

**ALASKA STATE LEGISLATURE
HOUSE JUDICIARY STANDING COMMITTEE**

March 26, 2025

1:03 p.m.

MEMBERS PRESENT

Representative Andrew Gray, Chair
Representative Chuck Kopp, Vice Chair
Representative Ted Eischeid
Representative Genevieve Mina
Representative Jubilee Underwood

MEMBERS ABSENT

Representative Sarah Vance
Representative Mia Costello

COMMITTEE CALENDAR

HOUSE BILL NO. 97

"An Act relating to theft; relating to organized retail theft; relating to property crimes; relating to aggravating factors at sentencing; establishing a statewide marketplace facilitator sales tax; and establishing the organized retail theft fund in the general fund."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 97

SHORT TITLE: ORG. RETAIL THEFT/FUND;MKTPLACE SALES TAX

SPONSOR(S): REPRESENTATIVE(S) FIELDS

02/12/25	(H)	READ THE FIRST TIME - REFERRALS
02/12/25	(H)	JUD, FIN
02/26/25	(H)	JUD AT 1:00 PM GRUENBERG 120
02/26/25	(H)	Heard & Held
02/26/25	(H)	MINUTE(JUD)
03/05/25	(H)	JUD AT 1:00 PM GRUENBERG 120
03/05/25	(H)	Heard & Held
03/05/25	(H)	MINUTE(JUD)
03/17/25	(H)	JUD AT 1:00 PM GRUENBERG 120
03/17/25	(H)	<Bill Hearing Canceled>
03/26/25	(H)	JUD AT 1:00 PM GRUENBERG 120

WITNESS REGISTER

NATE GRAHAM, Staff
Representative Andrew Gray
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Gave a summary of changes to HB 97, on behalf of Representative Gray.

JOHN SKIDMORE, Deputy Attorney General
Criminal Division
Department of Law
Anchorage, Alaska

POSITION STATEMENT: Answered questions during the hearing on HB 97.

EVAN ANDERSON, Staff
Representative Zack Fields
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Answered questions during the hearing on HB 97.

ACTION NARRATIVE

[1:03:47 PM](#)

CHAIR ANDREW GRAY called the House Judiciary Standing Committee meeting to order at 1:03 p.m. Representatives Underwood, Mina, Eischeid, Kopp, and Gray were present at the call to order.

HB 97-ORG. RETAIL THEFT/FUND;MKTPLACE SALES TAX

[1:04:26 PM](#)

CHAIR GRAY announced that the first order of business would be HOUSE BILL NO. 97, "An Act relating to theft; relating to organized retail theft; relating to property crimes; relating to aggravating factors at sentencing; establishing a statewide marketplace facilitator sales tax; and establishing the organized retail theft fund in the general fund."

[1:04:49 PM](#)

REPRESENTATIVE KOPP moved to adopt the proposed committee substitute (CS) for HB 97, Version 34-LS0109\T, C. Radford, 3/25/25 ("Version T"), as the working document.

REPRESENTATIVE MINA objected.

[1:05:29 PM](#)

NATE GRAHAM, Staff, Representative Andrew Gray, Alaska State Legislature, on behalf of Representative Gray, gave a summary of changes in Version T from the written explanation of changes [included in the committee packet], which read as follows [original punctuation provided]:

Section 1:
Conforming Language

Section 2:
Language from HB 106 (GOV) establishes the new crime of organized theft. A person is guilty of organized theft if the person commits a felony level theft (value of over \$750) in concert with three or more other persons who have committed two or more felony level thefts for the benefit of, at the direction of, or in association with the group. Organized theft is a class A felony.

Section 3:
Conforming language, removes lower theft thresholds.

Section 4:
Conforming language, removes lower theft thresholds. Amends theft in the second degree (class C felony) to include property that is medical records or other medical information.

Section 5:
Conforming language, removes lower theft thresholds. Amends theft in the third degree (class A misdemeanor) to include the theft of mail.

Section 6:
Language from HB 77. Creates an exemption to the crime of mail theft for employees of a correctional facility, juvenile detention facility and juvenile treatment facility.

Section 7:
Conforming language removes lower theft thresholds.

Section 8:
Conforming language.

Section 9:
Creates the crime of wage theft in the first, second and third degrees.

Section 10:
Defines "aggregate value"

Section 11:
Creates restitution for wage theft.

Section 12:
Adds organized theft to factors in aggravation.

Section 13:
Applicability statutes

Section 14:
Creates an effective date for section 1-12

[1:07:13 PM](#)

REPRESENTATIVE UNDERWOOD, referring to Section 6, asked whether employees or care providers need a power of attorney to open mail or whether they would need an exemption to avoid prosecution under the proposed bill.

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JOHN SKIDMORE, Deputy Attorney General, Criminal Division, Department of Law (DOL), agreed that DOC would need an exemption; however, he was unsure whether that exemption is already in law. He offered to follow up.

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REPRESENTATIVE MINA asked whether there were redundancies or conflicts in the incorporation of HB 106 and HB 77 in Version T.

MR. SKIDMORE said he saw no redundancies or issues in the way the bills were combined. He pointed out that wage theft was added into the CS and said he had a chance to consider its impact, nor had he resolved the interplay between the additional language about aggregate value and its existing statute.

REPRESENTATIVE MINA asked for a follow up.

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The committee took a brief at-ease at 1:10 p.m.

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CHAIR GRAY made the following prepared remarks about the added crime of wage theft:

Wage theft is a serious crime, and it's time our laws reflect that reality.

According to the Economy Policy Institute, wage theft costs employees up to \$50 billion annually. A figure that dwarfs losses from more traditionally prosecuted crimes like robbery, burglary, or car theft. And yet, wage theft often goes unpunished, and victims rarely receive the compensation they're owed.

I recently read an article by CBS News which found that even when workers win their wage theft claims, more than a third of those cases result in no money ever recovered - leaving hardworking people out in the cold, despite clear rulings in their favor.

And the consequences are devastating. The average amount stolen in these cases is just under \$1,000 - an amount that might seem small on paper, but is enough to create financial hardship for working families and would be a felony if it was considered property.

A lot of people in my community and throughout Alaska are living paycheck to paycheck. If you're missing \$1,000, what do you say to you landlord. To the grocery store, to the utility company? You can't just say, 'My employer didn't pay me, so I can't pay you.'

Whether a worker is paid late by eight months, a year, or never at all, the outcome is the same: they're out a paycheck. And for many families, that means falling behind on rent, skipping meals, or choosing between medicine and electricity.

With this addition to the legislation, we are saying clearly: wage theft is theft, and it belongs in the criminal code.

We're working to ensure that workers who are victimized by this crime aren't left waiting indefinitely for justice - or left without it altogether.

This bill will help ensure that when workers are robbed of their wages, there's a system in place that not only holds employers accountable but ensure victims can actually recover what they're owed.

I am happy to bring forth this committee substitute and begin a long overdue conversation in Alaska about wage theft.

With that are there any additional questions?

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REPRESENTATIVE KOPP asked whether other states have enacted similar laws.

CHAIR GRAY confirmed that the bill was modeled after other states.

MR. GRAHAM offered to follow up with the states utilizing wage theft statutes.

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REPRESENTATIVE MINA asked whether other departments would be involved in enforcing or investigating wage theft, such as Department of Labor & Workforce Development (DLWD).

CHAIR GRAY said he imagined that the DLWD would be intimately involved with this aspect of the bill.

MR. GRAHAM said DLWD would forward cases to DOL and individuals could also bring it to the attention of police or the department.

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REPRESENTATIVE KOPP asked whether DOL or DLWD had indicated a need for this in Alaska statutes.

MR. GRAHAM responded that both departments would be providing insights into the legislation next Wednesday via invited testimony.

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REPRESENTATIVE EISCHEID asked with regard to wage theft, whether the burden of proof would be placed on the employer.

MR. GRAHAM said the burden would be on the state to prove intentional misclassification of an employee.

CHAIR GRAY added that employees are often misclassified as an independent contractor, resulting in a loss of certain benefits.

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REPRESENTATIVE MINA asked how wage theft is currently being enforced and questioned how the bill would impact existing law.

CHAIR GRAY stated that the bill would criminalize the conduct of wage theft.

MR. GRAHAM confirmed that wage theft is not currently in the criminal statutes and would be considered a civil matter. He added that the bill would allow DOL to criminally prosecute these employers and restitution would be compensate the full cost as part of a plea or conviction.

CHAIR GRAY explained that currently, recouping lost wages may take a year in civil court, which ends up victimizing those who can least afford to pushback.

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EVAN ANDERSON, Staff, Representative Zack Fields, Alaska State Legislature, said the folks at Wage and Hour are under resourced and do not have adequate reach. He said adding wage theft to the criminal code would give state regulators another tool and additional recourse for those who have been victimized.

[1:23:12 PM](#)

REPRESENTATIVE MINA inquired about repeat offenders and asked whether criminalizing this conduct would impact employee pay.

MR. GRAHAM said if the first offense is less than \$1,000, it would be a Class A misdemeanor, which would move up to a class C felony if the individual had been convicted on 3 or more separate occasions in the past 10 years in Alaska or a similar jurisdiction. Ultimately, it would get progressively worse for repeat offenders who knowingly withhold or fail to pay employees.

CHAIR GRAY expressed his hope that establishing the crime of wage theft would deter employees from engaging in this conduct. He said the goal is to discourage the crime from being committed in the first place, not lock people up.

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REPRESENTATIVE KOPP shared an anecdotal example and said he is interested in hearing from DOL and DLWD to see whether the bill would "move the needle" on this issue.

CHAIR GRAY added that some of the most vulnerable workers are seasonal workers because they aren't familiar with state law. Furthermore, those with a language barrier are particularly easy to take advantage of. He expressed his hope that the bill would send a message to employers that this behavior will not be tolerated.

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REPRESENTATIVE MINA removed her objection. There being no further objection, Version T was adopted as the working document.

CHAIR GRAY announced that CSHB 97, Version T, would be held over.

[1:29:17 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Judiciary Standing Committee meeting was adjourned at 1:29 p.m.