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To: [Senate State Affairs](#)
Subject: Public Testimony on HB 121 (2025)
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Public Testimony on HB 121 (2025)

Chairman, Honorable Members of the Committee,

I rise in opposition to the following:

I. Constitutional Law Violations

A. Equal Protection Clause

HB 121 violates the Equal Protection Clause under the Fourteenth Amendment of the U.S. Constitution and Article I, Section 1 of the Alaska Constitution by creating a two-tiered licensing system. It exempts certain out-of-state CPA firms and professionals from registration, education, and compliance requirements, while maintaining those burdens on in-state practitioners (U.S. Const. amend. XIV; Alaska Const. art. I, § 1). This disparate treatment lacks a rational basis tied to a legitimate government interest and fails the rational basis review under *FCC v. Beach Communications, Inc.*, 508 U.S. 307 (1993).

B. Due Process Violations

Removing state oversight and registration for out-of-state CPAs restricts injured parties' access to recourse, violating procedural due process (U.S. Const. amend. XIV; Alaska Const. art. I, § 7). Without public notification, transparency, or a right to file complaints under state authority, consumers and businesses are left without legal protections. Courts have consistently upheld that the state must provide procedural safeguards when economic liberties or professional services are at stake (*Mathews v. Eldridge*, 424 U.S. 319, 1976).

C. Tribal Sovereignty and Consultation

HB 121 also risks violating federal tribal consultation obligations and sovereignty protections. The deregulation of financial professionals doing business with Alaska Native Corporations or tribal governments — especially without oversight — breaches federal mandates outlined in Executive Order 13175 and obligations under ANCSA and the Indian Self-Determination and Education Assistance Act (25 U.S.C. § 5301 et seq.). Ignoring these duties increases risk of mismanagement of tribal funds and violates the state's trust responsibilities.

II. Harms to Alaskans and State Oversight

The removal of the 150-hour education requirement undercuts Alaska's alignment with the Uniform Accountancy Act (UAA) standards adopted in most states (National Association of State Boards of Accountancy [NASBA], 2023). This opens the door for lower-skilled entrants to exploit our markets with reduced public protections. Deregulated firms may lack continuing education, professional oversight, and jurisdictional enforcement—leaving consumers vulnerable.

Additionally, the lack of a registration mechanism removes the ability for the state to monitor, penalize, or suspend out-of-state violators. This regulatory blind spot creates loopholes ripe for exploitation.

III. Alignment with Project 2025's Anti-Regulatory Agenda

This bill's intent mirrors language found in Project 2025, a far-right blueprint by the Heritage Foundation that seeks to "dismantle the administrative state" by privatizing oversight functions and removing federal and state regulatory protections (Heritage Foundation, 2023). HB 121 adopts similar tactics by removing state enforcement, diminishing transparency, and accelerating the entrance of unaccountable actors into critical professional sectors.

IV. Recommendations

- Reinstate the 150-hour education requirement with waiver provisions for extensive professional experience.
- Require all firms to register with the Alaska Board of Public Accountancy and publicly disclose ownership and disciplinary history.
- Mandate tribal consultation and enhanced protections for Indigenous economic partnerships.
- Establish a consumer protection fund to provide relief for those harmed by malpractice.
- Implement biennial legal and fiscal impact reviews with independent audits.

V. Conclusion

HB 121 is not legally sound, fails constitutional tests, undermines tribal sovereignty, and exposes Alaskans to serious economic risk. I urge a complete overhaul of this bill to uphold the rule of law, public trust, and economic fairness for all Alaskans.

Respectfully,
Susan Allmeroth
Two Rivers

References

Alaska Const. art. I, §§ 1, 7.
Executive Order No. 13175, 65 Fed. Reg. 67249 (2000).
FCC v. Beach Communications, Inc., 508 U.S. 307 (1993).
Heritage Foundation. (2023). Mandate for Leadership: The Conservative Promise.
<https://www.project2025.org/>

Mathews v. Eldridge, 424 U.S. 319 (1976).
National Association of State Boards of Accountancy (NASBA). (2023). Uniform Accountancy Act Model Rules. <https://nasba.org>

U.S. Const. amend. XIV.
25 U.S.C. § 5301 et seq. (Indian Self-Determination and Education Assistance Act).