

HOUSE FINANCE COMMITTEE
May 13, 2025
3:01 p.m.

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CALL TO ORDER

Co-Chair Foster called the House Finance Committee meeting to order at 3:01 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

Senator Forrest Dunbar, Chair, Senate Health and Social Services Committee; Brodie Anderson, Staff, Representative Neal Foster; Senator Bill Wielechowski, Sponsor; Sonja Kawasaki, Senate Majority Counsel; IntiMayo Harbison, Staff, Senator Cathy Giessel; Representative Julie Coulombe; Representative Zach Fields; Senator Jesse Bjorkman.

PRESENT VIA TELECONFERENCE

Megan Wallace, Chief Counsel, Legislative Legal Services; Stephanie Berglund, CEO, Thread, Anchorage; Leah Van Kirk, Policy Advisor, Department of Health, Juneau; Blue Shibler, Executive Director, Association for the Education of Young Children, Juneau; Emily Nauman, Director, Legislative Legal

Services; Brandon Spanos, Deputy Director, Tax Division, Department of Revenue.

SUMMARY

SB 95 CHILD CARE: ASSISTANCE/GRANTS

SB 95 was REPORTED out of committee with six "do pass" recommendations and four "no recommendation" recommendations and with one previously published fiscal impact note: FN1 (DOH).

SB 96 CHILD CARE: TAX CREDITS

SB 96 was HEARD and HELD in committee for further consideration.

SB 97 BIG GAME GUIDE PERMIT PROGRAM

SB 97 was REPORTED out of committee with six "do pass" recommendations and four "no recommendation" recommendations and with three previously published fiscal impact notes: FN4 (DFG), FN5 (DFG), and FN6 (DNR).

Co-Chair Foster reviewed the meeting agenda. He explained that the three bills were known as the single subject bills that had passed the legislature the prior year. The committee would hear from Legislative Legal Services on the single subject lawsuit the bills were a part of.

MEGAN WALLACE, CHIEF COUNSEL, LEGISLATIVE LEGAL SERVICES (via teleconference), delineated that the three bills were a part of SB 189 [SB 89-XtndBoards;Game Permits;Taxes;Child Care, Chapter15 SLA 24, 07/22/2024] passed the prior year. The bills took effect and were placed in statute. Subsequently, a former representative (Representative David Eastman) initiated a current lawsuit alleging that the bill violated the single subject rule under Article 2, Section 13 of the Alaska Constitution specifying that all bills shall be confined to a single subject. The Alaska Supreme Court typically held that the provisions in a bill be logically interconnected and be germane to one subject. The lawsuit alleged that the contents of the bill did not meet the standard. The bills before the committee would have the effect of reenacting the provisions passed in HB 189. She

outlined that if all three bills passed, and if SB 189 were to be struck down by the courts, re-passage of the bills would ensure there was not a gap between the time the law was eliminated and reenactment which would not affect the laws. Passage of the bills also may have the possibility of being construed as "curative" legislation by the court, which had been upheld by the Alaska Supreme Court and in other states to fix the alleged problem, resulting in dismissal of the lawsuit. She informed the committee that the lawsuit was filed in the fall of 2024. The plaintiff had filed a motion of summary judgement. The state requested the court stay the legislation during the length of the current session to give the legislature the opportunity to pass the legislation. There was a denial of the stay on the current day by the Superior Court and the case will remain on summary judgement. The state had been ordered the plaintiff to respond to the summary judgement within 15 days, on May 28, 2025, which was after the legislature adjourned from its regular session. She anticipated that the court would issue a decision on the merits of the case on that date.

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Co-Chair Foster recognized Representative Julie Coulombe and Representative Zach Fields in the room.

Co-Chair Josephson asked if curative legislation could be altered so it would not undermine the "cure" and "moot" the litigation. Ms. Wallace replied that the issue had not been specifically litigated in the Alaska Supreme Court. She could not specify where the line was. She deduced that if the goal of the legislature was to dismiss the lawsuit by reenacting the legislation, she advised that the bills largely went unamended and true to the provisions in SB 189. Otherwise, there was a risk the court could view them as new bills and not relevant to SB 189. Conversely, if the goal was to ensure there was no impact on the provisions of the law enacted in SB 189, the risk was less important.

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Co-Chair Josephson pondered that if there were independent unrelated reasons to reform a bill that had been a part of SB 189 and found the lawsuit as immaterial to changes, "it fell under a completely different analysis." Ms. Wallace answered that as a matter of law and legislative

prerogative, the legislature could change and amend and pass whatever bills it wanted. The legislature was free to make whatever changes it wanted but if the matter was curing the litigation, the less the bills were amended, the more likely the court would be to find the bills curative and would moot the pending litigation.

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Representative Tomaszewski asked how many bills were in SB 189 that the legislature needed to cure. Ms. Wallace answered there were currently four bills that contained all of the provisions in SB 189 that included SB 80, SB 95, SB 96, and SB 97.

Representative Tomaszewski asked if they needed to cure all four bills. He asked if they had to pass all four bills. Ms. Wallace replied that if the goal was to have the best chance to dismiss the legislation, all four would need to be passed to cure all of the provisions. If the legislature only passed three of the bills, there was still a benefit to reenact the three bills. She elaborated that if SB 189 was struck down by the court it invalidated all of the provisions. Therefore, passage of just a portion would mitigate the consequences of those specific provisions being validated.

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Representative Tomaszewski asked if the consequences meant that SB 189 only would be struck down. He asked if there were monetary or other consequences that could occur if the bill was struck down. Ms. Wallace answered that she spoke specifically to the provisions being invalidated. She indicated that there were other consequences that could occur if the legislation was invalidated. There may be some attorney fees awarded if the plaintiff prevailed. In addition, if the bill made it to the Alaska Supreme Court there may be some uncertainty if there was a negative ruling on single subject and what was considered to be a single subject could be diminished. However, the consequence was not as significant as the uncertainty of what would happen if the provisions were invalidated.

Representative Stapp asked for verification that the onus of the lawsuit was on the single subject rule. Ms. Wallace answered in the affirmative.

Representative Stapp provided a hypothetical where the court ruled the single subject rule had been violated. He wondered what the implications would be. Ms. Wallace reiterated that the immediate consequence was that if the court would invalidate SB 189 and the provisions in law would be invalidated. The legislature would have to decide whether it wanted to take action to reenact the provisions. She could not speculate how the court might rule on the matter. She informed the committee that historically, the Alaska Supreme Court had given the legislature significant discretion and a pretty broad interpretation of a single subject. She was not sure if a ruling would significantly impact the legislature.

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Representative Stapp asked about severability where the court struck down only what it deemed to be unconstitutional instead of the entirety of the bills' contents. He wondered if it was applicable to SB 189. Ms. Wallace answered that severability was likely not at play in a single subject case. The court was likely not to decide which provisions were in violation of the single subject rule. She delineated that by doing so, the court decided which provisions were more important than the other ones. In other states that did not typically happen; the courts struck down the entire measure and the action would invalidate the entire act. Representative Stapp referenced a ballot measure before the court where only some measures were struck down. He wondered why. Ms. Wallace replied that the ballot initiative was the first case where the Supreme Court found a violation of the single subject rule. She emphasized that it was difficult to speculate what would happen since a legislative matter on single subject was never heard in the Supreme Court. She opined that the entire act would be ruled in violation.

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Representative Stapp thought her answer made sense. He related that the only thing he had heard on the single subject rule was related to the ballot initiative where they had kept some provisions.

Co-Chair Foster thanked Ms. Wallace.

Co-Chair Foster clarified that he may recess the meeting due to a conference committee meeting and return later.

#sb95

SENATE BILL NO. 95

"An Act relating to the child care assistance program and the child care grant program; and providing for an effective date."

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SENATOR FORREST DUNBAR, CHAIR, SENATE HEALTH AND SOCIAL SERVICES COMMITTEE, relayed that the fundamental reason the bill was before the committee was due to the single subject rule litigation. He commented that the underlying substance of the bill expanded childcare to roughly 18 thousand children. He added that the bill aligned with the Governor's Task Force on Child Care recommendations. He reminded the committee that the bill was currently in statute and SB 95 was a separate bill in case the lawsuit struck down SB 189. He added that the funding was included in the current governor's requested budget. He summarized that the bill reenacted a portion of SB 189 passed in the prior year in hopes it rendered the lawsuit moot.

STEPHANIE BERGLUND, CEO, THREAD, ANCHORAGE (via teleconference), thanked the committee for hearing the bill. She shared that Thread was a 39 year old non-profit organization providing services to strengthen access to affordable, quality early childhood education with a focus on childcare serving families, educators, and over 4 hundred programs each year. She delineated that the childcare sector was fragile and had seen increased challenges in the past five years. Since 2020, over 25 percent of licensed childcare centers closed. The childcare workforce was struggling with low wages, few benefits, and a highly competitive workforce. The state was ranked low in state investments in childcare and in efforts to recover post-pandemic. She commented that when the state lacked a strong childcare sector, its economic infrastructure struggled. Recent research and data, conducted in partnership with the Alaska Chamber and the McKinley Group, had shown that businesses are greatly impacted by families struggling with childcare - including poor attendance and loss in productivity. She communicated that childcare challenges for working families result in absences and

employee turnover that cost businesses an estimated \$152 million annually. She stressed that when Alaskans cannot work, they lack the financial security to support their families, and unable to achieve self-sufficiency goals nor contribute to the economy. She believed that the situation not only stifled the quality of life for families, but also stalled Alaska's growth. The bill added incentives for businesses to support childcare and strengthens the childcare assistance and subsidy programs.

Ms. Berglund continued that while many areas of the childcare system need support, SB 95 aimed to strengthen childcare assistance by allowing more families, those earning up to 106 percentile of median household income, to participate in the program and created flexibility in childcare resources and support programs with the targeted supports they need. She emphasized that changes in childcare assistance were needed. She related that currently, too few families participate in the program because they do not qualify or cannot access resources under the current structure. She suggested changes like increasing childcare assistance access and capping co-payments required for families. She pointed out that the bill allowed more families to qualify for assistance and thus more families gain access to quality childcare. These and other barriers were impacting families' ability to participate in the workforce. She detailed that just over half of families (51 percent) report that household members' ability to be employed or work more hours was impacted by the quality, availability, or cost of childcare, representing 25 thousand Alaskan parents who could be working. The percentage demonstrated a large change from the same survey conducted in 2019, where only 22 percent of families surveyed reported that childcare barriers were impacting their ability to be employed resulting in a 29 percent increase. The findings underscored the need for the bill. The bill created a program that partnered with businesses to create incentives in developing onsite or near site childcare. Additionally, childcare businesses were reimbursed at childcare assistance program rates set by a market rate survey based on the amount providers charge for care, not what the actual costs were to provide quality care. Thread was encouraged to see current research underway to understand the true cost of care. She wanted to analyze the data to determine how it can be used in conjunction with market rate prices in policy and fiscal planning for childcare

support. She was pleased to see that the bill included consideration of childcare reimbursement rates based on a market rate survey and the true cost of care. Considering the true cost of providing childcare in our policies would inform a more stable childcare system. She relayed that Thread endorsed SB 95 and SB 96 because the bills represented a key step toward more affordable access to childcare for families. Thread encouraged legislators to support the bills with urgency. She requested that the bill pass simply and move forward in recognition that it passed with strong support in the prior session. She noted that the fiscal note was already included in the governor's budget. She urged passage of the bill.

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Co-Chair Foster OPENED public testimony.

Co-Chair Foster CLOSED public testimony.

Co-Chair Foster requested a review of the fiscal note. OMB component 1897 from the.

BRODIE ANDERSON, STAFF, REPRESENTATIVE NEAL FOSTER, reviewed the fiscal note. He detailed that the Department of Health (DOH) fiscal impact note (FN1(DOH)) was allocated to Child Care Benefits. He reiterated that the fiscal note was reflected in the FY 26 budget. He reported that the Personal Services line was \$203.8 thousand, the Services line was \$28 thousand, Commodities were \$2 thousand, Grants and Benefits were \$5.858.4 million totaling \$6.092.2 million. The fund sources were as follows: Federal Receipts \$225.1 thousand, General Fund Match was \$225.1 thousand, and General Fund was \$5.642 million. He referenced the fiscal note's analysis on page 2 that showed the creation of two positions. He delineated the following costs: Services: \$28 thousand annually or \$14 thousand per position for chargeback costs. Commodities: \$2 thousand annually or \$1 thousand per position. Grants: \$216.5 thousand to support grantee staffing to process additional applications and \$5,642 million additional increased subsidy benefit.

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Representative Tomaszewski asked how a range 12 cost \$83,000 per year. He also wanted the hourly rate for a

range 18. Mr. Anderson replied that the amount included base salary, and benefits.

LEAH VAN KIRK, POLICY ADVISOR, DEPARTMENT OF HEALTH, JUNEAU (via teleconference), affirmed Mr. Anderson's answer.

Representative Tomaszewski asked what the hourly wage amounted to.

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Ms. Van Kirk replied that the hourly rate for a range 12 was \$24.15 per hour. She added that the hourly rate for a range 18 was \$36.30 per hour.

Co-Chair Josephson asked whether there was initially \$29 million in federal funding. He deduced that the federal investment was eliminated for whatever reason and the department substituted the amount with mostly state dollars.

Ms. Berglund responded that Co-Chair Josephson was referring to three different Congressional appropriations of COVID 19 relief funding that was granted in an effort to stabilize childcare in Alaska. She affirmed that all of the three appropriations had been exhausted. She added that childcare overall was primarily federally funded and required additional state investment like the funding in SB 95 and SB 96.

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Representative Allard thought there were quite a few vacancies in the department. She asked why they wanted to add two new positions instead of using existing vacancies.

Ms. Van Kirk replied that the bill created a new program and required new positions. She stressed that the Division of Public Assistance needed to utilize all of its existing allocated positions. The childcare program office was separate and had a low vacancy rate. Representative Allard asked for verification that there were no existing vacancies in the specific office. Ms. Van Kirk replied that there was a low vacancy rate in the Childcare Program Office. The department had assessed its needs and because it was a new program, new PCNs were required.

Co-Chair Schrage MOVED to REPORT SB 95 out of committee with individual recommendations and the accompanying fiscal note.

There being NO OBJECTION, it was so ordered.

SB 95 was REPORTED out of committee with six "do pass" recommendations and four "no recommendation" recommendations and with one previously published fiscal impact note: FN1 (DOH).

#sb96

SENATE BILL NO. 96

"An Act relating to education tax credits for certain payments and contributions for child care and child care facilities; relating to the insurance tax education credit, the income tax education credit, the oil or gas producer education credit, the property tax education credit, the mining business education credit, the fisheries business education credit, and the fisheries resource landing tax education credit; providing for an effective date by amending the effective date of secs. 1, 2, and 21, ch. 61, SLA 2014; and providing for an effective date."

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Co-Chair Foster asked to hear an introduction from the bill sponsor.

SENATOR BILL WIELECHOWSKI, SPONSOR, explained that the bill expanded the current education tax credit and had a \$3 million limit. The legislation created a tax credit for employers who incur childcare expenditures in the form of cash or equipment, or payments to employees. He indicated that a concern had arisen in recent days about the cost of the bill due to the fiscal problems currently facing the state. The bill had no discrete fiscal limits and could potentially cost the state tens of millions in lost revenue. He deduced that if the 20 largest employers took advantage of the credit at \$3 million it would total \$60 million from the treasury. He highlighted other concerns that had arisen: There was no definition of childcare and payments might be used for babysitters. There was no method of how employees spent the money. The lack of a definition could lead to unintended consequences. He thought it was

important to pass the bill. He suggested potentially adding a closer sunset date to keep track of the credits' fiscal impact.

BLUE SHIBLER, EXECUTIVE DIRECTOR, ASSOCIATION FOR THE EDUCATION OF YOUNG CHILDREN (AEYC-SEA), JUNEAU (via teleconference), testified in support of the bill. She shared that AEYC-SEA was a nonprofit serving childcare providers, families and young children in Southeast Alaska for the past 40 years. She offered that the shortage of childcare in Alaska was a complex problem that needed innovative solutions from multiple partners that included the state, municipalities, and the business sector. She relayed that her work allowed her to foster the growth of childcare programs and she had seen tremendous interest from the business sector in providing solutions who were looking for concrete ways to act. She communicated that SB 96 incentivized investment from corporate taxpayers to help expand access to childcare. She shared the example that AEYC-SEA was currently in the process of building a large scale childcare center in Juneau. The project was going to be expensive and a handful of corporations in the region were very interested in contributing; they had been tracking the legislation closely. She stressed that the bill needed to pass in the current session. She hoped that the bill would spark similar interest across the state.

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Co-Chair Foster OPENED public testimony.

Co-Chair Foster CLOSED public testimony.

Co-Chair Foster requested a review of the fiscal notes from his staff.

BRODIE ANDERSON, STAFF, REPRESENTATIVE NEAL FOSTER, reviewed the published zero fiscal note from Department of Commerce, Community and Economic Development (DCCED) (FN3 (CED) allocated to Insurance Operations. The note was a zero fiscal note with no regulation changes. The credit was currently scheduled to sunset effective January 1, 2029. He explained that the bill changed the sunset provisions to January 1, 2028. Due to a sharp decline in credits being claimed by insurance companies, the Division of Insurance anticipated the trend over the last nine years to continue. Therefore, the fiscal note projected no lost revenue nor

any fiscal impact from the legislation. The second published zero fiscal note was from the Department of Labor and Workforce Development (DLWD) (FN1(LWF), allocated to Labor Market Information. He commented that the zero fiscal was due to no revenue or regulation changes. The last published fiscal impact note was from the Department of Revenue (DOR) (FN2(REV), allocated to the Tax Division. The expenditure was zero with an indeterminate revenue change for FY 28 and FY 29.

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Co-Chair Foster asked for the sponsor's comments regarding the sunset issue.

Senator Wielechowski commented that the bill had been "rushed" through the Senate. He thought it might be worth considering shortening the sunset.

Co-Chair Foster asked Ms. Wallace for her opinion.

Ms. Wallace restated that the consequence of amending the legislation was a policy call for the legislature. If SB 96 was amended and the court viewed it as new legislation versus curative, there was risk that it would not be sufficient and moot the litigation. She reminded the committee that no definitive case law existed to assist in the decision of whether to amend or not.

Representative Stapp voiced that he leaned towards not amending the bill based on the explanation.

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Co-Chair Foster asked about the difference in the sunsets.

SONJA KAWASAKI, SENATE MAJORITY COUNSEL, restated that the question was how the sunset date in the current bill applied to the bill and existing statutory education tax credits. She explained that the education tax credits, and the enacted SB 189 childcare tax credits were subject to a sunset of January 1, 2028, on page 5, line 17 of SB 96. The sunset applied to both the education and childcare tax

credits. Therefore, if the committee entertained an amendment, it would only apply to the childcare tax credits.

Co-Chair Schrage wondered what the soonest practicable date was so the committee could set the sunset and make it work with the current bill structure, effective date, or any other potential issue.

Ms. Wallace deferred the question to a colleague.

Co-Chair Schrage clarified that his question was what was the soonest the program could be sunset.

EMILY NAUMAN, DIRECTOR, LEGISLATIVE LEGAL SERVICES (via teleconference), answered that Section 16 of the bill made the changes to the education and childcare tax credits retroactive to July 23, 2024, which reflected that date SB 189 was passed. She recalled that the intention was that the childcare tax credits would take effect on that day. She calculated that if interested in learning how many credits were claimed the bill would need a full year sunset. Many corporations paid taxes on their own tax year annual cycle, which varied. She believed that the decision was a policy call. She suggested that the department may have more insight on the corporate tax credit cycle. However, many use the calendar year, which was why she suggested a full year.

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Co-Chair Schrage hypothesized proposing a sunset date of September 1, 2025, and companies had already earned tax credits in the first quarter of the current year. He wondered whether the companies would not be able to use the tax credits at the end of the year. Ms. Nauman responded that unless the legislature made a special provision otherwise to the extent the law was in place, at the time the taxpayer earned the credit they would be able to apply it for activity during the time the law was active. She opined that "it was a bit messy because of the situation where the court could invalidate the law."

Representative Bynum wondered whether the sunset date was changed in SB 96 from 2029 to 2028, in an attempt to mimic the original bill.

Ms. Kawasaki answered that the amendment on page 5 of the bill was to recreate the law that was established in SB 189. She explained that a bill was enacted prior to SB 189 that extended the sunset of the entire education tax credit program and included the prior childcare tax program to 2029. In order to copy what SB 189 put in place, Legislative Legal Services drafters included the 2028 sunset date. She voiced that it was the reason there was a shorter sunset date.

Representative Stapp thought that there was a practicality in talking about a shortened sunset date that was being missed in the discussion. He explained that the sunset date was effective to provisions 1, 2, and 21 of the prior bill and were for: "contributions of cash or equipment accepted by a childcare facility in the state operated by a nonprofit corporation and attended by one or more children of the taxpayer's employees; and a payment to an employee of the taxpayer made by the taxpayer for the purpose of offsetting the employee's childcare costs incurred in the state." He deemed that if there was an early sunset date it would invalidate the tax credits and their effects which was the purpose of the bill. He wondered why January 1, 2028, was in over 30 months and shortening it would "liquidate" the chance to determine the efficacy of the tax credits.

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Co-Chair Foster commented that trying to find consensus on the issue may be challenging.

Representative Hannan asked if anyone from DOR was available to find out if any businesses had taken advantage of the tax credit.

BRANDON SPANOS, DEPUTY DIRECTOR, TAX DIVISION, DEPARTMENT OF REVENUE (via teleconference), replied that the division did not know whether anyone took advantage of the credit, the first tax returns were due on April 15, 2025, and most corporations applied for an extension to October 15, 2025. He expected most of the returns would be received by that date. He affirmed that most taxpayers use the calendar year. He offered that the tax division published the education tax credit report after October, and it would breakout the childcare portion of the tax.

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Representative Hannan thought that if they were trying to be cautious and change as little as possible, she would look to change to January 2026, which offered a full year.

Representative Bynum viewed the situation as a curing process and as a legal matter. He commented that whether or not he agreed with the original bill was "a completely different conversation." He felt that changing the date to 2026 was a significant change and would want a full hearing. He was supportive of a minor sunset date adjustment, but he was uncomfortable with killing the bill and wanted to let the bill remain in statute as was adopted.

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Senator Wielechowski remarked that it was a fantastic bill in "a world of unlimited resources." However, he wanted to manage the state's financial risk. He deduced that the credits could climb as high as \$100,000 or \$100 million. He expressed concern over how the state could afford it. The impacts of the bill were unknown.

Representative Bynum pointed to the statute that had a \$3 million cap. He wanted to ascertain how many affiliated groups could afford the \$3 million investment and he doubted there were many in the state. Prior to altering the bill, he would like to know who and how many potential taxpayers there were and who was being impacted by the bill. He maintained that childcare was a major issue in the state.

Representative Stapp rejected Senator Wielechowski speculative notion. He recalled that the committee discussed the bill in the prior year and the loss of potential revenue. He noted the \$3 million cap and that very few entities in the state even paid corporate income tax. The state did not net hundreds of millions of dollars. He noted a sunset as early as January 2026 and reminded the committee that one of the key provisions was to allow an employer to make expenditures to operate an onsite childcare facility for children of taxpayers. He discerned that no employer would invest into building a childcare facility with such a short sunset date. He thought it was imperative the legislature grant the bill the time to work

as intended. He suggested revisiting the statutes if the state experienced a significant decrease in revenues, but he did not foresee that scenario. The current sunset was not far off. He noted that the bill was adopted in the prior year because they all agreed the childcare sector was in crisis. In addition, the legislation created a state incentive that mirrored a federal incentive that allowed employees to take pretax payroll deductions for the purpose of dependent care. He believed the provisions were productive. He encouraged the committee to leave the bill as is to see if it worked.

Co-Chair Schrage agreed with a lot of what the prior member said. He noted that the price of oil had also been substantially higher at that time the original bill passed. He needed more time to think about it.

Co-Chair Foster noted the committee may come back quickly after conference committee.

Senator Wielechowski clarified that the bill applied to not only corporate taxpayers but 7 categories of taxpayers. He noted correspondence from the Legislative Finance Division (LFD) stating that oil companies could dip below the 4 percent minimum with the credit. He listed the potential taxpayers eligible for the credit and judged that it was an expansive list.

Co-Chair Foster RECESSED the meeting.

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Co-Chair Foster stated that he did not want to be rushed. His intent was to come back after 6:00 p.m.

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RECESSED

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RECONVENED

Co-Chair Foster did not want to make any rash decisions on SB 96 and wanted to sleep on it. He set the bill aside.

SB 96 was HEARD and HELD in committee for further consideration.

Representative Bynum asked a procedural question. He recounted that there had been some conversations about altering the sunset in SB 96, effectively killing the bill. The assumption had been that the hearing was for a statutory "cleanup process" to protect the legality of the original bill, which was what the committee had done by moving SB 95 out of committee. He asked if the committee should reconsider passing out SB 95 if they were taking alternative actions on SB 96.

Co-Chair Foster restated his understanding of the question and statement. He observed that members were unsure if a sunset should be changed or not. He surmised that there were options regarding the sunset date. He concluded that members wanted more time.

Co-Chair Schrage believed that there were some complexities with SB 96 that may need to be cleaned up and there were a "number of options available." He favored taking more time with SB 96 to understand the impacts.

SB 96 was HEARD and HELD in committee for further consideration.

#sb97

SENATE BILL NO. 97

"An Act establishing a big game guide concession area permit program on land in the state; relating to the duties of the Big Game Commercial Services Board, the Board of Game, the Department of Fish and Game, and the Department of Natural Resources; requiring the Board of Game to establish an initial big game guide concession area; and providing for an effective date."

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INTIMAYO HARBISON, STAFF, SENATOR CATHY GIESSEL, introduced the legislation. He explained that Senate Bill 97 sought to solve a long-standing problem on state lands by implementing a constitutionally sound concession program to limit the number of commercial hunting guide operations on state lands in Alaska. The program was similar to a successful federal concession program and attempted to

solve issues of overcrowding and localized wildlife resource overutilization. The legislation was a result of the Guide Concession Program Workgroup (formed by the Big Game Commercial Services Board), which conducted a comprehensive process that included public meetings, and robust public consultation with licensed guides, residents, other stakeholders, and various state agencies. The legislation represented a balanced, well-considered approach to address the challenges in commercial big game hunting on state lands. The passage of SB 97 would put establish a proven mechanism to improve the quality of hunting on state lands to the benefit of all Alaskans.

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Co-Chair Foster OPENED public testimony.

Co-Chair Foster CLOSED public testimony.

Co-Chair Foster recognized Senator Jesse Bjorkman in the room.

Co-Chair Foster asked for a review of the three fiscal notes. He listed individuals available online for questions.

BRODIE ANDERSON, STAFF, REPRESENTATIVE NEAL FOSTER, began with the Department of Fish and Game (DFG) published fiscal impact note (FN5(DFG), allocated to Boards of Fisheries and Game. He reported that the funds coming from the expenditure lines of \$9.5 thousand in personal services, \$2.6 thousand in travel, and 2.3 thousand in services totaled \$14,000 in Undesignated General Funds (UGF) and were included in the FY 26 governor's requested budget. He noted that some regulation changes were required. He turned to the second published fiscal impact note from Department of Fish and Game (FN4(DFG), allocated to Wildlife Conservation. He indicated that the expenditures reflected personal services of \$112.3 thousand in UGF. The department anticipated the cost due to the requirement for an additional wildlife biologist position to manage ongoing responsibilities. The last published fiscal impact note was from the Department of Natural Resources (DNR)(FN6(DNR), allocated to Mining, Land, and Water. The fiscal note reflected the governor's FY 26 requested budget including \$291.6 thousand in personal services, \$10 thousand in travel, \$30 thousand in services, and \$10 thousand in

commodities totaling \$341.6 thousand UGF. There were two full time positions and DNR noted that the change in revenue was indeterminate, and the bill's provisions would also require regulation review. He delineated that the two positions were one permanent Full-Time Natural Resource Manager 2, and one permanent Full-Time Natural Resource Specialist 2/3 Flex.

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Representative Allard asked if the sponsor spoke to the resident hunters. She cited testimony and reported that they were opposed to the bill.

Mr. Harbison did not believe there was any additional opposition information other than what was referenced by Representative Allard. The bill did not originate with the Senate Resources Committee in the prior bill. He was not familiar with the particulars around the particular group's positions. He deferred to the department for questions.

Representative Allard asked if the intent was to move the bill.

Co-Chair Foster answered in the affirmative, but it was up to the will of the committee. Representative Allard wanted to hold the bill overnight to discover more information.

Representative Bynum reminded the committee that the bill was one of the cleanup bills and it was currently in law. The funds were already in the budget. He wondered what options existed other than to deconstruct the law. Representative Allard voiced that she was being mansplained [colloquialism] to. Representative Bynum argued that he was not mansplaining anything and merely wanted to determine what the intention to hold the bill was for.

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7:10:06 PM

RECONVENED

Representative Allard did not totally disagree with the bill. There were a couple of individuals she wanted to get a bit of information from. She asked if they could hold the bill until the following day.

Co-Chair Foster noted that Thor Stacy was in the room and available as well.

Co-Chair Schrage recognized there may be a desire to check in with other stakeholders. There was a lot of work left before the committee and time was dwindling. He preferred moving the bill before conclusion of the meeting.

[7:11:59 PM](#)

Representative Allard agreed to move the bill if it was the will of the committee.

Representative Tomaszewski wanted to move both SB 96 and SB 97.

Representative Allard objected to moving SB 96 from committee.

Co-Chair Schrage MOVED to REPORT SB 97 out of committee with individual recommendations and the accompanying fiscal notes.

There being NO OBJECTION, it was so ordered.

SB 97 was REPORTED out of committee with six "do pass" recommendations and four "no recommendation" recommendations and with three previously published fiscal impact notes: FN4 (DFG), FN5 (DFG), and FN6 (DNR).

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

ADJOURNMENT

[7:14:00 PM](#)

The meeting was adjourned at 7:13 p.m.