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## **City of Whitter Legislative Report** **5/4/25**

It was a big week in the Capital City, as Juneau begins its seasonal shift into the summer tourism season. Lines to get through the Capitol's new security screening are getting longer, with rain-soaked tourists now in the mix. If the cruise ships and longer lines don't push lawmakers to conclude their business and get out of town, the rain might!

After intense negotiations between majority and minority caucuses in both bodies, the Legislature garnered enough votes to pass its second attempt at increasing education funding. [House Bill 57](#), which originally focused on student cell phone use in schools, was amended to include a \$700 increase to the base student allocation (BSA)—a reduction from the \$1,000 increase proposed in a previously vetoed bill. The bill also includes several additional provisions that lawmakers say respond to the Governor's call for policy reforms and increased accountability. Those include changes benefitting the formation of charter schools, a grant program incentivizing improvement of student reading performances and the establishment of a task force to make recommendations on other major policy changes.

Whether the Governor deems this sufficient is yet to be seen. If the Governor vetoes the bill, which would need to happen within the next 15 days, the Legislature could then meet in a joint session and override the Governor's veto with 40 votes - a number they may be able to achieve. However, because the bill has a fiscal note and thus is an appropriation, the Governor could line-item veto that appropriation even if the bill becomes law. At that point the Legislature would need to call themselves back into a special session and reach an even higher override threshold of  $\frac{3}{4}$  of the Legislature, or 45 votes. As of Friday afternoon, the Governor had not indicated what action he plans to take.

Finance Committees in both bodies revealed the latest version of their respective budget bills - [HB 53](#), the Operating Budget, in the Senate and [SB 57](#), the Capital Budget, in the House. The Senate Finance Committee trimmed \$265 million from an earlier version of the operating budget, resulting in a budget that is \$1.7 billion less than Governor Dunleavy's original proposal. The bill, including a reduced dividend amount to \$1000, passed out of the Senate Finance Committee Friday morning and is expected to be on the floor early this week. The House also made some reductions to the Senate's version of the Capital budget, and reappropriated funding for road construction projects, two of which are in Mat-Su Valley. The House Finance Committee will continue its work and take testimony on this new version of the Capital Budget this week.



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In a press conference this week, Co-chair Hoffman outlined an end-game schedule for the remainder of the session - so far, things seem to be going as planned, at least from the Senate:

- Friday, **May 2nd**: CS2 for Operating Budget passing out of Senate Finance
- Monday-Wednesday, **May 5-7**: Debate on Operating Budget on Senate Floor
- Thursday, **May 8**: Senate passes Operating Budget
- Monday, **May 12**: Organizational Meeting
- Tuesday-Friday, **May 13-16**: Conference committee process

### Upcoming Schedule

Description	Date, Time & Location
SENATE FINANCE 532 -SENATE FINANCE *+ SB 184 SCHOOL BOND DEBT REIMBURSEMENT TELECONFERENCED -- Invited & Public Testimony -- Bills Previously Heard/Scheduled **Streamed live on AKL.tv**	Tue 5/6/25 9:00 AM
ADAMS 519 -HOUSE FINANCE += HB 78 RETIREMENT SYSTEMS; DEFINED BENEFIT OPT. TELECONFERENCED + SB 80 EXTEND BOARDS TELECONFERENCED -- Public Testimony -- += SB 57 APPROP: CAPITAL/FUNDS/REAPPROP TELECONFERENCED + Bills Previously Heard/Scheduled TELECONFERENCED	Wed 5/7/25 1:30 PM

Bill	Title	Prime Sponsor	Status & Upcoming Hearings	Position
<a href="#">HB 1</a>	Specie As Legal Tender	MCCABE	(H) Heard & Held (4/29)	

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.

<a href="#">HB 13</a>	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.

<a href="#">HB 18</a>	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.

<a href="#">HB 26</a>	Statewide Public & Community Transit Plan	MINA	(H) VERSION: CSHB 26(TRA) AM (5/2)	
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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.

<a href="#">HB 31</a>	Vessels: Registration/derelect Fund	STUTES	(S) -- Public Testimony -- (5/6) 05/06/25 1:30 PM in BUTROVICH 205	
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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).

<a href="#">HB 33</a>	Conflict Of Interest: Bd Fisheries/game	STUTES	(H) REFERRED TO RULES (3/21)	
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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

<a href="#">HB 65</a>	Railroad Corp. Financing	STUTES	(H) EFFECTIVE DATE(S) OF LAW 3/7/2025 (3/10)	
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HB 65 authorizes the Alaska Railroad Corporation to issue \$60 million in revenue bonds for replacing the passenger dock and terminal facility in Seward, Alaska.

<a href="#">HB 78</a>	Retirement Systems; Defined Benefit Opt.	HOUSE FINANCE	(H) FINANCE at 01:30 PM ADAMS 519 (5/7) 05/07/25 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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<a href="#">HB 80</a>	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.

<a href="#">HB 169</a>	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.

<a href="#">HB 216</a>	Transfer Of Railroad Land To Whittier	HOLLAND	(H) REFERRED TO TRANSPORTATION (5/2)	
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<a href="#">SB 10</a>	Paid Family Leave/wage Replacement Insur.	DUNBAR	(S) REFERRED TO LA- BOR & 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.

<a href="#">SB 50</a>	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.

<a href="#">SB 55</a>	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.

<a href="#"><u>SB 79</u></a>	Payment Of Wages; Payroll 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.

<a href="#"><u>SB 81</u></a>	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.

<a href="#"><u>SB 130</u></a>	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.

<a href="#"><u>SB 135</u></a>	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.

<a href="#"><u>SB 140</u></a>	Fire Station Grant Program	STEDMAN	(S) -- Invited & Public Testimony -- (5/6) 05/06/25 1:30 PM in BELTZ 105 (TSBldg)	
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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.