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City of Unalaska Legislative Report **4/18/25**

The lead-up to the long Easter weekend was short but eventful. After extensive debate and over 100 amendments, the House passed a \$6.2 billion operating budget that includes a \$1,400 Permanent Fund Dividend (PFD). The budget carries a projected \$450 million deficit, which the House Majority aims to address through a one-time withdrawal from the Constitutional Budget Reserve (CBR), one of the state's primary savings accounts. While the overall budget passed along caucus lines—with the 21-member majority coalition in support and the 19-member Republican minority opposed—the vote to access the CBR fell short. Minority members raised concerns about the state's continued reliance on savings and a lack of willingness to match expenditures with existing revenues.

Meanwhile, the Senate passed its own lean Capital Budget, focused mainly on securing federal matching funds and covering essential deferred maintenance. At a press conference earlier this week, Co-Chair Stedman said of the Capital Budget, “Ain’t nothing for nobody,” though he expressed confidence in the ongoing budget negotiations and timeline. It is expected the Senate will make significant changes to the House’s version of the Operating Budget, as majority members in the Senate have expressed an unwillingness to draw into the CBR to fund FY26 operations.

The Legislature transmitted its paired-down education bill, HB 69, to the Governor on April 14th. Well ahead of the 15-day window, the Governor took action on Thursday, vetoing the bill and revealing his own education funding proposal at a press conference Thursday morning. The bill is expected to be read across the House and Senate floors on Monday, though the Governor indicated he may release the proposal to the press prior to that transmittal. The Legislature has the opportunity to override the Governor’s veto of HB 69 though several lawmakers have already indicated there likely aren’t enough votes to do it. An override requires support from 40 of the 60 legislators in a joint session—a high bar in the current environment.

Near the end of Thursday’s press conference, a spokesperson from Alaska Public Media asked the Governor how he would address the fiscal challenges currently facing the Legislature. His response was unexpectedly candid. The Governor said



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he'd use the state's savings accounts to balance this year's budget—on the condition that a committed group of legislators reconvene later this summer to craft a long-term, sustainable fiscal plan. “The reality is, we’re not going to get it done in the next couple of weeks.”

We hope you have a meaningful Easter weekend with friends and family. Next week will have a late start with most lawmakers home through Monday, but the short week is guaranteed to be another eventful one.

Upcoming Schedule

| Description | Date, Time & Location |
|--|----------------------------------|
| BARNES 124 -HOUSE COMMUNITY & REGIONAL AFFAIRS += HB 13 MUNICIPAL PROPERTY TAX EXEMPTIONS TELECONFERENCED -- Public Testimony -- + Bills Previously Heard/Scheduled TELECONFERENCED | Tue 4/22/25 8:00 AM |
| BARNES 124 -HOUSE COMMUNITY & REGIONAL AFFAIRS + Presentation: Power Cost Equalization by Curtis Thayer, Executive Director, Alaska Energy Authority -- Testimony -- *+ HB 184 AIDEA FINANCE WORKFORCE HOUSING DEVELOP. TELECONFERENCED -- Testimony -- += HB 13 MUNICIPAL PROPERTY TAX EXEMPTIONS TELECONFERENCED -- Testimony -- + Bills Previously Heard/Scheduled TELECONFERENCED | Thu 4/24/25 8:00 AM |

| Bill | Title | Prime Sponsor | Status & Upcoming Hearings | Position |
|----------------------|------------------------|----------------------|---------------------------------------|-----------------|
| HB 1 | Specie As Legal Tender | MCCABE | (H) -- MEETING CANCELED -- (4/15) | |

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.



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| HB 13 | Municipal Property Tax Exemptions | GRAY | (H) -- Testimony <Invitation Only> -- (4/24) 04/22/25 8:00 AM in BARNES 124 04/24/25 8:00 AM in BARNES 124 | |
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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.

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| 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.

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| 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.

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| HB 31 | Vessels: Registration/derelect Fund | STUTES | (S) -- Testimony <Invitation Only> -- (4/24) 04/24/25 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).

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| HB 33 | 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

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| HB 78 | Retirement Systems; Defined Benefit Opt. | HOUSE FINANCE | (H) Heard & Held (4/4) | |
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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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| <u>HB 125</u> | Board Of Fisheries Membership | JIMMIE | (H) REFERRED TO RE-SOURCES (4/9) | |
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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.

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| <u>HB 169</u> | 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>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.

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| <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.

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| <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.



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| <u>SB 79</u> | 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.

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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.

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| <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.

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| <u>SB 131</u> | Duties Of Asmi Board; Meaning Of Seafood | RULES | (S) Heard & Held (4/9) | |
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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.

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| <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.

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