

HOUSE FINANCE COMMITTEE
May 7, 2025
9:15 a.m.

9:15:01 AM

CALL TO ORDER

Co-Chair Foster called the House Finance Committee meeting to order at 9:15 a.m.

MEMBERS PRESENT

Representative Neal Foster, Co-Chair
Representative Andy Josephson, Co-Chair
Representative Calvin Schrage, Co-Chair
Representative Jamie Allard
Representative Jeremy Bynum
Representative Alyse Galvin
Representative Sara Hannan
Representative Nellie Unangiq Jimmie
Representative DeLena Johnson
Representative Will Stapp
Representative Frank Tomaszewski

MEMBERS ABSENT

None

ALSO PRESENT

James Cockrell, Commissioner, Department of Public Safety;
David Kanaris, Chief, Forensic Laboratory, Department of Public Safety; Brodie Anderson, Staff, Representative Neal Foster; Susie Frenzel, Director, Victim Services and Forensic Science Division, Department of Public Safety; Representative Kevin McCabe, Sponsor.

SUMMARY

HB 62 SEXUAL ASSAULT EXAMINATION KITS/TRACKING

HB 62 was REPORTED out of committee with ten "do pass" recommendations and with one previously published fiscal impact note: FN2 (DPS).

HB 123 TAXATION: VEHICLE RENTALS, SUBPOENAS

HB 123 was HEARD and HELD in committee for further consideration.

CSSB 57(FIN)

APPROP: CAPITAL/FUNDS/REAPPROP

CSSB 57(FIN) was SCHEDULED but not HEARD.

Co-Chair Foster reviewed the meeting agenda.

#hb62

HOUSE BILL NO. 62

"An Act relating to sexual assault examination kits; establishing the sexual assault examination kit tracking system; and providing for an effective date."

[9:16:38 AM](#)

JAMES COCKRELL, COMMISSIONER, DEPARTMENT OF PUBLIC SAFETY, relayed that seven to eight years earlier, Alaska had faced serious challenges in responding to sexual assaults. With the support of the legislature, the state had made significant progress in how law enforcement, nurse practitioners, and the state's crime lab responded to sexual assaults and processed sexual assault kits. He shared that the backlog of sexual assault kits had been cleaned up and all current kits remained preserved at the state crime lab indefinitely. He explained that the intent of HB 62 was to ensure that the progress could not be undone by future administrations or commissioners. He remarked that Alaska had set a national standard and was ranked highly among other states. He noted that Alaska would be ahead of many other states if the bill were to pass.

Commissioner Cockrell explained that victims of sexual assault typically lacked control in the aftermath of a sexual assault. The victims had little control during interviews with law enforcement or when undergoing examinations by health care providers. The bill would allow victims confidential access to track their sexual assault kits from collection to final processing, restoring a measure of control. He stated that the goal of the

Department of Public Safety (DPS) was to ensure that victims became survivors.

Commissioner Cockrell added that the bill been a priority for both the department and the administration. He noted that forensic scientists had begun to work in the crime lab to speed up processing timelines. He described the bill as critical to continuing the progress made over the past decade.

[9:21:28 AM](#)

Representative Hannan thanked the commissioner for his passionate testimony. She asked for more information about the role of Child Advocacy Centers (CACs) in supporting the prosecution of sexual abuse and neglect cases involving children. She asked if CACs had a role in tracking the sexual assault kit and assisting the child through the process.

Commissioner Cockrell responded that if a sexual assault examination kit was collected, it would be entered into the system. He explained that either the advocacy center or a parent could follow the kit through the confidential software system. He noted that each kit carried a barcode that was scanned at each stage of the process. He stated that the department's intent was to ensure child victims received the necessary support to live productive lives.

Representative Hannan noted that the Juneau Police Department had stressed the importance of CACs in the successful prosecution of child sex crimes. She asked if the commissioner could provide additional information.

Commissioner Cockrell responded that CACs were critical because the centers provided essential evidence to take to court. He stated that the centers effectively served as an arm of law enforcement, since the cases ultimately returned to law enforcement for investigation. He emphasized that the multidisciplinary approach helped protect children, which was the primary goal. He explained that the aim was to ensure that children did not remain victims for the rest of their lives but instead had the opportunity to heal and move forward.

[9:24:21 AM](#)

DAVID KANARIS, CHIEF, FORENSIC LABORATORY, DEPARTMENT OF PUBLIC SAFETY, introduced the PowerPoint presentation "House Bill (HB) 62: Sexual Assault Examination Kit Tracking System" dated May 7, 2025 (copy on file). He moved to slide 2 and explained that the bill sought to accomplish three main objectives: first, it would establish timelines for the transmittal and testing of the kits; second, it would codify the sexual assault kit tracking system; third, it would create provisions for survivor rights and transparency.

Mr. Kanaris advanced to slide 3 and explained that under current law, there were no established timelines for medical providers to transfer sexual assault kits to law enforcement. He stated that HB 62 would require medical providers to notify law enforcement and turn over kits within 14 days. Law enforcement would then have 20 days, reduced from 30, to submit the kits to the crime lab. Once received, the lab's processing timeline would be reduced from 180 days to 120 days.

Representative Galvin understood that biological DNA samples had a specific period of viability and asked whether the bill's proposed timelines accounted for the viability of samples.

Mr. Kanaris responded that the most critical timeline was the period between the assault and the collection of samples from the victim. Once samples had been collected, the samples remained relatively stable, even at room temperature. He stated that the bill did not address the period before collection as it focused only on the handling and processing after collection.

Representative Galvin asked if the bill would apply to child victims examined at CACs. She asked if the timeline of the kits for child victims would be the same as for adults.

Mr. Kanaris confirmed that the timelines and provisions applied regardless of the age of the victim.

[9:27:09 AM](#)

Mr. Kanaris continued on slide 4 and explained that the second major element of the bill concerned survivor rights and transparency. He stated that victims would be able to

opt into the tracking system and monitor the progress of the kits through notifications or by logging in to the system online. He emphasized that the approach had been shaped by input from survivor and advocacy groups that stressed the importance of being able to engage with the criminal justice system on their own terms and at their own pace, without having to reengage directly with law enforcement.

Mr. Kanaris continued to slide 5 and explained that the bill would codify the sexual assault kit tracking system. The system was already operating with strong support from the legislature and the administration, but there was no guarantee it would remain in place under future leadership. He asserted that codifying the system in statute would ensure its continuation. He stressed that the system was too important to fail. He explained that codification would also guarantee confidentiality of survivor data. The system did not contain personal identifying information and each kit was tracked only by barcode. The system ensured anonymity while allowing the kits to be monitored throughout the process.

Mr. Kanaris advanced to slide 6 which included photos of long-term sexual assault kit storage at the state crime lab. He described the image as sobering, noting that there were approximately 14,000 kits that had been processed over time and would remain in permanent storage. He stated that the photos illustrated the magnitude of the issue.

Co-Chair Foster asked whether the 14,000 kits represented the backlog that had previously existed.

Mr. Kanaris responded that the number reflected total processed kits currently stored at the lab. He explained that between 2015 and 2018, DPS had used a federal grant to audit unsubmitted kits in its possession. The department had identified approximately 500 to 600 unsubmitted kits, all of which had since been tested. In 2017 to 2018, the legislature appropriated funding for other agencies statewide to audit and submit their inventories, which revealed approximately 2,500 additional untested kits. The additional kits had also since been tested. He explained that the crime lab currently received approximately 1,100 to 1,200 DNA requests per year and more than half of which involved sexual assault kits. While evidence from other cases was eventually returned to the investigating agencies

for storage, sexual assault kits remained permanently at the crime lab because of past concerns about untested inventories.

[9:31:10 AM](#)

BRODIE ANDERSON, STAFF, REPRESENTATIVE NEAL FOSTER, reviewed the fiscal impact note from DPS with OMB component 527 and control code xRnIN. He explained that the note reflected a request of \$197,500 beginning in FY 26. The total included \$123,000 for one program coordinator position. He noted that the department currently had two coordinators funded by a federal grant, but once the grant expired only one position would be needed for long-term program management. The fiscal note also requested \$8,500 for five annual trips, one of which would be out of state. The services line totaled \$65,000, consisting of \$49,000 for InVita Healthcare Technology (IHT) software and \$16,000 in core service costs for program implementation. He stated that commodities were listed at \$1,000 for training materials and supplies.

[9:33:27 AM](#)

SUSIE FRENZEL, DIRECTOR, VICTIM SERVICES AND FORENSIC SCIENCE DIVISION, DEPARTMENT OF PUBLIC SAFETY, relayed that she had prepared the fiscal note. She explained that the department had conducted a thorough review of its civilian positions to determine if any other vacancies could be filled. She emphasized that no such positions were available, which created the need for the fiscal note.

Representative Tomaszewski asked if IHT had been selected through a competitive process that led to the awarding of the contract.

Ms. Frenzel confirmed that IHT had been selected through a competitive bid process.

Commissioner Cockrell reiterated that the tracking system was vital in addressing sexual assaults across the state. He hoped that the committee understood the value of the bill and the department's desire to see it succeed. He stressed that significant progress had been made in recent years and he did not want to lose momentum. He recalled that similar legislation had nearly passed in the previous year under challenging fiscal circumstances. He stressed

that sexual assault affected everyone. The legislation would provide survivors with control over the process within the criminal justice system, which was often misunderstood, particularly in rural areas. He explained that the bill would allow advocates to help survivors remain engaged in the justice process so that perpetrators could be held accountable.

[9:36:21 AM](#)

AT EASE

[9:37:21 AM](#)

RECONVENED

Co-Chair Josephson commented that former State of Alaska Representative Geran Tarr had collaborated closely with Mr. Kanaris years earlier. He remarked that Representative Tarr's work was relentless, and she had played an important role in crafting the legislation and moving it forward.

[9:38:02 AM](#)

AT EASE

[9:46:19 AM](#)

RECONVENED

Co-Chair Foster relayed that there was interest in moving the bill forward. He noted that it had been working its way through the process and there had already been public testimony on it.

Representative Allard appreciated the committee coming together on the bill. She thought it was important for the committee to take action on the bill to help Alaska's children and communities.

Co-Chair Schrage MOVED to REPORT HB 62 out of committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

HB 62 was REPORTED out of committee with ten "do pass" recommendations and with one previously published fiscal impact note: FN2 (DPS).

[Representative Stapp was absent from the motion.]

[9:48:22 AM](#)

#hb123

HOUSE BILL NO. 123

"An Act relating to vehicle rental taxes; relating to the issuance of subpoenas related to tax records; and providing for an effective date."

9:48:46 AM

REPRESENTATIVE KEVIN MCCABE, SPONSOR, explained that HB 123 was a bill that intended to address fairness. He emphasized that the bill cut the vehicle rental tax, which leveled the playing field and protected Alaskans who had previously been harmed by unclear rules in the prior tax structure. He remarked that the bill provided peace of mind regarding the ongoing tax collection efforts and gave a starting point for people to move forward. He asserted that at its core, HB 123 supported small businesses.

Representative McCabe added that the bill gave legacy rental car companies a small tax decrease and required the online car rental company Turo to pay a tax as required. He stated that the bill resolved legal uncertainties that had been discussed at a prior committee meeting. He asserted that the bill represented a win for Alaskans. He recalled that efforts had been underway for a couple of years to pass the bill and he thought that it was time to move it forward.

9:50:10 AM

Co-Chair Foster OPENED public testimony.

Co-Chair Foster CLOSED public testimony.

9:50:47 AM

Co-Chair Josephson remarked that he would not object to moving the bill and acknowledged that Representative McCabe had made strong arguments. However, he asked if Representative McCabe could provide more detail as to why there should be a reduction in the tax rate for Turo and related businesses.

Representative McCabe responded that Turo was in the early stages of becoming a significant industry. He argued that

offering a small tax decrease would help incentivize growth, provide support, and allow time to establish how many cars were involved and what revenue would be produced. He explained that additional criteria could be implemented once more data became available. He recalled that the legislature had taken a similar approach years earlier with the motorhome rental industry, which was now taxed at 3.5 percent. He expressed confidence that all sectors would be brought together under a consistent tax rate in the future. He stated that the current 2 percent difference between the legacy rental companies, such as Enterprise, Avis, and Hertz, and Turo was a way to bring Turo "into the fold."

Representative Galvin stated that she appreciated the focus on fairness in the bill. She recognized that Representative McCabe sought to protect Alaskans who had been confused about the prior system. She thought the peer-to-peer component was especially important. She asked how the term "peer-to-peer" was defined and how many cars an individual might rent out.

Representative McCabe responded that he could not imagine it would involve more than a couple of cars. If there was a situation in the future in which an individual operated 200 cars and maintained a brick-and-mortar business, the individual would be classified as a legacy rental car company, even if they were using Turo as a booking platform. He added that he could not imagine anyone choosing the legacy model because legacy companies already had their own platforms and booking systems. He emphasized that Turo had been designed as a platform for small-scale operators, such as families with a couple of cars, or parents who chose to rent out a child's vehicle while the child was away at college. He reiterated that the platform was not designed for large-scale operations, though he recognized that some people might take advantage of the system, as was the case with any industry.

Representative Galvin remarked that she had noticed other states had established clearer thresholds, such as limiting peer-to-peer operators to ten cars or fewer. She explained that she saw the platform as a tool for families to make a little extra money, which seemed reasonable to her. She expressed concern that some individuals might take advantage of the system and asked if the bill accounted for the possibility. She asked how the reduction in the legacy tax rate related to the peer-to-peer structure.

9:55:40 AM

Representative McCabe replied that his intent was to initiate the process. The state currently had no data on revenue generated by Turo, the number of cars involved, or how many hosts participated. He stated that the purpose of the bill was to begin collecting information. He suggested that the legislature might reduce the legacy rate in the future to match Turo, or align motorhome rentals as well, which would benefit Alaskans without significantly reducing expected revenue. He relayed that he was nervous about carrying a bill involving a tax, but understood that it was important to start somewhere. He noted that the bill included subpoena powers, which would allow the state to monitor how much revenue was being generated and determine how many hosts were operating more than five or ten cars. He added that the data could then justify the kind of limits Representative Galvin had described.

Representative Galvin asked whether the legacy rate was unrelated to the peer-to-peer rate.

Representative McCabe responded in the affirmative.

Representative Galvin asked if Representative McCabe had considered introducing a bill limited to subpoena powers in order to gather information before making any other decisions.

Representative McCabe responded that he had not considered the approach. He explained that the bill had come to him "pre-packaged" and it had been carried in the Senate in the previous year. He remarked that he had seen an opportunity to advance the bill and had decided to proceed.

Representative Johnson remarked that members of the committee all had inquiring minds, which was why they served on the committee, and they could continue questioning indefinitely. She commended Representative McCabe for his persistence and noted that he had attempted to advance the bill the previous year despite challenges. She commented that it was always frustrating when legislators worked hard on bills and the process required persistence to complete. She expressed appreciation the work that had been put into the bill.

[9:58:54 AM](#)

Co-Chair Josephson understood that there was an amendment to the bill, but he wanted to make a comment before the committee discussed the amendment. He understood that a legal memo about the fairness of the bill (copy on file) had been made available to the committee. He remarked that the bill appeared to be inherently unfair because it was unclear why Turo would be treated differently from brick-and-mortar operations in terms of standing to litigate. He pointed out that if Turo argued for a discount, it would have no standing because the host paid the tax rather than the platform. He added that the legal memo cited two relevant cases, *Stanek v. Greco*, a 2003 decision, and *Wilson v. Municipality of Anchorage*, a 1983 decision. He explained that both addressed equal protection arguments in economic circumstances, which received the lowest level of judicial scrutiny.

Co-Chair Josephson elaborated that in one case, the court had noted that freedom from disparate taxation lay at the low end of the continuum of interests protected by equal protection, which suggested there was little cause for concern. However, the *Stanek* case raised the common question of whether two groups treated differently were similarly situated and therefore entitled to equal treatment. He argued that there was not a strong case for distinguishing between brick-and-mortar operators and Turo hosts. He noted that the *Wilson* decision held that disparate taxation must be reasonable, not arbitrary, and must bear a fair and substantial relationship to a legitimate governmental objective. He argued that he did not see a clear justification for treating the two groups differently. He emphasized that brick-and-mortar businesses incurred greater expenses by definition, such as employees. He remarked that while he was not overly concerned about the issue, he believed it was important to discuss.

Representative McCabe and responded that the concerns would be valid if the tax were applied directly to both brick-and-mortar businesses and Turo hosts. However, he emphasized that it was a pass-through tax, much like a sales tax, and was paid by the renter rather than the host. He explained that the same applied to brick-and-mortar businesses, meaning the two groups were not being taxed disparately. He compared the situation to the legislature applying a percentage tax to alcohol, cigarettes, or food

products, or how municipalities applied local sales taxes. He added that the legal memo referenced had been requested by a member of the Senate who had carried the bill the previous year.

Co-Chair Foster noted that the committee would take up the bill again in the afternoon's meeting.

HB 123 was HEARD and HELD in committee for further consideration.

Co-Chair Foster reviewed the afternoon meeting's agenda.

#

ADJOURNMENT

[10:03:46 AM](#)

The meeting was adjourned at 10:03 a.m.