

CS FOR HOUSE BILL NO. 34(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 3/18/26

Referred: Rules

Sponsor(s): REPRESENTATIVE HOLLAND

A BILL

FOR AN ACT ENTITLED

1 **"An Act establishing the Alaska Innovation Council; and relating to financial**
2 **disclosures for members of the Alaska Innovation Council."**

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

4 *** Section 1.** AS 39.50.200(b) is amended by adding a new paragraph to read:

5 (65) the Alaska Innovation Council (AS 44.33.850).

6 *** Sec. 2.** AS 44.33 is amended by adding new sections to read:

7 **Article 13A. Alaska Innovation Council.**

8 **Sec. 44.33.850. Alaska Innovation Council.** (a) The Alaska Innovation
9 Council is established in the Department of Commerce, Community, and Economic
10 Development.

11 (b) The council consists of 12 members as follows:

12 (1) the commissioner of commerce, community, and economic
13 development or the commissioner's designee;

14 (2) the executive director of the University of Alaska's Business

1 Enterprise Institute or the executive director's designee;

2 (3) seven members appointed by the governor who are experienced
3 entrepreneurs, experienced investors, engaged in emerging industry operations in the
4 state, or engaged in a growth business in the state; the members appointed under this
5 paragraph must include

6 (A) one member who is experienced in community startup
7 ecosystem building and new venture creation initiatives with a rural focus;

8 (B) two members who are experienced in community startup
9 ecosystem building and new venture creation initiatives with an urban focus;

10 (C) one member who is experienced and active in angel
11 investing;

12 (D) two members who have founded a startup business in an
13 emerging industry or using a new technology or business model; and

14 (E) one member who works for or is associated with a startup
15 business that is affiliated with an Alaska Native corporation or tribal
16 government;

17 (4) one member appointed by the governor who is associated with an
18 organized labor organization in the state;

19 (5) one member appointed by the governor who is employed by a
20 regional development organization in the state; and

21 (6) one member appointed by the president of the University of Alaska
22 who represents higher education in the state and is experienced in teaching and student
23 entrepreneurship.

24 (c) The members of the council appointed under (b)(3) - (6) of this section
25 serve staggered three-year terms. An appointed member serves at the pleasure of the
26 appointing authority. An appointed member is eligible for reappointment for two
27 additional terms. If there is a vacancy for any cause, the appointing authority shall
28 make an appointment to become immediately effective for the remainder of the
29 unexpired term.

30 (d) A majority of the council constitutes a quorum for the conduct of business.
31 Official action by the council requires a majority vote of the members present.

1 (e) The council shall annually elect a chair from among the council's
2 members. The chair serves a one-year term and may be reelected. A member of the
3 council may not serve as the chair for more than three years.

4 (f) The council shall meet telephonically or by electronic means three times a
5 year. The chair shall set the time of the meetings. The council may also meet at other
6 times specified by a call of the chair or by written request of a majority of the council.

7 (g) The Department of Commerce, Community, and Economic Development
8 shall provide staff for the council.

9 (h) Members of the council serve without compensation and are not entitled to
10 transportation and per diem expenses under AS 39.20.180.

11 **Sec. 44.33.860. Duties and powers.** (a) The council shall advise the governor,
12 legislature, governmental agencies, research institutions, and private sector
13 organizations on

14 (1) promoting the commercialization of research from the private
15 sector and higher education institutions;

16 (2) investment in areas of research where the state has a distinct or
17 emerging advantage;

18 (3) stimulating seed and start-up capital investment and
19 entrepreneurship that promotes economic diversification and growth in the emerging
20 industries or growth businesses in the state; in providing advice under this paragraph,
21 the council shall identify gaps in the capital markets in the state; and

22 (4) developing entrepreneurship and management capabilities in the
23 state that are critical to increasing competitiveness in the emerging industries or
24 growth businesses.

25 (b) Except as otherwise prohibited by law, the council may request a state
26 governmental agency to furnish information and provide advice to the council to the
27 extent necessary to perform the council's duties.

28 (c) The council may establish committees consisting of members of the
29 council and delegate the duties and powers of the council to the committees.

30 **Sec. 44.33.870. Innovation and economic competitiveness plan.** Not later
31 than November 1 of each year, the council shall prepare an innovation and economic

1 competitiveness plan for the state and submit the report to the governor, senate
 2 secretary, and the chief clerk of the house of representatives and notify the legislature
 3 that the report is available. The plan must include recommendations on

4 (1) identifying and expanding the industry and core research strengths
 5 of the state's emerging industries and the growth businesses and higher education
 6 programs that have the highest potential for commercialization and economic impact;

7 (2) promoting the development and growth of emerging industries and
 8 new innovation-based businesses and assisting existing businesses in developing new
 9 products;

10 (3) stimulating seed and start-up capital investment and
 11 entrepreneurship in a manner that promotes innovation-based economic development
 12 in the emerging industries and growth businesses in the state;

13 (4) developing an innovation index that benchmarks the state, rural
 14 areas of the state, and urban areas of the state against national innovation metrics;

15 (5) monitoring the progress and priorities of the state when
 16 implementing comprehensive economic development strategies; and

17 (6) assessing the needs, recommendations, and impact of regional
 18 development organizations and the effectiveness of regional development
 19 organizations in supporting state and local economic development plans.

20 **Sec. 44.33.880. Definitions.** In AS 44.33.850 - 44.33.880,

21 (1) "council" means the Alaska Innovation Council;

22 (2) "regional development organization" means a nonprofit
 23 organization or nonprofit corporation formed to encourage economic development
 24 within a particular region of the state that includes the entire area of each municipality
 25 within that region and that has a board of directors that represents the region's
 26 economic, political, and social interests.

27 * **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to
 28 read:

29 TRANSITION: INITIAL TERMS OF ALASKA INNOVATION COUNCIL
 30 MEMBERS. (a) Notwithstanding AS 44.33.850(c), enacted by sec. 2 of this Act, members of
 31 the Alaska Innovation Council are appointed to initial terms as follows:

1 (1) members appointed under AS 44.33.850(b)(3)(A) and (B), enacted by sec.
2 2 of this Act, shall serve one-year terms;

3 (2) members appointed under AS 44.33.850(b)(3)(C) and (D), enacted by sec.
4 2 of this Act, shall serve two-year terms; and

5 (3) members appointed under AS 44.33.850(b)(3)(E) and (4) - (6), enacted by
6 sec. 2 of this Act, shall serve three-year terms.

7 (b) Notwithstanding AS 44.33.850(e), enacted by sec. 2 of this Act, the member of
8 the Alaska Innovation Council designated under AS 44.33.850(b)(1), enacted by sec. 2 of this
9 Act, shall serve as the chair of the Alaska Innovation Council for an initial term of one year.

10 * **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to
11 read:

12 TRANSITION: INNOVATION AND ECONOMIC COMPETITIVENESS PLAN.
13 Notwithstanding the deadline established in AS 44.33.870, enacted by sec. 2 of this Act, the
14 Alaska Innovation Council shall prepare the first innovation and economic competitiveness
15 plan under AS 44.33.870, enacted by sec. 2 of this Act, not later than January 1 of the year
16 following the effective date of this Act.