

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

February 21, 2023

3:02 p.m.

MEMBERS PRESENT

Representative Laddie Shaw, Chair
Representative Ben Carpenter
Representative Craig Johnson
Representative Jamie Allard
Representative Jennie Armstrong
Representative Andi Story

MEMBERS ABSENT

Representative Stanley Wright, Vice Chair

COMMITTEE CALENDAR

HOUSE BILL NO. 3

"An Act relating to specie as legal tender in the state; and relating to borough and city sales and use taxes on specie."

- MOVED HB 3 OUT OF COMMITTEE

HOUSE BILL NO. 48

"An Act relating to reports from the State Commission for Human Rights."

- MOVED CSHB 48(STA) OUT OF COMMITTEE

HOUSE BILL NO. 25

"An Act relating to eligibility for the permanent fund dividend; and providing for an effective date."

- MOVED CSHB 25(STA) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HB 3

SHORT TITLE: GOLD AND SILVER SPECIE AS LEGAL TENDER

SPONSOR(s): REPRESENTATIVE(s) MCCABE

01/19/23	(H)	PREFILE RELEASED 1/9/23
01/19/23	(H)	READ THE FIRST TIME - REFERRALS
01/19/23	(H)	CRA, STA, FIN

01/25/23 (H) CRA REFERRAL REMOVED
01/25/23 (H) BILL REPRINTED
02/02/23 (H) STA AT 3:00 PM GRUENBERG 120
02/02/23 (H) Heard & Held
02/02/23 (H) MINUTE(STA)
02/16/23 (H) STA AT 3:00 PM GRUENBERG 120
02/16/23 (H) -- MEETING CANCELED --
02/21/23 (H) STA AT 3:00 PM GRUENBERG 120

BILL: HB 48

SHORT TITLE: HUMAN RIGHTS COMMISSION ANNUAL REPORT
SPONSOR(S): REPRESENTATIVE(S) PRAX

01/25/23 (H) READ THE FIRST TIME - REFERRALS
01/25/23 (H) STA
01/31/23 (H) STA AT 3:00 PM GRUENBERG 120
01/31/23 (H) Heard & Held
01/31/23 (H) MINUTE(STA)
02/16/23 (H) STA AT 3:00 PM GRUENBERG 120
02/16/23 (H) -- MEETING CANCELED --
02/21/23 (H) STA AT 3:00 PM GRUENBERG 120

BILL: HB 25

SHORT TITLE: PFD ELIGIBILITY UNIFORMED SERVICES
SPONSOR(S): REPRESENTATIVE(S) STORY

01/19/23 (H) PREFILE RELEASED 1/9/23
01/19/23 (H) READ THE FIRST TIME - REFERRALS
01/19/23 (H) STA, MLV, FIN
01/31/23 (H) STA AT 3:00 PM GRUENBERG 120
01/31/23 (H) Heard & Held
01/31/23 (H) MINUTE(STA)
02/16/23 (H) STA AT 3:00 PM GRUENBERG 120
02/16/23 (H) -- MEETING CANCELED --
02/21/23 (H) STA AT 3:00 PM GRUENBERG 120

WITNESS REGISTER

JOSH WALTON, Staff
Representative Laddie Shaw
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented two zero fiscal notes for HB 3; provided a summary of changes in the proposed CS for HB 48, Version B; and provided a summary of changes in the proposed CS for HB 25, Version S.

REPRESENTATIVE KEVIN MCCABE
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As prime sponsor, answered questions during the hearing on HB 3.

SETH WHITTEN, Staff
Representative Andi Story
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Answered questions during the hearing on HB 25 on behalf of Representative Story, prime sponsor.

ACTION NARRATIVE

[3:02:58 PM](#)

CHAIR LADDIE SHAW called the House State Affairs Standing Committee meeting to order at 3:02 p.m. Representatives Carpenter, Allard, Armstrong, Story, and Shaw were present at the call to order. Representative C. Johnson arrived as the meeting was in progress.

HB 3-GOLD AND SILVER SPECIE AS LEGAL TENDER

[3:03:40 PM](#)

CHAIR SHAW announced that the first order of business would be HOUSE BILL NO. 3, "An Act relating to specie as legal tender in the state; and relating to borough and city sales and use taxes on specie."

[3:04:14 PM](#)

JOSH WALTON, Staff, Representative Laddie Shaw, Alaska State Legislature, presented two zero fiscal notes for HB 3 from the Department of Administration (DOA) and the Department of Commerce, Community & Economic Development (DCCED).

[3:05:34 PM](#)

REPRESENTATIVE STORY shared her understanding that the bill would not remove collectables from the sales tax. She asked where that provision was located in the bill language.

[3:06:09 PM](#)

REPRESENTATIVE KEVIN MCCABE, Alaska State Legislature, prime sponsor of HB 3, asked Representative Story to repeat the question.

REPRESENTATIVE STORY restated the question. She shared her understanding that the bill would not remove collectables from the sales tax and asked where that provision was located in the bill language.

REPRESENTATIVE MCCABE indicated that the collection of numismatics was taxable under most codes. He suspected that the provision was in the city or borough code.

REPRESENTATIVE STORY recalled asking about the potential loss of revenue to municipalities during a previous bill hearing. She asked whether the bill sponsor had a follow-up response.

REPRESENTATIVE MCCABE answered no. He shared that he had contacted several different communities, of which none were willing or able to provide a response. He shared his understanding that sales tax data was not granularly broken down by category, so it was impossible to decipher the impact to municipalities. He said several states that had implemented similar legislation reported the following fiscal notes for loss of local revenue: Arkansas, \$255,000; Tennessee, \$117,000; Maine, \$27,750. He noted that after receiving two zero fiscal notes, he felt comfortable moving forward with the legislation. He acknowledged that the bill may have a small cost to municipalities with a local sales tax.

[3:10:19 PM](#)

REPRESENTATIVE CARPENTER moved to report HB 3 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 3 was reported out of the House State Affairs Standing Committee.

[3:10:40 PM](#)

The committee took an at-ease from 3:10 p.m. to 3:14 p.m.

HB 48-HUMAN RIGHTS COMMISSION ANNUAL REPORT

[3:14:28 PM](#)

CHAIR SHAW announced that the next order of business would be HOUSE BILL NO. 48, "An Act relating to reports from the State Commission for Human Rights."

3:14:52 PM

REPRESENTATIVE CARPENTER moved to adopt the proposed committee substitute (CS) for HB 48, Version 32-LS0285\B, Marx/Bergerud, 2/1/23, as the working document. [There being no objection, the proposed CS for HB 48, Version B was treated as before the committee.]

3:15:23 PM

JOSH WALTON, Staff, Representative Laddie Shaw, Alaska State Legislature, provided an explanation of changes in the proposed CS for HB 48, Version B [included in the committee packet], which read as follows [original punctuation provided]:

The CS for HB 48 makes minor changes to AS 18.80.060 (6) like the previous version of the bill. The original version of the bill listed May 1st at the deadline on the Three-Year Assessment; the CS changes it to 90 days after the convening of the legislative session in which the report is required. It also allows for electronic copies and requires notification that the report is available.

Like the prior version of the bill, the CS also changes Section 2 of AS 18.80.150. It allows the Annual Report to be available within 90 days of the convening of the legislative session. It changes the form of the report to electronic with notification to the legislature that the report is available and allows the public to access electronic copies. It also incorporates changes by the state library to remove them from the process of distributing hard copies of the report.

The CS achieves the intended result the Alaska Commission on Human Rights requested and contains the feedback from the committee and the legislative library. Thank you for your consideration of this change that will enable the Commission to improve its work.

CHAIR SHAW invited Mr. Walton to speak to the fiscal note for the proposed legislation.

MR. WALTON confirmed that a zero fiscal note from the Office of the Governor accompanied the legislation.

[3:18:36 PM](#)

The committee took a brief at-ease.

[3:21:47 PM](#)

REPRESENTATIVE CARPENTER noted that the attached zero fiscal note accompanied the original version of the bill. He anticipated that the fiscal note would remain a zero fiscal note once it had been updated to reflect Version B.

[3:22:34 PM](#)

REPRESENTATIVE CARPENTER moved to report CSHB 48, Version 32-LS0285\B, Marx/Bergerud, 2/1/23, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSHB 48(STA) was reported out of the House State Affairs Standing Committee.

[3:22:54 PM](#)

The committee took a brief at-ease.

HB 25-PFD ELIGIBILITY UNIFORMED SERVICES

[3:25:45 PM](#)

CHAIR SHAW announced that the final order of business would be HOUSE BILL NO. 25, "An Act relating to eligibility for the permanent fund dividend; and providing for an effective date."

[3:26:03 PM](#)

REPRESENTATIVE CARPENTER moved to adopt the proposed committee substitute (CS) for HB 25, Version 32-LS0265\S, Nauman, 2/20/23, as the working document. [There being no objection, the proposed CS for HB 25, Version S was treated as before the committee.]

[3:26:25 PM](#)

JOSH WALTON, Staff, Representative Laddie Shaw, Alaska State Legislature, on behalf of Representative Shaw, provided an explanation of changes in the proposed CS for HB 25, Version S, which read as follows [original punctuation provided]:

The House State Affairs Committee Substitute for House Bill 25 retains the provisions of the original introduced version, while including the following additional provisions:

- To AS 43.23.008(a), on page 2, lines 12-19: Adds an allowable absence for an eligible individual if they are absent from the state during the qualifying year for the purposes of attending a vocational program approved by the US Coast Guard that trains students for a career in the US merchant marine.
- To AS 43.23.011, on page 4, lines 5-12: Adds a hardship extension to the permanent fund dividend filing deadline for an eligible individual if that individual's parent, guardian, or other authorized representative was unable to file on their behalf due to a medical emergency.

CHAIR SHAW inquired about the fiscal note for the proposed legislation.

MR. WALTON confirmed that a zero fiscal note from the Department of Revenue (DOR) accompanied Version S.

[3:29:28 PM](#)

REPRESENTATIVE CARPENTER pointed out that the proposed legislation would increase the number of eligible permanent fund dividend (PFD) recipients. He inquired about the impact on the state dividend program and asked why that was not expressed in the fiscal note.

MR. WALTON explained that the zero fiscal note reflected the minimal IT [information technology] coding impact to the division. He suspected that the impact on the dividend program, due to the change in eligibility requirements, was indeterminate.

REPRESENTATIVE C. JOHNSON concluded that the figures requested by Representative Carpenter would be reflected in a hypothetical "public fiscal note," should one exist. He acknowledged that

more recipients of the dividend would result in less money for each individual; however, the changes proposed in Version S could be implemented at zero cost to the state, which was reflected in the fiscal note from DOR.

[3:31:20 PM](#)

SETH WHITTEN, Staff, Representative Andi Story, Alaska State Legislature, on behalf of Representative Story, prime sponsor of HB 25, estimated that should the bill pass, the difference in individual dividend payments would amount to \$6.

[3:32:42 PM](#)

REPRESENTATIVE CARPENTER moved to report CSHB 25, Version 32-LS0265\S, Nauman, 2/20/23, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSHB 25(STA) was reported out of the House State Affairs Standing Committee.

[3:33:10 PM](#)

The committee took a brief at-ease.

[3:33:27 PM](#)

ADJOURNMENT

There being no further business before the committee, the House State Affairs Standing Committee meeting was adjourned at [3:33] p.m.