

**ALASKA STATE LEGISLATURE  
HOUSE RULES STANDING COMMITTEE**

April 22, 2024

5:36 p.m.

**MEMBERS PRESENT**

Representative Craig Johnson, Chair  
Representative Cathy Tilton, Vice Chair  
Representative Jamie Allard  
Representative Jesse Sumner (via teleconference)  
Representative Laddie Shaw  
Representative Zack Fields  
Representative Calvin Schrage

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

HOUSE BILL NO. 264

"An Act requiring the Department of Family and Community Services to adopt a uniform screening tool; requiring shelters for runaway minors to screen minors for victimization relating to sexual abuse, sex trafficking, and commercial sexual exploitation; requiring the Department of Family and Community Services to screen children in need of aid for victimization relating to sexual abuse, sex trafficking, and commercial sexual exploitation; and relating to the duty of the Department of Family and Community Services to investigate the experiences of missing children in need of aid who have been located."

- MOVED CSHB 264(RLS) OUT OF COMMITTEE

CS FOR SENATE BILL NO. 77(CRA) AM

"An Act relating to municipal property tax; and providing for an effective date."

- MOVED HCS CSSB 77(RLS) OUT OF COMMITTEE

SENATE BILL NO. 159

"An Act establishing Alaska Veterans' Poppy Day; and providing for an effective date."

- MOVED SB 159 OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

BILL: HB 264

SHORT TITLE: CHILD TRAFFICKING SCREENING

SPONSOR(s) : REPRESENTATIVE(s) VANCE

01/16/24 (H) PREFILE RELEASED 1/12/24  
01/16/24 (H) READ THE FIRST TIME - REFERRALS  
01/16/24 (H) HSS, FIN  
01/30/24 (H) HSS AT 3:00 PM DAVIS 106  
01/30/24 (H) Heard & Held  
01/30/24 (H) MINUTE(HSS)  
02/08/24 (H) HSS AT 3:00 PM DAVIS 106  
02/08/24 (H) Heard & Held  
02/08/24 (H) MINUTE(HSS)  
02/22/24 (H) HSS AT 3:00 PM DAVIS 106  
02/22/24 (H) <Bill Hearing Rescheduled to 02/24/24>  
02/24/24 (H) HSS AT 3:00 PM DAVIS 106  
02/24/24 (H) Moved CSHB 264(HSS) Out of Committee  
02/24/24 (H) MINUTE(HSS)  
02/26/24 (H) FIN REFERRAL REMOVED  
02/28/24 (H) HSS RPT CS(HSS) NEW TITLE 3DP 1AM  
02/28/24 (H) DP: MCCORMICK, SADDLER, PRAX  
02/28/24 (H) AM: MINA  
03/22/24 (H) DEADLINE FOR ALL AMS PASSED Y23 N15 E2  
03/22/24 (H) REFER TO FIN MOTION WITHDRAWN  
03/27/24 (H) RETURNED TO RLS COMMITTEE  
04/22/24 (H) RLS AT 5:30 PM GRUENBERG 120

BILL: SB 77

SHORT TITLE: MUNI PROP TAX EXEMPTION/TAX BLIGHTED PROP

SPONSOR(s) : SENATOR(s) DUNBAR

02/22/23 (S) READ THE FIRST TIME - REFERRALS  
02/22/23 (S) CRA  
03/16/23 (S) CRA AT 1:30 PM BELTZ 105 (TSBldg)  
03/16/23 (S) Heard & Held  
03/16/23 (S) MINUTE(CRA)  
03/23/23 (S) CRA AT 1:30 PM BELTZ 105 (TSBldg)  
03/23/23 (S) -- MEETING CANCELED --  
03/28/23 (S) CRA AT 1:30 PM BELTZ 105 (TSBldg)  
03/28/23 (S) Moved CSSB 77(CRA) Out of Committee  
03/28/23 (S) MINUTE(CRA)  
03/29/23 (S) CRA RPT CS 5DP SAME TITLE  
03/29/23 (S) DP: DUNBAR, GRAY-JACKSON, OLSON,  
GIESSEL, BJORKMAN  
04/11/23 (S) TRANSMITTED TO (H)

04/11/23 (S) VERSION: CSSB 77(CRA) AM  
 04/12/23 (H) READ THE FIRST TIME - REFERRALS  
 04/12/23 (H) CRA, FIN  
 04/13/23 (H) CRA AT 8:00 AM BARNES 124  
 04/13/23 (H) Heard & Held  
 04/13/23 (H) MINUTE(CRA)  
 04/18/23 (H) CRA AT 8:00 AM BARNES 124  
 04/18/23 (H) Moved HCS CSSB 77(CRA) Out of Committee  
 04/18/23 (H) MINUTE(CRA)  
 04/19/23 (H) CRA RPT HCS(CRA) 5DP 2NR  
 04/19/23 (H) DP: HIMSCHOOT, MEARS, MCKAY, RUFFRIDGE,  
 MCCORMICK  
 04/19/23 (H) NR: PATKOTAK, MCCABE  
 05/05/23 (H) FIN AT 1:30 PM ADAMS 519  
 05/05/23 (H) Heard & Held  
 05/05/23 (H) MINUTE(FIN)  
 05/15/23 (H) FIN AT 1:30 PM ADAMS 519  
 05/15/23 (H) Moved HCS CSSB 77(FIN) Out of Committee  
 05/15/23 (H) MINUTE(FIN)  
 05/16/23 (H) FIN RPT HCS(FIN) 9DP 1NR  
 05/16/23 (H) DP: STAPP, GALVIN, HANNAN, JOSEPHSON,  
 COULOMBE, ORTIZ, CRONK, EDGMON, FOSTER  
 05/16/23 (H) NR: TOMASZEWSKI  
 04/22/24 (H) RLS AT 5:30 PM GRUENBERG 120

BILL: SB 159

SHORT TITLE: ALASKA VETERANS' POPPY DAY

SPONSOR(s): SENATOR(s) DUNBAR

01/16/24 (S) PREFILE RELEASED 1/8/24  
 01/16/24 (S) READ THE FIRST TIME - REFERRALS  
 01/16/24 (S) STA  
 02/01/24 (S) STA AT 3:30 PM BELTZ 105 (TSBldg)  
 02/01/24 (S) Heard & Held  
 02/01/24 (S) MINUTE(STA)  
 02/13/24 (S) STA AT 3:30 PM BELTZ 105 (TSBldg)  
 02/13/24 (S) Moved SB 159 Out of Committee  
 02/13/24 (S) MINUTE(STA)  
 02/14/24 (S) STA RPT 5DP  
 02/14/24 (S) DP: KAWASAKI, WIELECHOWSKI, CLAMAN,  
 MERRICK, BJORKMAN  
 02/21/24 (S) TRANSMITTED TO (H)  
 02/21/24 (S) VERSION: SB 159  
 02/22/24 (H) READ THE FIRST TIME - REFERRALS  
 02/22/24 (H) STA  
 02/22/24 (H) STA REFERRAL REMOVED  
 04/17/24 (H) (HB 229 COMPANION BILL)

04/17/24 (H) RETURNED TO RLS COMMITTEE  
04/22/24 (H) RLS AT 5:30 PM GRUENBERG 120

**WITNESS REGISTER**

REPRESENTATIVE SARAH VANCE  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** As prime sponsor, presented HB 264, Version R.

TOM WRIGHT, Staff  
Representative Craig Johnson  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Explained the changes that would occur under the proposed HCS to CSSB 77(CRA), Version D.

SENATOR FORREST DUNBAR  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** As prime sponsor, answered questions related to the proposed HCS to CSSB 77(CRA), Version D; as prime sponsor, presented SB 159.

REPRESENTATIVE FRANK TOMASZEWSKI  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Answered questions during discussion on Amendment 1 to a proposed HCS to SB 77, Version D.

DAVID GOFF, Staff  
Representative Frank Tomaszewski  
Alaska State Legislature

**POSITION STATEMENT:** Offered a sectional analysis of Amendment 1 to HCS CSSB 77(CRA), Version D.

**ACTION NARRATIVE**

[5:36:47 PM](#)

**CHAIR CRAIG JOHNSON** called the House Rules Standing Committee meeting to order at 5:36 p.m. Representatives Sumner (via teleconference), Schrage, Shaw, Fields, and C. Johnson were present at the call to order. Representatives Allard and Tilton arrived as the meeting was in progress.

**HB 264-CHILD TRAFFICKING SCREENING**

[5:37:44 PM](#)

CHAIR C. JOHNSON announced the first order of business would be HOUSE BILL NO. 264, "An Act requiring the Department of Family and Community Services to adopt a uniform screening tool; requiring shelters for runaway minors to screen minors for victimization relating to sexual abuse, sex trafficking, and commercial sexual exploitation; requiring the Department of Family and Community Services to screen children in need of aid for victimization relating to sexual abuse, sex trafficking, and commercial sexual exploitation; and relating to the duty of the Department of Family and Community Services to investigate the experiences of missing children in need of aid who have been located." [Before the committee was CSHB 264(HSS) AM.]

[5:37:49 PM](#)

The committee took an at-ease from 5:37 p.m. to 5:41 p.m.

[5:41:27 PM](#)

REPRESENTATIVE TILTON moved to adopt the proposed committee substitute (CS) for HB 264, Version 33-LS1126\R, Bergerud, 3/28/24, as a working document.

CHAIR C. JOHNSON objected for the purpose of discussion.

[5:42:08 PM](#)

REPRESENTATIVE SARAH VANCE, Alaska State Legislature, as prime sponsor, presented HB 264, Version R. She paraphrased the sponsor statement [included in the committee packet], which read as follows [original punctuation provided]:

HB 264 An Act requiring the Department of Family and Community Services to adopt a uniform screening tool; requiring shelters for runaway minors to screen minors for victimization relating to sexual abuse, sex trafficking, and commercial sexual exploitation; requiring the Department of Family and Community Services to screen children in need of aid for victimization relating to sexual abuse, sex trafficking, and commercial sexual exploitation; and relating to the duty of the Department of Family and

Community Services to investigate the experiences of missing children in need of aid who have been located.

*"An Act requiring the Department of Family and Community Services to screen children in need of aid for victimization relating to sexual abuse, sex trafficking, and commercial sexual exploitation..."*

House Bill 264 addresses a critical issue highlighted by the National Foster Youth Institute, revealing that up to 60% of child sex trafficking victims have a history in foster care. Additionally, a federal study in 2021 and 2022 found that a third of 335 at-risk youth surveyed reported running away or being expelled before falling victim to trafficking. Recognizing the heightened risk for kids in the system and runaways, this bill proposes a vital step in safeguarding their well-being.

The legislation requires the Department of Family and Community Services, along with each local office, to adopt a uniform screening tool specifically designed to identify children who are victims of sexual abuse, sex trafficking, or commercial sexual exploitation. House Bill 264 emphasizes the need for a systematic process of targeted inquiry, crucial for identifying youth who may have experienced or are at risk of experiencing child sex trafficking (CST).

The screening process becomes paramount as it can be broadly applied to all youth or a specific subset with identified risk factors. Given that youth involved in trafficking may be hesitant to disclose their experiences due to fear, shame, or mistrust, and professionals may be reluctant to broach the sensitive topic, standardized screening tools become imperative.

Legislation mandating the use of a uniform screening tool is pivotal in creating a standardized and comprehensive approach across Alaska. Such legislation underscores the commitment to child protection, ensuring that every child, regardless of their background or circumstances, is given a fair chance to disclose their experiences. By adopting this proactive approach, House Bill 264 aims to create an environment where victims feel supported and empowered to share their experiences, signaling a significant step towards protecting vulnerable youth in the state.

[5:43:24 PM](#)

CHAIR C. JOHNSON explained that his objection was raised due to an amendment that occurred on the House floor.

[5:44:49 PM](#)

The committee took a brief at-ease at 5:44 p.m.

[5:45:13 PM](#)

CHAIR C. JOHNSON removed his objection to the motion to adopt the proposed CS to HB 264, Version R, as the working document. [There being no further objection, Version R was before the committee.]

[5:45:21 PM](#)

REPRESENTATIVE TILTON moved to report CSHB 264, Version 33-LS1126\R, Bergerud, 3/28/24, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSHB 264(RLS) was reported out of the House Rules Standing Committee.

[5:45:53 PM](#)

The committee took an at-ease from 5:45 p.m. to 5:48 p.m.

**SB 77-MUNI PROP TAX EXEMPTION/TAX BLIGHTED PROP**

[5:48:01 PM](#)

CHAIR C. JOHNSON announced that the next order of business would be CS FOR SENATE BILL NO. 77(CRA) am, "An Act relating to municipal property tax; and providing for an effective date."

[5:48:22 PM](#)

The committee took a brief at-ease at 5:48 p.m.

[5:48:43 PM](#)

REPRESENTATIVE TILTON moved to adopt the proposed House committee substitute (HCS) for CSSB 77(CRA) am, Version 33-LS0416\D, Dunmire, 4/15/24, as the working document.

CHAIR C. JOHNSON objected for the purpose of discussion, to hear an explanation of changes to Version D.

[5:49:06 PM](#)

TOM WRIGHT, Staff, Representative Craig Johnson, Alaska State Legislature, explained the changes that would occur under the proposed HCS to CSSB 77(CRA), Version D.

[5:49:43 PM](#)

CHAIR C. JOHNSON removed his objection.

[5:49:47 PM](#)

REPRESENTATIVE FIELDS objected for the purpose of discussion and asked the bill sponsor to speak to the original bill, the committee substitute, and the differences between the two.

[5:49:59 PM](#)

SENATOR FORREST DUNBAR, Alaska State Legislature, as prime sponsor, answered questions related to the proposed HCS to CSSB 77(CRA), Version D. He explained how CSSB 77 would be a more viable and effective bill than the proposed HCS to CSSB 77 and urged the committee not to adopt Version D.

REPRESENTATIVE FIELDS asked what kind activities and timeframes of resolve people are experiencing at blighted properties.

SENATOR DUNBAR responded that constituents around the state are experiencing blighted properties as drug houses, fire hazards, and crime bases. He said both community members and local law enforcement are generally aware of these properties, and neither have any idea of how long it would take to vacate the blighted property.

[5:54:52 PM](#)

A roll call vote was taken. Representatives Allard, Sumner (via teleconference), Shaw, Tilton, and C. Johnson voted in favor of the motion to adopt the proposed HCS for CSSB 77(CRA), Version 33-LS0416\D, Dunmire, 4/15/24, as the working document. Representatives Fields and Schrage voted against it. Therefore, Version D was before the committee by a vote of 5-2.

[5:55:27 PM](#)

REPRESENTATIVE SHAW moved to adopt Amendment 1 to the proposed HCS for CSSB 77(CRA), Version 33-LS0416\D, Dunmire, 4/15/24 ("Version D").

[Note: Amendment 1 was not made available in the committee file or on BASIS but was determined based on the subsequent analysis by Mr. Goff to mirror an amendment, labeled 33-LS0416\R.5, Dunmire, 4/22/24, which read as follows:]

Page 1, line 1:

Delete "; and providing for an effective date"

Page 1, following line 2:

Insert new bill sections to read:

**\* Section 1.** AS 29.45.030(a) is amended to read:

(a) The following property is exempt from general taxation:

(1) municipal property, including property held by a public corporation of a municipality, state property, property of the University of Alaska, or land that is in the trust established by the Alaska Mental Health Enabling Act of 1956, P.L. 84-830, 70 Stat. 709, except that

(A) a private leasehold, contract, or other interest in the property is taxable to the extent of the interest; however, an interest created by an operating agreement or nonexclusive use agreement between the Alaska Industrial Development and Export Authority and a user of a shipyard or an integrated transportation and port facility, if the shipyard or integrated transportation and port facility is owned by the authority and initially placed in service before January 1, 1999, is taxable only to the extent of, and for the value associated with, those specific improvements used for lodging purposes;

(B) notwithstanding any other provision of law, property acquired by an agency, corporation, or other entity of the state through foreclosure or deed in lieu of foreclosure and retained as an investment of a state entity is taxable; this subparagraph does not apply to federal land granted to the University of Alaska under AS 14.40.380 or 14.40.390, or to other land granted to the university by the state to replace land that had been granted under AS 14.40.380 or 14.40.390, or to land conveyed by the state to the university under AS 14.40.365;

(C) an ownership interest of a municipality in real property located outside the municipality acquired after December 31, 1990, is taxable by another municipality; however, a borough may not tax an interest in real property located in the borough and owned by a city in that borough;

(2) household furniture and personal effects of members of a household;

(3) property used exclusively for nonprofit religious, charitable, cemetery, hospital, or educational purposes;

(4) property of a nonbusiness organization composed entirely of persons with 90 days or more of active service in the armed forces of the United States whose conditions of service and separation were other than dishonorable, or the property of an auxiliary of that organization;

(5) money on deposit;

(6) the real property of certain residents of the state to the extent and subject to the conditions provided in (e) of this section;

(7) real property or an interest in real property that is

(A) exempt from taxation under 43 U.S.C. 1620(d), as amended or under 43 U.S.C. 1636(d), as amended; or

(B) acquired from a municipality in exchange for land that is exempt from taxation under (A) of this paragraph, and is not developed or made subject to a lease;

(8) property of a political subdivision, agency, corporation, or other entity of the United States to the extent required by federal law; except that a private leasehold, contract, or other interest in the property is taxable to the extent of that interest unless the property is located on a military base or installation and the property interest is created under 10 U.S.C. 2871 - 2885 (Military Housing Privatization Initiative), if the leaseholder enters into an agreement to make a payment in lieu of taxes to the political subdivision that has taxing authority;

(9) natural resources in place including coal, ore bodies, mineral deposits, and other proven and unproven deposits of valuable materials laid down by natural processes, unharvested aquatic plants and animals, and timber;

(10) property not exempt under (3) of this subsection that

(A) is owned by a private, nonprofit college or university that is accredited by a regional or national accrediting agency recognized by the Council for Higher Education Accreditation or the United States Department of Education, or both; and

(B) was subject to a private leasehold, contract, or other private interest on January 1, 2010, except that a holder of a private leasehold, contract, or other interest in the property shall be taxed to the extent of that interest;

**(11) parking lots that are primarily used to serve real property that is exempt under this subsection and not used to derive income.**

\* Sec. 2. AS 29.45.030(b) is amended to read:

(b) In (a) of this section, "property used exclusively for **nonprofit** religious purposes" includes the following property owned by a religious organization:

(1) the residence of an educator in a private religious or parochial school or a bishop, pastor, priest, rabbi, minister, or religious order of a recognized religious organization; for purposes of this paragraph, "minister" means an individual who is

(A) ordained, commissioned, or licensed as a minister according to standards of the religious organization for its ministers; and

(B) employed by the religious organization to carry out a ministry of that religious organization;

(2) a structure, its furniture, and its fixtures used solely **for a purpose that is directly incidental to and vitally necessary** for public worship, charitable purposes, religious administrative offices, religious education, or a nonprofit hospital;

(3) lots required by local ordinance for parking near a structure defined in (2) of this subsection.

\* Sec. 3. AS 29.45.030(c) is repealed and reenacted to read:

(c) Property described in (a)(3) or (4) of this section from which income is derived is exempt from general taxation only if the income is from

(1) use of the property by a nonprofit religious, charitable, or hospital group;

(2) use of the property by an educational group exclusively as classroom space;

(3) use of the property for fundraising for a nonprofit religious, charitable, hospital, or educational group; or

(4) leasing the property to another person to accomplish the purpose for which the property is exempt; this paragraph does not apply to property owned by an educational group.

\* **Sec. 4.** AS 29.45.030 is amended by adding new subsections to read:

(o) Property described in (a)(3) of this section that is under construction or reconstruction and intended to be used primarily for exempt purposes upon completion is exempt from general taxation if the construction or reconstruction is completed within two years after the date a building permit is issued for the property. In this subsection, construction or reconstruction is completed on the first day the property is occupied and used for the exempt purpose.

(p) Property described in (a)(3) of this section remains exempt from general taxation if the property is used for

(1) a purpose that is directly incidental to and vitally necessary for the exempt use of other property; or

(2) a nonexempt purpose for an insubstantial period.

(q) If property described in (a)(3) of this section is used for exempt and nonexempt purposes, only the part of the property that is devoted to and used for the exempt purpose is exempt from general taxation. However, property devoted to and used for an exempt purpose may be used for a nonexempt purpose and remain exempt from general taxation if the nonexempt purpose is occasional, isolated, and irregular and does not generate substantial income. If a part of the property is used for a nonexempt purpose, the property is taxable and the assessed value of the property is the value of the part of the property that is not exempt."

Page 1, line 3:

Delete "**Section 1**"

Insert "**Sec. 5**"

Renumber the following bill sections accordingly.

Page 3, line 18:  
Delete all material.

REPRESENTATIVE FIELDS objected.

[5:55:46 PM](#)

The committee took an at-ease from 5:55 p.m. to 5:56 p.m.

[5:56:08 PM](#)

REPRESENTATIVE FRANK TOMASZEWSKI, Alaska State Legislature, offered to have his staff give a sectional analysis of Amendment 1.

[5:57:20 PM](#)

DAVID GOFF, Staff, Representative Frank Tomaszewski, offered a sectional analysis of Amendment 1 to HCS CSSB 77(CRA), Version D, as follows:

Relating to the property exempt[ion] from municipal taxation amendment, Section 1 amends AS 29.45.030(a). This section establishes [that] parking lots ... primarily used to serve real property and ... not used to derive income are exempt under municipal taxation. Section 2 amends AS 28.45.030(b), clarifies that property in this section should be used for non-profit, religious purposes, [and] further in this section clarifies that exempt property remains exempt if it is used solely for the purpose that is directly incidental to and ... vitally necessary for the exempt use of the property. Section 3, AS 29.45.030(c), clarifies that properties described in (a)(3) or (4) of this section that generate income and are used primarily are exempt from general taxation if the income is from use of a property by a non-profit religious, charitable, hospital group, or an educational group - educational group only as a classroom space. Use for fundraising by these groups is also allowed. ... Section 4 establishes that property described in (a)(3) of this section is under construction or reconstruction and is intended for use for tax-exempt purposes upon completion is exempt from general taxation if completion is within two years of permitting. This section clarifies completion as the

first day the property is occupied for the mission. This section also adds language based on City & Borough of Juneau municipal ordinance code, which outlined how assessors should assess exempt property which has portions used for non-exempt purposes. This language provides legislative guidance on how such property should be assessed, codifies best practices for within the state, and addresses ambiguity that has been prevalent within assessors' interpretations of the law.

[6:00:09 PM](#)

REPRESENTATIVE FIELDS noted this would be mandatory and inquired as to the foregone revenue for the localities that would be affected.

MR. GOFF responded that this would take things back to the way they were in 2018. He indicated that the bill would keep exemptions as they were and clarify what is exempt; it would not expand exemptions. In response to a follow-up, he clarified that prior to 2018, taxes were not collected on exempt properties but assessors were portioning out nonexempt uses on exempt properties and taxing them.

REPRESENTATIVE FIELDS noted that his question had not been answered. He mentioned a parking lot in Anchorage and inquired whether there were any real-world examples of the effects of Amendment 1.

MR. GOFF answered, "Each of these parking lots are part of the non-profit organization." He reiterated that the proposed bill would not expand the exemptions.

[6:03:57 PM](#)

CHAIR C. JOHNSON, in response to Representative Allard, said the director of DCCED was online to answer questions but no assessors were available.

MR. GOFF, in response to Representative Allard, said he did not know the current amount in property taxes paid by [Providence Alaska Medical Center].

[6:04:54 PM](#)

REPRESENTATIVE SUMNER stated that as cross-sponsor to the bill, carrying the House companion bill, he is "violently opposed to this amendment." He said he objects to adding another mandatory exemption for local governments that is not funded.

[6:05:27 PM](#)

REPRESENTATIVE SCHRAGE asked whether prospective stakeholders have been given the chance to weigh in on this issue. He predicted there may be "strong consequences" for municipalities.

[6:06:06 PM](#)

REPRESENTATIVE ALLARD noted that currently, 78 percent of taxes for Providence has been exempted, and she said she knows that about \$86 million "will be a reduction of that." She asked, "How much that Providence is currently exempt from is currently parking lot?"

[6:06:36 PM](#)

REPRESENTATIVE TOMASZEWSKI responded that his staff has "had questions out to these folks, and they can't seem to put a number on that" or specify how Amendment 1 would "change what they have already." He said the bill specifies parking lots. He indicated that departments are continuing to look for revenue through assessments, and clarifying language is needed when assessors start charging non-profit entities for the use of their parking lot when using it for snow removal or overflow parking. He stated that [Amendment 1] would not change anything "unless they have already been taxing parking lots."

REPRESENTATIVE ALLARD said she just wants to know where the other 22 percent is. She said she is not getting answers from the Municipality of Anchorage; therefore, she indicated her only choice is to support Amendment 1.

[6:09:11 PM](#)

REPRESENTATIVE FIELDS referred to a letter from a municipal assessor and indicated that the mayor [of Anchorage] has recommended the legislature not approve HB 267 in its current form. He mentioned "a shift from exclusive to primary use" related to charitable exemption. He cautioned that adopting "this" could result ambiguity in tax collecting if, for example, a for-profit entity were to operate on a non-profit property.

CHAIR C. JOHNSON asked whether Representative Fields was talking about SB 77 or HB 267.

REPRESENTATIVE FIELDS explained that Amendment 1 would place HB 267 into SB 77, Version D. He offered his understanding that the Municipality of Anchorage may not have been aware that this was going to be proposed.

REPRESENTATIVE ALLARD remarked that the Municipality of Anchorage has not responded.

[6:12:03 PM](#)

MR. GOFF said the original bill had used "primarily" and this was changed back to "exclusively". He noted that Amendment 1 adopts changes recommended by the Municipal League with regards to use of the word of "exclusively". He noted that "primarily" gives an opportunity for more leeway. He explained that the current Municipal Leagues opinion on Amendment 1 is not currently known. He read a section from the most recent Municipal Minute Newsletter that this bill attempts to clarify taxation of non-profits and that they look forward to a CS that improves the bill from its current version.

REPRESENTATIVE ALLARD mentioned that she was told by the municipality that the assessor would likely be on this call, but he was absent to answer these questions.

[6:13:37 PM](#)

REPRESENTATIVE SCHRAGE asked if the legislature has reached out to any other municipalities such as Fairbanks, Sitka, or Wasilla to understand the impact of this amendment. He was concerned that other affected groups couldn't testify on an amendment that could have financial repercussions to budgets.

CHAIR C. JOHNSON noted that he had not reached out to other municipalities.

REPRESENTATIVE SCHRAGE asked whether the House Community and Regional Affairs Standing Committee heard this issue.

MR. GOFF said that they held an initial meeting and tried to have a follow-up to introduce the CS but it was unsuccessful.

REPRESENTATIVE SCHRAGE said he did not think the public process was followed and that time was still available for public

testimony. He reaffirmed concern of potential financial repercussions to municipal budgets that the bill may have.

[6:16:41 PM](#)

REPRESENTATIVE TOMASZEWSKI noted that it would be good to have the opportunity to present these things, but this bill concept has been in development for two years and the opportunity for municipalities to come forward has existed. He remarked that over aggressive tax assessors have hit non-profits such as food banks and these types of issues are statewide. He claimed that the state tax assessor has put forth a process to where they are being aggressive to certain institutions in the state and while it would be great to talk about these things, getting held up has resulted in the current timeline issue.

[6:18:42 PM](#)

REPRESENTATIVE FIELDS mentioned that this amendment has the potential to unlevel the playing field significantly to the disadvantage of private parking lot owners because of the way the language reads. He mentioned that Providence could rent one of their parking lots. He mentioned that this could increase operating costs for private lot owners.

[6:20:02 PM](#)

REPRESENTATIVE ALLARD made a correction for the record that as of April 16, the conversation about parking lots at Providence was directly spoken about from the MOA. She clarified that they had time to digest the mechanisms of the bill.

[6:20:44 PM](#)

REPRESENTATIVE SUMNER noted that in his time in the Mat-Su Borough Assembly, they have always opposed mandatory state exemptions and supported optional local exemptions. He noted that he does not believe that the Mat-Su Borough Assembly has weighed in, but they would likely be opposed to state exemptions. He remarked that after reading the bill, he felt that it may exempt all Providence property from taxation because of an argument of what is incidental. He asked the committee to take a strong look at the bill.

[6:21:58 PM](#)

MR. GOFF responded to Representative Sumner by describing what the section on page 4 highlights, as follows:

Only the part of the property that is devoted to and used for the exempt purpose is exempt from general taxation. However, property devoted to and used for exempt purposes may be used for non-exempt purposes and remained exempt from general taxation. Of the non-exempt purpose is occasional, isolated, and, irregular and does not generate substantial income.

MR. GOFF said if part of that property is used for a non-exempt purpose, then the property is taxable and assessed value of the property is that part of the property that is non-exempt.

REPRESENTATIVE SUMNER read a portion from Section 2 of the bill and mentioned that Providence is a religious non-profit. Based on his reading, he reaffirmed that Providence would be tax-exempt.

[6:23:29 PM](#)

The committee took an at-ease from 6:23 p.m. to 6:29 p.m.

[6:29:44 PM](#)

REPRESENTATIVE TOMASZEWSKI gave wrap-up comment on Amendment 1 to SB 77, Version D. He said it looks like "we" have more work to do, and he looked forward to a more robust discussion in the House Community and Regional Affairs Standing Committee. He mentioned that there had been public testimony, which gave municipalities time to weigh in. He asked Representative Shaw to withdraw Amendment 1.

[6:30:52 PM](#)

REPRESENTATIVE SHAW [moved to withdraw] Amendment 1. There being no objection, it was so ordered.

[6:31:14 PM](#)

REPRESENTATIVE TILTON moved to report HCS CSSB 77, Version 33-LS0416\D, Dunmire, 4/15/24, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HCS CSSB 77(RLS) was reported out of the House Rules Standing Committee.

**SB 159-ALASKA VETERANS' POPPY DAY**

[6:31:43 PM](#)

CHAIR C. JOHNSON announced that the final order of business would be SENATE BILL NO. 159, "An Act establishing Alaska Veterans' Poppy Day; and providing for an effective date."

[6:32:08 PM](#)

The committee took a brief at-ease at 6:32 p.m.

[6:32:32 PM](#)

SENATOR FORREST DUNBAR, Alaska State Legislature, as prime sponsor, presented SB 159. He noted that the Friday before Memorial Day would be designated as Alaska Veterans Poppy Day. He noted that this is something that was brought forward by the American Legion and that [legislators] were working on it across the nation. He remarked that the Red Poppy has been a symbol of veterans and notably those who lost their lives in service to the nation. He said that this would allow Alaska to join other groups to honor those who served.

[6:33:29 PM](#)

CHAIR C. JOHNSON opened public testimony on SB 159. After ascertaining that there was no one who wished to testify, he closed public testimony.

[6:33:44 PM](#)

CHAIR C. JOHNSON announced there were no amendments.

[6:33:56 PM](#)

REPRESENTATIVE TILTON moved to report SB 159 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, SB 159 was reported out of the House Rules Standing Committee.

[6:34:19 PM](#)

**ADJOURNMENT**

There being no further business before the committee, the House Rules Standing Committee meeting was adjourned at 6:34 p.m.