

**ALASKA STATE LEGISLATURE  
HOUSE STATE AFFAIRS STANDING COMMITTEE**

May 18, 2021

3:06 p.m.

**MEMBERS PRESENT**

Representative Jonathan Kreiss-Tomkins, Chair  
Representative Matt Claman, Vice Chair  
Representative Geran Tarr  
Representative Andi Story  
Representative Sarah Vance  
Representative James Kaufman

**MEMBERS ABSENT**

Representative David Eastman

**COMMITTEE CALENDAR**

HOUSE BILL NO. 95

"An Act relating to elections and election investigations."

- HEARD & HELD

HOUSE BILL NO. 177

"An Act relating to an increase of an appropriation due to additional federal or other program receipts; and providing for an effective date."

- MOVED CSHB 177(STA) OUT OF COMMITTEE

HOUSE BILL NO. 158

"An Act relating to contributions from permanent fund dividends to the general fund."

- HEARD & HELD

HOUSE BILL NO. 94

"An Act prohibiting the use of certain restrictive provisions in leases of space for business use in certain federally established zones; and adding an unlawful act to the Alaska Unfair Trade Practices and Consumer Protection Act."

- HEARD & HELD

HOUSE BILL NO. 31

"An Act relating to daylight saving time; and providing for an effective date."

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: HB 95

SHORT TITLE: ELECTIONS; ELECTION INVESTIGATIONS

SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

02/18/21	(H)	READ THE FIRST TIME - REFERRALS
02/18/21	(H)	STA, JUD, FIN
04/24/21	(H)	STA AT 3:00 PM GRUENBERG 120
04/24/21	(H)	-- MEETING CANCELED --
05/18/21	(H)	STA AT 3:00 PM GRUENBERG 120

BILL: HB 177

SHORT TITLE: REVISED PROGRAM: APPROPRIATIONS

SPONSOR(s): TUCK

04/16/21	(H)	READ THE FIRST TIME - REFERRALS
04/16/21	(H)	STA, FIN
05/11/21	(H)	STA AT 3:00 PM GRUENBERG 120
05/11/21	(H)	-- MEETING CANCELED --
05/13/21	(H)	STA AT 3:00 PM GRUENBERG 120
05/13/21	(H)	Heard & Held
05/13/21	(H)	MINUTE(STA)
05/15/21	(H)	STA AT 10:00 AM GRUENBERG 120
05/15/21	(H)	Heard & Held
05/15/21	(H)	MINUTE(STA)
05/18/21	(H)	STA AT 3:00 PM GRUENBERG 120

BILL: HB 158

SHORT TITLE: PFD CONTRIBUTIONS TO GENERAL FUND

SPONSOR(s): PRAX

03/31/21	(H)	READ THE FIRST TIME - REFERRALS
03/31/21	(H)	STA, FIN
05/18/21	(H)	STA AT 3:00 PM GRUENBERG 120

BILL: HB 94

SHORT TITLE: PROHIBITED COMMERCIAL LEASE PROVISIONS

SPONSOR(s): FOSTER

02/18/21	(H)	READ THE FIRST TIME - REFERRALS
02/18/21	(H)	STA, L&C

05/18/21 (H) STA AT 3:00 PM GRUENBERG 120

BILL: HB 31

SHORT TITLE: OBSERVE DAYLIGHT SAVING TIME ALL YEAR

SPONSOR(s): ORTIZ

02/18/21 (H) PREFILE RELEASED 1/8/21  
02/18/21 (H) READ THE FIRST TIME - REFERRALS  
02/18/21 (H) STA, FIN  
05/18/21 (H) STA AT 3:00 PM GRUENBERG 120

**WITNESS REGISTER**

CORI MILLS, Deputy Attorney General  
Department of Law  
Juneau, Alaska

**POSITION STATEMENT:** Introduced HB 95, on behalf of the House Rules Standing Committee, sponsor by request of the governor, and answered questions from the committee.

THOMAS FLYNN, Assistant Attorney General  
Department of Law  
Anchorage, Alaska

**POSITION STATEMENT:** Presented a sectional analysis of HB 95, on behalf of the House Rules Standing Committee, sponsor by request of the governor.

REPRESENTATIVE CHRIS TUCK  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Introduced an amendment during the hearing on HB 177, as the prime sponsor.

REPRESENTATIVE MIKE PRAX  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Introduced HB 158, as the prime sponsor.

BOBBI SCHERRER, Appeals Manager  
Permanent Fund Dividend Division  
Department of Revenue  
Juneau, Alaska

**POSITION STATEMENT:** Answered questions during the hearing on HB 158.

PAUL LABOLLE, Staff  
Representative Neal Foster

Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Introduced HB 94, on behalf of Representative Foster, prime sponsor.

NICK MOE  
Azachorok Inc  
Anchorage, Alaska

**POSITION STATEMENT:** Provided invited testimony during the hearing on HB 94.

REPRESENTATIVE DAN ORTIZ  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Introduced HB 31, as the prime sponsor.

#### **ACTION NARRATIVE**

[3:06:37 PM](#)

**CHAIR JONATHAN KREISS-TOMKINS** called the House State Affairs Standing Committee meeting to order at 3:06 p.m. Representatives Story, Claman, Vance, Kaufman, and Kreiss-Tomkins were present at the call to order. Representative Tarr arrived as the meeting was in progress.

#### **HB 95-ELECTIONS; ELECTION INVESTIGATIONS**

[3:08:00 PM](#)

CHAIR KREISS-TOMKINS announced that the first order of business would be HOUSE BILL NO. 95, "An Act relating to elections and election investigations."

[3:08:59 PM](#)

CORI MILLS, Deputy Attorney General, Department of Law (DOL), on behalf of the House Rules Standing Committee, sponsor by request of the governor, introduced HB 95. She paraphrased the sponsor statement [included in the committee packet], which read as follows [original punctuation provided]:

Dear Speaker Stutes:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill

authorizing the Attorney General to investigate potential violations of election laws of regulations.

This legislation would permit the Attorney General to investigate alleged election violations identified by the director of the Division of Elections, a member of the public, or by the Attorney General. A member of the public may submit a complaint alleging a violation to the Division of Elections within 30 days of the election or the violation, whichever is later. If the complaint alleges a violation of AS 15.13, the Division will forward the complaint to the Alaska Public Offices Commission for further review. For other election related allegations, the Division of Elections does a preliminary review for completeness, request missing information as necessary, and may also dismiss complaints that are determined to be frivolous. Otherwise, complaints are forwarded to the Attorney General for action.

In investigating an allegation, the Attorney General has the authority to compel witness testimony, issue subpoenas, and to produce documents or other evidence. The Attorney General also has the authority to hold hearings, administer oaths, make interrogatories, require written affidavits, and examine documentary evidence. Upon concluding an investigation, the Attorney General will share the results with the Division of Elections. If the Attorney General determines a violation of an election law or regulation has occurred, the Attorney General may bring a civil action to compel compliance with the law. The information collected over the course of the investigation will remain confidential unless it is used as the basis for a decision by the Division of Elections or is used as the civil action.

If the Attorney General brings civil action in court, the Attorney General may petition for, and the court may award the state, a civil penalty of up to \$25,000 per violation. The court may also award the state reasonable attorney's fees and investigation costs.

I urge your prompt and favorable action on this measure.

MS. MILLS clarified that HB 95 would only provide investigatory tools, adding that any ultimate determination would still occur in court. As no penalty authority would be given to the attorney general, a court order would still be required to enforce an injunction or to bring fines against a "bad actor." She highlighted quicker reaction times and a lower evidentiary standard as benefits to a civil investigation.

[3:14:25 PM](#)

REPRESENTATIVE STORY acknowledged that the intent of the legislation was to find bad actors who may be attempting to corrupt the election process; nonetheless, she pointed out that processes were already in place to verify signatures and cure ballots.

MS. MILLS agreed. She said she had confidence in the 2020 election; however, she expressed concern that there was a trust and integrity problem that could be addressed by the proposed legislation. She proceeded to provide examples of how the bill would work should it be enacted.

[3:18:07 PM](#)

THOMAS FLYNN, Assistant Attorney General, DOL, presented a sectional analysis of HB 95 [included in the committee packet], which read as follows [original punctuation provided]:

**Purpose of Bill: Division of Elections does not have a method of investigating alleged civil violations of Title 15. This bill authorizes the attorney general to investigate potential violations and seek compliance through the courts or report back to the Division of Elections so the director can pursue corrective action.**

**Section 1** This bill has only one section. It adds a section to the Elections Title 15 chapter 56 on Election Offenses, Corrupt Practices, and Penalties, authorizing the attorney general to investigate potential violations of Title 15 (except for violations of AS 15.13 which are addressed by the Alaska Public Officers Commission) alleged in complaints filed with the Division of Elections and referred to the attorney general, or that otherwise

come to the attorney general's or Division of Elections Director's attention.

The bill authorizes the attorney general to:

- issue subpoenas and subpoenas duces tecum (subpoenas for testimony and documentation);
  - administer oaths and hearings in the process of investigation;
  - require persons under investigation to make full and fair disclosures regarding the alleged violation, in writing and under oath; and
  - examine and make copies of any documents related to the investigation.
- The attorney general may also pursue compliance with the elections code (except for violations of AS 15.13 which are addressed by the Alaska Public Officers Commission) by initiating a civil action in court for an injunction and may petition for up to \$25,000 per violation.

The attorney general is authorized to advise the Division of Elections Director of investigation outcomes so the Director can seek corrective action. The investigation information itself is not public record, but the attorney general may issue a public statement describing conduct that violates local, regional, state or federal elections law.

[3:22:48 PM](#)

REPRESENTATIVE VANCE, referring to Subsections (g) and (h) on page 3 of the bill, asked for further clarification of the language "about to engage" and questioned when the attorney general would have the authority to act on a person who had not yet committed a crime.

MS. MILLS recalled suspicious absentee applications that were received [by DOE]. She explained that if those applications had been processed and a person voted an absentee ballot fraudulently, the counting of that vote could be stopped if there was supporting evidence of an ongoing or forthcoming violation.

[3:24:50 PM](#)

CHAIR KREISS-TOMKINS asked whether there was a substantive difference between fees and civil penalties.

MS. MILLS explained that civil fines were imposed by a court whereas civil penalties were typically an administrative action. She noted that initially, the bill borrowed outdated language from the Consumer Protection Act, adding that "civil fines" was the correct term, which was the reason for the requested change.

CHAIR KREISS-TOMKINS considered a scenario in which a person was found in violation of the Consumer Protection Act, which per his understanding, still used the word "fees" instead of "civil fines." He asked whether a penalty could only be administered by the courts due to the outdated language.

MS. MILLS clarified that the Consumer Protection Act used the term "civil penalty" when it should say "civil fine." She stated that the court would still enforce the verbiage "civil penalty;" nonetheless, cleaning up the statute would allow for proper use of language.

[3:26:56 PM](#)

REPRESENTATIVE KAUFMAN inquired about best practices in other states and whether Alaska was modeling those practices.

MS. MILLS reported that similar authority existed in 25 other states. Within those 25 states, the delegation of authority varied between the attorney general, a board of elections, or the secretary of state. She pointed out that in Alaska, the Office of the Attorney General performed similar investigations into consumer protection; therefore, she reasoned that it would be efficient and effective to delegate this authority to that office.

CHAIR KREISS-TOMKINS inquired about injunctive relief and what it would look like under this proposal.

MS. MILLS said essentially, injunctive relief was the court declaring that a violation had occurred and that the person responsible needed to stop.

CHAIR KREISS-TOMKINS asked when a "hard stick" [strict enforcement] would come into the process if that person refused to stop.

MS. MILLS pointed out that civil fines could be imposed; additionally, a person could be found in contempt of court at which point, severe penalties could be enforced.

[3:30:47 PM](#)

CHAIR KREISS-TOMKINS referred to Subsection (b) of the bill, which indicated that campaign violations would be referred to the Alaska Public Offices commission (APOC), as opposed to DOL. He asked whether APOC had been consulted on the construction of that responsibility.

MS. MILLS said no specific discussion with APOC had occurred. She reasoned that APOC had specific penalties and laws that DOE was unfamiliar with. She said, "Let's keep campaign finance where it is."

[3:32:04 PM](#)

CHAIR KREISS-TOMKINS announced that HB 95 was held over.

**HB 177-REVISED PROGRAM: APPROPRIATIONS**

[3:32:28 PM](#)

CHAIR KREISS-TOMKINS announced that the next order of business would be HOUSE BILL NO. 177, "An Act relating to an increase of an appropriation due to additional federal or other program receipts; and providing for an effective date." [Before the committee was HB 177, as amended on 5/15/21.]

CHAIR KREISS-TOMKINS explained that Amendment 1, adopted on 5/15/21, needed to be reconsidered.

[3:33:12 PM](#)

REPRESENTATIVE CLAMAN moved to rescind action on Amendment 1 to HB 177 [labeled 32-LS0369\A.1, Marx, 5/12/21]. There being no objection, passage of Amendment 1 was rescinded.

[3:33:35 PM](#)

CHAIR KREISS-TOMKINS withdrew Amendment 1. He moved to adopt Amendment 2, labeled 32-LS0369\A.2, Marx, 5/16/21, on behalf of the bill sponsor, which read:

Page 1, line 10, following "program":  
Insert "**or project**"

Page 1, line 12, through page 2, line 8:

Delete all material and insert:

"(2) [45 DAYS SHALL ELAPSE BEFORE COMMENCEMENT OF EXPENDITURES UNDER THE REVISED PROGRAM] unless the Legislative Budget and Audit Committee earlier recommends that the governor expend the receipts under the revised program or project, the governor may not expend the receipts under the revised program or project until the following periods have elapsed:

(A) 45 days for expenditures not exceeding \$20,000,000;

(B) 90 days for expenditures greater than \$20,000,000 but not exceeding \$50,000,000;

(C) 180 days for expenditures greater than \$50,000,000 but not exceeding \$100,000,000;

(D) 270 days for expenditures greater than \$100,000,000 [STATE TAKE PART IN THE FEDERALLY OR OTHERWISE FUNDED ACTIVITY];

(3) should the Legislative Budget and Audit Committee recommend within the applicable period described in (2) of this subsection [45-DAY PERIOD] that the governor not expend the receipts under the revised program or project [STATE NOT INITIATE THE ADDITIONAL ACTIVITY], the governor shall again review the revised program or project, and, if the governor determines to authorize the expenditure, the governor shall provide the Legislative Budget and Audit Committee with a statement of the governor's reasons before commencement of expenditures under the revised program or project."

REPRESENTATIVE CLAMAN objected for the purpose of discussion.

[3:33:52 PM](#)

REPRESENTATIVE CHRIS TUCK, Alaska State Legislature, prime sponsor of HB 177, explained that the proposed amendment would create consistency throughout the bill language by inserting "or project" following the word "program," thus reading "the amended program or project."

CHAIR KREISS-TOMKINS sought to confirm that Amendment 2 would insert more explicit language that would leave less room for "loosy goosy" interpretation by the executive branch.

REPRESENTATIVE TUCK answered, "Yes, that's correct."

[3:35:54 PM](#)

REPRESENTATIVE CLAMAN withdrew his objection to the adoption of Amendment 2. There being no further objection, Amendment 2 to HB 177 was adopted.

[3:36:13 PM](#)

REPRESENTATIVE CLAMAN moved to report HB 177, as amended, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSHB 177(STA) was moved from the House State Affairs Standing Committee.

**HB 158-PFD CONTRIBUTIONS TO GENERAL FUND**

[3:36:37 PM](#)

CHAIR KREISS-TOMKINS announced that the next order of business would be HOUSE BILL NO. 158, "An Act relating to contributions from permanent fund dividends to the general fund."

[3:37:05 PM](#)

REPRESENTATIVE MIKE PRAX, Alaska State Legislature, prime sponsor, introduced HB 158. He paraphrased the sponsor statement [included in the committee packet], which read as follows [original punctuation provided]:

House Bill 158 sets up a mechanism to give Alaskans the choice of donating all or a portion of their Permanent Fund dividends (PFDs) directly to the state's general fund. Participants can donate from a minimum of \$25 to the full amount of their PFD in increments of \$25.

A donation to the State General fund, in some case, can be counted as a charitable donation for federal tax purposes. It is advised, however, that Alaskans consult with a tax professional to verify how this may apply to them individually.

Donations through HB 158 are subject to a seven percent administrative fee paid to the Permanent Fund Dividend Division. HB 158 also clarifies that donations through Pick.Click.Give., take priority over donations to the general fund if there is a shortfall.

REPRESENTATIVE PRAX indicated that HB 158 would simplify the donation process by enabling an option to donate that could be selected during the electronic permanent fund dividend (PFD) application process. He believed it would result in "considerably more" dividends being returned to the general fund (GF).

[3:39:07 PM](#)

REPRESENTATIVE TARR, referring to the fiscal note, pointed out that there was no estimation of how many people might choose to donate their dividend. She asked whether the bill sponsor had discussed this with the Permanent Fund Dividend Division ("the division") and whether the division had provided any projections or information on the number of potential donations.

REPRESENTATIVE PRAX answered no, he had not inquired about how many people may donate.

[3:40:18 PM](#)

REPRESENTATIVE CLAMAN asked whether the sponsor was focusing on people who wanted to donate all or a portion of their dividend. He was unclear why a person would go through the process of applying for a dividend if he/she intended to return it all to the state.

REPRESENTATIVE PRAX explained that a person would be able to donate his/her dividend in increments of \$25.

REPRESENTATIVE CLAMAN asked whether a person who donated a portion of the dividend would be taxed by the federal government for the full amount.

REPRESENTATIVE PRAX said it was unclear whether it would be a tax-deductible donation. He believed that as far as the legislature was concerned, it did not matter.

REPRESENTATIVE CLAMAN said he would be interested in knowing the answer.

REPRESENTATIVE PRAX assumed that it would not be tax deductible; therefore, a person who donated his/her entire dividend to the state, would still be taxed for the full dividend amount. He suggested that anyone who was interested in donating could

calculate their tax liability and give the remainder to the state.

CHAIR KREISS-TOMKINS recommended that Representative Prax consult with Legislative Legal Services or other outside experts, as he was interested in a more definitive answer.

REPRESENTATIVE PRAX agreed to follow up with the requested information.

CHAIR KREISS-TOMKINS asked who sponsored the companion bill in the Senate during the Thirty-First Alaska State Legislature.

REPRESENTATIVE PRAX answered Senator Wilson.

CHAIR KREISS-TOMKINS sought to confirm that the legislation never made it out of the Senate Finance Committee.

REPRESENTATIVE PRAX confirmed.

[3:44:33 PM](#)

CHAIR KREISS-TOMKINS asked Ms. Scherrer to comment from an operational perspective on implementation.

[3:44:49 PM](#)

BOBBI SCHERRER, Appeals Manager, Permanent Fund Dividend Division, Department of Revenue (DOR), explained that if the bill were to pass, the electronic PFD application would be modified to allow for contributions to the GF in increments of \$25.

CHAIR KREISS-TOMKINS asked what would be entailed in modifying the electronic application.

MS. SCHERRER conveyed that the program manager had completed a deep dive on the modification process, which would entail consideration of the requirements for gathering the data; developing the application; testing the processes; rolling out the final product. She said the time needed to modify the online application and the MyInfo portal were the largest contributing factors at approximately 150 hours each.

CHAIR KREISS-TOMKINS asked whether there would be an internal hourly rate.

MS. SCHERRER responded that it would depend on staffing. She noted that the time needed for developing and testing would allow the applicant to have a more effective and less confusing experience and ensure that the most accurate data was captured.

CHAIR KREISS-TOMKINS asked her to elaborate on her previous statement.

MS. SCHERRER indicated that the intent was for every Alaskan to have an easy experience with the electronic application process.

[3:47:31 PM](#)

MS. SCHERRER, in response to a question from Representative Tarr, said the majority of applicants submit their PFD application electronically.

REPRESENTATIVE TARR asked whether it would be difficult to update the paper application to include the option to donate.

MS. SCHERRER clarified that the bill specifically stated that the option to donate would be made available on the electronic PFD application.

REPRESENTATIVE TARR sought to confirm that it would only be added to the electronic option.

MS. SCHERRER confirmed.

CHAIR KREISS-TOMKINS asked for the percentage of applicants that apply electronically versus by paper.

MS. SCHERRER offered to follow up with the requested information.

CHAIR KREISS-TOMKINS inquired about the status of filling the division's directorship.

MS. SCHERRER offered to follow up with the requested information, as that was not something she monitored as the appeals manager.

[3:50:24 PM](#)

REPRESENTATIVE KAUFMAN discussed the notion of a "bypass" rather than a "pass through" and asked whether the sponsor was able to

gather more information on that as a more beneficial tax structure for the program.

REPRESENTATIVE PRAX answered no. He said after checking notes on the bill from the previous legislature, it sounded like it would be difficult to effectuate.

REPRESENTATIVE KAUFMAN acknowledged that it may be difficult; nonetheless, he asked whether Ms. Scherrer had any comments on the matter.

[3:52:17 PM](#)

MS. SCHERRER asked him to restate the question.

REPRESENTATIVE KAUFMAN wondered whether there was a way for the recipient of the PFD to relinquish "ownership" of it, thus allowing it to go directly from the Alaska Permanent Fund to the GF, to avoid taxation.

MS. SCHERRER responded that she would have to confer with the Tax Division, (DOR).

CHAIR KREISS-TOMKINS requested a formal response on the practicability of bypassing a person's receipt of the dividend for the purpose of donation.

[3:53:40 PM](#)

REPRESENTATIVE CLAMAN asked how a contribution to the state would be treated for purpose of the division's reporting process.

MS. SCHERRER sought to confirm that Representative Claman was inquiring about reporting to the Internal Revenue Service (IRS).

REPRESENTATIVE CLAMAN answered yes. He considered a scenario in which the dividend was \$500, and a person donated the full \$500 back to the state. He asked whether that person would report \$500 in revenue to the IRS.

MS. SCHERRER answered yes.

[3:55:27 PM](#)

CHAIR KREISS-TOMKINS announced that HB 158 was held over.

**HB 94-PROHIBITED COMMERCIAL LEASE PROVISIONS**

3:55:59 PM

CHAIR KREISS-TOMKINS announced that the next order of business would be HOUSE BILL NO. 94, "An Act prohibiting the use of certain restrictive provisions in leases of space for business use in certain federally established zones; and adding an unlawful act to the Alaska Unfair Trade Practices and Consumer Protection Act."

3:56:21 PM

PAUL LABOLLE, Staff, Representative Neal Foster, Alaska State Legislature, on behalf of Representative Foster, prime sponsor, introduced HB 94. He paraphrased the sponsor statement [included in the committee packet], which read as follows [original punctuation provided]:

HB 94 adds a prohibitive lease provision to the list of Unlawful Acts and Practices under Alaska's Unfair Trade Practices and Consumer Protection Statute. This new provision eliminates restrictive covenants in leases of space for business use. The spirit of the bill is to increase competition in Alaska. The bill prohibits contract clauses that prevent or limit either party's ability to participate in businesses that compete with the other party. Many of Alaska's businesses are small. When large companies contract with these businesses they are able to leverage unfavorable terms that are designed to limit competition. HB 251 aims to prevent that and improve competition in Alaska's economy. The measure would apply in historically underutilized business zones established by the United States Small Business Administration under 15 U.S.C. 657a (HUBZone Act of 1997).

CHAIR KREISS-TOMKINS welcomed invited testimony.

3:57:30 PM

REPRESENTATIVE TARR requested an example to help her fully understand the implications of the proposed legislation.

3:57:54 PM

NICK MOE, Azachorok Inc, provided a real-life example of the noncompete clause that the bill would address, explaining that Azachorok Inc was not allowed to sell similar items below the high prices set by a company they are tied to by a commercial lease agreement. He opined that HB 94 would encourage competition in the free market, help drive down high prices, and help local businesses. He urged the committee to support the proposed legislation.

CHAIR KREISS-TOMKINS asked whether the company in question was the Alaska Commercial Company.

MR. MOE confirmed.

[4:01:59 PM](#)

REPRESENTATIVE TARR gathered that if a village corporation was leasing space for a small food store, their prices would have to be based on the prices set by the "parent company" that they lease from. She asked if that was correct.

MR. MOE answered yes, with a huge markup.

[4:02:53 PM](#)

REPRESENTATIVE KAUFMAN asked whether there was "some unfair aspect" that could be an unintended consequence of the legislation, such as a nonprofit selling goods that would undercut a commercial operation simply because it was operating as a nonprofit.

MR. LABOLLE said that was not the intent of the bill. He offered to follow up with the requested information.

REPRESENTATIVE KAUFMAN, attempting to clarify his question, asked whether the bill would assure equal opportunity in trade if it were to pass.

CHAIR KREISS-TOMKINS asked Mr. Moe if he was aware of similar situations in other communities.

MR. MOE said he had heard of this problem persisting everywhere that the Alaska Commercial Company operates.

[4:05:14 PM](#)

REPRESENTATIVE CLAMAN asked whether the intent of the bill was to make the treble damages provisions of the Deceptive Trade Practices Act applicable in this instance.

MR. LABOLLE stated that the bill was drafted so it would apply to any portion of the "unfair labor practices."

REPRESENTATIVE CLAMAN sought to confirm that Mr. Labolle was referring to unfair trade practices.

MR. LABOLLE clarified, "'The unlawful acts and practices' under Alaska's unfair trade practices and consumer protection statutes."

[4:05:53 PM](#)

CHAIR KREISS-TOMKINS announced HB 94 was held over.

**HB 31-OBSERVE DAYLIGHT SAVING TIME ALL YEAR**

[4:06:03 PM](#)

CHAIR KREISS-TOMKINS announced that the final order of business would be HOUSE BILL NO. 31, "An Act relating to daylight saving time; and providing for an effective date."

[4:06:54 PM](#)

REPRESENTATIVE DAN ORTIZ, Alaska State Legislature, prime sponsor, introduced HB 31. He presented the sponsor statement [included in the committee packet], which read as follows [original punctuation provided]:

House Bill 31 establishes Daylight Saving Time (DST) as the official time for the State of Alaska year-round, subject to the authorization of federal law. DST is observed between the second Sunday of March and the first Sunday of November.

Adoption of this legislation is the first step. To fully implement the change to full-time DST, action by the United States Congress is required. Congress will need to amend federal law to allow states to observe DST throughout the calendar year.

Nationally, the initiative to change to full-time DST is gaining traction. As of December 2020, 13 states

have enacted DST legislation. In 2020 alone, 32 states considered DST legislation. On the west coast, California voters authorized the change pending legislation and in 2019, both Washington and Oregon passed legislation similar to HB31.

Our Canadian neighbors have also taken steps to move to full-time DST. British Columbia passed legislation to implement full-time DST contingent on the U.S. west coast also implementing it. Yukon began full-time DST on March 8, 2020.

Because of our close economic and geographic ties to the U.S. and Canadian west coasts, Alaska can avoid being 'left in the dark' by passing HB31.

[4:09:26 PM](#)

REPRESENTATIVE KAUFMAN inquired about the benefits of switching to Daylight Savings Time (DST).

REPRESENTATIVE ORTIZ recalled that there was a bill introduced in a previous legislature that proposed switching to Standard Time, which received pushback, particularly from the tourism industry due to a concern about less daylight in the summertime and consequently, a potential decline in economic opportunity. He believed that there would be less pushback if the state were to switch to DST; nonetheless, it would still impact certain communities, such as those on the Aleutian Islands during the wintertime.

[4:11:53 PM](#)

REPRESENTATIVE KAUFMAN sought to confirm that the proposed legislation would align the state with its primary summertime marketplace, the tourism industry, thus indicating a financial bias.

REPRESENTATIVE ORTIZ confirmed.

[4:12:27 PM](#)

REPRESENTATIVE ORTIZ in response to a question from Representative Tarr, stated that if the bill were to pass, Alaska would be on a three-hour time difference from the East Coast for half of the year, and a four-hour time difference for the other half. He clarified that Alaska would not roll back in

the fall to Standard Time, at which time, the East Coast would roll back, so Alaska would be one hour closer.

CHAIR KREISS-TOMKINS asked whether the bill sponsor was familiar with the history of time zone law in Alaska.

REPRESENTATIVE ORTIZ answered, "Vaguely."

CHAIR KREISS-TOMKINS asked whether it was within the purview of the legislature to determine which parts of the state were in what time zone.

REPRESENTATIVE ORTIZ was unsure. He noted that the bill was contingent on authorization from the federal government.

CHAIR KREISS-TOMKINS recalled that Alaska used to have multiple time zones, which led him to believe that the legislature consolidated those time zones.

[4:16:47 PM](#)

REPRESENTATIVE CLAMAN shared his understanding that the state must receive approval from the federal government to implement changes to the time zone in different parts of the state; however, he believed that the federal government tended to approve those changes.

[4:17:36 PM](#)

REPRESENTATIVE KAUFMAN pointed out that the financial industry, or other industries with strong ties to the East Coast, might have concerns about this proposal.

REPRESENTATIVE ORTIZ agreed.

[4:18:40 PM](#)

CHAIR KREISS-TOMKINS announced that HB 31 was held over.

[4:19:52 PM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the House State Affairs Standing Committee meeting was adjourned at 4:19 p.m.