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City of Dillingham Legislative Report **4/27/25**

As the first session of the 34th Alaska State Legislature nears its 121-day limit, a clearer path to conclusion is beginning to emerge. A growing consensus around the state's challenging fiscal condition has diminished the typical competition for district priorities, prompting lawmakers to concentrate on a select few pressing issues. Balancing the budget—complicated by declining oil prices and market instability—and developing a viable education package that meets the Executive Branch's approval have become the two critical items necessary for adjournment.

Following a failed attempt by the Legislature to override the Governor's veto of HB 69—the pared-down education bill aimed at increasing the base student allocation (BSA) by \$1,000—the Senate Finance Committee swiftly advanced its new education funding measure, HB 57, out of committee and onto the Senate Floor on Friday. This bill, titled "[Communication Devices in Public Schools](#)," was amended in the Senate Finance Committee to include a \$700 BSA and several policy provisions that reflect some requests from the Executive Branch. The Governor has indicated in a statement that he may sign the bill, but only if additional policy measures are incorporated. The Senate plans to review amendments on the floor Monday morning and subsequently send the bill back to the House for concurrence later that same day. Should this second attempt to address education funding be vetoed by the Governor, the Legislature will likely pursue another override attempt.

On Thursday, the Senate unveiled its version of the Operating Budget, which slashes approximately \$206 million from the budget originally submitted by the House. While it retains the 75/25 dividend split (\$1,400), it eliminates nearly all the additional appropriations made by the House. Despite these cuts, a deficit persists; however, Co-Chair Hoffman indicated that he anticipates this issue will be addressed through further reductions as the bill progresses through the legislative process. Additionally, a provision added by the House to utilize one of the state's savings accounts to fund the FY26 budget was also removed, in line with the Senate Majority's strict policy against using savings to balance this year's budget. Meanwhile, the House has yet to reveal its adjustments to the Capital Budget and is focusing this week on several non-budgetary bills introduced during the session.



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Energy remains a critical concern for lawmakers, who are closely examining several major initiatives designed to address the state's natural gas needs. Key among these efforts are the potential importation of natural gas and the revitalization of the Alaska Liquefied Natural Gas (AKLNG) Project, spearheaded by the Alaska Gasline Development Corporation (AGDC), a state-owned entity. However, lawmakers have expressed worries about a lack of transparency regarding these initiatives, cautioning that they could pose financial risks to the state and highlighting the necessity for more comprehensive information. In response, the Legislature has invited representatives from the industry and AGDC to present before committees, aiming to enhance their understanding of the current status of these projects. On Wednesday, the Joint Legislative Budget & Audit Committee convened with AGDC, leading to a robust discussion as lawmakers scrutinized the project.

Stay tuned for another busy week ahead.

Upcoming Schedule

Description	Date, Time & Location
ADAMS 519 -HOUSE FINANCE += HB 78 RETIREMENT SYSTEMS; DEFINED BENEFIT OPT. TELECONFERENCED + Presentation: Actuarial Presentation by David J. TELECONFERENCED Kershner, Principal, Consulting Actuary, Gallagher + Bills Previously Heard/Scheduled TELECONFERENCED	Tue 4/29/25 1:30 PM
GRUENBERG 120 -HOUSE STATE AFFAIRS *+ HB 1 SPECIE AS LEGAL TENDER TELECONFERENCED += HJR 10 CONST AM: PERMANENT FUND; POMV;EARNINGS TELECONFERENCED -- Public Testimony -- += HCR 2 AMEND UNIFORM RULES: ABSTAIN FROM VOTING TELECONFERENCED *+ HB 170 REPORTING VIOLENT CRIMES TELECONFERENCED + Bills Previously Heard/Scheduled TELECONFERENCED	Tue 4/29/25 3:15 PM

Bill	Title	Prime Sponsor	Status & Upcoming Hearings	Position
<u>HB 1</u>	Specie As Legal Tender	MCCABE	(H) STATE AFFAIRS at 03:15 PM GRUENBERG 120 (4/29) 04/29/25 3:15 PM in GRUENBERG 120	



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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) REFERRED TO RULES (4/25)	
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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	(H) REFERRED TO RULES (4/11)	
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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) Heard & Held (4/24)	
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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 78	Retirement Systems; Defined Benefit Opt.	HOUSE FINANCE	(H) FINANCE at 01:30 PM ADAMS 519 (4/29) 04/29/25 1:30 PM in ADAMS 519	
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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.



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HB 80	Residential Building Code	HOUSE LABOR & COM- MERCE	(H) Minutes (HL&C) (2/12)	
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HB 80 establishes the Alaska State Residential Building Code and the Alaska State Residential Building Safety Council. The bill requires residential contractors to obtain an endorsement to work on privately-owned residential structures of one to four units and comply with the state residential building code, excluding owner-built homes and recreational cabins. The Alaska Housing Finance Corporation is responsible for adopting and administering the state residential building code, which is based on the 2018 International Residential Code. The bill also allows municipalities to adopt a nationally recognized residential building code in place of the state code. The Alaska State Residential Building Safety Council is established to provide independent analysis and recommendations to the Alaska Housing Finance Corporation during the code adoption and update process. The bill takes effect on January 1, 2026.

HB 169	Municipal Property Tax Exemption	TO- MASZEWSKI	(H) REFERRED TO COMMUNITY & RE- GIONAL 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.

SB 50	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.

SB 55	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.

SB 79	Payment Of Wages; Pay- roll Card Account	SENATE LABOR & COM- MERCE	(H) Heard & Held (3/24)	
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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.



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<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.

<u>SB 130</u>	Fisheries Prod Development Tax Credit	RULES	(S) REFERRED TO FINANCE (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.

<u>SB 131</u>	Duties Of Asmi Board; Meaning Of Seafood	RULES	(S) -- Public Testimony -- (5/2) 05/02/25 3:30 PM in BUTROVICH 205	
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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.

<u>SB 135</u>	Refund Of Fish Business Tax To Munis	RULES	(S) REFERRED TO FINANCE (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.

<u>SB 140</u>	Fire Station Grant Program	STEDMAN	(S) -- Testimony <Invitation Only> -- -- MEETING CANCELED -- (4/22)	
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The bill establishes a matching grant program for fire station construction and renovation in Alaska. The program provides up to 50% of total project costs to eligible applicants. A fire station grant fund is created to manage appropriations, which may be expended without further approval. The department must use at least 50% of the fund's balance each fiscal year for grants.

<u>SB 161</u>	Prohibit Bottom Trawling	CRONK	(S) REFERRED TO RESOURCES (4/9)	
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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.