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MESSAGES FROM THE GOVERNOR

SCR 101

A message dated September 29 was received stating the Governor noted the following resolution and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

SENATE CONCURRENT RESOLUTION NO. 101

Authorizing the Senate and the House of Representatives to recess for a period of more than three days.

Legislative Resolve No. 22

SB 54

The following letter was dated September 22:

"Dear Speaker Edgmon:

Under the authority vested in me by Article II, Section 15, of the Alaska Constitution, I have vetoed the following bill:

CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL
NO. 54(FIN)

"An Act relating to registered interior designers and interior design; relating to project costs for the construction, enlargement, or improvement of airports; extending the termination date of the

State Board of Registration for Architects, Engineers, and Land Surveyors; relating to the State Board of Registration for Architects, Engineers, and Land Surveyors; establishing requirements for the practice of registered interior design; relating to the practice of architecture, engineering, land surveying, landscape architecture, and registered interior design; relating to the scope of the certification requirements for architects, engineers, land surveyors, landscape architects, and registered interior designers; relating to immunity for design professionals; relating to the cost of construction for recreation centers; relating to liens for labor or materials furnished; relating to the procurement of landscape architectural and interior design services; relating to the cost of construction of safe water and hygienic sewage disposal facilities in villages; and providing for an effective date."

SB 54 goes well beyond a routine extension of the AELS Board. SB 54 would remove certified installers from most residential wastewater work and restrict them to only very small commercial systems. The Alaska Department of Environmental Conservation warns that this change would halt planned installations, force many small systems to be routed to licensed professional engineers, and add roughly \$1,000 to \$2,000 per system, with the sharpest impacts in rural Alaska where engineers are scarce. That means higher costs, longer waits, and fewer homes and businesses getting sanitation.

The bill would also repeal AS 36.30.270(e) and force qualifications-based selection only for design-build procurements, barring any consideration of price. Eliminating competitive pricing in design-build will drive up project costs and reduce flexibility across state construction.

Finally, SB 54 expands the AELS Board to thirteen members and creates a new licensure track for "registered interior designers." Interior design is not a regulated practice in Alaska today; the bill does not define "interior design," and there is no public-safety rationale for creating a new title and bureaucracy. The expansion increases cost and confusion without a demonstrated benefit.

Sincerely,

/s/

Mike Dunleavy
Governor"

SB 113

The following letter was dated September 27:

"Dear Speaker Edgmon:

Under the authority vested in me by Article II, Section 15, of the Alaska Constitution, I have vetoed the following bill:

SENATE BILL NO. 113

"An Act relating to the Multistate Tax Compact; relating to apportionment of income to the state; relating to highly digitized businesses subject to the Alaska Net Income Tax Act; and providing for an effective date."

The state's fiscal outlook has deteriorated in the face of decreasing oil prices and ongoing reductions in federal spending. In response to the state's fiscal condition, several tax proposals have been introduced during this legislative session. However, a truly durable fiscal plan must include not only revenues but also clear guardrails: spending limits, statutory and regulatory reviews, and policies that make Alaska the most competitive state in the nation for investment and new business growth.

Equally important is the need to evaluate all current state spending and government functions – not only for efficiency, but for their relevance and long-term impact. Any serious effort to stabilize Alaska's fiscal future must also focus on diversifying our economy and creating new industries, which in turn broadens the economic base for potential revenue. This bill is a simple tax bill that does not consider the comprehensive fiscal approach outlined above.

In addition, a component of this bill raises serious constitutional concerns because it singles out a class of highly digitized out-of-state businesses engaged in electronic commerce and imposes a less favorable tax system on them. States are prohibited from

discriminating against interstate commerce. Additionally, by singling out electronic commerce, the bill may run afoul of the federal Internet Tax Freedom Act, which requires that states not tax e-commerce less favorably than similar industries not engaged in e-commerce.

For these reasons, I will not sign standalone tax measures without a complete fiscal framework. I could foresee incorporating the elements of this bill, which would withstand constitutional scrutiny, into a comprehensive fiscal approach this coming year. I agree that Alaska needs to stabilize its finances, and I plan on having a robust discussion this upcoming session on a sustainable fiscal plan, complete with elements outlined above, but it must protect Alaskans, and provide the resources to run government in a responsible manner and survive constitutional scrutiny.

Sincerely,

/s/

Mike Dunleavy
Governor"

A Declaration of Disaster Emergency regarding late August storm flooding dated August 29 and an amendment to the declaration dated September 11 with accompanying letters were received. The declaration and letters were copied to the Finance Committee Co-chairs and are on file in the Chief Clerk's office.

A Declaration of Disaster Emergency dated September 24 and accompanying letter dated October 3, regarding landslides in Elfin Cove, were received. The declaration and letter were copied to the Finance Committee Co-chairs and are on file in the Chief Clerk's office.

A letter dated September 24 was received regarding the August 6, 2024, glacial dam outburst flood disaster in Juneau. The letter stated that the disaster was declared a Federal Disaster on October 16, 2024. A revised finance plan was attached and the Governor requests concurrence from the legislature to increase the funding limitation to Federal Authorization and the State Disaster Relief Fund pursuant to AS 26.23.020 and AS 26.23.025. The letter, revised finance plan, and a draft letter of concurrence were copied to the Finance Committee Co-chairs and are on file in the Chief Clerk's office.

A letter dated October 1 was received regarding the August 25, 2024, landslide disaster in Ketchikan. The letter stated that the disaster was declared a Federal Disaster on November 13, 2024. An updated finance plan was attached and the Governor requests concurrence from the legislature to increase the funding limitation to Federal Authorization and the State Disaster Relief Fund pursuant to AS 26.23.020 and AS 26.23.025. The letter, revised finance plan, and a draft letter of concurrence were copied to the Finance Committee Co-chairs and are on file in the Chief Clerk's office.

COMMUNICATIONS

Letters of disclosure received from the Select Committee on Legislative Ethics, as required by AS 24.60, were published in House Journal Supplement No. 8 and House and Senate Joint Journal Supplement No. 10.

The following were received:

Dept. of Health
Health Information Exchange System
2024 Progress and Recommendations Report
August 28, 2025
(as required by AS 18.23.315)

Dept. of Health
2025 Alaska Opioid Legislative Report
(as required by AS 17.20.085)

Alaska Permanent Fund Corporation
Power Cost Equalization Endowment Fund
Financial Statements
June 30, 2025 and 2024
(as required by AS 37.13.310)

Dept. of Transportation & Public Facilities
Alaska Marine Highway System
2045 Comprehensive Long-Range Plan
(as required by AS 19.65.011)

Messages dated September 3 and 23 were received stating the Speaker made the following appointments:

Alaska Marine Highway Operations Board

(AS 19.65.120)

Glen Gardner, Jr.

Citizen's Advisory Commission on Federal Management Areas in Alaska

(AS 41.37.170)

Frank Woods

HB 53

A letter dated September 30, to Speaker Edgmon and President Stevens from the Division of Legislative Finance was received identifying the fiscal notes included in the packet that accompanied the conference committee with limited powers of free conference report (page 1312) for the following, which was adopted by the House and Senate May 20:

CONFERENCE CS FOR HOUSE BILL NO. 53(brf sup maj fld H)
"An Act making appropriations for the operating and loan program expenses of state government and for certain programs; capitalizing funds; amending appropriations; making supplemental appropriations; and providing for an effective date."

The following fiscal notes were itemized in the letter:

[Includes only bills that passed the House and Senate.]

HB 57-SCHOOLS: COMM. DEVICES/CLASS SIZE/FUNDING

5. Fiscal, Senate Finance Committee/Dept. of Education & Early Development (published 4/25)
6. Fiscal, Senate Finance Committee/Dept. of Labor & Workforce Development (published 4/25)
7. Fiscal, Senate Finance Committee/Legislative Agency (published 4/25)

SB 95-CHILD CARE: ASSISTANCE/GRANTS

2. Fiscal, Conference Committee on HB 53/Dept. of Health
(published 9/30)

SB 97-BIG GAME GUIDE PERMIT PROGRAM

7. Fiscal, Conference Committee on HB 53/Dept. of Natural
Resources (published 9/30)

The Legislative Finance letter and fiscal note packet were transmitted to the Office of the Governor at 10:45 a.m., October 1.

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This final supplement completes the record of legislation for the First Session and First Special Session of the Thirty-fourth Alaska State Legislature.

Crystalline Jones
Chief Clerk