

ALASKA STATE LEGISLATURE
SENATE STATE AFFAIRS STANDING COMMITTEE

April 23, 2024

3:35 p.m.

MEMBERS PRESENT

Senator Scott Kawasaki, Chair
Senator Matt Claman, Vice Chair
Senator Jesse Bjorkman
Senator Bill Wielechowski
Senator Kelly Merrick

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE BILL NO. 223

"An Act relating to the appointment of an assistant adjutant general; and providing for an effective date."

- MOVED SB 223 OUT OF COMMITTEE

SENATE BILL NO. 262

"An Act relating to the state Artificial Intelligence Task Force; and providing for an effective date."

- MOVED CSSB 262(STA) OUT OF COMMITTEE

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 3(FIN)

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

- MOVED SCS CSHB 3(STA) OUT OF COMMITTEE

SENATE BILL NO. 177

"An Act relating to artificial intelligence; requiring disclosure of deepfakes in campaign communications; relating to cybersecurity; and relating to data privacy."

- MOVED CSSB 177(STA) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: SB 223

SHORT TITLE: ASSISTANT ADJUTANT GENERAL APPOINTMENT

SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

02/12/24 (S) READ THE FIRST TIME - REFERRALS
02/12/24 (S) STA, JUD
02/27/24 (S) STA AT 3:30 PM BELTZ 105 (TSBldg)
02/27/24 (S) Heard & Held
02/27/24 (S) MINUTE(STA)
03/21/24 (S) STA AT 3:30 PM BELTZ 105 (TSBldg)
03/21/24 (S) Heard & Held
03/21/24 (S) MINUTE(STA)
04/23/24 (S) STA AT 3:30 PM BELTZ 105 (TSBldg)

BILL: SB 262

SHORT TITLE: ARTIFICIAL INTELLIGENCE TASK FORCE

SPONSOR(s): STATE AFFAIRS

04/02/24 (S) READ THE FIRST TIME - REFERRALS
04/02/24 (S) STA
04/04/24 (S) STA AT 3:30 PM BELTZ 105 (TSBldg)
04/04/24 (S) Heard & Held
04/04/24 (S) MINUTE(STA)
04/23/24 (S) STA AT 3:30 PM BELTZ 105 (TSBldg)

BILL: HB 3

SHORT TITLE: GOLD AND SILVER SPECIE AS LEGAL TENDER

SPONSOR(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
02/21/23 (H) Moved HB 3 Out of Committee
02/21/23 (H) MINUTE(STA)
02/22/23 (H) STA RPT 4DP 2NR
02/22/23 (H) DP: ALLARD, C.JOHNSON, CARPENTER, SHAW
02/22/23 (H) NR: ARMSTRONG, STORY
04/17/23 (H) FIN AT 1:30 PM ADAMS 519
04/17/23 (H) Heard & Held

04/17/23 (H) MINUTE (FIN)
05/02/23 (H) FIN AT 1:30 PM ADAMS 519
05/02/23 (H) Heard & Held
05/02/23 (H) MINUTE (FIN)
05/05/23 (H) FIN AT 9:30 AM ADAMS 519
05/05/23 (H) Moved CSHB 3 (FIN) Out of Committee
05/05/23 (H) MINUTE (FIN)
05/08/23 (H) FIN RPT CS (FIN) 6DP 1NR 2AM
05/08/23 (H) DP: CRONK, ORTIZ, STAPP, EDGMON,
D. JOHNSON, FOSTER
05/08/23 (H) NR: JOSEPHSON
05/08/23 (H) AM: GALVIN, HANNAN
05/11/23 (H) TRANSMITTED TO (S)
05/11/23 (H) VERSION: CSHB 3 (FIN)
05/12/23 (S) READ THE FIRST TIME - REFERRALS
05/12/23 (S) STA, FIN
02/08/24 (S) STA AT 3:30 PM BELTZ 105 (TSBldg)
02/08/24 (S) Heard & Held
02/08/24 (S) MINUTE (STA)
04/23/24 (S) STA AT 3:30 PM BELTZ 105 (TSBldg)

BILL: SB 177

SHORT TITLE: AI, DEEPFAKES, CYBERSECURITY, DATA XFERS
SPONSOR (s): HUGHES

01/16/24 (S) PREFILE RELEASED 1/12/24
01/16/24 (S) READ THE FIRST TIME - REFERRALS
01/16/24 (S) STA, JUD
02/01/24 (S) STA AT 3:30 PM BELTZ 105 (TSBldg)
02/01/24 (S) Heard & Held
02/01/24 (S) MINUTE (STA)
04/04/24 (S) STA AT 3:30 PM BELTZ 105 (TSBldg)
04/04/24 (S) Heard & Held
04/04/24 (S) MINUTE (STA)
04/23/24 (S) STA AT 3:30 PM BELTZ 105 (TSBldg)

WITNESS REGISTER

GRIFFIN SUKKAEW, Staff
Senator Scott Kawasaki
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Provided the summary of changes from version B to S of SB 262.

REPRESENTATIVE KEVIN MCCABE, District 30
Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Sponsor of HB 3.

STEPHEN KNOUSE, Staff
Senator Shelley Hughes
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Provided the summary of changes from version S to H for SB 177.

SENATOR SHELLEY HUGHES, District M
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Sponsor of SB 177.

HELENA WISNIEWSKI, representing self
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 177.

JEREMY CREECH, representing self
Wasilla, Alaska

POSITION STATEMENT: Testified in support of SB 177.

ACTION NARRATIVE

[3:35:00 PM](#)

CHAIR SCOTT KAWASAKI called the Senate State Affairs Standing Committee meeting to order at 3:35 p.m. Present at the call to order were Senators Claman, Bjorkman, Merrick, and Chair Kawasaki. Senator Wielechowski arrived thereafter.

SB 223-ASSISTANT ADJUTANT GENERAL APPOINTMENT

[3:36:27 PM](#)

CHAIR KAWASAKI announced the consideration of SENATE BILL NO. 223, "An Act relating to the appointment of an assistant adjutant general; and providing for an effective date."

[3:36:34 PM](#)

SENATOR WIELECHOWSKI joined the meeting.

[3:36:58 PM](#)

CHAIR KAWASAKI sought questions from the committee; finding none, he solicited the will of the committee.

[3:37:10 PM](#)

SENATOR MERRICK moved to report SB 223, work order 33-GS2609\A, from committee with individual recommendations and attached fiscal note(s).

[3:37:30 PM](#)

CHAIR KAWASAKI found no objection and SB 223 was reported from the Senate State Affairs Standing Committee.

[3:37:43 PM](#)

At ease

SB 262-ARTIFICIAL INTELLIGENCE TASK FORCE

[3:39:19 PM](#)

CHAIR KAWASAKI reconvened the meeting and announced the consideration of SENATE BILL NO. 262, "An Act relating to the state Artificial Intelligence Task Force; and providing for an effective date."

[3:39:28 PM](#)

CHAIR KAWASAKI solicited a motion.

[3:39:35 PM](#)

SENATOR MERRICK moved to adopt the committee substitute (CS) for SB 262, work order 33-LS1374\S, as the working document.

[3:39:46 PM](#)

CHAIR KAWASAKI objected for purposes of discussion.

[3:40:12 PM](#)

GRIFFIN SUKKAEW, Staff, Senator Scott Kawasaki, Alaska State Legislature, Juneau, Alaska, provided the summary of changes from version B to S of SB 262:

[Original punctuation provided.]

SB 262 Version B to CS SB 262 Version S Summary of Changes

"An Act relating to the state Artificial Intelligence Task Force; and providing for an effective date."

Change 1: Adds four members of the legislature appointed as follows:

- Two members of the Senate appointed by the President of the Senate.

- Two members from the House of Representatives appointed by the speaker of the House of Representatives.

[3:40:56 PM](#)

CHAIR KAWASAKI removed his objection. He found no further objection and CSSB 262 was adopted.

[3:41:05 PM](#)

CHAIR KAWASAKI sought questions from the committee; finding none, he solicited the will of the committee.

[3:41:23 PM](#)

SENATOR MERRICK moved to report CSSB 262, work order 33-LS1374\S, from committee with individual recommendations and attached fiscal note(s).

[3:41:40 PM](#)

SENATOR KAWASAKI found no objection and CSSB 262(STA) was reported from the Senate State Affairs Standing Committee.

[3:41:51 PM](#)

At ease

HB 3-GOLD AND SILVER SPECIE AS LEGAL TENDER

[3:43:38 PM](#)

CHAIR KAWASAKI reconvened the meeting and announced the consideration of CS FOR HOUSE BILL NO. 3(FIN), "An Act relating to specie as legal tender in the state; and relating to borough and city sales and use taxes on specie."

[3:43:56 PM](#)

SENATOR KAWASAKI solicited a motion.

[3:44:20 PM](#)

SENATOR MERRICK moved to adopt the Senate committee substitute (SCS) for CSHB 3, work order 33-LS0087\R, as the working document.

[3:44:31 PM](#)

SENATOR KAWASAKI objected for purposes of discussion.

[3:44:47 PM](#)

REPRESENTATIVE KEVIN MCCABE, District 30, Alaska State Legislature, Juneau, Alaska, sponsor of HB 3, explained that this legislation would allow gold and silver to be used as legal

tender in Alaska without being subject to taxation. He said there have been discussions surrounding tax liabilities to cities, etc. His office conducted an analysis and determined that the aggregate tax loss would be \$13,000. He briefly explained how this number was reached. He said that he has spoken with some mayors who have expressed that this amount is a "hedge" that allows gold and silver to be spent, enabling them to keep cities afloat in the event of a fiscal crisis.

[3:46:44 PM](#)

[CHAIR KAWASAKI removed his objection. He found no further objection and SCS CSHB 3 was adopted.]

[3:46:45 PM](#)

CHAIR KAWASAKI solicited the will of the committee.

[3:46:48 PM](#)

SENATOR MERRICK moved to report SCS CSHB 3, work order 33-LS0087\R, from committee with individual recommendations and attached fiscal note(s).

[3:47:04 PM](#)

CHAIR KAWASAKI found no objection and SCS CSHB 3(STA) was reported from committee.

[3:47:13 PM](#)

At ease

SB 177-AI, DEEPFAKES, CYBERSECURITY, DATA XFERS

[3:48:11 PM](#)

CHAIR KAWASAKI reconvened the meeting and announced the consideration of SENATE BILL NO. 177, "An Act relating to artificial intelligence; requiring disclosure of deepfakes in campaign communications; relating to cybersecurity; and relating to data privacy."

[3:48:30 PM](#)

CHAIR KAWASAKI solicited a motion.

[3:48:32 PM](#)

SENATOR WIELECHOWSKI moved to adopt the committee substitute (CS) for SB 177, work order 33-LS1061\H, as the working document.

[3:48:46 PM](#)

CHAIR KAWASAKI objected for purposes of discussion.

[3:49:21 PM](#)

STEPHEN KNOUSE, Staff, Senator Shelley Hughes, Alaska State Legislature, Juneau, Alaska, provided the summary of changes from version S to H for SB 177:

[Original punctuation provided.]

**Summary of Changes in State Affairs Committee
Substitute to SB 177
Version S to Version H**

Section 15.80.009

- Page 2, line 25 to Page 3, Line 2: Subparagraph (e)(3) removes the good faith effort to verify any deepfake content by broadcasters and now makes exception from indemnification any person who is paid to broadcast election-related communications created by another person. Removes subparagraph (e)(4).

[3:50:25 PM](#)

MR. KNOUSE continued his presentation of the summary of changes from version S to H for SB 177:

[Original punctuation provided.]

Section 44.99.700

- Page 3, lines 30-31: inserts subparagraph (a)(5) to include a date of completion for the most recent state agency impact assessment
- Page 4, lines 1-2: inserts new paragraph (b) which removes systems from the inventory list no longer in use by a state agency.
- Page 4, lines 3: re-letter following paragraph to accommodate insertion.

Section 44.99.710

- Page 4, lines 26-28: Removes requirement to publish results of impact assessment on website and requires department commissioner and agency head to determine future use of system being assessed.

Section 44.99.750

- Page 6, lines 13-17: removes state employee from civil action

- Page 6, line 21-22: inserts new section (c) authorizing individuals to only bring a cause of action against a state agency.

Section 44.99.770

- Page 7, lines 10-12: removes "that can have a legal or significant effect on an individual" and adds "that can affect an individual's legal rights, employment, finances, health, or licensure;"

There are no other changes to the bill.

[3:51:37 PM](#)

CHAIR KAWASAKI asked if a broadcaster would be held liable for airing something that they assumed to be "real."

[3:51:59 PM](#)

MR. KROUSE replied that the broadcaster would not be responsible for verifying the presence (or lack of) deepfake content in paid advertisements. The addition of a disclaimer is up to the person paying for the advertisement.

[3:52:22 PM](#)

CHAIR KAWASAKI commented that a broadcasting company could potentially be aware that an advertisement was fake (prior to broadcast) and questioned whether a broadcasting company would claim this knowledge. He surmised that there is nothing preventing a broadcasting company from knowingly taking money from a consumer and broadcasting the (fake) advertisement.

[3:52:44 PM](#)

MR. KROUSE replied that any litigation would go after the creator of the content rather than the broadcaster of the content.

[3:53:02 PM](#)

CHAIR KAWASAKI removed his objection and CSSB 177, work order 33-LS1061\H, was adopted.

[3:53:28 PM](#)

SENATOR SHELLEY HUGHES, District M, Alaska State Legislature, Juneau, Alaska, sponsor of SB 177, shared that she has worked with Senator James Maroney (Connecticut) on this issue. She stated that industry that previously welcomed the frameworks set forth in SB 177 have begun to push back. She stated that while the intention is not to stifle innovation, the legislature has a responsibility to Alaskan citizens. She emphasized the need to

find a balance. She explained that publishing the assessment information could be damaging to a developer or vendor and the CS adjusts this, making the head of the agency responsible for reviewing the functionality of the tool. She surmised that, if a tool is pulled from inventory, this indicates to the public that there was a problem with the tool. She said that this change was requested by the industry.

SENATOR HUGHES commented that the workgroup is important for identifying and implementing changes over time. She referred to Pew Research Center data indicating that 70 percent of Americans are nervous about Artificial Intelligence (AI) and would like a framework to ensure this technology is used responsibly. She noted that changes can be made to the framework as more is understood about AI - which would be valuable for the work group. She added that federal law does not require social media platforms to remove posts - though social media companies may have internal policies addressing this. She opined that placing the onus on the creator (and removing the liability from the broadcasting station) is the best way to address this issue. She shared her belief that a broadcasting company would not want to run something that was known to be deepfake. She added that, if the information was part of a newscast, then any question of authenticity must be disclosed. She reiterated that the intention is to work with industry while protecting Alaskans.

[3:56:56 PM](#)

CHAIR KAWASAKI opened public testimony on SB 177.

[3:57:11 PM](#)

HELENA WISNIEWSKI, representing self, Anchorage, Alaska testified in support of SB 177. She said she is a department professor at University of Alaska Anchorage (UAA) and has a significant background in advancing emerging technology. As an early champion of AI, she has seen AI evolve and has continued to implement emerging technologies. She spoke to additional background in the industry. The convergence between AI and emerging technologies has created unprecedented technological advances that are transforming lives and reshaping multiple industries. She stated that AI has limitless potential, and the state of Alaska has the opportunity to take advantage of AI capabilities. She offered examples of AI use that has already benefitted the state. She asserted that the current "explosion" of generative AI is the right time for Alaska to create a basic framework for responsible AI use by state agencies. She added that SB 177 addresses the four pillars of "responsible AI" and opined that this is the next right step in responsible AI use by

the state. She emphasized the importance of addressing issues of deepfake technology before the upcoming election season.

[4:00:59 PM](#)

JEREMY CREECH, representing self, Wasilla, Alaska, testified SB 177. He shared a brief work history in the technology sector. He said that he has shared the draft CS with others in the industry and the general sentiment is that the changes made by SB 177 are necessary. These changes serve to create transparency and traceability for the use of generative AI, while allowing a path to adopt innovative technologies that promote greater efficiency in the state's technology infrastructure.

[4:02:21 PM](#)

CHAIR KAWASAKI closed public testimony on SB 177.

[4:02:34 PM](#)

CHAIR KAWASAKI solicited the will of the committee.

[4:02:37 PM](#)

SENATOR MERRICK moved to report CSSB 177, work order 33-LS1061\H, from committee with individual recommendations and attached fiscal note(s).

[4:02:52 PM](#)

CHAIR KAWASAKI found no objection and CSSB 177(STA) was reported from the Senate State Affairs Standing Committee.

[4:03:36 PM](#)

There being no further business to come before the committee, Chair Kawasaki adjourned the Senate State Affairs Standing Committee meeting at 4:03 p.m.