

**ALASKA STATE LEGISLATURE  
HOUSE JUDICIARY STANDING COMMITTEE**

January 17, 2024

1:05 p.m.

**MEMBERS PRESENT**

Representative Sarah Vance, Chair  
Representative Jamie Allard, Vice Chair  
Representative Ben Carpenter  
Representative Craig Johnson  
Representative David Eastman  
Representative Andrew Gray  
Representative Cliff Groh

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

HOUSE BILL NO. 129

"An Act relating to voter registration; and providing for an effective date."

- MOVED CSHB 129(JUD) OUT OF COMMITTEE

HOUSE BILL NO. 4

"An Act relating to elections."

- MOVED CSHB 4(JUD) OUT OF COMMITTEE

HOUSE JOINT RESOLUTION NO. 7

Proposing amendments to the Constitution of the State of Alaska requiring payment of a dividend to eligible state residents.

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: HB 129

SHORT TITLE: VOTER REGISTRATION

SPONSOR(s): JUDICIARY

03/22/23	(H)	READ THE FIRST TIME - REFERRALS
03/22/23	(H)	STA, JUD
03/28/23	(H)	STA AT 3:00 PM GRUENBERG 120

03/28/23 (H) Scheduled but Not Heard  
 03/30/23 (H) STA AT 3:00 PM GRUENBERG 120  
 03/30/23 (H) Heard & Held  
 03/30/23 (H) MINUTE(STA)  
 04/27/23 (H) STA AT 3:00 PM GRUENBERG 120  
 04/27/23 (H) Moved CSHB 129(STA) Out of Committee  
 04/27/23 (H) MINUTE(STA)  
 04/28/23 (H) STA RPT CS(STA) 5DP 2AM  
 04/28/23 (H) DP: CARPENTER, C.JOHNSON, ALLARD,  
 WRIGHT, SHAW  
 04/28/23 (H) AM: ARMSTRONG, STORY  
 05/01/23 (H) JUD AT 1:00 PM GRUENBERG 120  
 05/01/23 (H) Heard & Held  
 05/01/23 (H) MINUTE(JUD)  
 05/03/23 (H) JUD AT 1:00 PM GRUENBERG 120  
 05/03/23 (H) Heard & Held  
 05/03/23 (H) MINUTE(JUD)  
 05/05/23 (H) JUD AT 1:00 PM GRUENBERG 120  
 05/05/23 (H) Heard & Held  
 05/05/23 (H) MINUTE(JUD)  
 05/08/23 (H) JUD AT 1:00 PM GRUENBERG 120  
 05/08/23 (H) Heard & Held  
 05/08/23 (H) MINUTE(JUD)  
 01/17/24 (H) JUD AT 1:00 PM GRUENBERG 120

BILL: HB 4

SHORT TITLE: ELECTIONS: REPEAL RANKED CHOICE VOTING

SPONSOR(s): VANCE

01/19/23 (H) PREFILE RELEASED 1/9/23  
 01/19/23 (H) READ THE FIRST TIME - REFERRALS  
 01/19/23 (H) STA, JUD  
 05/02/23 (H) STA AT 3:00 PM GRUENBERG 120  
 05/02/23 (H) Heard & Held  
 05/02/23 (H) MINUTE(STA)  
 05/09/23 (H) STA AT 3:00 PM GRUENBERG 120  
 05/09/23 (H) Moved HB 4 Out of Committee  
 05/09/23 (H) MINUTE(STA)  
 05/10/23 (H) STA RPT 4DP 1DNP  
 05/10/23 (H) DP: ALLARD, CARPENTER, WRIGHT, SHAW  
 05/10/23 (H) DNP: STORY  
 05/10/23 (H) FIN REFERRAL ADDED AFTER JUD  
 05/10/23 (H) BILL REPRINTED  
 05/10/23 (H) JUD AT 1:00 PM GRUENBERG 120  
 05/10/23 (H) Heard & Held  
 05/10/23 (H) MINUTE(JUD)  
 05/11/23 (H) JUD AT 1:00 PM GRUENBERG 120

05/11/23 (H) Heard & Held  
05/11/23 (H) MINUTE(JUD)  
05/12/23 (H) JUD AT 1:00 PM GRUENBERG 120  
05/12/23 (H) Moved CSHB 4(JUD) Out of Committee  
05/12/23 (H) MINUTE(JUD)  
01/17/24 (H) JUD AT 1:00 PM GRUENBERG 120

BILL: HJR 7

SHORT TITLE: CONST AM: PERMANENT FUND DIVIDEND

SPONSOR(s): WAYS & MEANS

03/01/23 (H) READ THE FIRST TIME - REFERRALS  
03/01/23 (H) W&M, JUD  
03/06/23 (H) W&M AT 6:00 PM DAVIS 106  
03/06/23 (H) Heard & Held  
03/06/23 (H) MINUTE(W&M)  
03/08/23 (H) W&M AT 6:00 PM DAVIS 106  
03/08/23 (H) -- MEETING CANCELED --  
03/11/23 (H) W&M AT 9:00 AM DAVIS 106  
03/11/23 (H) Heard & Held  
03/11/23 (H) MINUTE(W&M)  
04/24/23 (H) W&M AT 6:00 PM DAVIS 106  
04/24/23 (H) Heard & Held  
04/24/23 (H) MINUTE(W&M)  
04/25/23 (H) W&M AT 6:00 PM DAVIS 106  
04/25/23 (H) Scheduled but Not Heard  
05/10/23 (H) W&M AT 6:00 PM DAVIS 106  
05/10/23 (H) Moved CSHJR 7(W&M) Out of Committee  
05/10/23 (H) MINUTE(W&M)  
05/12/23 (H) W&M RPT CS(W&M) NEW TITLE 6DP 1NR  
05/12/23 (H) DP: ALLARD, TILTON, GROH, MCKAY,  
MCCABE, CARPENTER  
05/12/23 (H) NR: GRAY  
05/15/23 (H) MOTION FOR JUD TO WAIVE UNIFORM RULE 23  
FAILED Y26 N13 E1  
01/17/24 (H) JUD AT 1:00 PM GRUENBERG 120

**WITNESS REGISTER**

JAKE ALMEIDA, Staff  
Representative Sarah Vance  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Gave an overview of HB 129, on behalf of the House Judiciary Standing Committee, sponsor by request, chaired by Representative Vance; gave a summary of changes in

the proposed CS for HB 4, Version U, on behalf of Representative Vance, prime sponsor.

NOAH KLEIN, Attorney  
Legislative Legal Services  
Legislative Affairs Agency  
Juneau, Alaska

**POSITION STATEMENT:** Answered questions during the hearing on the proposed CS for HB 4, Version U.

KENDRA BROUSSARD, Staff  
Representative Ben Carpenter  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Presented the sectional analysis for CSHJR 7(W&M), on behalf of Representative Carpenter, prime sponsor.

EMILY NAUMAN, Director  
Legislative Legal Services  
Legislative Affairs Agency  
Juneau, Alaska

**POSITION STATEMENT:** Answered questions during the hearing on CSHJR 7(W&M).

ALEXEI PAINTER, Director  
Legislative Finance Division  
Legislative Agencies and Offices  
Juneau, Alaska

**POSITION STATEMENT:** Answered questions during the hearing on CSHJR 7(W&M).

#### **ACTION NARRATIVE**

[1:05:09 PM](#)

**CHAIR SARAH VANCE** called the House Judiciary Standing Committee meeting to order at 1:05 p.m. Representatives Carpenter, C. Johnson, Eastman, Gray, Groh, Allard, and Vance were present at the call to order.

^#hb129

#### **HB 129-VOTER REGISTRATION**

[1:05:58 PM](#)

CHAIR VANCE announced that the first order of business would be HOUSE BILL NO. 129, "An Act relating to voter registration; and providing for an effective date." [Before the committee was CSHB 129(STA), as amended on 5/8/23.]

[1:06:29 PM](#)

JAKE ALMEIDA, Staff, Representative Sarah Vance, Alaska State Legislature, on behalf of the House Judiciary Standing Committee, sponsor by request, chaired by Representative Vance, gave an overview of CSHB 129(STA). The bill required the Division of Elections (DOE) director to send letters to confirm addresses of all voters not domiciled in the state. In addition, it implemented an easier system to cancel voter registration and adopted best practices for verifying Alaskan voter status with multiple databases. CSHB 129(STA) would give clear direction to help clean up the voter rolls and provide accurate representation of the Alaskan electorate to build trust in the electorate system. He noted that last session, Amendment 1 and Amendment 6 were conceptually amended and adopted. The bill was before the committee for final consideration.

CHAIR VANCE sought final comment from members of the committee.

REPRESENTATIVE EASTMAN questioned how passage of the bill would impact the voter roll. He expressed concern that inactive voters had the same ability to vote as active voters.

REPRESENTATIVE ALLARD moved to report CSHB 129(STA), as amended, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSHB 129(JUD) was reported out of the House Judiciary Standing Committee.

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[1:11:25 PM](#)

The committee took an at-ease from 1:11 p.m. to 1:16 p.m.

^#hb4

**HB 4-ELECTIONS: REPEAL RANKED CHOICE VOTING**

[1:16:23 PM](#)

CHAIR VANCE announced that the next order of business would be HOUSE BILL NO. 4, "An Act relating to elections." [CSHB 4(JUD) was moved from committee on 5/12/23; in committee packets was a

proposed committee substitute (CS) for HB 4, Version 33-LS0094\U, Klein, 1/15/24.]

REPRESENTATIVE ALLARD moved to rescind the committee's action on 5/12/23 in reporting CSHB 4(JUD) out of committee. There being no objection, it was so ordered.

[1:17:10 PM](#)

REPRESENTATIVE ALLARD moved to adopt the proposed committee substitute (CS) for HB 4, Version 33-LS0094\U, Klein, 1/15/24, as the working document.

[1:17:35 PM](#)

JAKE ALMEIDA, on behalf of Representative Vance, prime sponsor of HB 4, presented the summary of changes in Version U [included in the committee packet], which read as follows [original punctuation provided]:

Section 5: New section deletes the disclosure requirements of intermediaries and the certification from the campaign treasurer. This was a new campaign finance disclosure section implemented by Ballot Measure 2 of 2020.

Section 6: New section deletes a campaign finance requirement and relating to contributions while acting as an intermediary, as implemented by Ballot Measure 2 of 2020.

Section 8: New section deletes the inclusion of television broadcast and internet advertisements from keeping the "paid for by" language on the screen for the entirety of the ad, as implemented by Ballot Measure 2 of 2020.

Section 11: New section deletes penalties for failure to report under AS 15.13.050(a), as implemented by Ballot Measure 2 of 2020.

Section 66: New additions to the repeal section are AS 15.13.050(r), 15.13.090(g), 15.13.110(k), 15.13.400(5), 15.13.400(15), and 15.13.400(19).

[1:19:43 PM](#)

REPRESENTATIVE CARPENTER objected to the adoption of Version U for the purpose of discussion.

CHAIR VANCE sought questions from members of the committee.

REPRESENTATIVE CARPENTER asked whether Version U would repeal Ballot Measure 2 in its entirety.

1:20:54 PM

NOAH KLEIN, Attorney, Legislative Legal Services, Legislative Affairs Agency (LAA), answered yes, Version U would bring the status of Title 15 back to where it was before Ballot Measure 2 was enacted.

REPRESENTATIVE EASTMAN inquired about the rescinded action and asked why the bill was before the committee again.

CHAIR VANCE explained that last session, she did not transmit the bill packet to the Chief Clerk's Office because she had a question about the fiscal note. After additional conversations with the public, she decided to bring the bill back before the committee for further work.

REPRESENTATIVE GRAY asked why [the state] would want less transparency in its elections.

CHAIR VANCE conveyed that from the public's perspective, Ballot Measure 2 made the election process more difficult. She said she was acting on behalf of her constituents who were in favor of "one person one vote."

1:22:47 PM

REPRESENTATIVE GRAY asked about the disclosure requirements in political advertisements and whether that would have increased transparency.

CHAIR VANCE shared her understanding that the "paid for by" disclosure was still required; however, displaying it for the entirety of the advertisement was not obligatory. In response to a follow up question, she said money disclosures were still required, but those limitations were different than the ones imposed by Ballot Measure 2. She added that the courts declared campaign contributions as political free speech. Consequently, she opined that individual contributions should not be limited.

REPRESENTATIVE GRAY asked how disclosing which organization donated money was a limitation on free speech.

CHAIR VANCE clarified that she was speaking about individual contributions. In response to a follow-up question, she stated that individuals were still required to disclose their campaign contributions.

REPRESENTATIVE GRAY asked whether organizations were required to disclose campaign contributions.

MR. KLEIN said the campaign finance provisions would be returned to how they were prior to Ballot Measure 2. He offered to follow up with the requested information.

[1:26:15 PM](#)

REPRESENTATIVE GROH observed that Version U deleted the language in Section 6 regarding dark money. He asked whether people in the bill sponsor's district had indicated that they liked dark money and requested for an increase in its roll in Alaska's elections. He shared that people in his district were concerned about the role of intermediaries and dark money in the state's elections.

REPRESENTATIVE CARPENTER made a point of order not to impugn Alaskans' beliefs. He suggested that constituents were not on trial and that questions should be concentrated on the policy in the bill.

REPRESENTATIVE GROH asked whether the legislation was intended to increase the role of dark money in Alaska.

CHAIR VANCE said her intent was to return the election process to "one person one vote." She shared that Alaskans felt deceived by Ballot Measure 2 in regard to campaign contributions.

REPRESENTATIVE GROH said he was struggling to understand why the language making it more difficult for dark money to come into Alaska elections was being removed.

[1:29:57 PM](#)

REPRESENTATIVE ALLARD asked who was allowed to vote in a democratic primary versus a republican primary prior to the passage of Ballot Measure 2.

MR. KLEIN explained that parties' bylaws determine whether their primaries are limited to members of their party or open to everyone. In addition, parties can choose to have joint primaries.

REPRESENTATIVE ALLARD expressed her appreciation for the bill and opined that repealing Ballot Measure 2 was necessary.

[1:32:42 PM](#)

REPRESENTATIVE EASTMAN shared his understanding that prior to the passage of Ballot Measure 2, Alaska had some of the more robust voting regulations. After the measure passed, ranked choice voting (RCV) and the new reporting requirements put the state in a "league of its own." He opined that returning to a heavily regulated process would not eliminate transparency.

REPRESENTATIVE CARPENTER removed his objection to the adoption of Version U.

REPRESENTATIVE GRAY objected.

[1:34:52 PM](#)

A roll call vote was taken. Representatives Carpenter, C. Johnson, Eastman, Allard, and Vance voted in favor of adopting CSHB 4, Version U. Representatives Gray and Groh voted against it. Therefore, Version U was adopted by a vote of 5-2.

[1:35:40 PM](#)

REPRESENTATIVE ALLARD moved that the House Judiciary Standing Committee zero out the attached fiscal note for HB 4 from the Division of Elections (DOE), Office of the Governor, OMB Component Number 21. There being no objection, it was so ordered.

CHAIR VANCE explained the purpose of DOE's fiscal note was to return [the state] back to the prior system of voting. She argued that it should not take a full campaign to teach people "one person one vote." She said she would leave it up to the House Finance Committee to determine the appropriate amount.

REPRESENTATIVE EASTMAN recalled that there was an outstanding request for additional funds for an educational component on

RCV. He sought to confirm that with passage of Version U, that funding would not be necessary.

CHAIR VANCE answered, "Correct." She sought final comment from committee members.

[1:38:00 PM](#)

REPRESENTATIVE GRAY stated that Version U deliberately obfuscated large campaign donations by allowing donors to hide their contributions behind intermediaries. Alaskan people deserve to know the true source of campaign donations and who is influencing elections, he opined. He said the bill was an attempt to undo the will of Alaskans who voted for Ballot Measure 2.

REPRESENTATIVE ALLARD shared her understanding that Ballot Measure 2 was funded by dark money. She opined that returning to the prior system of voting was "the right way to do it," adding that the Alaska Public Offices Commission (APOC) would handle the concerns about dark money.

REPRESENTATIVE GROH reiterated his opposition to Version U and bringing the bill back before the committee to "gut" the campaign finance requirements.

REPRESENTATIVE EASTMAN said he was glad to be voting on a bill that would repeal Ballot Measure 2. He spoke to the public contention regarding the measure.

REPRESENTATIVE CARPENTER said he bristled every time he heard the words "dark money," characterizing the term a scare tactic without true meaning that was used to pass Ballot Measure 2. It was clear to him, he said, that voters had "buyers' remorse" when it came to RCV. He stated his support for Version U.

[1:44:14 PM](#)

REPRESENTATIVE ALLARD moved to report CSHB 4, Version 33-LS0094\U, Klein, 1/15/24, out of committee with individual recommendations and the accompanying fiscal notes.

REPRESENTATIVE GRAY objected.

A roll call vote was taken. Representatives Carpenter, C. Johnson, Eastman, Allard, and Vance voted in favor of reporting CSHB 4(JUD) from committee. Representatives Groh and Gray voted

against it. Therefore, CSHB 4(JUD) was reported out of the House Judiciary Standing Committee by a vote of 5-2.

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[1:45:19 PM](#)

The committee took an at-ease from 1:45 p.m. to 1:49 p.m.

[1:49:47 PM](#)

CHAIR VANCE noted that the paperwork was being retrieved from the Chief Clerk's Office.

^#hjr7

**HJR 7-CONST AM: PERMANENT FUND DIVIDEND**

[1:50:14 PM](#)

CHAIR VANCE announced that the final order of business would be HOUSE JOINT RESOLUTION NO. 7, Proposing amendments to the Constitution of the State of Alaska requiring payment of a dividend to eligible state residents. [Before the committee was CSHJR 7(W&M).]

[1:50:48 9PM](#)

REPRESENTATIVE CARPENTER, prime sponsor, presented CSHJR 7(W&M). He issued the sponsor statement [included in the committee packet], which read as follows [original punctuation provided]:

For almost thirty years, Alaskans could count on their annual dividend checks as the state legislature followed the law that directed the dividend to be paid by a statutory formula.

The trust between the government and the people of Alaska was broken in 2016 when Governor Walker vetoed a portion of the annual dividend and the Alaska Supreme Court ultimately determined that dividends were subject to the annual appropriations process. While the legislature could choose to follow the law and appropriate the dividend according to statute and separate it from the budget, they have not done so. Instead, the permanent fund dividend has been subjected to the budget process, where the dividend competes with government spending and often becomes the deficit reduction solution.

HJR7 requires the state to pay the annual Permanent Fund dividend according to a formula in statute, rather than by the whims of the annual appropriations process.

The amendments in HJR7 address the constitutional issues raised by the Supreme Court in its Wielechowski opinion that allowed the legislature to appropriate the annual dividend rather than pay it out by formula.

Neglecting to constitutionalize the PFD would permit lawmakers to continue avoiding their obligation to address the shortcomings of Alaska's fiscal and economic planning, placing the Permanent Fund at risk. Constitutionally enshrining the Permanent Fund Dividend will provide for the maximum benefit of all Alaskans and ensure the prosperity of the Permanent Fund for generations of Alaskans to come.

[1:56:05 PM](#)

KENDRA BROUSSARD, Staff, Representative Ben Carpenter, Alaska State Legislature, on behalf of Representative Carpenter, prime sponsor, presented the sectional analysis for CSHJR 7(W&M) [included in the committee packet], which read as follows [original punctuation provided]:

**Section 1**

Article IX, section 7 of the Constitution of Alaska is amended to except the payment of Permanent Fund dividends from the prohibition of dedication of funds.

**Section 2**

Article IX, section 13 of the Constitution of Alaska is amended to except the payment of Permanent Fund dividends from the requirement to appropriate all funds that are paid out of the state treasury.

**Section 4**

Article IX, Section 15 of the Constitution of Alaska is amended to require the state to pay a permanent fund dividend according to a formula in law.

**Section 5**

Article XV of the Constitution is amended to add a new transition section that would make the constitutional changes effective for fiscal year 2026.

**Section 6**

Provides that this amendment to the Constitution be placed before voters at the next general election.

[1:57:25 PM](#)

MS. BROUSSARD directed attention to a PowerPoint presentation, titled "Permanent Fund Dividend" [hard copy included in the committee packet]. She summarized several of the slides, including slide 2, which read as follows [original punctuation provided]:

Alaska Constitution Article IX, Section 7

The proceeds of any state tax or license shall not be dedicated to any special purpose, except as provided in section 15 of this article or when required by the federal government for state participation in federal programs. 1976

Alaska Constitution IX, Section 15

At least twenty-five per cent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments and bonuses received by the State shall be placed in a permanent fund, the principal of which shall be used only for those income-producing investments specifically designated by law as eligible for permanent fund investments. All income from the permanent fund shall be deposited in the general fund unless otherwise provided by law. 1976

MS. BROUSSARD continued to slide 3, which featured a statement from Governor Jay Hammond regarding his intent for the permanent fund dividend (PFD) in 1976. Slide 4 highlighted a statement by the House Finance Committee in 1982 pertaining to the payment of the dividend. She advanced to slide 7, which read as follows [original punctuation provided]:

Governor Walker proposed several revisions to permanent fund formulas that would have allowed for use of earnings, as well as a variety of new revenue measures. After the 2016 session, when none of these had passed and the state was facing continuing large

deficits, he vetoed roughly half of the PFD appropriation in the FY 2017 budget. This was historic, the first time since 1982 that the dividend formula had not been followed. His stated intent at the time was to draw attention to the seriousness of Alaska's fiscal crisis. Subsequently, the legislature followed this precedent and appropriated less than the statutory formula during the 2017 and 2018 sessions.

MS. BROUSSARD noted the creation of the Bicameral Permanent Fund Working Group in January 2020 to find a solution to the PFD on slide 20. In June 2021, the Fiscal Policy Working Group (FPWG) was formed, which recommended enshrining the dividend in the Alaska Constitution.

[1:59:27 PM](#)

REPRESENTATIVE CARPENTER explained that that the FPWG offered two recommendations: constitutionalizing the PFD formula itself or constitutionalizing the dividend while allowing statute to dictate the formula. CSHJR 7(W&M) would require the state to pay the annual PFD according to a formula in statute, rather than constitutionalizing the size of the dividend. He posited that in doing so, the legislation would effectively enact an appropriation limit because the statutory formula would be "backed up" by the constitution.

[2:01:43 PM](#)

REPRESENTATIVE GRAY asked the sponsor to elaborate on how the resolution would effectuate a spending cap.

REPRESENTATIVE CARPENTER explained that CSHJR 7(W&M) would not solve the size of the dividend; however, it would require that a dividend is paid.

[2:03:28 PM](#)

REPRESENTATIVE EASTMAN asked whether the expectation was for the legislature to revisit the formula each year to match available funds.

REPRESENTATIVE CARPENTER suggested that if CSHJR 7(W&M) were to pass, a conversation about the size of the dividend would need to be held in a policy committee prior to the budget process. He advocated for establishing a system of consistency and

predictability that was part of a larger fiscal plan to avoid annual discussions on the size of the PFD. He reiterated that the resolution would force a conversation about a larger fiscal plan and force a decision on the statutory size of the dividend. Other fiscal mechanisms could be put in place to stabilize the state's finances.

REPRESENTATIVE EASTMAN conveyed a historic concern about the legislature spending from the Alaska Permanent Fund itself. He questioned whether the proposed legislation would enable the legislature to spend from the corpus of the fund and how, going forward, the earnings reserve account (ERA) could be spent.

REPRESENTATIVE CARPENTER clarified that the ERA was accessible to the legislature by a simple 21 vote majority. He added that nothing in the legislation would give the legislature more access to the corpus of the fund. CSHJR 7(W&M) would simply state that a PFD would be distributed going forward and that the size of the dividend would be decided upon by the legislature. He asked Ms. Nauman whether the corpus of the fund could be spent if there was not enough money in the ERA to make the 5 percent of market value (POMV) draw and whether the resolution would change that.

[2:16:05 PM](#)

EMILY NAUMAN, Director, Legislative Legal Services, Legislative Affairs Agency (LAA), answered no, the legislature could not withdraw money from the corpus of the Alaska Permanent Fund, per Article 4, Section 15 of the Alaska Constitution. CSHJR 7(W&M) would not change that general structure. Instead, the resolution would allow the legislature to set a formula through which money from the ERA was deposited into the general fund (GF) and directs the state to pay a dividend from the GF based on a statutory formula.

CHAIR VANCE questioned the impact of passing CSHJR 7(W&M) without changing the current statutory formula. In addition, she asked whether the legislation would legally obligate the legislature to clarify its statutes.

MS. NAUMAN said nothing in CSHJR 7(W&M) would require the legislature to amend current statutes.

CHAIR VANCE asked Mr. Painter whether passage of the resolution would require the legislature to change [the current statutory formula].

2:19:35 PM

ALEXEI PAINTER, Director, Legislative Finance Division (LFD), Legislative Agencies and Offices, said no, statutes would not need to be changed from a fiscal note standpoint. For the sake of conformity, however, the mechanics may need to be clarified. He noted that with the current statutory formula, the state would be left with a fiscal deficit.

REPRESENTATIVE GROH asked whether Representative Carpenter recalled the FPWG recommendation that urged the legislature to negotiate a comprehensive solution as a whole, rather than one part at a time. Further, he asked how that recommendation aligned with the singular focus of CSHJR 7(W&M).

REPRESENTATIVE CARPENTER explained that Alaska's single subject requirement prevents a comprehensive package from being drafted in one omnibus bill. He reflected on his "good faith effort" to sponsor multiple bills last session to meet numerous FPWG recommendations. He opined that the proposed legislation was a good starting point to "overcome the inertia to do nothing."

REPRESENTATIVE GROH asked whether adopting the resolution would create a hole by reducing the possibility of agreement on a comprehensive solution.

REPRESENTATIVE CARPENTER disagreed. He shared his belief that passing CSHJR 7(W&M) and thereby ensuring that a dividend be paid would force continued conversations.

2:29:28 PM

CHAIR VANCE asked the bill sponsor to explain the mechanics of passing a constitutional amendment.

REPRESENTATIVE CARPENTER explained that passage of CSHJR 7(W&M) would require a vote of the people, as the legislature could not amend the constitution without voter approval.

CHAIR VANCE questioned the threshold for passing a constitutional amendment in the legislature.

REPRESENTATIVE CARPENTER answered two-thirds of each body.

CHAIR VANCE questioned the other components of the [comprehensive] fiscal plan.

REPRESENTATIVE CARPENTER listed the following components: addressing the PFD, stabilizing revenue sources, implementing a spending limit, and reducing the size of government.

CHAIR VANCE asked whether this constitutional amendment would stimulate economic growth and fiscal stability in Alaska.

REPRESENTATIVE CARPENTER said on its own, CSHJR 7(W&M) would not directly impact the economy. However, the current statutory formula, which provided for a 50/50 split between the dividend and government spending, would have a sizeable impact on Alaskans.

[2:35:57 PM](#)

CHAIR VANCE announced that CSHJR 7(W&M) would be held over.  
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[2:36:50 PM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the House Judiciary Standing Committee meeting was adjourned at 2:36 p.m.