
Navigate AK Legislative Update — Week of May 4th — City of Whittier

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City of Whittier

WEEK OF MAY 4TH

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WEEKLY LEGISLATIVE UPDATE

Session Overview

The 34th Alaska Legislature enters its final stretch. The constitutional adjournment deadline of **May 20** is just over two weeks away, and lawmakers face a packed agenda: finalizing both the operating and capital budgets, confirming governor's appointments to boards and commissions, and moving remaining priority legislation across the finish line. The pace is about to pick up considerably.

Budget Update

Both the operating and capital budgets remain works in progress and will be among the last bills to pass this session.

Operating Budget: The House passed its version of the operating budget in mid-April on a 21-19 vote along caucus lines. That version had included a \$1,500 Permanent Fund Dividend (PFD), \$148 million in new funding for public schools, \$11 million for student transportation, and \$17 million to

restore and expand the Alaska Affordable Heating Program. The Senate Finance Committee has now introduced its own committee substitute (CS2), they have reduced the PFD to \$1000 and added a \$150 energy rebate, they are still working through the bill. Final negotiations between the two chambers will shape the budget that reaches the governor's desk.

Capital Budget: The House Finance Committee took public testimony on the capital budget this week. Early signals suggest significant funding for school major maintenance and one-time support for school operations, including noticeable investment in Mount Edgecumbe High School. The capital budget will continue to evolve over the coming days.

Bottom Line: The budget process can be volatile. Both budgets are expected to be among the final bills passed, and the numbers could shift substantially before adjournment.

Pension Bill (HB 78)

In a historic move, the Legislature passed House Bill 78, sending a defined benefit pension plan to Governor Dunleavy's desk for the first time since Alaska ended its state pension program in 2006. The Senate passed the bill 12-8 on April 28, and the House concurred with the Senate's amendments the following day.

The bill would allow current employees and new hires to choose between the existing 401(k)-style defined contribution plan and a new defined benefit pension. Public safety employees could retire after 20 to 25 years of service at age 50 or 55. The plan includes funding safeguards that require the system to maintain at least 90% funding, with automatic contribution adjustments if it falls below that threshold.

Proponents argue the bill is a critical tool for addressing Alaska's well-documented struggles with recruiting and retaining qualified public employees across state agencies, schools, and municipal departments. The state's most recent audit identified more than 80 compliance issues tied in part to staff turnover and institutional knowledge loss.

Opponents, primarily minority Republicans, warn of long-term fiscal risk and unfunded liability exposure. The governor has not publicly indicated whether

he will sign or veto the bill. He has 15 days (excluding Sundays) from transmittal to act, or the bill becomes law without his signature. This is one to watch closely.

Elections Reform Veto and Override Vote (SB 64)

Governor Dunleavy vetoed Senate Bill 64, the bipartisan omnibus elections reform bill, on April 30. The bill represented roughly a decade of negotiation between Republican and Democratic legislators and passed both chambers with a combined vote of 39-20.

Key provisions of SB 64 include:

- A ballot tracking system allowing voters to follow their absentee ballots through the counting process
- A ballot curing process enabling voters to correct minor errors that might otherwise disqualify their ballots
- Postage-paid return envelopes for all absentee mail-in ballots
- Addition of tribal IDs to the list of acceptable voter identification
- A rural community liaison within the Division of Elections
- Improved voter roll maintenance and faster removal of ineligible voters
- Provisions for faster ballot counting and earlier reporting of results

The governor cited operational burdens on the Division of Elections ahead of the November 2026 election and legal concerns around ballot curing and witness signature requirements. He stated support for many of the bill's reforms and encouraged the Legislature to model future legislation on this bill.

Override Vote: Monday, May 5 at 11:00 a.m. The Legislature will convene in Joint Session to consider a veto override. An override requires 40 of the Legislature's 60 members. The original combined vote was 39-20 with one member absent, meaning supporters must hold every original vote and pick up at least one additional member. This will be an extremely close vote with no margin for error. The Alaska Federation of Natives and other organizations have called on legislators to support the override.

Alaska LNG Gas Pipeline (HB 381 / SB 280)

The governor's gas pipeline tax bills continue to command significant bandwidth in both chambers. The core proposal would exempt the Alaska LNG pipeline from property taxes during construction (up to ten years or until the line produces one billion cubic feet of natural gas per day), then replace traditional property taxes with an alternative volumetric tax on gas throughput.

The House and Senate are taking meaningfully different approaches. The House Resources Committee produced a committee substitute for HB 381 that retains the governor's core framework of no property tax during construction and a low volumetric tax once gas flows, while adding community protections and in-state gas delivery provisions. The Senate Resources Committee, meanwhile, has folded elements of SB 275 into its version of SB 280, including a graduated pass-through tax, AGDC governance changes, and statutory price caps for in-state utilities. The two chambers will ultimately need to reconcile very different bills, likely through a conference committee.

The municipal revenue impact remains a central concern. The original proposal would reduce local oil and gas property taxes by approximately 90%, replacing municipal taxation on the pipeline with the state volumetric tax. Interior Delegation members have been in frequent contact with Fairbanks North Star Borough leadership to ensure local revenue is protected and that Fairbanks receives a spur line as part of any final deal.

What to Expect: If the Legislature cannot pass a workable gas pipeline bill before adjournment, a special session this summer is considered very likely. This will remain a dominant issue for the remainder of session.

Week Ahead: May 5-9

With just over two weeks until the constitutional adjournment deadline, the pace in Juneau will intensify. The pension bill awaits the governor's decision, Monday's veto override vote on elections reform will test legislative unity, the gas pipeline debate is far from settled, and both budgets still need to cross the finish line. We will continue monitoring these developments and provide updates as the session concludes.

HEARINGS OF INTEREST

Monday, May 4

Senate Finance Committee

9:00 AM | SENATE FINANCE 532

- **SB 259 – PROPERTY TAX ASSESSMENT INCREASES**

Invited & Public Testimony

House Resources Committee

1:00 PM | BARNES 124

- **HB 381 – OIL & GAS PROPERTY TAX: MUNI TAX**

Testimony – Invitation Only

Senate Resources Committee

3:30 PM | BUTROVICH 205

- **SB 280 – OIL & GAS PROPERTY TAX: MUNI TAX**

Testimony – Invitation Only

Tuesday, May 5

Senate Resources Committee

9:00 AM | BUTROVICH 205

- **SB 280 – OIL & GAS PROPERTY TAX: MUNI TAX**

Testimony – Invitation Only

Wednesday, May 6

House Resources Committee

1:00 PM | BARNES 124

• **[HB 381 – OIL & GAS PROPERTY TAX: MUNI TAX](#)**

Public Testimony – Time Limit May Be Set

Thursday, May 7

Senate Resources Committee

9:00 AM | BUTROVICH 205

• **[SB 280 – OIL & GAS PROPERTY TAX: MUNI TAX](#)**

Testimony – Invitation Only

Friday, May 8

House Finance Committee

1:30 PM | ADAMS 519

• **[HB 381 – OIL & GAS PROPERTY TAX: MUNI TAX](#)**

Pending Referral

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BILL TRACKING LOG

BILL	SPONSORS	TITLE	LAST ACTION	LATEST VERSION
AK 34 HB 1	MCCABE Underwood Johnson	An Act relating to specie as legal tender in the state; and relating to borough and city sales and use taxes on specie.	House, May 1, 2026: (H) COSPONSOR REMOVED: ALLARD	HB0001B, AM CSHB 1(STA) , introduced 05/18/2025
AK 34 HB 13	GRAY Eischeid Fields	An Act relating to optional municipal property tax exemptions for certain long-term rental units, certain mobile home parks, real property rented to low-income families, real property owned and	Senate, May 2, 2026: (S) -- Public Testimony -- -- Please Note Time Change --	HB0013D, AM SCS CSSSHB 13(CRA) , introduced 03/18/2026

		occupied as a permanent place of abode, and real property owned by first-time homebuyers.		
AK 34 HB 18	G.NELSON Rauscher Johnson	An Act relating to the transfer of a title on the death of the owner; and providing for an effective date.	House, Feb 13, 2026: (H) PRIME SPONSOR CHANGED: G.NELSON REPLACED RAUSCHER	HB0018A, AM HB 18, introduced 01/22/2025
AK 34 HB 26	MINA Burke Bynum	An Act relating to the duties of the Department of Transportation and Public Facilities; and relating to a statewide public and community transit plan.	House, May 1, 2026: (H) AWAITING TRANSMITTAL TO GOV	HB0026E, AM SCS CSHB 26(TRA), introduced 03/25/2026, passed House 05/01/2026, passed Senate 04/29/2026
AK 34 HB 31	STUTES Kopp Himschoot	An Act relating to the registration of commercial vessels; and relating to the derelict vessel prevention program fund.	House, Jul 30, 2025: (H) EFFECTIVE DATE(S) OF LAW 10/22/25	HB0031Z, AM Enrolled HB 31, introduced 05/20/2025
AK 34 HB 53	HOUSE RULES BY REQUEST OF THE GOVERNOR	An Act making appropriations for the operating and loan program expenses of state government and for certain programs; capitalizing funds; amending appropriations; making supplemental appropriations; and providing for an effective date.	Senate, Jan 20, 2026: (S) DPS INTENT LANGUAGE REPORT	HB0053Z, AM Enrolled HB 53, introduced 05/20/2025
AK 34 HB 65	STUTES Tomaszewski Prax	An Act authorizing the Alaska Railroad Corporation to issue revenue bonds to finance the replacement of the Alaska Railroad Corporation's passenger dock and related terminal facility in Seward, Alaska; and providing for an effective date.	House, Mar 10, 2025: (H) EFFECTIVE DATE(S) OF LAW 3/7/25	HB0065Z, AM Enrolled HB 65, introduced 02/26/2025
AK 34 HB 78	HOUSE FINANCE	An Act relating to the public employees' retirement system and the teachers' retirement system; and providing certain employees an opportunity to choose between the defined benefit and defined	House, Apr 30, 2026: (H) MANIFEST ERROR(S)	HB0078Z, AM Enrolled HB 78, introduced 04/29/2026

		contribution plans of the public employees' retirement system and the teachers' retirement system.		
AK 34 HB 80	HOUSE LABOR & COMMERCE	An Act relating to minimum standards for residential buildings; relating to construction contractors and residential contractor endorsements; establishing the Alaska State Residential Building Safety Council; and providing for an effective date.	House, Feb 12, 2025: (H) Minutes (HL&C)	HB0080A, AM HB 80, introduced 01/31/2025
AK 34 HB 169	TOMASZEWSKI	An Act relating to a municipal property tax exemption for real property owned and occupied as the primary residence and permanent place of abode by a resident 65 years of age or older, a disabled veteran, or the widow or widower of a resident 65 years of age or older or a disabled veteran; and providing for an effective date.	House, Apr 2, 2025: (H) Referred to COMMUNITY & REGIONAL AFFAIRS	HB0169A, AM HB 169, introduced 04/02/2025
AK 34 HB 184	STORY Hall Mina	An Act relating to financing by the Alaska Industrial Development and Export Authority for workforce housing development projects.	Senate, May 5, 2026: (S) FINANCE at 09:00 AM SENATE FINANCE 532	HB0184B, AM CSHB 184(CRA), introduced 05/16/2025, passed House 02/27/2026
AK 34 HB 216	HOLLAND Josephson	An Act approving the transfer of land owned by the Alaska Railroad Corporation to the City of Whittier; and providing for an effective date.	Senate, Apr 30, 2026: (S) Heard & Held	HB0216A, AM HB 216, introduced 05/02/2025, passed House 03/25/2026
AK 34 HB 254	VANCE Coulombe	An Act relating to increases in property assessments.	House, Jan 23, 2026: (H) COSPONSOR(S): COULOMBE	HB0254A, AM HB 254, introduced 01/20/2026
AK 34 HB 264	HOUSE RULES BY REQUEST OF THE GOVERNOR	An Act making appropriations, including capital appropriations, supplemental appropriations, and reappropriations; making appropriations to capitalize funds; and providing for an effective date.	House, Apr 9, 2026: (H) Heard & Held	HB0264A, AM HB 264, introduced 01/23/2026

AK 34 HB 280	HOUSE RULES	An Act relating to the Multistate Tax Compact; relating to apportionment of income to the state, including the apportionment of income of broadcasters, financial institutions, and telecommunications service providers; and providing for an effective date.	Senate, Apr 21, 2026: (S) Minutes (SFIN)	HB0280B, AM CSHB 280(FIN), introduced 03/27/2026, passed House 04/01/2026
AK 34 HB 286	ELAM	An Act relating to an optional municipal tax exemption for the homes of volunteer firefighters and volunteer providers of emergency medical services or mobile intensive care paramedic services; and providing for an effective date.	House, Mar 20, 2026: (H) Referred to FINANCE	HB0286A, AM HB 286, introduced 01/28/2026
AK 34 HB 291	COULOMBE G.Nelson Bynum	An Act relating to municipal exemptions from fees for landfills or dumping areas; and relating to optional municipal property tax exemptions.	House, Apr 23, 2026: (H) Heard & Held	HB0291A, AM HB 291, introduced 02/04/2026
AK 34 SB 10	DUNBAR	An Act relating to family leave wage replacement coverage.	Senate, Jan 22, 2025: (S) Referred to LABOR & COMMERCE	SB0010A, AM SB 10, introduced 01/22/2025
AK 34 SB 14	DUNBAR	An Act relating to the Alaska Industrial Development and Export Authority; and relating to workforce housing development projects.	Senate, May 1, 2025: (S) Minutes (SFIN)	SB0014A, AM SB 14, introduced 01/22/2025
AK 34 SB 50	DUNBAR Josephson	An Act relating to the comprehensive plans of first and second class boroughs.	Senate, Jul 30, 2025: (S) EFFECTIVE DATE(S) OF LAW 10/14/25	SB0050Z, AM Enrolled SB 50, introduced 05/16/2025
AK 34 SB 55	STEDMAN Myers Shower	An Act relating to employer contributions in the teachers' retirement system; relating to supplemental employee benefits; and providing for an effective date.	Senate, Mar 26, 2026: (S) Moved CSSB 55(FIN) Out of Committee	SB0055B, AM CSSB 55(L&C), introduced 03/26/2025
AK 34 SB 78	DUNBAR	An Act relating to disclosure of information regarding employee compensation by employers, employees,	Senate, Apr 8, 2026: (S) Heard & Held	SB0078A, AM SB 78, introduced 01/29/2025

		and applicants for employment.		
AK 34 SB 79	SENATE LABOR & COMMERCE	An Act relating to wage payments.	House, May 18, 2025: (H) Referred to FINANCE	SB0079B, AM HCS SB 79(L&C), introduced 05/18/2025
AK 34 SB 81	STEDMAN	An Act relating to employer contribution rates in the teachers' retirement system and the Public Employees' Retirement System of Alaska; and providing for an effective date.	Senate, Feb 11, 2026: (S) Referred to FINANCE	SB0081B, AM CSSB 81(L&C), introduced 02/11/2026
AK 34 SB 135	SENATE RULES BY REQUEST OF TASK FORCE EVAL ALASKA SEAFOOD INDUSTRY	An Act relating to the sharing of tax revenue from the fisheries business tax and fishery resource landing tax with municipalities; relating to municipal reports on the shared tax revenue; and providing for an effective date.	Senate, Apr 15, 2025: (S) Referred to FINANCE	SB0135B, AM CSSB 135(RES), introduced 04/15/2025
AK 34 SB 140	STEDMAN Tomaszewski Bynum	An Act relating to a matching grant program for fire station construction and renovation; and providing for an effective date.	House, May 6, 2026: (H) -- Please Note Time Change --	SB0140B, AM CSSB 140(FIN), introduced 02/18/2026, passed Senate 03/04/2026
AK 34 SB 191	GIESSEL	An Act approving the transfer of land owned by the Alaska Railroad Corporation to the City of Whittier; and providing for an effective date.	Senate, Mar 4, 2026: (S) Referred to RULES	SB0191A, AM SB 191, introduced 05/09/2025
AK 34 SB 213	SENATE RULES BY REQUEST OF THE GOVERNOR	An Act making appropriations for the operating and loan program expenses of state government and for certain programs; capitalizing funds; amending appropriations; making supplemental appropriations; making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska, from the constitutional budget reserve fund; and providing for an effective date.	Senate, Feb 27, 2026: (S) Minutes (SFIN)	SB0213A, AM SB 213, introduced 01/21/2026

<p>AK 34 SB 214</p>	<p>SENATE RULES BY REQUEST OF THE GOVERNOR</p>	<p>An Act making appropriations, including capital appropriations, supplemental appropriations, and reappropriations; making appropriations to capitalize funds; amending appropriations; and providing for an effective date.</p>	<p>House, May 9, 2026: (H) -- Please Note Time Change --</p>	<p>SB0214B, AM CSSB 214(FIN), introduced 04/16/2026, passed Senate 04/21/2026</p>
<p>AK 34 SB 227</p>	<p>SENATE RULES BY REQUEST OF THE GOVERNOR</p>	<p>An Act relating to the Multistate Tax Compact; relating to apportionment of income to the state; establishing a state sales and use tax; relating to taxes levied by cities and boroughs; relating to the corporate income tax; authorizing the Department of Revenue to enter into the Streamlined Sales and Use Tax Agreement or substantially similar agreement; relating to the oil and gas production tax; establishing an infrastructure maintenance surcharge on oil; establishing a pipeline corridor maintenance fund; and providing for an effective date.</p>	<p>Senate, Apr 8, 2026: (S) -- Testimony Invitation Only -- -- MEETING CANCELED --</p>	<p>SB0227B, AM CSSB 227(RES), introduced 02/19/2026</p>
<p>AK 34 SB 259</p>	<p>BJORKMAN</p>	<p>An Act relating to an optional municipal limit to increases of the full and true value of property owned and occupied as a permanent place of abode by a resident.</p>	<p>Senate, May 4, 2026: (S) -- Invited & Public Testimony --</p>	<p>SB0259C, AM CSSB 259(L&C), introduced 04/28/2026</p>

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