

CS FOR HOUSE BILL NO. 30(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - FIRST SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

Offered: 3/21/25

Referred: Finance

Sponsor(s): REPRESENTATIVES HOLLAND, Foster

A BILL

FOR AN ACT ENTITLED

1 **"An Act establishing the office of entrepreneurship; relating to new businesses in the**
2 **state; relating to reports concerning procurements by agencies; and providing for an**
3 **effective date."**

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * **Section 1.** AS 36.30.540 is amended to read:

6 **Sec. 36.30.540. Procurement report.** The commissioner shall biennially
7 prepare a report concerning procurements by agencies and notify the legislature that
8 the report is available. The report must include

9 (1) the records maintained by the commissioner under AS 36.30.510
10 and the records maintained under AS 36.30.520(a) for the previous two fiscal years;

11 (2) a list of procurements made under this chapter from out-of-state
12 sources during the previous two fiscal years, together with the total number of
13 procurement contracts entered into during that period with out-of-state contractors and
14 the total value of these contracts; this paragraph does not apply to procurements made

1 under AS 36.30.320; and

2 (3) a list of procurements made under this chapter from state sources
3 during the previous two fiscal years, together with the total number of procurement
4 contracts entered into during that period with state contractors and the total value of
5 these contracts; this paragraph does not apply to procurements made under
6 AS 36.30.320;

7 **(4) the total number of procurement contracts entered into during**
8 **the previous two fiscal years with new businesses in the state, the total value of**
9 **these contracts, and details on the demographic and geographic areas of these**
10 **businesses;**

11 **(5) the percentage of the total number and total value of**
12 **procurement contracts entered into in the previous two fiscal years that were**
13 **entered into with new businesses in the state; and**

14 **(6) recommendations on improving access to procurement**
15 **contracts for new businesses in the state, including details on new businesses in**
16 **the state in statistically underrepresented demographic segments and geographic**
17 **areas of the state.**

18 * **Sec. 2.** AS 36.30.540 is amended by adding a new subsection to read:

19 (b) In this section, "new business in the state" has the meaning given in
20 AS 44.33.859.

21 * **Sec. 3.** AS 44.33 is amended by adding new sections to read:

22 **Article 13A. Entrepreneurship.**

23 **Sec. 44.33.850. Office of entrepreneurship.** The office of entrepreneurship is
24 created in the department.

25 **Sec. 44.33.853. Duties.** (a) The office shall

26 (1) promote innovation-based economic development, business
27 development, and the creation of jobs in emerging sectors;

28 (2) provide a new business in the state with information on available
29 resources and state services and the laws relevant to starting a new business;

30 (3) facilitate engagement between the state and a new business in the
31 state to increase the use of goods and services from state sources;

1 (4) in coordination with community entrepreneurship programs,
2 economic development organizations, local government agencies, military
3 installations, regional development organizations, small business development centers,
4 and the University of Alaska's innovation and technology transfer programs,

5 (A) identify and address the needs of a new business in the
6 state;

7 (B) facilitate communication to enhance the range and quality
8 of services of a new business in the state;

9 (C) streamline the delivery of services of a new business in the
10 state; and

11 (D) share data and information with a new business in the state;
12 and

13 (5) actively seek and use volunteers to assist in the performance of the
14 duties described in this section.

15 (b) If requested by a borough, city, or municipality, the office shall assist in
16 the development and training of a business ecosystem liaison position in the borough,
17 city, or municipality for the purpose of improving the delivery of services of a small
18 business in the state and interactions among small businesses in the state, other
19 businesses, and the state.

20 (c) The department may provide to the office facilities to implement the duties
21 described under this section. If the department determines that facilities are not
22 necessary to perform a duty of the office, the office shall perform the duty using
23 electronic or telephonic means.

24 (d) In this section,

25 (1) "department" means the Department of Commerce, Community,
26 and Economic Development;

27 (2) "military installation" has the meaning given in AS 14.03.080(g);

28 (3) "regional development organization" means a nonprofit
29 organization or nonprofit corporation formed to encourage economic development
30 within a particular region of the state that includes the entire area of each municipality
31 within that region and that has a board of directors that represents the region's

1 economic, political, and social interests.

2 **Sec. 44.33.855. Annual report.** On or before January 1 of each year, the office
3 shall prepare a report detailing legislation enacted in the previous year that supports,
4 hinders, or otherwise affects new businesses in the state. The office shall submit the
5 report to the governor, senate secretary, and chief clerk of the house of representatives
6 and notify the legislature that the report is available.

7 **Sec. 44.33.857. New state business development.** (a) Subject to
8 appropriation, each fiscal year, state agencies shall collectively expend an amount
9 equal to five percent of the total amount appropriated for economic development
10 programs related to business growth or diversification in emerging sectors in a fiscal
11 year for the support and expansion of organizations or programs that provide services
12 to new businesses in the state.

13 (b) A state agency shall notify the office of the expenditure of funds under this
14 section. The notification must include the amount of the expenditure and identify the
15 organization or program that received the funds.

16 **Sec. 44.33.859. Definitions.** In AS 44.33.850 - 44.33.859,

17 (1) "new business in the state" means a business that qualifies as an
18 Alaska bidder as defined in AS 36.30.990 and has been in operation for less than five
19 years;

20 (2) "office" means the office of entrepreneurship;

21 (3) "state agency" means a department, institution, board, commission,
22 division, authority, public corporation, committee, or other administrative unit of the
23 executive branch of state government.

24 * **Sec. 4.** AS 36.30.540(a)(4), 36.30.540(a)(5), 36.30.540(a)(6), 36.30.540(b); AS 44.33.850,
25 44.33.853, 44.33.855, 44.33.857, and 44.33.859 are repealed.

26 * **Sec. 5.** Section 4 of this Act takes effect December 31, 2030.