, new technologies, and innovative processes that enhance the quality and value of Alaska's seafood.

SB 131	Duties Of Asmi Board; Meaning Of Seafood	RULES	(S) REFERRED TO FI- NANCE (5/7)	
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This legislation would allow the Alaska Seafood Marketing Institute (ASMI) to promote and market aquatic farm products as defined in AS 16.40.199 as ASMI currently does for other commercially-caught seafood and their by-products. Currently, ASMI is prohibited by statute from marketing or promoting Alaska aquatic farm products such as oysters and seaweed.

SB 135	Refund Of Fish Business Tax To Munis	RULES	(S) REFERRED TO FI- NANCE (4/15)	
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This bill would revise how fisheries tax revenue from the fisheries business tax and the fishery resource landing tax is distributed to or "shared" with municipalities in Alaska. Its intent is to ensure that additional revenue provided under this act is used by municipalities specifically for the maintenance and improvement of harbor facilities.

SB 161	Prohibit Bottom Trawling	CRONK	(S) Heard & Held (5/7)	
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The bill restricts the use of trawl or dredge fishing gear that makes substantial bottom contact. It adds a new section to AS 16.10, prohibiting such gear in state waters. It also requires the Department of Fish and Game to conduct a comprehensive study on the effects of bottom trawling and submit a report by January 1, 2027.