

ALASKA STATE LEGISLATURE
HOUSE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE

April 24, 2025

8:05 a.m.

MEMBERS PRESENT

Representative Rebecca Himschoot, Co-Chair
Representative Donna Mears, Co-Chair
Representative Carolyn Hall
Representative Ky Holland
Representative Mike Prax
Representative Justin Ruffridge

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 47

"An Act relating to crime and criminal procedure; relating to generated obscene child sexual abuse material; relating to the powers of district judges and magistrates; relating to teaching certificates; and relating to licensing of school bus drivers."

- HEARD & HELD

PRESENTATION(S): POWER COST EQUALIZATION

- HEARD

HOUSE BILL NO. 184

"An Act relating to the Alaska Industrial Development and Export Authority; and relating to workforce housing development projects."

- HEARD & HELD

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 13

"An Act relating to optional municipal property tax exemptions for certain long-term rental units, certain mobile home parks, real property rented to low-income families, real property owned and occupied as a permanent place of abode, and real property owned by first-time homebuyers."

- MOVED CSSSHB 139(CRA) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HB 47

SHORT TITLE: GENERATED OBSCENE CHLD SEX ABUSE MATERIAL
SPONSOR(s): REPRESENTATIVE(s) VANCE

01/22/25	(H)	PREFILE RELEASED 1/17/25
01/22/25	(H)	READ THE FIRST TIME - REFERRALS
01/22/25	(H)	CRA, JUD
03/11/25	(H)	CRA AT 8:00 AM BARNES 124
03/11/25	(H)	Heard & Held
03/11/25	(H)	MINUTE(CRA)
03/13/25	(H)	CRA AT 8:00 AM BARNES 124
03/13/25	(H)	Heard & Held
03/13/25	(H)	MINUTE(CRA)
03/18/25	(H)	CRA AT 8:00 AM BARNES 124
03/18/25	(H)	<Bill Hearing Canceled>
04/24/25	(H)	CRA AT 8:00 AM BARNES 124

BILL: HB 184

SHORT TITLE: AIDEA FINANCE WORKFORCE HOUSING DEVELOP.
SPONSOR(s): REPRESENTATIVE(s) STORY

04/11/25	(H)	READ THE FIRST TIME - REFERRALS
04/11/25	(H)	CRA, L&C
04/24/25	(H)	CRA AT 8:00 AM BARNES 124

BILL: HB 13

SHORT TITLE: MUNICIPAL PROPERTY TAX EXEMPTIONS
SPONSOR(s): REPRESENTATIVE(s) GRAY

01/22/25	(H)	PREFILE RELEASED 1/10/25
01/22/25	(H)	READ THE FIRST TIME - REFERRALS
01/22/25	(H)	CRA, FIN
03/10/25	(H)	SPONSOR SUBSTITUTE INTRODUCED
03/10/25	(H)	READ THE FIRST TIME - REFERRALS
03/10/25	(H)	CRA, FIN
03/25/25	(H)	CRA AT 8:00 AM BARNES 124
03/25/25	(H)	Heard & Held
03/25/25	(H)	MINUTE(CRA)
03/27/25	(H)	CRA AT 8:00 AM BARNES 124
03/27/25	(H)	Heard & Held
03/27/25	(H)	MINUTE(CRA)
04/10/25	(H)	CRA AT 8:00 AM BARNES 124
04/10/25	(H)	Heard & Held
04/10/25	(H)	MINUTE(CRA)

04/15/25 (H) CRA AT 8:00 AM BARNES 124
 04/15/25 (H) -- MEETING CANCELED --
 04/22/25 (H) CRA AT 8:00 AM BARNES 124
 04/22/25 (H) Heard & Held
 04/22/25 (H) MINUTE (CRA)
 04/24/25 (H) CRA AT 8:00 AM BARNES 124

WITNESS REGISTER

THATCHER BROWER, Staff
 Representative Rebecca Himschoot
 Alaska State Legislature
 Juneau, Alaska

POSITION STATEMENT: Gave an explanation of changes to HB 47, on behalf of Representative Himschoot.

CURTIS THAYER, Executive Director
 Alaska Energy Authority
 Anchorage, Alaska

POSITION STATEMENT: Co-offered the Power Cost Equalization presentation.

TIM SANDSTROM, Chief Operating Officer
 Alaska Energy Authority
 Anchorage, Alaska

POSITION STATEMENT: Co-offered the Power Cost Equalization presentation.

REPRESENTATIVE ANDI STORY
 Alaska State Representative
 Juneau, Alaska

POSITION STATEMENT: As prime sponsor, presented HB 184.

HONOUR MILLER-AUSTIN, Staff
 Alaska State Legislature
 Juneau, Alaska

POSITION STATEMENT: Presented the sectional analysis for HB 184, on behalf of Representative Story, prime sponsor.

STACY BARNES, Director
 Governmental Relations & Public Affairs
 Alaska Housing Finance Corporation
 City & State

POSITION STATEMENT: Answered questions during the hearing on HB 184.

BRANDON BREFCZYNSKI, Deputy Director

Alaska Industrial Development & Export Authority
Anchorage, Alaska

POSITION STATEMENT: Answered questions during the hearing on HB 184.

CHRISTINE WOLL, Assembly Member
City and Borough of Juneau
Juneau, Alaska

POSITION STATEMENT: Gave invited testimony during the hearing on HB 184.

RICHELLE JOHNSON, Research & Technical Assistance Director
Center for Economic Development
University of Alaska Anchorage
Anchorage, Alaska

POSITION STATEMENT: Gave invited testimony during the hearing on HB 184.

REPRESENTATIVE ANDREW GRAY
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Commented on amendments to CSSSHB 13, Version T, as the prime sponsor.

ACTION NARRATIVE

[8:05:56 AM](#)

CHAIR REBECCA HIMSCHOOT called the House Community and Regional Affairs Standing Committee meeting to order at 8:05 a.m. Representatives Hall, Holland, Mears, and Himschoot were present at the call to order. Representatives Ruffridge and Prax arrived as the meeting was in progress.

HB 47-GENERATED OBSCENE CHLD SEX ABUSE MATERIAL

[8:07:03 AM](#)

CO-CHAIR HIMSCHOOT announced that the first order of business would be HOUSE BILL NO. 47, "An Act relating to crime and criminal procedure; relating to generated obscene child sexual abuse material; relating to the powers of district judges and magistrates; relating to teaching certificates; and relating to licensing of school bus drivers."

[8:07:15 AM](#)

CO-CHAIR MEARS moved to adopt the proposed committee substitute (CS) for HB 47, Version 34-LS0334\N, C. Radford, 4/18/25, as the working document.

CO-CHAIR HIMSCHOOT objected for the purpose of discussion.

[8:07:38 AM](#)

THATCHER BROWER, Staff, Representative Rebecca Himschoot, Alaska State Legislature, presented an explanation of changes in Version N. He explained that "or contractor" was inserted on page 3, line 14, and page 4, line 9, to ensure that an employee or contractor doing the work is not liable.

CO-CHAIR HIMSCHOOT removed her objection. There being no further objection, Version N was adopted as the working document. She announced that the bill would be held over.

PRESENTATION(S): Power Cost Equalization

[8:09:12 AM](#)

CO-CHAIR HIMSCHOOT announced that the next order of business would be the Power Cost Equalization presentation.

[8:09:29 AM](#)

CURTIS THAYER, Executive Director, Alaska Energy Authority (AEA), directed attention to a PowerPoint presentation, titled "AEA Power Cost Equalization and Rural Programs" [hard copy included in the committee packet]. He shared AEA's mission on slide 2 and a list of AEA's active projects and services on slide 3. He turned to rural energy on slide 4 and played a video on slide 5.

[8:15:35 AM](#)

CO-CHAIR HIMSCHOOT asked whether transmission lines could have been installed when laying the fiber optic cables across the tundra.

MR. THAYER said it would be an expensive proposition.

[8:16:12 AM](#)

TIM SANDSTROM, Chief Operating Officer, Alaska Energy Authority (AEA), continued the presentation on slide 6 with a timeline of

urban and rural energy solutions. Slide 7 showed the legislative evolution of the Power Cost Equalization (PCE) program. Slide 8 featured a graph of PCE disbursements and slide 9 showed a graph of the PCE endowment value. AS 42.05.085 provides that 5 percent of the PCE Endowment Fund 3-year average market value may be appropriated to the program. Slide 10 described who is eligible to participate in PCE and slide 11 gave a summary of today's PCE program.

[8:20:29 AM](#)

MR. SANDSTROM, in response to a question from Co-Chair Himschoot about public facilities, said streetlights are included, and greenhouses depending on how they were funded. Clinics and washeterias are often considered community facilities, as long as they do not receive state or federal funding. In response to follow-up questions, he explained that a community store, for example, would not qualify because it's funded for profit. He said eligibility is determined by the Regulatory Commission of Alaska (RCA).

[8:21:47 AM](#)

MR. SANDSTROM, in response to a question from Representative Holland, said theoretically, the amount of available funding could be surpassed if enough community facilities were established, but its unlikely. In regulation, if AEA determines that there's not enough money to make all PCE payments, a pro-rated system would be utilized.

[8:23:22 AM](#)

MR. SANDSTROM resumed the presentation on slide 12 with a discussion of rural power system upgrades.

MR. THAYER, in response to a question from Co-Chair Himschoot about whether statute could be amended to allow schools to receive PCE funding, confirmed that it would be a policy call; however, PCE is driven off endowment, with the first allocation of earnings goes to PCE, followed by community assistance in rural Alaska. He said at some point, adding additional cost to PCE would remove funding from the community assistance, which are all designated funds. Essentially raising PCE could be cutting community assistance from the same community.

MR. THAYER, in response to committee questions, explained that the change in formula occurred in FY 22 when the program was

running \$30 million, as opposed to \$48 million currently. Depending on earnings, there used to be a waterfall effect where excess earnings could be used for powerhouse upgrades, rural energy fund, bulk fuel loans, etcetera. Now, however, since the increase from 500kw to 750kw, that's no longer an option because the earnings aren't there. In response to Co-Chair Himschoot's question, explained that slide 9 represents market fluctuations and specifically in 2021, the move to APFC management.

[8:28:58 AM](#)

MR. SANDSTROM shared the rural power system upgrade prioritization list on slide 13. In response to a series of committee questions, he said there is a problem with both funding and capacity because in a perfect world, the life cycle of a powerhouse would be 20 years but realistically, 10 years is more accurate. He explained that lack of maintenance is the primary cause of the reduction in life. In addition, he discussed retention issues with skilled employees. He defined a powerhouse as a modular building with three to four [generator] sets and automated switch gears and controls to manage the power and allow the integration of renewables. He said reliability is dependent on the quality and capacity of the community.

[8:34:56 AM](#)

MR. THAYER added that that AEA has site control over these powerhouse buildings, but there's not requirements that the community maintains it because they are self-governed. He explained that the EPA awarded AEA with a congressional exemption that allows rural Alaska to have higher emissions. One of the primary issues with retention is that communities set rates for their power, which funds the maintenance improvements and compensation for workers.

CO-CHAIR HIMSCHOOT added that in her community, 20 percent of people are doing 80 percent of the work.

[8:39:20 AM](#)

MR. SANDSTROM resumed the presentation on slide 14 with a discussion of bulk fuel upgrades, and slide 15, which displayed the bulk fuel upgrade prioritization list.

MR. THAYER, in response to a series of committee questions, said yes, federal receipt authority is often matched by the Denali Commission - AEA's primary partner. He added that nothing was

set aside for bulk fuel or power houses because they are fossil fuel.

[8:42:21 AM](#)

MR. SANDSTROM, in response to a question from Representative Holland about hazardous tanks and reducing the number of tanks, said the integration of renewables does not reduce the need for storage because "the wind doesn't always blow, and the sun doesn't always shine." He acknowledged that many places are in environmental danger and theorized that the increasing technology would someday lead to a reduction in capacity.

[8:44:14 AM](#)

MR. THAYER, in response to a question from Representative Prax, said there is no insurance policy to cover environmental risk- it falls on the State of Alaska.

[8:44:39 AM](#)

MR. SANDSTROM, in response to questions from Representative Ruffridge, said varying rates of diesel fuel often depend on the method of delivery; however, they are not wildly different.

MR. THAYER, in response to a suggestion from Representative Ruffridge to buy diesel in bulk, said the biggest issue is the assumption that bulk fuel tanks are new and can handle the fuel. It's more about the condition of the tanks and the powerhouses, and less about the price of diesel.

MR. SANDSTROM added that major bulk dispatch would drive down the cost.

[8:50:44 AM](#)

MR. SANDSTROM, in response to question from Representative Mears about storage times for communities with weather restrictions, said bulk fuel tanks are designed for one year to accommodate delayed barge deliveries.

[8:51:55 AM](#)

MR. THAYER, in response to Representative Prax's observation about long-term viability, said AEA has conducted 3D modeling and inventory assessments and is aware of the problem. The AEA

foresees costs increasing and an inability to maintain state and federal funding levels.

[8:54:23 AM](#)

MR. SANDSTROM resumed the presentation on slide 16 by addressing the Circuit Rider Program. In response to a question from Co-Chair Himschoot about funding, confirmed that the program is funded nearly 100 percent by the Denali Commission.

MR. THAYER explained that with the Denali Commission's current funding issues, the program's \$710,000 in funding has dropped to \$50,000. Now the Circuit Rider Program has been maintained with maintenance and improvement funds but as that funding decreases, there's no way to keep circuit riders in Alaska. Consequently, AEA's proposal in the governor's budget was to shift the funding source to the PCE Endowment Fund because the program goes to PCE communities to provide training. Without the Denali Commission, AEA will not have a funding source to send these people to rural Alaska for training.

[8:57:11 AM](#)

MR. SANDSTROM, in response to further committee questions, answered yes, Alaskans participate in the Circuit Rider Program who have "come up through the system." He spoke to the difficulty of the job.

[8:58:20 AM](#)

MR. THAYER, in response to Co-Chair Himschoot, said communities do not pay a fee for the Circuit Rider Program because these are the same communities that receive PCE to lower the cost of energy and community assistance to keep daily operations. He noted that there are about 50-60 village that are too small for Alaska Village Electric Cooperative, Incorporated (AVEC) to service, for which AEA is their emergency call. The Inside Passage Electric Cooperative (IPEC) also services a handful of communities in Southeast Alaska.

[9:00:16 AM](#)

MR. THAYER resumed the presentation on slide 18 with a discussion of the Renewable Energy Fund (REF) grant program. Slide 19 showed a list of round 17 REF recommended projects to the legislature. He emphasized that the selection is based on economics, cost of power, technology, and community need. In

response to a question from Co-Chair Himschoot, confirmed that a new round would be opening to refresh the list and add additional communities. An independent review found that the program has saved these communities 100 million gallons of diesel fuel. He concluded on slide 19, which listed awards and pending applications for federal funding.

HB 184-AIDEA FINANCE WORKFORCE HOUSING DEVELOP.

[9:07:36 AM](#)

CO-CHAIR HIMSCHOOT announced that the next order of business would be HOUSE BILL NO. 184, "An Act relating to the Alaska Industrial Development and Export Authority; and relating to workforce housing development projects."

[9:07:52 AM](#)

REPRESENTATIVE ANDI STORY, Alaska State Representative, as prime sponsor, presented HB 184. She paraphrased the sponsor statement [included in the committee packet], which read as follows [original punctuation provided]:

In most of Alaska, there is a severe housing shortage. This holds true in our communities in Southeast Alaska. This shortage is causing outmigration of our younger residents, who are so important in filling our employment needs and keeping our longtime families here. Adding more housing units is critical to our communities. Alaska cannot keep our residents nor attract key public employees such as police, teachers and health workers if they cannot find housing.

More rental units are needed. In my home community of Juneau, the 2023 Alaska Housing Finance Corporation (AHFC) rental market survey of 1,115 units sees a rental vacancy rate of four percent. Recent data from the American Community Survey (ACS), indicates a similar rental vacancy rate at 3.6 percent. Anything lower than a five percent vacancy rate indicates that the housing supply is tight, and demand is outpacing available units. This indicates that meeting demand for new housing will require additional housing construction since there is no extra supply within the existing housing market to take on this demand.

HB 184 is important because it expands AIDEA's mission statement, allowing the corporation to use their loan program for the desperately needed construction of new workforce housing facilities containing five or more dwelling units. The bill provides a legal definition of "workforce housing" based on the Department of Housing and Urban Development's working definition, which calculates affordability based on the average median income of an area.

This bill moves us closer to addressing our housing demands. It is imperative that we create stronger communities through more housing options. I urge your support for HB 184.

[9:11:38 AM](#)

HONOUR MILLER-AUSTIN, Staff, Alaska State Legislature, on behalf of Representative Story, prime sponsor, presented the sectional analysis for HB 184 [included in the committee packet], which read as follows [original punctuation provided]:

Section 1: Adds a new subsection 7 to AS 44.88.070 which states the purpose of the authority. Providing means of financing and facilitating the financing of construction of new workforce housing facilities with five or more units will now be part of the mission of AIDEA.

Section 2: Adds a new subsection 33 to AS 44.88.080 stating the powers of the authority. One of the powers of AIDEA will now be to provide means of financing and facilitating the financing of construction of new workforce housing facilities with five or more units.

Section 3: Extends the definition of "development project" under AS 44.88.900(6) to include workforce housing facilities with five or more dwelling units, as defined in the new subsection J of AS 44.88.900(13).

Section 4: Adds a new subsection J to include workforce housing in the meaning of "project" under AS 44.88.900(13).

Section 5: Adds a new subsection 22 to AS 44.88.900 defining "workforce housing". Workforce housing will

be defined as residential housing that costs the occupants less than 30 percent of the income of a household with 120 percent of the area median family income, as determined by the United States Department of Housing and Urban Development.

[9:13:42 AM](#)

REPRESENTATIVE RUFFRIDGE questioned the meaning of Section 5.

REPRESENTATIVE STORY said it means that housing would be developed at fair market value for people who are not low income but are in need of affordable housing.

REPRESENTATIVE RUFFRIDGE calculated that in Juneau where the median family income is \$120,000, the bill would provide financing from AIDEA for condo units that cost \$3,000 per month. He opined that \$3,000 does not sound affordable.

CO-CHAIR HIMSCHOOT said the goal is to provide additional multi-family workforce housing, not necessarily affordable housing.

[9:16:41 AM](#)

STACY BARNES, Director, Governmental Relations & Public Affairs, Alaska Housing Finance Corporation (AHFC), said affordability refers to U.S. Department of Housing and Urban Development (HUD) standards, which are updated on an annual basis. She offered to follow up with the area median income (AMI) in each community. In response to a follow up question, she confirmed that AHFC offers loan programs for single and multi-family housing developments, but the goal is to enable AIDEA to offer something similar in recognition of the statewide housing challenge.

[9:22:16 AM](#)

REPRESENTATIVE RUFFRIDGE asked whether AIDEA had received requests for multi-family dwelling loans and whether the definition of area median family income in the bill would increase affordability.

BRANDON BREFCZYNSKI, Deputy Director, Alaska Industrial Development & Export Authority (AIDEA), said no, AIDEA has not received any commercial housing applications through the bank, but there have been preliminary talks with municipalities about financing multi-family units. Nonetheless, ADIEA has the ability to provide commercial housing development.

REPRESENTATIVE RUFFRIDGE said under his estimation, AIDEA already has the ability do what is being proposed in HB 184, but the bill would impose artificial limitations by defining workforce housing with the income requirements. He asked whether that is correct.

MR. BREFCZYNSKI agreed that in terms of running a loan through the definition of workforce housing in the bill, it would be limiting. He confirmed that AIDEA has the ability to finance a commercial housing development through its various funds and programs.

[9:28:52 AM](#)

REPRESENTATIVE STORY clarified that AIDEA does have the authority to provide housing loans, which they did primarily in the 1980s. They have since stopped providing them. The bill emphasize the importance of these loans in statute and provides more direction. She said the key problem is that contractors are not building affordable housing because it's not affordable for them. She referred to the Ridgeview housing complex in Juneau, which was intended to offer affordable housing, but is no longer considered affordable.

[9:30:52 AM](#)

CHRISTINE WOLL, Assembly Member, City and Borough of Juneau (CBJ), gave invited testimony during the hearing on HB 184. She stated that affordable housing is the assembly's number one priority. She discussed the dire nature of the housing crisis in Juneau, due in part to changing demographics and a lack of multi-unit dwellings that has resulted in less available housing. The CBJ put together a housing action plan in 2016 and has implemented property tax abatement for multi-family buildings over four units, reduced parking requirements, and built a number of loan and grants programs in addition to rewriting the housing code. The city is finally starting to see the fruits of that effort, she said, with several developments taking advantage of these opportunities. She concluded that larger projects do not pencil out without flexible financing options. She said HB 184 would not solve the housing crisis, but it would add one more tool to the toolbox.

[9:35:25 AM](#)

RICHELLE JOHNSON, Research & Technical Assistance Director, Center for Economic Development, University of Alaska Anchorage (UAA), gave invited testimony during the hearing on HB 184. She observed that housing is one of the top barriers to economic growth in Alaska, which also impact workforce attraction and retention. Alaska ranks 45th in terms of new housing construction and new development on multi-family housing has slowed even more. While there's a clear demand in housing, its not translating to increased development, which indicates that nontraditional tools are necessary. She spoke to the tie between housing and workforce, which impacts the state's economic health. She agreed that the bill would not solve every challenge for every community, but it would give them access to a new source of capital and would help improve the margins on housing development on the cusp of financial feasibility.

[9:38:47 AM](#)

REPRESENTATIVE HOLLAND asked why there is a housing crisis in a stagnant economy that is experiencing an increase in outmigration and a growth in nonresident workers. He asked how the data informs the kind of housing strategies that are needed and how to make new construction attractive.

MS. JOHNSON reported that that there is a trend in smaller household sizes across the state, in addition to multi-generational households without enough available or affordable housing for the younger generation to move out. Further, many houses were constructed in the 1970s and 1980s, and the aging houses are leading to an attrition of available units statewide. So, while there is a decreasing number of people in Alaska, there is also a decreasing number of available homes.

CO-CHAIR HIMSCHOOT commented that despite adding three new neighborhoods in Sitka, there is still a housing shortage, which is related to people aging in place.

[9:42:17 AM](#)

REPRESENTATIVE STORY highlighted the letters of support from the Alaska Municipal League (AML) and Housing Alaskans, as well as the zero fiscal note attached to the bill.

REPRESENTATIVE HALL shared that Alaska has a very serious housing shortage and is in "crisis mode." According to an Agnew::Beck study, Alaska needs 27,500 new housing units over

the next 10 years. She described the bottleneck taking place with the housing landscape in Alaska.

[9:44:17 AM](#)

REPRESENTATIVE PRAX asked whether there had been input from bankers, developers, or the real estate industry on HB 184.

REPRESENTATIVE STORY said she had not reached out to developers.

[9:46:52 AM](#)

CO-CHAIR HIMSCHOOT announced that HB 184 would be held over.

[9:47:07 AM](#)

The committee took a brief at-ease at 9:47 a.m.

HB 13-MUNICIPAL PROPERTY TAX EXEMPTIONS

[9:48:36 AM](#)

CO-CHAIR HIMSCHOOT announced that the final order of business would be SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 13, "An Act relating to optional municipal property tax exemptions for certain long-term rental units, certain mobile home parks, real property rented to low-income families, real property owned and occupied as a permanent place of abode, and real property owned by first-time homebuyers." [Before the committee, adopted as the working document on 4/10/25, was the proposed committee substitute (CS) for SSHB 13, Version 34-LS0194\T, Dunmire, 4/8/25 ("Version T").]

[9:48:50 AM](#)

REPRESENTATIVE RUFFRIDGE moved to adopt Amendment 1 to Version T, labeled 34-LS0194\T.3, Dunmire, 4/22/25, which read:

Page 1, line 12:
Delete "31 consecutive days"
Insert "one year"

CO-CHAIR HIMSCHOOT objected.

REPRESENTATIVE RUFFRIDGE explained that Amendment 1 would change the definition of "long-term rental unit" from a dwelling unit

offered for rent for periods of not less than 31 consecutive days to one year.

CO-CHAIR HIMSCHOOT asked for input from the bill sponsor.

[9:49:54 AM](#)

REPRESENTATIVE ANDREW GRAY, Alaska State Legislature, as prime sponsor, clarified that the goal is to allow as much flexibility for municipalities, boroughs, and cities because a long-term rental may look different in each community. For that reason, he said he opposed Amendment 1.

CO-CHAIR HIMSCHOOT maintained her objection.

[9:51:09 AM](#)

A roll call vote was taken. Representatives Prax and Ruffridge voted in favor of Amendment 1. Representatives Hall, Holland, Mears, and Himschoot voted against it. Therefore, Amendment 1 failed by a vote of 2-4.

[9:51:34 AM](#)

REPRESENTATIVE RUFFRIDGE moved to adopt Amendment 2 to Version T, labeled 34-LS0194\T.4, Dunmire, 4/22/25, which read:

Page 2, following line 21:

Insert a new subsection to read:

"(ff) A municipality may only adopt an exemption under (aa) - (ee) of this section after conducting a fiscal impact study on how tax revenue lost under the proposed exemption would be addressed without disproportionately burdening vulnerable homeowners."

CO-CHAIR HIMSCHOOT objected.

[9:51:40 AM](#)

REPRESENTATIVE RUFFRIDGE explained that Amendment 2 would add a new sub-subparagraph (ff) to conduct a fiscal impact study that shows how lost tax revenue would be made up for before adopting the proposed exemptions by ordinance.

CO-CHAIR HIMSCHOOT pointed out that in Sitka, the mil rate cannot be changed without a vote of the people.

[9:53:24 AM](#)

REPRESENTATIVE GRAY said he expected municipal governments to have the fiduciary interest of citizens at heart. He opined that the proposed amendment would micromanage the bill and said he opposed Amendment 2.

[9:54:45 AM](#)

REPRESENTATIVE PRAX said based on his experience serving on a municipal assembly, he does not have as much faith in elected officials. He opined that if assemblies could enact this without voter approval, there should be tighter sideboards.

CO-CHAIR HIMSCHOOT asked for the definition of "vulnerable homeowner."

REPRESENTATIVE RUFFRIDGE defined vulnerable homeowner as someone on the edge of the income limit who qualifies for no exemptions.

[9:58:11 AM](#)

A roll call vote was taken. Representatives Prax and Ruffridge voted in favor of Amendment 2. Representatives Hall, Holland, Mears, and Himschoot voted against it. Therefore, Amendment 2 failed by a vote of 2-4.

[9:58:47 AM](#)

REPRESENTATIVE RUFFRIDGE moved to adopt Amendment 3 to Version T, labeled 34-LS0194\T.1, Dunmire, 4/22/25, which read:

Page 1, line 4, following "**buyers**":

Insert "; **and relating to annual increases in property assessments**"

Page 2, following line 21:

Insert a new bill section to read:

"* Sec. 2. AS 29.45.110 is amended by adding a new subsection to read:

(f) A municipality may by ordinance limit to five percent or less the amount by which the assessed value of real property may be increased over the previous year's assessed value. An ordinance adopted under this section must allow the assessor to increase the value of real property above the percentage limit established in the ordinance if the increase is based

on an improvement to the real property or information about the real property that the assessor did not know at the time of the previous assessment."

CO-CHAIR HIMSCHOOT objected.

9:59:04 AM

REPRESENTATIVE RUFFRIDGE explained that Amendment 3 would allow municipalities by ordinance to impose a cap on property assessments to ensure that taxes are not increasing at a rate that makes homes unaffordable for the vulnerable population. The proposed amendment would limit the increase to 5 percent, or less the amount by which the assessed value of real property may be increased over the previous year's assessed value. It would allow for incremental growth but not massive spikes of 20-30 percent, for example.

10:00:56 AM

REPRESENTATIVE GRAY stated that the proposed amendment offers an optional limit by ordinance and shows a great understanding of the bill while making it better. He said he is grateful for Amendment 3.

CO-CHAIR MEARS asked whether Representative Ruffridge had discussed Amendment 3 with any assessors.

REPRESENTATIVE RUFFRIDGE said the proposed amendment would still allow the assessors to do their job with certain sideboards. For example, if property values are increasing by 20 percent, it would have to be a four-year increase at five percent each year if this ordinance were enacted by the municipality. In response to a follow up question, he referred to lines 10-12 of Amendment 3, and explained that the assessor could increase the value past the percentage limit if it's based on an improvement to the real property or information about the property that the assessor did not have at the time of the previous assessment.

CO-CHAIR HIMSCHOOT said she liked the amendment but expressed concern about how it would play out if the assessment does not happen annually.

REPRESENTATIVE RUFFRIDGE stated that Amendment 3 seeks to be a protector of vulnerable homeowners. He shared an example of a home with an artificially inflated assessed value and said Amendment 3 would help keep home prices somewhat protected and

help keep vulnerable homeowners protected from large increases to property tax.

[10:06:07 AM](#)

CO-CHAIR MEARS stated that Amendment 3 is too in depth to support without further discussion.

REPRESENTATIVE HOLLAND expressed concern that property tax value would no longer match the value of the property. He said the disconnect between the assessments versus the mil rate versus the real market value is a step that he's uncomfortable with.

CO-CHAIR HIMSCHOOT asked how Amendment 3 would impact the local contribution to school districts.

[10:08:05 AM](#)

REPRESENTATIVE RUFFRIDGE said the real question is whether the mil rate had been reduced in Anchorage over the past three years, as property values have increased dramatically.

REPRESENTATIVE HOLLAND shared his understanding that the Municipality of Anchorage is subject to a tax cap, and the mil rate is readjusted to keep the municipality within that limit.

REPRESENTATIVE GRAY responded yes; the tax rate has decreased.

[10:09:33 AM](#)

REPRESENTATIVE RUFFRIDGE, in response to Co-Chair Himschoot, said Amendment 3 would have no impact on the local contribution to schools. In response to a follow up question, he explained that the local contribution amount is set by the local government.

CO-CHAIR HIMSCHOOT shared her understanding that the amount is based on the assessed value of real property.

REPRESENTATIVE RUFFRIDGE shared his understanding that the assessed value sets the floor and the ceiling, and there are very few municipalities that get close to either.

CO-CHAIR HIMSCHOOT stated that she is aware of two that are funding completely to the cap. She said she would like to see Amendment 3 as its own bill, adding that she's uncomfortable adopting it at this time.

[10:10:56 AM](#)

REPRESENTATIVE PRAX [moved to adjourn] because the subject is complicated and requires more time.

[10:12:00 AM](#)

A roll call vote was taken. Representatives Prax and Ruffridge voted in favor of the motion to adjourn. Representatives Hall, Holland, Mears, and Himschoot voted against it. Therefore, the motion to adjourn failed by a vote of 2-4.

[10:12:20 AM](#)

A roll call vote was taken. Representatives Prax and Ruffridge voted in favor of Amendment 3. Representatives Holland, Hall, Mears, and Himschoot voted against it. Therefore, Amendment 3 failed by a vote of 2-4.

[10:12:45 AM](#)

REPRESENTATIVE RUFFRIDGE moved to adopt Amendment 4 to Version T, labeled 34-LS0194\T.5, Dunmire, 4/23/25, which read:

Page 1, line 7, following "ordinance":
Insert "approved by the voters"

Page 2, line 6, following "ordinance":
Insert "approved by the voters"

Page 2, line 9, following "ordinance":
Insert "approved by the voters"

Page 2, line 17, following "ordinance":
Insert "approved by the voters"

Page 2, line 20, following "ordinance":
Insert "approved by the voters"

CO-CHAIR HIMSCHOOT objected.

[10:12:52 AM](#)

REPRESENTATIVE RUFFRIDGE explained that Amendment 4 would require that the ordinances proposed in HB 184 be approved by the voters.

[10:14:42 AM](#)

REPRESENTATIVE GRAY said he opposed the amendment. He recalled that last year, the House voted to add an existing exemption and to remove a voting requirement, which Representative Ruffridge, Himschoot, Mears, Prax, and himself, all voted to for. He added that this has been done before.

[10:16:11 AM](#)

A roll call vote was taken. Representatives Prax and Ruffridge voted in favor of Amendment 4. Representatives Hall, Holland, Mears, and Himschoot voted against it. Therefore, Amendment 4 failed by a vote of 2-4.

[10:16:57 AM](#)

CO-CHAIR MEARS moved to report CSSSHB 13, Version 34-LS0194\T, Dunmire, 4/8/25, out of committee with individual recommendations and the accompanying fiscal notes.

REPRESENTATIVE RUFFRIDGE objected.

[10:17:15 AM](#)

A roll call vote was taken. Representatives Hall, Holland, Mears, Himschoot voted in favor of reporting Version T out of committee. Representatives Prax and Ruffridge voted against it. Therefore, CSSSHB 13(CRA) was reported out of the House Community and Regional Affairs Standing Committee by a vote of 4-2.

[10:17:47 AM](#)

ADJOURNMENT

There being no further business before the committee, the House Community and Regional Affairs Standing Committee meeting was adjourned at 10:17 p.m.