

HOUSE FINANCE COMMITTEE

May 7, 2025

1:44 p.m.

1:44:23 PM

CALL TO ORDER

Co-Chair Foster called the House Finance Committee meeting to order at 1:44 p.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

Representative Kevin McCabe, Sponsor; Representative Chuck Kopp; Bernard Aoto, Staff, Representative Will Stapp; Savaya Bieber, Staff, Senator Jesse Bjorkman; Kris Curtis, Legislative Auditor, Division of Legislative Audit; Brodie Anderson, Staff, Representative Neal Foster.

PRESENT VIA TELECONFERENCE

Dustin Hentzelman, Manager, Excise Audit Group, Department of Revenue; David Kershner, Consultant, Arthur J. Gallagher and Company, Aiken, SC; Kathy Lea, Director, Division of Retirement and Benefits, Department of Administration; Sylvan Robb, Director, Division of Corporations, Business and Professional Licensing, Department of Commerce, Community and Economic Development; Kevin Richard,

Director, Alcohol and Marijuana Control Office, Department of Commerce, Community and Economic Development.

SUMMARY

HB 78 RETIREMENT SYSTEMS; DEFINED BENEFIT OPT.

CSHB 78(FIN) was REPORTED out of committee with six "do pass" recommendations, three "do not pass" recommendations, and two "amend" recommendations and with one new fiscal impact note from the Department of Administration and one new fiscal impact note from the Department of Administration for Various.

HB 123 TAXATION: VEHICLE RENTALS, SUBPOENAS

CSHB 123(FIN) was REPORTED out of committee with seven "do pass" recommendations, two "no recommendation" recommendations, and two "amend" recommendations and with one previously published indeterminate fiscal note from the Department of Revenue.

CSSB 80(FIN)
EXTEND BOARDS

CSSB 80(FIN) was HEARD and HELD in committee for further consideration.

Co-Chair Foster reviewed the meeting agenda.

#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."

[1:45:24 PM](#)

Representative Bynum MOVED to ADOPT Amendment 1, 34-LS0551\I.5 (Nauman, 5/2/25) (copy on file):

Page 3, line 15:
Delete "immediately under AS 01.10.070(c)"
Insert "July 1, 2025"

Co-Chair Foster OBJECTED for discussion.

Representative Bynum explained that the amendment would change the effective date from immediate to July 1, 2025. He furthered that it would align the effective date with the beginning of the fiscal year and tax quarter.

REPRESENTATIVE KEVIN MCCABE, SPONSOR, viewed the amendment as friendly.

Representative Galvin asked if the sponsor of the amendment had checked with the department to make sure the date was sufficient. Representative Bynum responded affirmatively.

Representative Hannan relayed that when she read the bill with the immediate effective date, she deduced it allowed the Department of Revenue (DOR) time to set things up for collecting the tax. She wondered if it would forestall collecting revenue on July 1, 2025. She offered that the fiscal note was predicated on an entire year's worth of revenue, and she favored the collection of revenue from the full fiscal year without delay.

[1:48:35 PM](#)

Representative McCabe thought that the change was a wash. He did not have an opinion one way or another. He surmised that the amendment was good for DOR and probably not so good for the lost revenue.

Representative Bynum voiced that the provision was not offered to protect the department but to protect the entities that would collect the tax. He wanted to ensure industry had enough time to set up collection procedures. The amendment allowed businesses a 6-week window to make the necessary adjustments before the bill went into effect.

Co-Chair Foster asked the department to comment.

DUSTIN HENTZELMAN, MANAGER, EXCISE AUDIT GROUP, DEPARTMENT OF REVENUE (via teleconference), relayed that the department did not have an opinion on the amendment.

Representative Hannan asked what the department's anticipated time frame was for set up and collection of the tax. Mr. Hentzelman replied that the department was prepared to implement the bill immediately, but a delayed

effective date would be helpful for DOR's effort to disseminate information regarding the tax. He added that it would be easier if there was a delay in implementation.

[1:51:45 PM](#)

Representative Galvin understood the reasoning from the maker of the amendment. She shared that previously, she had operated an Airbnb and when she had learned of a tax rate increase it was too late too late to change her rates to cover the additional tax.

Co-Chair Foster WITHDREW the OBJECTION.

There being NO further OBJECTION, Amendment 1 was ADOPTED.

Representative Galvin supported moving the bill forward. However, she believed that in the future the law might need amending.

Co-Chair Josephson MOVED to REPORT HB 123 out of committee with individual recommendations and the accompanying fiscal note(s).

There being NO OBJECTION, it was so ordered.

CSHB 123 (FIN) was REPORTED out of committee with seven "do pass" recommendations, two "no recommendation" recommendations, and two "amend" recommendations and with one previously published indeterminate fiscal note from the Department of Revenue.

Representative McCabe thanked the committee.

#hb78

HOUSE BILL NO. 78

"An Act relating to the Public Employees' Retirement System of Alaska and the teachers' retirement system; providing certain employees an opportunity to choose between the defined benefit and defined contribution plans of the Public Employees' Retirement System of Alaska and the teachers' retirement system; and providing for an effective date."

[1:54:26 PM](#)

Co-Chair Foster stated that the committee would consider amendments to the bill. His office had received seven amendments.

REPRESENTATIVE CHUCK KOPP, provided a brief recap of the bill. He summarized that the bill offered a shared risk hybrid pension plan for public employees currently enrolled in the Defined Contribution (DC) plan. He furthered that following an initial 180 day window, current employees could choose to remain in the contribution plan. Subsequently, the default plan would be the Defined Benefit (DB) plan. He believed that bill would "improve greater stability in the state's workforce," make the state a more competitive employer, and strengthen the public service infrastructure to attract and retain a workforce.

[1:56:01 PM](#)

Co-Chair Josephson MOVED to ADOPT Amendment 1, 34-LS0493\N.3 (Wayne, 4/30/25) (copy on file):

Page 4, line 9:
Delete "member's"
Insert "teacher's"

Page 4, line 24, following "section":
Insert "to participate in the plan under AS 14.25.009 - 14.25.220"

Page 33, line 26, following "employee":
Insert "was first hired after June 30, 2006, and before July 1, 2025, and, if not employed by an employer on July 1, 2025, is reemployed by an employer after July 1, 2025, and, before the date of reemployment,"

Page 33, lines 27 - 31:
Delete all material. 15
Page 34, line 1:
Delete "(A)"
Insert "(1)"

Page 34, line 4:
Delete "(B)"
Insert "(2)"

Page 34, line 26, following "section":

Insert "to participate in the plan under AS 39.35.095
- 39.35.680" 3
Page 51, line 6:
Delete", 14.25.061, 14.25.540; and AS 39.35.940"
Insert "and 14.25.061"

Co-Chair Foster OBJECTED for discussion.

Co-Chair Josephson explained the amendment. He read from a prepared statement:

When the DC plan was passed in 2005, there was a provision to allow existing DB employees to opt-in to the new DC plan. That remains in law.

In HB78, all new employees would be enrolled in the new Defined Benefit program. Existing DC employees would have an option to join the new tier with a process for converting their accounts.

In the bill as written, the DC plan would be closed to new members, but would retain those current members who choose to stay and to not convert to the new plan.

Amendment #1 adds a choice for the new DB employees; they would have the ability to switch to the DC plan at any point in their first five years of employment, before they are vested.

If you look at the text of the amendment, most of it is conforming language. The guts of the change in Amendment #1 is actually on page 2, lines 5-6. This is in the "repealers" section of the bill. The current bill repeals the sections that allowed pre-2006 DB employees to convert to DC. By passing this amendment, it leaves open that existing process for the new DB employees, if they were to choose to convert to the DC plan.

The other effect of this amendment would be to keep open the Defined Contribution plan for new members.

Co-Chair Josephson felt that the DB plan would likely "be in the self-interest of most new state, local, and school district employees to "join" and remain in the plan. However, he presumed that there would be some individuals that would want to choose the DC plan. He concluded that

the amendment allowed for "freedom of movement" while starting the new DB tier.

1:59:09 PM

Co-Chair Foster asked Representative Kopp for comment on the amendment.

Representative Kopp believed that "it was a good amendment that preserved choice while still pointing Alaska's workforce toward a more secure fiscally responsible DB system." He communicated that many teachers were coming up to Alaska to work for only two years to experience the state. He appreciated that the DB was the default plan but understood a situation where a teacher or employee might want to work in Alaska for only a two or three year period and a DC plan would be a more practical option. He reported that the issue was relayed to him by several large employers of school districts and other agencies familiar with the situation. He hoped that 80 percent of new employees would opt into the DB plan but believed that it offered flexibility for temporary work seekers.

Representative Bynum liked the amendment. He asked to hear from the actuary on what it would do to the long term impact on the fund and from the Department of Administration to see if it was problematic for them.

DAVID KERSHNER, CONSULTANT, ARTHUR J. GALLAGHER AND COMPANY, AIKEN, SC (via teleconference), answered that the projections in the March 24, 2025, fiscal note assumed that all existing active members would elect to switch to the DB plan and that all future hires would be under the DB plan. If some future hires chose the DC plan, it would have a small impact depending on the number of individuals doing so. He indicated that it would decrease the projected cost amounts.

2:03:24 PM

KATHY LEA, DIRECTOR, DIVISION OF RETIREMENT AND BENEFITS, DEPARTMENT OF ADMINISTRATION (via teleconference), answered that the division would have to check with its tax counsel on the legality of switching into the DB plan and whether it was allowable by the Internal Revenue Service (IRS). She knew they allowed different elections at the time of hire

but was unsure whether it was permissible for a member to switch from a DB plan into a DC plan after 5 years.

Representative Bynum asked if the amendment was restricted to teachers or for all members. Representative Kopp replied that the amendment applied to all members.

Representative Stapp pondered what happened if the amendment was done the other way around. He guessed that it would be acceptable to start in a DB plan and switch into a DC plan.

Ms. Lea answered that the problem was that the IRS considered the option "two bites at the same apple." She furthered that the IRS generally restricted election to the time of hire. She was not certain it was allowable either way.

Co-Chair Foster WITHDREW the OBJECTION.

Representative Stapp OBJECTED. He believed that the amendment improved the bill. However, he favored defaulting new hires into the DC plan.

There being NO further OBJECTION, Amendment 1 was ADOPTED.

[2:06:56 PM](#)

Representative Hannan MOVED to ADOPT Amendment 2, 34-LS0493\N.2 (Wayne, 4/30/25) (copy on file):

Page 8, line 10:
Delete "may"
Insert "shall"

Page 21, line 31, following "board":
Insert ", including a policy to prevent each fund from having an unfunded liability greater than 10 percent"

Page 23, lines 3 - 4:
Delete "determined by a level percent of pay method"
Insert "[DETERMINED BY A LEVEL PERCENT OF PAY METHOD]"

Page 37, line 28:
Delete "may"
Insert "shall"

Co-Chair Foster OBJECTED for discussion.

Representative Hannan explained the amendment. She related that the amendment made changes to clarify the statutory responsibilities of the Alaska Retirement Management Board (ARMB) and ensured that the proposed new DB tier was managed with fiscal discipline. She furthered that the amendment strengthened board duties, sets minimum funded ratio policy, and provided flexibility in funding methods. She delineated that the amendment contained four provisions. The changes from "may" to "shall" on Page 8, line 10, and Page 37, line 28, directed the ARMB to increase member contributions for PERS and TRS, if the plans were likely to fall below 90 percent funded and "shall implement" versus "may implement." She pointed to the provision on Page 21, line 31, and noted that it added an explicit policy that the ARMB must include a policy to address the situation before falling below 90 percent. Finally, the fourth provision deleted the existing provision that mandated the ARMB use the level percent of pay amortization method and allowed the board to decide, under actuarial guidance, whether a level percent of pay or level dollar value should be used. The methods changed depending on economic circumstances.

[2:09:28 PM](#)

Representative Kopp favored the amendment. He believed that it was a sound amendment and provided clear direction to the ARMB to use the 90 percent funding levers if the fund dipped below 90 percent on both the member contributions and the Post Retirement Pension Adjustments (PRPA). He indicated that the actuary testified that the plan was "solid" due to its ability to react dynamically to the market. The amendment's prescriptive language removed any "political concerns" that the ARMB might not take proper action regarding the future liability of the plan. He expounded that the amendment directed the ARMB to have written policies to support the statute and was widely supported by the Alaska Municipal League (AML). He addressed the level percent of pay amortization and discovered that it had become an issue because a level percent of pay meant paying larger interest and less principal upfront. The level dollar value paid more principal and less interest upfront. He reported that the level percent method increased and lengthened the deficit before reaching a zero balance by approximately 10 percent.

He shared that the ARMB director supported removing the existing prescriptive language. He believed that the amendment was "consistent with the whole spirit of the bill..."

[2:12:12 PM](#)

Representative Galvin favored the clarity for the ARMB. She asked if a timeline for the ARMB to act was necessary. Representative Hannan was unable to answer the question and deferred to Ms. Lea.

Ms. Lea responded that the board met quarterly and there was one meeting annually where the ARMB adopted the actuarial evaluation that included the funding levels of the plans. She recalled that the board called special meetings occasionally when needed. She suggested that the ARMB could provide a precise answer.

Representative Galvin was satisfied with Ms. Lea's response.

Co-Chair Josephson asked by what amount moving to a level dollar amortization may increase the fund to. Representative Kopp clarified that the amendment did not require using the level dollar method; it allowed the board flexibility to use it. He added that under the percent of pay amortization, there was an assumption that payroll would increase over time, however, the state had fewer employees currently than in 2005, negating the assumption. The level dollar might be a better method, but it remains an option for the ARMB.

[2:15:46 PM](#)

Co-Chair Josephson hoped that the ARMB would consider the state's fiscal position to some degree. Representative Kopp answered that the ARMB was "sensitive" to the state's fiscal position.

Representative Stapp wished the amendment required the level dollar method. He deduced that the "may to shall" provision only applied to the increase in the employee contribution and not the reduction in PRPA.

[2:17:07 PM](#)

Representative Hannan requested an at ease.

[2:17:20 PM](#)

AT EASE

[2:18:15 PM](#)

RECONVENED

Representative Hannan replied that she did not believe it applied to PRPA but deferred the answer to the sponsor.

Representative Kopp concurred that it only applied to member contributions. He commented that member contributions were a much larger adjustment versus PRPA. He voiced that it was within the spirit of the amendment and bill to include both items. He supported a conceptual amendment.

Representative Stapp remarked that he was reticent to make a conceptual amendment because of the bill's complexity and technical nature. Representative Kopp appreciated his comment.

Representative Hannan stated it was not her intent to leave the PRPA out and was favorable to a conceptual amendment.

Representative Bynum commented that the plan was comprised of a shared risk concept and supported the inclusion of the PRPA.

Co-Chair Foster WITHDREW the OBJECTION.

Representative Stapp WITHDREW the OBJECTION. He wanted to know why the level dollar value only could not be included in statute.

Representative Allard OBJECTED.

Representative Hannan spoke to the level dollar provision. She clarified that a level dollar provision would be just as prescriptive as mandating a level percent of pay. She felt that changing conditions over time might warrant one method over another. She recounted that the actuary and the ARMB requested the flexibility.

[2:21:56 PM](#)

A roll call vote was taken on the motion.

IN FAVOR: Galvin, Jimmie, Hannan, Tomaszewski, Stapp, Bynum, Josephson, Schrage, Foster.

OPPOSED: Johnson, Allard.

The MOTION PASSED (9/2).

Co-Chair Foster asked for the roll to be voided.

A roll call vote was taken on the motion.

IN FAVOR: Bynum, Johnson, Jimmie, Hannan, Tomaszewski, Stapp, Bynum, Josephson, Schrage, Foster.

OPPOSED: Allard.

The MOTION PASSED (10/1).

There being NO further OBJECTION, Amendment 2 was ADOPTED.

[2:23:44 PM](#)

Co-Chair Schrage MOVED to ADOPT Amendment 3, 34-LS0493\N.1 (Wayne, 4/30/25) (copy on file). [Due to the length of the amendment, it is not included here. See copy on file for details.]

Co-Chair Foster OBJECTED for discussion.

Co-Chair Schrage explained the amendment. He reported that the amendment changed the retiree's healthcare eligibility based on the recommendations provided by the ARMB board during its March 2025 meeting. The board passed two resolutions in support of reforming access to retiree healthcare benefits without increasing benefit liabilities. The first provision removed the statutory requirement that plan members must be actively employed 12 months prior to retirement even if they met the age and service benchmarks. The requirement forced the employee to delay retirement or seek temporary re-employment to meet the eligibility requirement. The second provision in the amendment reduced the service threshold from 25 to 20 years for Public Employees' Retirement System (PERS) public safety employees and from 30 to 25 for non-public safety employees. He added

that the DC retirement healthcare plan would remain overfunded even with the adoption of the amendment.

[2:25:04 PM](#)

Representative Kopp appreciated the amendment and emphasized that it was strongly supported by ARMB. He related that the statutory requirement regarding active employment was considered "completely hostile" to employees. He stressed that the current statute required a 65 year old to return to work at age 64 to retire directly out of the plan into Medicare. He explained that when the statute was adopted 15 years earlier it had not been well thought through. He explicated that current statute already addressed a contribution based on your years of service, which is 30 percent of the Alaskacare premium if the employee worked 10 to 14 years. The additional requirement to return to work at the age of 64 for one year was "incorrect" policy. He discussed that the second provision regarding the reduction in service to obtain the Alaskacare plan was in response to the overfunded health trust. The actuarial report showed the fund would remain significantly overfunded with the adoption of the provision.

[2:27:49 PM](#)

Representative Bynum favored the first provision but was uncertain about the second. He deduced that the second provision benefited the DB employees that were all currently retired or soon to be retired and were already enjoying the healthcare opportunity. He noted that the DB healthcare plan was already agreed upon. However, employees in Tier IV or the new plan did not receive the same healthcare benefit. He did not favor the approach to the healthcare component in HB 78. He supported the first provision but wondered why the bill did not reform the healthcare plan for future employees.

[2:29:18 PM](#)

Representative Kopp responded that the plan adopted in whole the current existing healthcare plan and made no change. He indicated that the amendment would benefit new hires and current DC employees. He stressed that the amendment did not alter the time and service to get a pension, it adjusted the timeframe to become eligible for healthcare and would only apply to the entire Tier IV

health plan. There were no legacy DB health benefits addressed in the bill, and only applied to the new Tier 4 plan.

Representative Galvin understood the amendment included two separate issues. She believed the second provision would please many Alaskans and provide them more opportunity for healthcare. She noted that the healthcare fund was overfunded and could only be used for healthcare. She approved of offering current employees who had already given many years of service the opportunity for healthcare. She supported the amendment.

Representative Stapp ascertained that the amendment's two sections were being added into the bill and could not be enacted if the bill did not pass. He wondered whether it was the only way the ARMB recommendations could be adopted and if anyone considered offering them via a separate bill. He favored the changes. He asked for clarification about the section being deleted that required members to be actively employed 12 months before retirement. Representative Kopp answered that the language required that a member must retire directly from the plan to get a healthcare benefit and had to work the previous 12 months. The statute required them to retire directly from the plan into Medicare to obtain the state's Medicare supplement and he thought it was an impossibly high bar to access healthcare. Representative Stapp asked what happened to the money and if the employee did not have access to their Health Reimbursement Arrangement (HRA) money. Representative Kopp clarified that the individual would not be eligible for the healthcare supplement to Medicare at age 65.

[2:34:34 PM](#)

Representative Stapp supported the concept but wanted to see the amendment as a standalone bill in case HB 78 was not enacted and would oppose the amendment.

Representative Bynum understood that the healthcare plan was overfunded. He was concerned that the provision applied to all retirees in all tiers and worried that it would eventually lead to underfunding the healthcare plan.

Representative Kopp clarified that the amendment only applied to Tier IV retirees and no other tier was included.

2:36:35 PM

AT EASE

2:36:55 PM

RECONVENED

Representative Johnson WITHDREW the OBJECTION.

There being NO further OBJECTION, Amendment 3 was ADOPTED.

2:37:51 PM

Co-Chair Josephson WITHDREW Amendment 4, 34-LS0493\N.4 (Wayne, 4/30/25) (copy on file).

Representative Stapp MOVED to ADOPT Amendment 5, 34-LS0493\N.5 (Wayne, 5/5/25) (copy on file). [Due to the length of the amendment, it is not included here. See copy on file for details.]

Co-Chair Foster OBJECTED for discussion.

Representative Stapp explained the amendment. He commented that the bill was complex and wished the committee held more than 9 hearings. He reported that the amendment made many substantial changes. First, it would leave the DC plan open and make it the default plan for new hires and current employees with an opt in option. The existing hires could remain in the DC plan up until they bought their way into the DB plan. He elaborated that the secondly, the amendment would do was raise the maximum employee contribution rate from 12 percent to 14 percent. The actuary predicted that it would not be necessary but, in the event, it was, the contribution could not be increased via the language in the bill. The amendment also included several clarifications on language changes. He continued that the third significant change was the "may" to "shall" language that was in Representative Hannan's amendment except his amendment included the PRPA. The fourth item in the amendment specified that for non-state employers like municipalities participating in Tier V that they would be paying the full actuarial rate, which would stop any unfunded liability from being assumed by the state. He exemplified the Municipality of Anchorage. He believed that it should be responsible for its own employees since they were not employees of the state. He moved to the 5th large change he proposed to the ARMB directive that the ARM board could not

increase the employees' contributions unless employers' contributions were increased at an equal amount. He pointed to the language on page 3, line 12 and read:

Delete "The board may not increase the member contribution unless the board increases the employer contribution under AS 14.24.070(a)(2) by an equal amount."

Representative Stapp clarified that he was not in favor of the employer contribution remaining uncapped. However, he was uncertain that the language in Amendment 5 captured what he wanted to achieve with equal contributions.

[2:43:19 PM](#)

BERNARD AOTO, STAFF, REPRESENTATIVE WILL STAPP, explained one last provision in Amendment 5. He cited the last item on page 4 of an Amendment 5 sectional handout (copy on file) pointing to Page 7, line 12 of the bill that removed the language that repealed the statues allowing any DB member teacher or state employee who have not vested in their defined benefits plan to opt into the defined contribution plan.

[2:44:06 PM](#)

Representative Kopp appreciated the thought that Representative Stapp put into his amendment. He did not encourage the adoption of the amendment given the sponsor's own uncertainties. He addressed some of the concepts in the amendment. He voiced that switching the default from Tier 5 to the DC plan would exclude a large group of new employees and shrink the new participant base effectively limiting new contributions that helped sustain the plan over time. The goal of the bill was to strengthen the state's retirement plan and the provision went against the very nature of the goal of the bill. He emphasized that the point was to establish a shared risk pension that would be strong and reliable for the future of the state. He did not want to maintain the failed elements of the DC "experiment." He was opposed to the provision. He referred to raising the employee's contribution to 14 percent and noted that the employee contribution in earlier versions of the bill was 8 to 10 percent. He recounted that former Representative Bart LeBon, in a prior year, had an amendment increasing it from 10 to 12 percent. He recounted

that every actuary consulted could not foresee a scenario where the employee contribution would need to increase by that amount. He relayed that Mr. Kershner had confidence that the plan was "structurally balanced" and if an unfunded liability occurred it would remain above the 90 percent funding level. He determined that increasing the possible future employee contribution to 14 percent was unnecessary. He delineated that when an adjustment was necessary it was minute and typically increased 0.1 percent because a slight adjustment had a significant fiscal impact. He believed that linking the employee and employer contribution was important because it communicated a shared risk. He reiterated that the actuaries did not see an additional unfunded liability to the state with Tier 5. He stressed that raising the employee contributions was unnecessary.

[2:48:24 PM](#)

Representative Bynum appreciated the maker of the amendment, and he supported it. He deduced that if the 14 percent increase would never be necessary than there was no risk to including it. He remarked that the amendment submission period was short for such a complicated bill.

Representative Kopp referenced statements from Representative Stapp regarding the unfunded actuarial liability and how the state addressed it in the previous DB tiers. The state capped the non-state employers' percent of payroll at 22 percent. His amendment removed the cap. He reminded the committee that with the actuaries predicting that there would not be an unfunded liability, the actual cost of a fully funded plan was about 13 percent for PERS and about the same for TRS, well below the current 22 percent.

[2:50:52 PM](#)

AT EASE

[2:51:35 PM](#)

RECONVENED

Representative Bynum asked if the cap removal of 22 percent was effective only for the new plan. Representative Stapp replied affirmatively. He reiterated that his provision explicitly wanted the municipalities to cover any liability amount without any state intervention.

Representative Stapp provided wrap up on the amendment. He thought the amendment offered a lot of good ideas and attempted to improve the risk. He shared that he had asked Mr. Kershner if he would pay the amount of any unfunded liability and he answered in the negative. He commented that with the initial DB plan no one had predicted that there would be any liability, yet it happened. He hoped the plan would perform well but warned that once enacted the plan could not change.

Co-Chair Foster MAINTAINED the OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Allard, Stapp, Tomaszewski, Bynum, Johnson,

OPPOSED: Hannan, Jimmie, Galvin, Schrage, Josephson, Foster

The MOTION to adopt Amendment 5 FAILED (5/6).

[2:54:44 PM](#)

Representative Bynum MOVED to ADOPT Amendment 6, 34-LS0493\N.9 (Wayne, 5/4/25) (copy on file):

Page 22, line 3, following "AS 39.35":

Insert "and annually determine a projected annual rate of return on investments of the state retirement systems, not to exceed the rolling average rate of return for the most recent period of 10 calendar years;"

Page 23, line 13, following the first occurrence of "assumptions":

Insert "and the rolling average rate of return on investments of the state retirement systems for the most recent period of 10 calendar years"

Representative Hannan OBJECTED for discussion.

Representative Bynum explained the amendment. He indicated that the amendment ensured that there was greater fiscal discipline in the assumptions used by the retirement system. He proposed anchoring the projected returns on the actual historical performance. He cited page 22, line 3, requiring that the ARMB must "annually determine a projected annual rate of return on investments of the state

retirement systems, not to exceed the rolling average rate of return for the most recent period of 10 calendar years;" He determined that it prevented an "overly optimistic" investment return assumption when calculating pension liabilities. He exemplified that if over the prior 10 years, an investment return was 6.2 percent the board could not assume a higher rate. He pointed to page 22, line 13, which ensured that the rolling average invested return rate was included alongside the actuarial assumption and was reviewed by the board. He deemed that it ensured employing the actual investment history in shaping long term fiscal assumptions that were "grounded in the reality of the markets." He elaborated that the amendment aimed to reduce the risk of underfunding the plan due to inflationary expectations of future investment earnings. He believed that it was "particularly important in managing the long term solvency" of the plan. He was trying to prevent an unfunded liability as existed in the current plans. He understood that the Tier 5 plan included "levelers" in case of a liability, but he wanted to avoid it from happening at all.

Representative Kopp strongly opposed the amendment. He stated it would be viewed as hostile by local government. He explained that the amendment arbitrarily capped the investment return assumption of the 10-year rolling average regardless of market conditions, portfolio changes, or any professional actuarial guidance. The state's and ARMB's actuaries already review the return assumptions annually using national standards and long-term forecasts and not only past performance. He furthered that if the assumed rate of return was lowered, the state could be forced to report higher liabilities and increase employer contributions, even if it was not recommended. He discerned that it would lead to unnecessary pressure on local governments and agencies. He thought the amendment was well intended but believed relying on the actuaries was better than being prescriptive and that moving from a 5-year rolling average to a 10-year rolling average was unnecessary and could have harmful effects.

Representative Bynum provided wrap up on Amendment 6. He offered that he would not have offered the amendment if he had full confidence in how the state had managed its DB plans. He pointed out that the state had a multi-billion dollar deficit on the previous DB plan. He did not support planning solely around actuarial projections based on

future returns. He stressed that prior market conditions were important for future projections. He reminded the committee that the history of the assumptions "had always been in the wrong direction" hence, the multi-billion dollar deficit.

[2:59:50 PM](#)

Representative Bynum added that the prior amendment attempted to address pressure on the municipal governments. He stressed that the state was taking on liabilities for employees that did not work for the state in Tier 5. Municipalities had to begin caring for their own employees.

Representative Hannan MAINTAINED the OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Stapp, Tomaszewski, Bynum,

OPPOSED: Johnson, Jimmie, Galvin, Hannan, Allard, Schrage, Josephson, Foster

The MOTION to adopt Amendment 6 FAILED (3/8).

[3:01:27 PM](#)

Representative Stapp MOVED to ADOPT Amendment 7, 34-LS0493\N.6 (Wayne, 5/2/25) (copy on file):

Page 28, following line 16:

Insert new bill sections to read:

"* Sec. 43. AS 39.30.1 50(a) is amended to read:

(a) In place of contributions to the federal social security system that would have been required on behalf of an employee who first became a member of the defined benefit retirement plan under AS 39.35.009 - 39.35.680 before July 1, 2006, had the participating employer belonged to the social security system, the participating employer shall contribute an amount equal to 6.13 percent of the wages of the employee up to the taxable wage base then in effect in the social security system. This contribution shall be paid into an individual employee annuity account in the Department of Administration under the terms of the State of Alaska Supplemental Annuity Plan. The department shall pay 6.13 percent of the wages of the

employee up to the taxable wage base then in effect in the social security system into the individual employee annuity account established under this subsection. This wage reduction shall be treated as an employer contribution under 26 U.S.C. 414(h)(2). All costs of establishing and administering the programs established under AS 39.30.150 - 39.30.180 shall be paid from the contributions made to the individual employee annuity accounts under this section.

* Sec. 44. AS 39.30.150(c) is amended to read:

(c) An employee who first became a member of the defined benefit retirement plan under AS 39.35.009 - 39.35.680 before July 1, 2006, may voluntarily elect additional wage reductions to be paid into special individual employee benefit accounts in the Department of Administration. Money in these accounts may only be used to purchase benefits selected by the employee under the supplemental benefits plan established by the administrator." 3

Renumber the following bill sections accordingly.

Page 52, following line 1:

Insert a new subsection to read:

"(c) Notwithstanding AS 39.30.150(a) and (c), an employee who makes an election under (b) of this section may not contribute to, or receive a benefit from, the supplemental benefits system under AS 39.30.150 - 39.35.180."

Page 52, line 10:

Delete "39- 94"

Insert " 39 - 96"

Page 52, line 16:

Delete "Section 95"

Insert "Section 97"

Page 52, line 17:

Delete "sec. 96"

Insert "sec. 98"

Co-Chair Josephson OBJECTED for discussion.

Representative Stapp explained the amendment. He pointed out that during the discussion the Supplemental Benefit System (SBS) was not discussed. He reported that the

amendment eliminated that SBS system from the Tier 5 system. He did not actually want to eliminate the benefit but wanted to emphasize that the topic was never discussed. He pointed out that the amendment explained the SBS system.

Representative Stapp WITHDREW the amendment.

[3:02:43 PM](#)

Representative Jimmie commented that our educators and public safety employees deserved a retirement that worked for them. She shared that she had the same teacher from 9th through 12th grade. Teachers used to stay and teach for over 20 plus years in the village. Her daughter had 8 teachers and her district was spending heavily on hiring teachers from the Philippines and other countries. She spoke about the difficulty of recruiting and retaining teachers and Village Public Safety Officers (VPOs) in Alaska. She believed that the Department of Public Safety (DPS) had done a good job building up the VPSO program. She detailed that VPSO's were not state employees due to the "unique nature of the grant program" and would not benefit from the legislation. She indicated that there was no legislative fix in the bill for them. She furthered that the "disparity in retirement benefits reflected broader economic inequalities between urban and rural areas." She supported the bill so children in the villages could obtain a quality education. However, it would not help retain and recruit VPSOs. She informed the committee that currently her village did not have VPSOs.

[3:05:11 PM](#)

Co-Chair Schrage MOVED to REPORT CSHB 78(FIN) out of committee with individual recommendations and the accompanying fiscal notes.

Representative Stapp OBJECTED. He wished the committee had spent more time on the bill and compared other options. He believed that the bill could be improved. He hoped other committees would explore all the provisions and options thoroughly. He pointed out that the bill had a fiscal note for the next fiscal year, and he wondered what the costs were and where the revenue would come from.

Representative Bynum was a strong proponent of retirement reform in Alaska. He appreciated the bill but did not think

they needed to rush the conversation with only one idea; other ideas should be considered. He noted that most of the 9 committee hearings on HB 78 were generalized topics. He maintained concerns about the current bill and what employees would do when they went to retire and were bridging healthcare benefits between work and Medicare eligibility. He emphasized that the bill did not fix that problem nor, he opined, any problems with an unfunded liability. He noted the bill was exclusively heard by the House Finance Committee. He was not in favor of moving the legislation to fix it in the Senate. He thought they should make fixes in the current committee. He supported working on the idea over the interim resulting in a bill that was friendly to employees and the state. He had been informed by some that "it was not an employee friendly bill." He supported making the bill employee friendly and cost effective for municipalities. He opposed moving the bill.

[3:09:41 PM](#)

Representative Galvin stated that she was grateful for the nine hearings she had attended in committee and the prior years of work on the subject. She highlighted the public testimony letters legislators received from Alaskans in favor of the bill. She believed the challenges were recruitment and retention of state workers. She wanted "Alaska on the map" and being competitive in the workplace. The state had been missing the recruitment and retention piece in a retirement system. She understood the bill was imperfect but thought that the bill solved a lot of issues. She hoped that passing the bill would alleviate Alaskans concerns regarding the insufficient number of public safety responders and they would increase. She appreciated and supported the bill.

[3:12:24 PM](#)

Co-Chair Josephson stated that the bill was too historic to not make comments on. He stated that immediately after the demise of the Tier 3 and entry into the DC plan there were legislators seeking reforms and he believed the issue had been prominent for a long time. He listed former legislators who had sponsored DB bills. He noted that the new plan utilized experts and elements from other state's plans to create a plan that would remain solvent and was supported by the state's actuary. He referred to the current cost of training public safety employees. He

mentioned the fiscal note reflecting the cost of just over \$40 million in FY 27 versus the state having paid \$12 million in penalties due to the backlog in Supplemental Nutrition Assistance Program (SNAP) benefits. He believed it would reduce costs because of the positive effect on reducing vacancy rates, making governments more effective. He spoke to the triggers or levers that made the plan cost effective like a reduced PRPA for retirees leaving the state and the contribution adjustment. He acknowledged that mistakes were made with the previous DB tier. He offered that the state should not saddle future generations with the mistakes made from the prior DB plan. The bill was not perfect, but at its inception, healthcare seemed to be the expensive feature. He thought it would be a boon to public service in the best sense and would populate jobs that the state could not fill. He surmised that the plan accomplished "government for commerce's sake" and would make the private sector function better. He was strongly in support of the bill.

[3:16:54 PM](#)

Representative Tomaszewski thanked the sponsor for bringing the bill forward. He felt there were still many discussions that needed to be had about the many unknown costs associated with the bill. He deemed that the bill would create decades of unfunded liability for Alaska based on prior actuarial forecasts "coming up short for years." He stated the vacancy rate had been used as a way to push the bill forward, but the state was on par with the national rates. He thought some of the "good" and "thoughtful" amendments brought forward could have made the bill more palatable. He opposed moving the bill forward. He stressed that the plan created "a constitutional obligation for decades to come" for the state that the state would not be able to change or afford. He emphasized that the bill would bring untold costs to the state and its citizens.

[3:20:00 PM](#)

Representative Johnson opposed the bill. She thought the state was going backwards. She pointed to the \$3 billion contribution to the unfunded liability that "made no difference" to the amount of liability. She believed that the current DC plan was not the worst DC plan ever and might be doing better than the DB plan. She believed that other states were trying to "get out from under their DB

plans." Alaska was 20 years ahead of time in adopting the DC plan. She thought the DC plan was admirable. She deduced that the bill had the potential of putting more on municipalities and was not a "magic bullet" for recruitment and retention." She was skeptical of the future liability projections. She remarked that the Tier 5 plan was "aspirational" but would not be beneficial to the state. She would vote against moving the bill.

[3:23:39 PM](#)

Representative Hannan was an enthusiastic yes on the bill. She viewed the bill as giving an incentive for encouraging employees to stay and slowed the revolving door of public employees, especially for teachers. She acknowledged it was not perfect, but it was a step forward to slow employee turnover. She believed that the costs of "crumbling functioning government at state and local levels for 15 years" was huge and not factored into the cost of the proposed plan. She happily supported the bill.

Representative Stapp MAINTAINED the OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Galvin, Jimmie, Hannan, Josephson, Schrage, Foster.

OPPOSED: Tomaszewski, Stapp, Bynum, Allard, Johnson.

The MOTION PASSED (6/5).

There being NO further OBJECTION, CSHB 78(FIN) was REPORTED out of committee with six "do pass" recommendations, three "do not pass" recommendations, and two "amend" recommendations and with one new fiscal impact note from the Department of Administration and one new fiscal impact note from the Department of Administration for Various.

Representative Kopp thanked the committee for its comments and thoughtful reflection on the issue.

[3:27:06 PM](#)

AT EASE

[3:45:40 PM](#)

RECONVENED

#sb80

CS FOR SENATE BILL NO. 80 (FIN)

"An Act extending the termination date of the Big Game Commercial Services Board; extending the termination date of the Board of Massage Therapists; extending the termination date of the Alaska Commission on Aging; extending the termination date of the Marijuana Control Board; and providing for an effective date."

[3:45:53 PM](#)

Co-Chair Foster turned to the next item on the agenda.

SAVAYA BIEBER, STAFF, SENATOR JESSE BJORKMAN, communicated the sponsor's apologies for not being present; he was currently in another bill hearing. She reviewed the bill with prepared remarks:

This bill extends the sunset date of four boards, the Board of Massage Therapy, Marijuana Control Board, Alaska Commission on Aging, and the Big Game Commercial Services Board.

SB 80 is a cleanup bill from last year, it backdates these board extensions back to June of 2024, and extends them again as amended in the bill.

The Board of Massage Therapists is comprised of five members that examine applications and issue licenses, adopt, and enforce regulations, and establish standards of professional competence.

The Marijuana Control Board is comprised of five members that control the cultivation, manufacture, and sale of marijuana in the state.

Alaska Commission on Aging is comprised of eleven members who help seniors lead dignified lives, provide recommendations to Alaska House Finance Corp, and make recommendations to the Governor and Legislature.

The Big Game Commercial Services Board is comprised of nine members who prepare, and grade written and practical guiding examinations, issue guide license, adopt regulations, and assist DPS and DCCED in big game investigations.

All four 2023 board audits concluded that the board operated in the public's interest by actively amending regulations, conducting meetings in an effective manner, and enhancing public safety.

[3:49:00 PM](#)

Co-Chair Foster asked the legislative auditor to provide any comments.

KRIS CURTIS, LEGISLATIVE AUDITOR, DIVISION OF LEGISLATIVE AUDIT, introduced herself and relayed that the Division of Legislative Audit conducted sunset audits of all four of the boards being extended via SB 80. She planned to explain the recommended extensions and would review audit recommendations. She provided prepared remarks:

The first sunset report is on the Marijuana Control Board. We recommended a three year extension. The three-year extension recommendation is made in recognition that a report issued by the governor's Advisory Task Force on Recreational Marijuana was expected lead to significant changes to board and the Alcohol and Marijuana Control Office's duties, and a new information system, was expected to significantly change the board's licensing and enforcement processes. A three-year extension would allow for a timely evaluation of these substantial changes and align the board's next sunset review with the Alcoholic Beverage Control Board's sunset and allow a comprehensive review of AMCO's support to both boards.

The audit includes four recommendations that begin on page 20. First, we recommend AMCO's director establish procedures to ensure the marijuana handler permit documentation is properly maintained.

Second, we recommend that the board and the AMCO director continue to implement a new license and enforcement information system.

Lastly, recommendation 3 on page 21, we recommend the legislature consider requiring Marijuana board regulation changes be approved by a majority of board members.

[3:50:50 PM](#)

Representative Stapp thanked Ms. Curtis for her work. He asked about the problems identified with making cash deposits and enforcement issues with illegal grow operations. He asked for comment. Ms. Curtis replied that the audit did not look at cash transportation. The audit simply looked at the board functions. She requested clarification on his second question. Representative Stapp thought the issue was likely outside the purview of the board. He related that many individuals in the industry were perturbed by the lack of enforcement with black market grow operations. He asked if the issue was addressed in the audit. Ms. Curtis cited page 13 of the audit and noted enforcement was addressed. The page contained a snapshot of how much enforcement happened during the audit period. She did not believe it would include criminal black market activity as it was a law enforcement issue.

Representative Galvin referenced audit recommendation 3 that recommend the legislature consider requiring marijuana board regulation changes be approved by a majority of board members. She asked for more context on the recommendation. Ms. Curtis replied that page 9 of the audit contained a summary of all the meetings that were held. She informed the committee that for regulation changes the board required a majority vote with a quorum present. She relayed that on June 2021, the board passed an increase on the level of THC in edibles with 3 votes present but had one nay vote by public safety and its rural members were absent. She indicated that the action was legal however, the audit questioned whether it was in the public's best interest. She noted that licensing actions required a vote by the majority of board members while regulation changes required a simple majority of members present. The audit merely wanted to bring awareness to the situation.

[3:54:40 PM](#)

Representative Galvin asked how the audits recommendation fit in with other boards that dealt with health issues. Ms. Curtis replied that she did not know about other boards' participation but thought the vote was concerning.

[3:55:40 PM](#)

Ms. Curtis addressed the audit recommendation for the Board of Massage Therapists with prepared remarks:

The next sunset audit is over the Board of Massage Therapists. We recommended a 6 year extension.

The audit includes four recommendations that begin on page 12. First, we recommend the DCBPL's director develop procedures to ensure licenses are not approved based on outdated documentation.

Second recommendation - we recommend DCCED's commissioner work with policy makers to improve the recruitment and retention of investigators.

Recommendation 3 is similar - we recommend the commissioner work with policy makers to improve the recruitment and retention of licensing staff.

Recommendation 4 is on page 14; We recommend the board and DCBPL director consider increasing licensing fees to cover the cost of regulating the profession.

[3:56:24 PM](#)

Ms. Curtis addressed the audit recommendations for the Big Game Commercial Services Board:

The third sunset audit report you have in your meeting packets is on the Big Game Commercial Services Board. We recommend the legislature extend this board six years.

The audit makes 2 recommendations that begin on page 13. Recommendation 1: DCBPL's director should improve oversight procedures to ensure required licensure documentation is obtained and reviewed.

Recommendation 2 is on page 14. We recommend the board consider whether two private landholder board seats continue to be necessary for effective regulation.

Co-Chair Foster asked for more detail on the second recommendation. Ms. Curtis replied that the audit discovered that one private landholder board seat was vacant for 12 months with unexcused absences for 7 months and the second board seat was vacant for 31 months. The two seats lacked participation for most of the board meetings. A similar finding was made for the 2018 audit. She related that no one on the board seemed concerned about having the

private landholder's particular perspective brought to the board. The audit brought it to the board's attention and their response was that the Governor's office should do a better job recruiting for the vacant seats.

[3:58:04 PM](#)

Ms. Curtis reviewed the eight-year extension recommendation for the Alaska Commission on Aging:

The last board extension for your consideration is the Alaska Commission on Aging. We recommend an extension of eight years.

The report includes one recommendation which you can find on page 11. We recommend that the commission's chair ensure the annual analysis and evaluation report is complete and provided to the legislature and governor.

Co-Chair Foster OPENED public testimony.

Co-Chair Foster CLOSED public testimony.

[3:59:29 PM](#)

Co-Chair Foster request a review of the 3 fiscal notes.

Representative Hannan asked if there was no fiscal note for the Big Game Commercial Services Board.

BRODIE ANDERSON, STAFF, REPRESENTATIVE NEAL FOSTER, replied that he would double check on the fourth fiscal note, but he believed that only 3 had been submitted. He reviewed the fiscal note from the Department of Commerce, Community and Economic Development (DCCED) (FN3(CED) for the Board of Massage Therapists and the Big Game Commercial Services Board. He reported that the total was \$53,000 and the amount was included in the governor's FY 26 budget. He specified that \$48.5 thousand was included for travel (\$20.3 for 5 members of the Board of Massage Therapists and 1 staff member, and \$28.2 for 9 members of the Big Game Commercial Services Board and 2 staff members, to attend four meetings of their respective boards per year). In addition, the fiscal note included \$4.5 thousand for services such as advertising of public meeting notices, training and conference fees, and board member stipends.

4:03:03 PM

Representative Allard voiced that the state was in a "really bad fiscal crunch." She asked if there was a reason the boards could not hold meetings over Zoom.

SYLVAN ROBB, DIRECTOR, DIVISION OF CORPORATIONS, BUSINESS AND PROFESSIONAL LICENSING, DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT (via teleconference), highlighted that all of the spending came from Designated General Funds (DGF) from the boards' licensing fees. The Big Game Services Board regulation changes required board members to be in person due to their duty to administer examinations.

4:05:33 PM

Mr. Anderson reviewed the second DCCED fiscal note (FN2 CED) for the Alcohol and Marijuana Control Office. He noted that the amount was included in the governor's FY 26 budget. He reported that the personal services line totaled \$1.273 million for 10 full time positions: one Special Investigator 2, three Special Investigators 1, three Licensing Examiner 2, one Program Coordinator 2, one Licensing Examiner 3, and one Local Government Specialist 4. The travel line totaled \$92.5 thousand broken down by the \$62.5 thousand for five board members and two staff members to attend five board meetings per year; \$15.0 thousand for enforcement travel for inspections, audits, and investigations; \$15.0 thousand for director or staff travel for conferences and or training. He moved to the services line totaling \$709.4 thousand for services provided to AMCO through reimbursable services agreements including Department of Law, Administrative Services, Office of Administrative Hearings, Department of Public Safety, Public Notice Advertisements, Postage, Lease Space, and other statewide core services costs. He noted that the Commodities line totaled \$62.9 thousand for \$17.9 thousand in printing materials - required signs for licensees, licenses, statute books; \$25.0 thousand enforcement supplies and ammunition; \$20.0 thousand for office supplies; and finally the Capital Outlay was \$12.5 thousand for vehicle costs. He also noted the change in revenues of Unrestricted General Fund (UGF) that included \$19.100 thousand UGF and \$2.131.2 million DGF for a total of \$2.150.3 million. He specified that the all the funding was

derived from licensing fees collected, required by statute and the small injection of UGF.

4:08:53 PM

Mr. Anderson reviewed the Department of Health fiscal note (FN3 (DOH) for the Alaska Commission on Aging. He pointed to the personal services line totaling \$336 thousand for two full time positions for the Alaska Commission on Aging to fulfill its statutory responsibilities. The travel line totaled \$70.5 thousand and \$48.2 thousand in services, and \$8 thousand in commodities totaling \$462.7 thousand from a combination of \$261.3 thousand in Interagency Receipts and \$201.4 thousand in Mental Health Trust Receipt Authority (MHTRA).

Representative Allard asked for verification that there were no general fund expenditures. Mr. Anderson replied that there was no UGF for the Commission on Aging. Representative Allard asked if there was UGF on any of the other boards. Mr. Anderson replied that there was \$19.000 thousand UGF for AMCO.

4:11:21 PM

KEVIN RICHARD, DIRECTOR, ALCOHOL AND MARIJUANA CONTROL OFFICE, DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT (via teleconference), would have to follow up with a written response.

Representative Allard would appreciate the information.

Co-Chair Foster recapped that the bill had passed in the prior year but violated the single subject rule [and was vetoed.] It was heard it the prior year. He asked if it was the will of the committee to move the bill out of committee.

Representative Hannan wanted to see the committee move the bill quickly. She noted that one of the fiscal notes only applied to FY 26 and FY 27 and if the legislature did not get the bill passed in the current year there were two boards that would have to go into statutory shutdown. She acknowledged that there was \$19.1 thousand in UGF in the AMCO fiscal note, but it would cost that much to wind down the board and restart it. She would like to see the bill moved in the current week. She reminded the committee that

if the bill was amended it would push a board into another audit cycle.

Representative Allard did not have a problem with moving the bill, but her concern was that the boards were self-funded, and she was trying to determine why the board could not explain why UGF funds were necessary.

Co-Chair Foster noted that the bill could be heard the following day with an answer.

[4:15:40 PM](#)

Ms. Curtis pointed to page 17 of the AMCO audit. She relayed that the fees exceeded the cost of regulation. The legislature included intent language that set the fees to cover the costs of establishing the board that was \$5.5 million. Therefore, AMCO was adding money to GF in repayment. She noted that at the end of the audit they still owed \$868 thousand and projected that it would be paid off by FY 24. The audit was done in 2023. She pointed out that AMCO fees were consistently set higher than the cost of regulating.

Representative Tomaszewski looked at Sections 1 and 2 in the bill and noted the date changes to 2024 and then to 2032.

Ms. Bieber replied that when the legislature had passed SB 189 the prior year the dates were extended. She clarified that the bill had not been vetoed but was under litigation and was technically a law. Therefore, SB 80 was backdating what is in current statute in order to "clean the slate."

Co-Chair Schrage supported hearing the bill the following day.

Co-Chair Foster stated it would be added to an agenda the following day.

HB 80 was HEARD and HELD in committee for further consideration.

Co-Chair Foster reviewed the schedule for the following day.

#

ADJOURNMENT

4:18:55 PM

The meeting was adjourned at 4:18 p.m.