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**From:** Rep. Kelly Merrick  
**Sent:** Tuesday, February 01, 2022 8:45 AM  
**To:** House Finance  
**Subject:** FW: House Bill 90

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**From:** Randy Daly [REDACTED]  
**Sent:** Monday, January 31, 2022 6:46 PM  
**To:** Rep. Neal Foster <Rep.Neal.Foster@akleg.gov>; Rep. Daniel Ortiz <Rep.Daniel.Ortiz@akleg.gov>; Rep. Andy Josephson <Rep.Andy.Josephson@akleg.gov>; Rep. Bart LeBon <Rep.Bart.Lebon@akleg.gov>; Rep. Adam Wool <Rep.Adam.Wool@akleg.gov>; Rep. Cathy Tilton <Rep.Cathy.Tilton@akleg.gov>; Rep. Kelly Merrick <Rep.Kelly.Merrick@akleg.gov>; Rep. Ben Carpenter <Rep.Ben.Carpenter@akleg.gov>  
**Cc:** Peter A. Micciche <senator.peter.micciche@gmail.com>; Ron Gillham <ron@alaskagoldeneagle.com>  
**Subject:** House Bill 90

Good evening members of the House Finance Committee,  
It is my understanding that HB90 is on the agenda for Wednesday. This bill is a bad idea, bad for Alaska, and bad for small businesses. Please do not move this piece of legislation forward.

The idea for this bill came from a large rental car company that does not like competition. Anti-competition legislation is a bad idea. For Alaska to grow we need many and diverse small businesses growing on the strength and commitment of individuals making the state better by taking responsibility for their financial future. Creating new and large barriers to entry through more taxation of more rules does not help, it's a bad idea to attempt to limit competition from small startups to benefit entrenched national corporations.

Alaska is a land that embarrassed the idea of hardy individuals working to build Alaska, The individual can be an Athabascan trapper doing the work of tending his trap line in the dead of a snowy, frigid Alaskan winter to provide nutritious protein to his family and friends at the potlatch. Or the individual can be someone who starts a business in the spare hours to add additional income to provide money for post secondary education, a first home, braces for kids, or to offset an overheated economy spinning off record inflation. These are the hardy Alaskns that will help move this state forward increasing local spend, local tax flow, at a rate significantly better than multinational corporations. Civil Economics has made a number of studies that demonstrate the efficiency small locally owned businesses bring to the town and state they operate in. Giving preference to large multinational corporations is bad for Alaska, increasing economic leakage.

Small business by its very name informs the reader of the disadvantages it has when entering a market, limited resources, limited staff, limited credit lines, limited access to production equipment at competitive prices. Yet despite this hardy Alaskans take the risks, the long hours, the uncertain future to help shape Alaska, and improve consumer choice. Passing laws that favor large corporations and add further disadvantage to small business is, not to be too obvious, bad for small, bad for Alaska and bad for Alaskans.

Thank you for your time and consideration of my thoughts. You may ask yourself, 'what does this guy know, where does he get off lecturing us on what is good for Alaska?' I know because I have lived it. Born in the 9th & L protestant hospital in Anchorage, because my home town, Tok, didn't have a hospital, I have grown up and been educated in and by Alaska. I started several businesses, some worked, some didn't. My most successful business, a business technology company grew and prospered for 21 years in Alaska. We actively went head to head with large corporations like Xerox, Ricoh, Ikon, Dell, and others. We might still be doing it, if the State of Alaska had not made it impossible for an Alaskan owned business in my industry to be a primary contract award winner. The state decided only international manufacturers

could be primary award winners on state contracts. This was exactly the kind of move you are currently contemplating with HB90. Please do not do it.

We had won against international competitors. My company held contracts to provide business technology to state offices across the state. The SOA being the largest purchaser of business technology in the Alaskan marketplace. The decision to not allow competition from small start up manufacturers like mine and to rely on the mainstream manufacturers crushed our margins to below 3% gross profit as a sub contractor to my former competitors. Instead of continuing to grow, we were in the process of adding our third location, we shrank. Eventually unable to overcome the change in contracting policy, we decided Alaska wasn't the right place to be in that business anymore and sold it to a Washington State company. So when I talk about knowing how much economic leakage there is when comparing a locally owned business and a multinational or out of state entity I have vivid first hand knowledge.

Please do not make the same mistake that SOA contracting did with business equipment small businesses with small rental car businesses. Do not pass, endorse or move forward House Bill 90. The HB90 bill is a bad idea, bad for Alaska, and bad for small businesses.

Respectfully submitted,

'Randy"  
Thomas R. Daly  
Kenai, Alaska

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**From:** Sorcha Hazelton  
**Sent:** Tuesday, February 01, 2022 12:42 PM  
**To:** House Finance  
**Subject:** FW: HB 90

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**From:** Jerry Mackie <jerry@strategynorthgroup.com>  
**Sent:** Tuesday, February 1, 2022 12:42 PM  
**To:** Rep. Kelly Merrick <Rep.Kelly.Merrick@akleg.gov>  
**Subject:** HB 90

Dear Representative Merrick,

I am emailing you today in support of HB 90 which is being heard again tomorrow morning in the House Finance Committee. By way of full disclosure, I am a lobbyist for the Enterprise Car Rental company who is supporting this bill here in Alaska and very similar ones that have either passed or are proposed in nearly every other State in the country. HB 90 is a very simple and straight forward bill. As a reminder, HB 90 does the following things:

1. It levels the playing field for all businesses in the State of Alaska who rent vehicles to the public. Plain and simple. This includes traditional rental car companies, and most recently cars being rented by using "Vehicle Rental Networks". It does not restrict any form of competition. It only that ensures that businesses renting cars are treated fairly under Alaska law and eliminates a loophole which has provided a serious competitive disadvantage by requiring one segment of the industry to collect state taxes and one who does not.
2. It provides a definition of a vehicle rental business, and a vehicle rental network.
3. It specifies that vehicle rental networks have to collect the state's vehicle rental tax from the individual renting the vehicle just like rental car companies have always had to do. This eliminates the tax liability currently being held by Alaskans who choose to make their vehicles available for rent through a Vehicle rental network but are not collecting or remitting the taxes to the State. We shouldn't be setting up a situation where the state has to go after individual Alaskans using a platform just to collect the tax the state is due.
4. It will result in the collection of rental car taxes from rental networks who do not currently do so. This could mean several million dollars a year to the State's general fund. We don't know for sure the exact amount because companies like TURO refuse

to provide that information to the State department of Revenue. The State has sued TURO as a result. They maintain that because they are a company located in California they are not subject to our statutes. Unbelievable but true. They have thumbed their nose at the State and have been able to get away with it. This bill fixes that and treats everyone the same.

5. It adds other technical conforming language.

On a similar note, the municipality of Anchorage last year had to pass an ordinance essentially doing what HB 90 proposes to do for the State tax because the Rental Car networks were not collecting and remitting municipal taxes on their rental cars either. I have not heard if the rental car networks have been willing to recognize the Muni's authority either. Perhaps someone could ask that question?.

This bill is long overdue. The conduct from out of state companies who choose to exploit our statutes is disgraceful. This is good, fair, public policy being proposed in HB 90. I respectfully ask you for your support.

Regards,

Jerry Mackie  
Strategy North Group  
(907) 250-3946 cell