

SENATE FINANCE COMMITTEE
May 10, 2024
9:28 a.m.

[9:28:02 AM](#)

CALL TO ORDER

Co-Chair Olson called the Senate Finance Committee meeting to order at 9:28 a.m.

MEMBERS PRESENT

Senator Lyman Hoffman, Co-Chair
Senator Donny Olson, Co-Chair
Senator Bert Stedman, Co-Chair
Senator Click Bishop
Senator Jesse Kiehl
Senator Kelly Merrick
Senator David Wilson

MEMBERS ABSENT

None

ALSO PRESENT

Ken Alper, Staff, Senator Donny Olson; Angie Kemp, Criminal Division Director, Department of Law; Kaci Schroeder, Senior Assistant Attorney General, Department of Law; Senator Matt Claman, Sponsor; Hunter Lottsfeldt, Staff, Senator Bill Wielechowski; Senator Bill Wielechowski, Sponsor; Senator Scott Kawasaki, Chair, Senate State Affairs Committee; David Dunsmore, Staff, Senator Scott Kawasaki; Representative Sarah Vance, Sponsor; Jake Almeida, Staff, Representative Sarah Vance; Senator Cathy Giessel; Mike Shower, Self, Juneau.

PRESENT VIA TELECONFERENCE

John Williams, Self, Cordova.

SUMMARY

SB 135 AK WORK and SAVE PROGRM; RETIRE. SAVINGS Mr. Dale

SB 135 was heard and HELD in Committee for further consideration.

SB 217 INTEGRATED TRANSMISSION SYSTEMS

SB 217 was HEARD and HELD in committee for further consideration.

CSHB 19(FIN)am

REGISTRATION OF BOATS: EXEMPTION

CSHB 19(FIN)am was HEARD and HELD in committee for further consideration.

CSHB 28(FIN)

ACCESS TO MARIJUANA CONVICTION RECORDS

SCS CSHB 28(FIN) was REPORTED out of committee with four "do pass" recommendations, three "no recommendations"; and with one new zero fiscal note from the Alaska Judiciary System, and one new fiscal note from the Department of Public Safety.

HB 50 CARBON STORAGE

HB 50 was HEARD and HELD in committee for further consideration.

CSHB 66(FIN)am

CONTROLLED SUB;HOMICIDE;CRIMES;SENTENCING

CSHB 66(FIN)am was HEARD and HELD in committee for further consideration.

CSHB 129(JUD)

VOTER REGISTRATION

CSHB 129(JUD) was HEARD and HELD in committee for further consideration.

CSHB 155(FIN)am

ESTABLISH AK MILITARY AFFAIRS COMMISSION

SCS CSHB 155(FIN) was REPORTED out of committee with three "do pass" recommendation, one "no recommendation", and two "amend" recommendations;

and with one new fiscal note from the Office of the Governor.

CSHB 202(EDC)
OPIOID OVERDOSE DRUGS IN SCHOOLS

CSHB 202(EDC) was SCHEDULED but not HEARD.

CSHB 347(CRA)am
PROPERTY ASSESSMENT

CSHB 347(CRA)am was SCHEDULED but not HEARD.

#hb19
CS FOR HOUSE BILL NO. 19(FIN) am

"An Act relating to the registration of commercial vessels."

[9:28:51 AM](#)

Co-Chair Olson OPENED public testimony.

Co-Chair Olson CLOSED public testimony.

[9:29:07 AM](#)

AT EASE

[9:30:03 AM](#)

RECONVENED

Co-Chair Olson REOPENED public testimony.

[9:30:30 AM](#)

JOHN WILLIAMS, SELF, CORDOVA (via teleconference), testified in support of the bill.

Co-Chair Olson asked whether Mr. Williams supported the current version of the bill.

Mr. Williams replied in the affirmative.

Co-Chair Olson CLOSED public testimony.

[9:31:09 AM](#)

Senator Kiehl MOVED to ADOPT the committee substitute for CSHB 19(FIN)am, Work Draft 33-LS0251\D (Bullard, 5/9/24).

Co-Chair Olson OBJECTED for discussion.

[9:31:31 AM](#)

KEN ALPER, STAFF, SENATOR DONNY OLSON, provided an explanation of changes within the current bill version (copy on file):

Change 2 Repeals the Derelict Vessel Prevention Program Fund. When a state agency or municipality has proceeds from sale of a derelict fund, those funds would now go to the general fund.

Change 3 Removes an \$8 registration fee, that was added in the original bill, that certain commercial fishing vessels would pay to the Commercial Fisheries Entry Commission.

Change 4 The above changes result in changes to the bill's title. Should this bill go to the Senate Floor, it will be accompanied by a title change resolution.

[9:32:36 AM](#)

Co-Chair Olson WITHDREW his objection. There being NO further OBJECTION, it was so ordered.

CSHB 19(FIN)am was heard and HELD in Committee for further consideration.

#hb217

SENATE BILL NO. 217

"An Act relating to the taxation of independent power producers; and increasing the efficiency of integrated transmission system charges and use for the benefit of ratepayers."

[9:33:25 AM](#)

Senator Bishop MOVED to ADOPT the committee substitute for SB 217, Work Draft 33-GS2489\D (Walsh, 5/9/24).

Co-Chair Olson OBJECTED for discussion.

KEN ALPER, STAFF, SENATOR DONNY OLSON, explained the CS. He addressed the Explanation of Changes (copy on file):

Change 1 Removed the increased qualifications for Regulatory Commission of Alaska (RCA) commissioners, that required a specific number of years of professional experience.

Change 2 Add a technical correction to the regulation of telecommunications, which is preventing implementation of SB83 as passed in 2019.

Change 3 Clarified and expanded sections that describe how the Railbelt Transmission Organization (RTO), while housed within the Alaska Energy Authority (AEA), is a regulated utility for the specific purpose of filing a single cost recovery tariff to replace the current system of multiple wheeling rates. This is in Sections 2,15, and 16 of the committee substitute.

Change 4 Added an immediate effective date to Section 4 of the bill, which allows the RCA to consider factors other than cost when determining whether an electric utility's rate is just and reasonable.

Change 5 Removed the section related to net metering, which required power companies to credit customers who generate excess power and provide that power into the utility's system.

Change 6 Removed sections that said the RCA may not require pre-approval for certain smaller electrical generation or storage projects.

Change 7 Removed sections that exempted certain independent power producers from state and local property, income, and excise taxes if they sold their power only to cooperative or municipal utilities.

Change 8 Added a requirement one of the new AEA Board's members must have expertise or experience managing a municipally owned utility located off the road system.

Change 9 Removed several powers and duties previously given to the Railbelt Transmission Organization,

including managing and operating the backbone transmission assets and performing integrated transmission planning. Eliminated a separate board for the RTO, providing a governance structure made up of the Railbelt utilities, the AEA, and the CEO of the Electric Reliability Organization

[9:37:58 AM](#)

Co-Chair Olson WITHDREW his objection. There being NO further OBJECTION, it was so ordered.

[9:38:02 AM](#)

Co-Chair Stedman noted that there were significant differences between the current bill version and previous versions.

[9:38:28 AM](#)

Mr. Alper replied that the most substantial piece was the pulling back of the expanded powers to the Railbelt Transmission Organization (RTO). He noted that the RTO had not been in the original bill version but had been added in previous committee, and then curtailed in the current version.

[9:39:57 AM](#)

Senator Kiehl asked whether the Regulatory Commission of Alaska's consideration of cost had been removed from the bill.

[9:40:15 AM](#)

Mr. Alper replied that the cost remained a factor and explained that the intention of the section was to ensure that cost was not the primary factor.

[9:40:53 AM](#)

SB 217 was heard and HELD in Committee for further consideration.

[9:41:09 AM](#)

AT EASE

[9:42:34 AM](#)

RECONVENED

#hb155

CS FOR HOUSE BILL NO. 155(FIN) am

"An Act establishing the Alaska Military Affairs Commission; and relating to the duties and powers of the Alaska Military Affairs Commission."

[9:43:14 AM](#)

Senator Wilson MOVED Amendment 1 (copy on file).

Senator Olson objected for the purpose of discussion.

Senator Wilson explained Amendment 1.

[9:43:52 AM](#)

AT EASE

[9:44:05 AM](#)

RECONVENED

Senator Olson withdrew his objection to Amendment 1. There being no further objection Amendment 1 was adopted.

[9:44:19 AM](#)

Senator Bishop move Amendment 2 (copy on file).

Senator Olson objected for purpose of discussion.

Senator Bishop explained Amendment 2.

Co-Chair Olson WITHDEW his objection to Amendment 2. There being no further objection Amendment 2 was adopted.

[9:45:15 AM](#)

Senator Merrick moved Amendment 3 (copy on file).

Co-Chair Olson objected for the purpose of discussion.

Senator Merrick stated that the amendment removed Section 4 of the bill, which was no longer necessary due to other legislation.

Co-Chair Olson WITHDREW his objection to Amendment 3. There being no further objection Amendment 3 was adopted.

Senator Merrick moved to report SCS(FIN) for CS for HB 155 33-LS0701\N, (Gunther, 5/8/24), out of committee as amended with individual recommendations, attached and forthcoming fiscal notes, and attached title change resolution.

There being no objection HB 155 moved from committee.

SCS CSHB 155(FIN) was REPORTED out of committee with three "do pass" recommendation, one "no recommendation", and two "amend" recommendations; and with one new fiscal note from the Office of the Governor.

#hb66

CS FOR HOUSE BILL NO. 66(FIN) am

"An Act relating to homicide resulting from conduct involving controlled substances; relating to misconduct involving a controlled substance; relating to sentencing; and providing for an effective date."

[9:47:49 AM](#)

Co-Chair Olson announced that there were 7 amendments pertaining to the bill.

[9:48:05 AM](#)

AT EASE

[9:49:14 AM](#)

RECONVENED

ANGIE KEMP, CRIMINAL DIVISION DIRECTOR, DEPARTMENT OF LAW, provided a brief recap of the legislation.

[9:50:03 AM](#)

KACI SCHROEDER, SENIOR ASSISTANT ATTORNEY GENERAL, DEPARTMENT OF LAW, introduced herself.

[9:50:05 AM](#)

Ms. Kemp explained the bill.

9:51:09 AM

AT EASE

10:06:35 AM

RECONVENED

10:06:46 AM

Ms. Kemp continued to address the legislation.

10:08:08 AM

Co-Chair Olson MOVED Amendment 1 (copy on file) and OBJECTED for the purpose of discussion.

Ms. Kemp explained that the amendment.

10:13:02 AM

Senator Bishop wondered about body cameras and whether every police department adhered to the same protocol of wearing body cameras.

10:14:05 AM

Ms. Kemp replied in the negative. She added that body cameras were the trend in most agencies and that most used audio recordings.

10:14:19 AM

Co-Chair Olson REMOVED his objection.

10:14:28 AM

Senator Kiehl requested further discussion of the hearsay element of the bill.

10:14:43 AM

Senator Wilson asked whether video footage could be used in court if a victim chose not to, or was unable to, testify in person.

[10:15:16 AM](#)

Ms. Kemp replied in the affirmative.

[10:15:45 AM](#)

There being no further objection Amendment 1 was adopted.

Senator Olson MOVED Amendment 2 and objected for the purpose of discussion.

[10:15:56 AM](#)

Ms. Schroeder explained that the amendment changed the name of "child pornography" to "child sexual abuse material" and adds to the list of registerable sex offenses.

Co-Chair Olson REMOVED his objection to Amendment 2. There being no further objection Amendment 2 was adopted.

[10:17:08 AM](#)

Co-Chair Olson moved Amendment 3 and objected for the purpose of discussion.

[10:17:39 AM](#)

SENATOR MATT CLAMAN, SPONSOR, explained Amendment 3.

[10:18:18 AM](#)

Co-Chair Olson REMOVED his objection to Amendment 3.

Senator Wilson OBJECTED to Amendment 3.

[10:18:33 AM](#)

Senator Wilson stated that testimony from victim advocate groups had expressed concern for the amendment. He thought that victim notification was important.

[10:19:46 AM](#)

Senator Kiehl asked about transportation.

[10:20:13 AM](#)

Senator Claman replied that the transportation portion was primarily in Section 15 and related to people subject to an ex parte order. He said the language had been cleaned up to allow for a 7-day holding period before a hearing, rather than 10 days.

[10:21:36 AM](#)

Senator Kiehl remarked that the bill had been carefully crafted and noted the transportation difficulties.

A roll call vote was taken on the motion.

IN FAVOR: Bishop, Kiehl, Hoffman, Olson, Merrick
OPPOSED: Wilson

By a vote of 5 YEAS and 1 NAY Amendment 3 was adopted.

[10:22:57 AM](#)

Co-Chair Olson MOVED Amendment 4 (copy on file) and OBJECTED for the purpose of discussion.

[10:23:00 AM](#)

Ms. Schroeder explained Amendment 4.

Senator Wilson asked whether judges would still have discretion by case.

Ms. Schroeder replied in the affirmative.

Senator Olson REMOVED his OBJECTION. There being no further OBJECTION Amendment 4 was ADOPTED.

[10:24:17 AM](#)

Co-Chair Olson moved AMENDMENT 5 (copy on file).

Senator Merrick OBJECTED for the purpose of discussion.

[10:24:58 AM](#)

AT EASE

[10:26:55 AM](#)

RECONVENED

Co-Chair Merrick spoke to her objection. She felt that the amendment was like another bill currently at play and felt that the provisions would be more cleanly passed in another bill rather than incorporated into HB 66.

[10:27:23 AM](#)

AT EASE

[10:31:42 AM](#)

RECONVENED

Co-Chair Olson WITHDREW Amendment 5.

[10:32:20 AM](#)

Co-Chair Hoffman MOVED to RESCIND committee action in adopting AMENDMET 4.

[10:32:29 AM](#)

Co-Chair Hoffman stated that the contents of Amendment 4 were already drafted into a bill currently in the Senate Rules Committee.

[10:33:04 AM](#)

AT EASE

[10:33:17 AM](#)

RECONVENED

Co-Chair Olson clarified that committee action on Amendment 4 had been rescinded.

Senator Olson MOVED Amendment 6 (copy on file). He OBJECTED for the purpose of discussion.

Ms. Schroeder explained that Amendment 6 had previously been in HB 11 and addressed the crime of assault in the presence of a child.

[10:34:23 AM](#)

Co-Chair Olson REMOVED his OBJECTION to Amendment 6. There being no further OBJECTION the amendment was adopted.

[10:34:47 AM](#)

Senator Merrick MOVED Amendment 7 (copy on file).

Co-Chair Olson OBJECTED for the purpose of discussion.

Senator Merrick explained Amendment 7.

Senator Bishop wondered how the amendment applied to individuals on parole who were hindered by geolocation when trying to contact a parole officer.

[10:36:07 AM](#)

Ms. Kemp replied that it would not apply in that circumstance.

[10:36:51 AM](#)

Senator Kiehl thought that more jail time would certainly lead to cost increases.

Ms. Kemp had no comment on cost drivers.

[10:37:39 AM](#)

Senator Wilson wondered what the department felt the impact would be from the legislation.

[10:38:04 AM](#)

Ms. Kemp responded that the impact on her division was indeterminate. She was unsure whether there would be significantly increased spending due to the legislation.

[10:39:36 AM](#)

Senator Wilson understood that the department did not expect a significant increase in spending due to the legislation.

[10:39:59 AM](#)

Ms. Kemp replied that costs would be determined by convictions and were indeterminate.

[10:40:48 AM](#)

Co-Chair Olson WITHDREW his OBJECTION to Amendment 7. There being no further OBJECTION the amendment was ADOPTED.

[10:41:05 AM](#)

Co-Chair Hoffman remarked that the percentage of Alaska Natives that were incarcerated in the state far exceeded the total percentage of Alaska Natives in the state. He expressed grave concern with the numbers and felt that the issue should be further researched and discussed.

[10:42:21 AM](#)

Co-Chair Olson agreed.

[10:42:26 AM](#)

Senator Bishop agreed.

[10:42:33 AM](#)

Senator Bishop stated that he had other concerns related to Co-Chair Hoffman's comments.

CSHB 66(FIN)am was heard and HELD in Committee for further consideration.

[10:42:57 AM](#)

AT EASE

[10:44:42 AM](#)

RECONVENED

hb50

CS FOR HOUSE BILL NO. 50(FIN)

"An Act relating to carbon storage on state land; relating to the powers and duties of the Alaska Oil and Gas Conservation Commission; relating to carbon storage exploration licenses; relating to carbon storage leases; relating to carbon storage operator permits; relating to enhanced oil or gas recovery; relating to long-term monitoring and maintenance of storage facilities; relating to carbon oxide sequestration tax credits; relating to the duties of the Department of Natural Resources; relating to carbon dioxide pipelines; and providing for an effective date."

[10:45:17 AM](#)

Senator Merrick MOVED to ADOPT the committee substitute for CSHB 50(FIN), Work Draft 33-GH1567\T (Dunmire, 5/10/24).

Co-Chair Olson OBJECTED for discussion.

[10:45:20 AM](#)

KEN ALPER, STAFF, SENATOR DONNY OLSON, explained the CS. He addressed the Explanation of Changes (copy on file):

Change 5 Removed a new required report of waste from the AOGCC. This was in section 4 of the Senate Resources version.

Change 6 Increased the minimum injection fee to be included within a carbon storage lease, to at least \$10 per ton. This is in Section 16 of the committee substitute.

Change 7 Restored sections related to regulating gas storage facilities, including ensuring the confidentiality of data held by the Regulatory Commission of Alaska related to the finances of a facility. This is in Sections 38-44 and 48 of the committee substitute.

Change 8 Rewrote the section describing how certain costs related to carbon capture and carbon storage are not eligible as deductible lease expenditures for the Oil and Gas Production Tax. This is in Section 46 of the committee substitute.

[10:47:28 AM](#)

Co-Chair Olson WITHDREW his objection. There being NO further OBJECTION, it was so ordered.

[10:47:38 AM](#)

Senator Kiehl wondered whether owner/operator gas storage facilities would be treated the same as those under the Gas Storage Authority.

[10:48:01 AM](#)

Mr. Alper replied that he did not know whether they would be treated the same but that the concept was to create fairness between facilities.

[10:48:57 AM](#)

Senator Kiehl asked whether Mr. Alper could speak to the lease expenditure language.

[10:49:04 AM](#)

Mr. Alper referred to Page 39 of the bill, which listed things that were not deductible. He quoted the bill:

(23) costs incurred for carbon capture or carbon storage, including fees incurred under AS 41.06.160, surcharges incurred under AS 41.06.175, or costs associated with obtaining, operating, or maintaining a license or lease under AS 38.05.700 - 38.05.795; in this paragraph, "carbon capture" does not include gas processing or gas treatment.

[10:50:58 AM](#)

Senator Kiehl remarked that the enhanced oil recovery language merited further discussion. He wondered whether the entirety of the capture facility would be deductible if the carbon was being used for two purposes.

[10:51:35 AM](#)

Mr. Alper responded that the Department of Revenue (DOR) would make resolutions to that concern.

[10:52:29 AM](#)

Senator Bishop looked at Change 6:

Change 6 Increased the minimum injection fee to be included within a carbon storage lease, to at least \$10 per ton. This is in Section 16 of the committee substitute.

Co-Chair Bishop spoke of previous work in Senate Resources Committee and asked whether the change would remove ability of the commissioner of DNR to negotiate below \$10 per ton.

[10:53:32 AM](#)

Mr. Alper replied that the language amended in the bill changed the number but did not change the other syntax. He was not certain of the negotiating power and thought DNR could speak to the question.

[10:54:09 AM](#)

Senator Olson removed his objection to the adoption of the CS. There being no further objection committee substitute for CSHB 50(FIN), Work Draft 33-GH1567\T (Dunmire, 5/10/24) was adopted.

CSHB 50(FIN) was heard and HELD in Committee for further consideration.

[10:54:36 AM](#)

AT EASE

[10:54:44 AM](#)

RECONVENED

[10:55:01 AM](#)

RECESS

[1:36:56 PM](#)

RECONVENED

sb135

HOUSE BILL NO. 135 am

"An Act relating to and disapproving recommendations of the State Officers Compensation Commission; and providing for an effective date."

[1:37:48 PM](#)

HUNTER LOTTSFELDT, STAFF, SENATOR BILL WIELECHOWSKI, introduced himself.

[1:38:26 PM](#)

SENATOR BILL WIELECHOWSKI, SPONSOR, introduced the legislation.

[1:39:57 PM](#)

Mr. Lottsfeldt discussed the Sectional Analysis (copy on file):

Section 1 establishes that money can be subtracted from the Permanent Fund dividend payment and contributed to the Alaska Work and Save Program participant account.

Section 2 establishes that the Alaska Work and Save Program is one of the eligible programs under the contribution list for the PFD.

Section 3 prohibits the department from withholding a coordination fee for contributions to the Alaska Work and Save Program participant account.

Section 4 Establishes the Alaska Work and Save Program under the Department of Revenue and establishes the Alaska Retirement Savings Board to administrate the program.

- New AS 44.25.400 is the language of the program:
 - o (b) states that an employer that does not offer a qualified retirement plan shall facilitate participation of their employees in the program.
 - o (c) states that under the program,
 - An eligible employee is automatically enrolled in the program. Their default contribution rate increases at a rate established by the board
 - An employee can opt out of the program or set different contribution rates
 - Any person who earns compensation in Alaska can voluntarily enroll in the program.
 - o (d) Specific rates of return are not guaranteed. The state is not liable for loss from participation in the program
 - o (e) Employers may still set up their own retirement plans.

- New AS 44.25.410 establishes the Alaska Retirement Savings Board in the Department of Revenue to administer the Alaska Work and Save Program.
 - o The board consists of nine trustees

- New AS 44.25.420 establishes powers and duties of the Alaska Retirement Savings board.
 - Subsection (a) establishes the bounds of what will be required of the board
 - Subsection (b) establishes what the board may or may not do
- New AS 44.25.430 establishes:
 - The Attorney General shall provide legal counsel for the board
- New AS 44.25.440 establishes:
 - Trustee's shall be compensated for each day and given a travel per diem
- New AS 44.25.450 establishes:
 - The department shall provide staff for the board
- New AS 44.25.460 establishes:
 - Individual information shall be confidential
- New AS 44.25.470 establishes:
 - The Commissioner of Labor and Workforce Development will accept complaints and issue fines for employers not participating in the program
- New AS 44.25.490 provides definitions

Section 5 Establishes the initial appointments and terms of the Alaska Retirement Savings Board trustees other than the Commissioners of Revenue and Labor.

Section 6 Sets an effective date for the bill on January 1, 2025.

[1:42:27 PM](#)

Co-Chair Stedman requested further clarification on what the bill would do.

[1:42:45 PM](#)

Senator Wielechowski replied that the bill applied to businesses that did not offer a retirement plan. The plan would be "opt-out" for employees and would require no employer match. He said that employees could withdraw the funds if they change jobs. He said that the bill would make it easier for small businesses to set up retirement style savings accounts for employees.

[1:45:26 PM](#)

Co-Chair Stedman understood that when the employer cut the employee's paycheck a certain amount would be sent to the trust account.

[1:45:36 PM](#)

Mr. Lottsfeldt replied in the affirmative. The action would be a small addition to the monthly payroll of employers.

[1:46:36 PM](#)

Co-Chair Stedman thought that an employer could do an enlarged IRA for their employees without instituting a plan as significant as the bill suggested. He expressed concern with burdening the employer with more paperwork.

[1:47:17 PM](#)

Senator Wielechowski stated that 64 percent of employers did not currently offer any kind of similar plan.

[1:47:44 PM](#)

Senator Merrick wondered whether thought had been given to making the plan optional for employer participation.

[1:47:55 PM](#)

Senator Wielechowski replied in the affirmative. He lamented that without a mandate, employers would not choose to provide a plan for employees.

[1:48:16 PM](#)

Mr. Lottsfeldt furthered that the bill was also meant to motivate small and private businesses to offer plans to employees.

[1:48:59 PM](#)

Senator Kiehl wondered whether the plan would be tax advantaged like a 401k.

[1:49:09 PM](#)

Senator Wielechowski replied that it would have the same tax advantages as a 401k.

[1:49:34 PM](#)

Senator Kiehl commented that a program like what the bill proposed would have been attractive to him when he was young and starting out.

SB 135 was heard and HELD in Committee for further consideration.

#hb28

CS FOR HOUSE BILL NO. 28(FIN)

"An Act restricting the release of certain records of convictions; and providing for an effective date."

[1:50:49 PM](#)

Senator Kiehl MOVED Amendment 1:

Page 3, following line 4:

Insert a new bill section to read:

"*Sect.4. AS 12.62.160(f)(4) is repealed to January 1, 2028."

Renumber the following bill section accordingly.

Co-Chair Olson OBJECTED for discussion.

Senator Kiehl discussed Amendment 1.

Co-Chair Olson REMOVED the OBJECTION. There being no further OBJECTION, Amendment 1 was adopted.

Senator Kiehl MOVED SCS CSHB 28(FIN), 33-LS0271\R, as amended, from committee with individual recommendations and forthcoming fiscal notes.

There being no OBJECTION it was so ordered.

SCS CSHB 28(FIN) was REPORTED out of committee with four "do pass" recommendations, three "no recommendations"; and with one new zero fiscal note from the Alaska Judiciary System, and one new fiscal note from the Department of Public Safety.

[1:52:07 PM](#)

RECESS to the CALL OF THE CHAIR

[2:40:58 PM](#)

RECONVENED

#hb129

CS FOR HOUSE BILL NO. 129 (JUD)

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

[2:41:03 PM](#)

SENATOR SCOTT KAWASAKI, CHAIR, SENATE STATE AFFAIRS COMMITTEE, noted that the committee would find the bill familiar.

DAVID DUNSMORE, STAFF, SENATOR SCOTT KAWASAKI, explained the changes from the original version to the current version of the bill. He read from the "Summary of Changes HB 129 version S to CS HB 129 version R" (copy on file). He stated the Senate State Affairs Committee had added several provisions that had previously found in other legislation. The following provisions were added from previous legislation:

- Requires DOE to develop procedures for risk limiting audits (SB 138)
- Allows voters to update their registration within 30 days of an election (SB 138)
- Requires DOE to develop a cybersecurity program (SB 1) (SB 138)
- Allow ballot curing (SB 1) (SB 19) (SB 138)
- Repeals witness signature requirement for absentee ballots (SB 138)
- Prevent special needs ballots from being rejected because of poll worker or representative errors (SB 138)
- Requires disclosure statement form campaign related deepfakes (SB 177)
- Allow campaign legal funds (SB 246)

[2:45:21 PM](#)

REPRESENTATIVE SARAH VANCE, SPONSOR, introduced the legislation. She said that the bill was intended to "clean up" the state's voter registration rolls.

Senator Bishop asked about Section 13 of the bill. He wondered whether there had been any problems reported from the voter registration data breach several years ago.

Representative Vance replied that 113,000 Alaska's data had been breached. She could not speak of any malfeasance due to the breach.

[2:49:00 PM](#)

JAKE ALMEIDA, STAFF, REPRESENTATIVE SARAH VANCE, added that a letter was sent to all Alaskans who had had their information compromised. He shared that his personal data had been breached.

Senator Bishop asked whether Mr. Almeida had had any issues from his data being breached.

Mr. Almeida replied in the negative.

Senator Wilson commented that most data breaches that happened in the state was for the purpose of falsely applying for the Permanent Fund Dividend.

Representative Vance said that the purpose of the bill was to instill voter confidence and retain the integrity of the system.

Senator Kiehl felt that removing name from the rolls after only two years was a substantial change. He wondered whether people would have to continually renew their name on the roll every two years.

Representative Vance replied that it would pertain to people who had not voted or maintained communication with the division. She said that if a person was moved to inactive status all they would need to do is vote and they would be moved back to active status.

Senator Kiehl appreciated the forwardable status flier but questioned the shift from two general election to every other year.

Mr. Almeida offered a timeline on how the process would work. He shared that current law provided 8 years before a person would be removed from the voter rolls due to inaction. The bill would change that to 6 years, at which time a mailer would be sent. If the mailer was not responded to then the person would be inactivated and removed from the rolls.

Co-Chair Olson OPENED public testimony.

Co-Chair Olson CLOSED public testimony.

[2:55:11 PM](#)

Senator Wilson asked a question about Section 23. He wondered about "deepfakes" and the definition given on page 15, line 20, that stated that deepfake did not apply to satire or parody.

Mr. Dunsmore stated that the State Affairs Committee Chair's Office was working on potential refinements on the deepfakes section. He understood that the intent was to require disclosure for communication that the satire or parody was not intended to be taken as a legitimate political advertisement.

Senator Wilson referred to page 15, line 29, which discussed manipulated images or audio. He asked whether any filtered picture of a candidate could be considered a deepfake.

Mr. Dunsmore believed that the intent was not to include a "normally filtered image."

[2:59:31 PM](#)

AT EASE

[3:00:45 PM](#)

RECONVENED

Co-Chair Olson HANDED the GAVEL to Senator Bishop.

Senator Wilson revealed that there would be new language coming before the committee. He expressed concern for

deepfake imagery and though that the language in the section should be more specific.

Senator Bishop wondered about page 10, line 1. He asked Representative Vance what the process would be if an audit of an election resulted in a problem.

Representative Vance replied that the risk limiting audits had not been part of the original bill. She wondered what kind of problem Co-Chair Bishop was referring to.

Senator Bishop wondered what the risks were that the audit would be needed.

Mr. Dunsmore stated that the risk limiting audits were intended to identify and issues that could lead to an incorrect result in an election.

Senator Wilson thought that the division currently did a random sampling of ballots to test for anomalies.

Senator Bishop agreed.

Representative Vance said that the random precinct audits did currently occur in each district. She said that the risk limiting audits were completely different from the current practice.

[3:04:28 PM](#)

Senator Bishop REOPENED public testimony.

[3:06:20 PM](#)

MIKE SHOWER, SELF, JUNEAU, spoke to the legislation and answered questions from the committee.

Senator Bishop CLOSED public testimony.

CSHB 129(JUD) was heard and HELD in Committee for further consideration.

(3:10:30)

RECESS TO THE CALL OF THE CHAIR

#hb202

CS FOR HOUSE BILL NO. 202(EDC)

"An Act relating to the availability and administration of opioid overdose drugs in public schools."

CSHB 202(EDC) was SCHEDULED but NOT HEARD.

#hb347

CS FOR HOUSE BILL NO. 347(CRA) am

"An Act relating to assessment of property, boards of equalization, and certification of assessors; and providing for an effective date."

CSHB 347(CRA)am was SCHEDULED but NOT HEARD.

#

ADJOURNMENT

[3:10:40 PM](#)

The meeting was adjourned at 3:53 p.m.