

**ALASKA STATE LEGISLATURE  
HOUSE LABOR AND COMMERCE STANDING COMMITTEE**

February 12, 2025

3:18 p.m.

**MEMBERS PRESENT**

Representative Zack Fields, Co-Chair  
Representative Carolyn Hall, Co-Chair  
Representative Ashley Carrick  
Representative Robyn Niayuq Burke  
Representative Dan Saddler  
Representative Julie Coulombe  
Representative David Nelson

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

PRESENTATION(S): ROLE OF APPRENTICESHIPS IN ALASKA'S WORKFORCE DEVELOPMENT

- HEARD

HOUSE BILL NO. 80

"An Act relating to minimum standards for residential buildings; relating to construction contractors and residential contractor endorsements; establishing the Alaska State Residential Building Safety Council; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 74

"An Act establishing the crime of airbag fraud."

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: HB 80

SHORT TITLE: RESIDENTIAL BUILDING CODE

SPONSOR(S): LABOR & COMMERCE

01/31/25	(H)	READ THE FIRST TIME - REFERRALS
01/31/25	(H)	L&C

02/03/25 (H) L&C AT 3:15 PM BARNES 124  
02/03/25 (H) <Bill Hearing Canceled>  
02/10/25 (H) L&C AT 3:15 PM BARNES 124  
02/10/25 (H) Heard & Held  
02/10/25 (H) MINUTE (L&C)  
02/12/25 (H) L&C AT 3:15 PM BARNES 124

BILL: HB 74

SHORT TITLE: CRIME COUNTERFEIT/NONFUNCTIONING AIRBAG

SPONSOR(s): TOMASZEWSKI

01/29/25 (H) READ THE FIRST TIME - REFERRALS  
01/29/25 (H) L&C, JUD  
02/07/25 (H) L&C AT 9:00 AM BARNES 124  
02/07/25 (H) -- MEETING CANCELED --  
02/12/25 (H) L&C AT 3:15 PM BARNES 124

#### **WITNESS REGISTER**

DOUG TANSY, Business Manager

International Brotherhood of Electrical Workers

Juneau, Alaska

**POSITION STATEMENT:** Co-offered the presentation on the Role of Apprenticeships in Alaska's Workforce Development.

NANCY MERRIMAN, CEO

Alaska Primary Care Association

Anchorage, Alaska

**POSITION STATEMENT:** Co-offered the presentation on the Role of Apprenticeships in Alaska's Workforce Development.

TARI O'CONNOR, Chief Program Officer

Alaska Primary Care Association

Anchorage, Alaska

**POSITION STATEMENT:** Co-offered the presentation on the Role of Apprenticeships in Alaska's Workforce Development.

HILTON HALLOCK, Provost

Alaska Pacific University

Anchorage, Alaska

**POSITION STATEMENT:** Co-offered the presentation on the Role of Apprenticeships in Alaska's Workforce Development.

AARON WELTERLEN, Vice President

Interior Alaska Building Association

Alaska State Home Building Association

Fairbanks, Alaska

**POSITION STATEMENT:** Testified in support of HB 80.

DAVID MILLER, Past President  
Board of Directors  
Mat-Su Home Builders Association  
Palmer, Alaska

**POSITION STATEMENT:** Testified during the hearing on HB 80.

LEAH WINTERS, Public Policy Fellow  
Cold Climate Housing Research Center  
Fairbanks, Alaska

**POSITION STATEMENT:** Testified in support of HB 80.

EDNA DEVRIES, Mayor  
Matanuska-Susitna Borough  
Palmer, Alaska

**POSITION STATEMENT:** Testified in opposition to HB 80.

PETER MICCICHE, Mayor  
Kenai Peninsula Borough  
Kenai, Alaska

**POSITION STATEMENT:** Testified in opposition to HB 80.

DEAN BARTSCH, representing self  
Nikiski, Alaska

**POSITION STATEMENT:** Testified in opposition to HB 80.

FRANK TOMASZEWSKI  
Alaska State Representative  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** As prime sponsor, presented HB 74.

DAVID GOFF, Staff  
Representative Tomaszewski  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** As staff to Representative Tomaszewski, prime sponsor of HB 74, read the sectional analysis of HB 74.

CRAIG ORLAN, Director of State and Local Government Affairs  
American Honda Motor Co., Inc.  
Alexandria, Virginia

**POSITION STATEMENT:** Gave invited testimony in support of HB 74 and answered questions.

#### **ACTION NARRATIVE**

[3:18:10 PM](#)

**CO-CHAIR ZACK FIELDS** called the House Labor and Commerce Standing Committee meeting to order at 3:18 p.m. Representatives Coulombe, Burke, Hall, and Fields were present at the call to order. Representatives Nelson, Saddler, and Carrick arrived as the meeting was in progress.

**PRESENTATION(S): Role of Apprenticeships in Alaska's Workforce Development**

[3:18:27 PM](#)

CO-CHAIR FIELDS announced that the first order of business would be a presentation on the Role of Apprenticeships in Alaska's Workforce Development.

[3:18:50 PM](#)

DOUG TANSY, Business Manager, International Brotherhood of Electrical Workers (IBEW), co-offered the presentation on the Role of Apprenticeships in Alaska's Workforce Development. He shared that he started an apprenticeship as soon as he graduated high school and was looking into homeownership within 5 years. He stated that going through an apprenticeship allowed him to obtain continuing education without debt and ultimately made him a better citizen.

MR. TANSY commented that many of the individuals exiting their programs are financially stable with good prospects. He asserted that apprenticeships keep people in their communities. He asserted that apprenticeships allow people to retire on time, "when they are expected to retire." He stated that he is both a proponent and beneficiary of apprenticeships. Additionally, he reported that the International Brotherhood of Electrical Workers has historically high enrollment numbers. He offered his desire to see apprenticeship programs expanded beyond the construction industry.

[3:23:05 PM](#)

CO-CHAIR FIELDS stated that apprenticeships are industry funded. He asked Mr. Tansy to talk about how contractors and the union jointly manage apprenticeships.

MR. TANSY answered that each trust is jointly managed by the Alaska Chapter of the National Electrical Contractors Association (AK NECA) and the IBEW Local 1547. He explained that the trusts are paid into by "every hour worked in the field." He stated that every apprentice accepted into IBEW's program is awarded a roughly \$50,000 scholarship. He stated that apprentices are responsible only for their books and materials, which they are allowed to take home. Further, he stated that they provide the school, labs, and lab materials.

[3:24:30 PM](#)

CO-CHAIR FIELDS invited questions from committee members.

[3:24:37 PM](#)

CO-CHAIR HALL asked why there is an overwhelming number of applicants for the apprenticeship program. She noted that other industries have cited workforce development and shortage [of applicants] as top priorities.

[3:25:10 PM](#)

MR. TANSY responded that IBEW began to focus on recruitment approximately 10 years ago in response to attrition. He stated that the union changed its recruitment strategy to clearly signal to potential applicants that the construction industry was not limited to those who were not on college tracks. He reported that college graduates and valedictorians apply for their programs. He further reported that they have applicants interested in telecommunications, and electrical work.

MR. TANSY reported that, in both the Anchorage and Fairbanks training centers, every week of the [current] school year is booked, with weekends and evenings the only available timeslots. Mr. Tansy further reiterated that IBEW invests heavily in its recruits by providing scholarships and wages, and he asserted that this is attractive to potential applicants.

MR. TANSY concluded with a brief anecdote about a prior student who, after completion of an apprenticeship program in the [Fairbanks] North Star Borough, was able to purchase a vehicle, put over 25 percent down payment on a home, and had just passed his journeyman licensing.

MR. TANSY offered his belief that increased recruitment into apprenticeships would result in better communities, better schools, less recidivism, and more civic engagement.

[3:28:12 PM](#)

CO-CHAIR FIELDS stated that the focus of the presentation would shift towards healthcare apprenticeships in Alaska's workforce development.

[3:28:32 PM](#)

REPRESENTATIVE CARRICK noted that Alaska recently experienced a loss of funding of millions of dollars through the Statewide Transportation Improvement Program (STIP). She remarked that one outcome may be apprentices graduating without guaranteed employment.

MR. TANSY responded that some of IBEW's contractors have received notice to halt energy projects. He explained that IBEW does not have a predetermined number of apprentices and acceptance into the program is based on the available work opportunities. He stated that it is IBEW's responsibility to ensure that it only accepts applicants that it can place in jobs. He stated that when there is a disruption of funding, apprentices will leave, or switch industries because of the instability. He also noted that it is a lost investment for IBEW, both monetarily and timewise, as the program generally takes about 5 years. He asserted that a lack of federal funding would negatively impact career development and potentially turn people away to different career pathways.

REPRESENTATIVE CARRICK commented that it is a shame that administrative negligence could lead to a loss of potential apprentices.

[3:32:00 PM](#)

CO-CHAIR FIELDS commented that the congressional delegation worked hard for the Grid Resilience and Innovation Partnerships Program (GRIP) funding and funding for rural projects through the Tanana Chiefs Conference (TCC). He offered his understanding that there is \$250,000 currently on hold, as well as permitting projects, due to the "federal grants pause." He additionally commented that the Trump administration has additionally paused some permitting projects, including some in

the rail belt. He requested Mr. Tansy speak to the importance of strengthening the grid for contractors and members.

[3:32:53 PM](#)

MR. TANSY opined that GRIP funding was decades delayed, as Alaska needed improved roads, airports, water ports, and bridges. Additionally, he noted it was a huge relief when the congressional delegation secured GRIP funding. He said that Alaska's energy consumption and needs are much different from what was projected approximately 10 years ago. Further, he asserted that Alaska's transmission system is "decades deficient" and a "bottleneck," meaning it does not provide the cheapest power to the consumer, and it does not allow for alternative energy sources, such as windfarms or solar power, due to limited storage capacities. He offered his belief that Alaska's future is dependent on its energy landscape. He reiterated that pauses in [federal] funding are "damaging" and set Alaska "back [by] decades."

[3:34:55 PM](#)

NANCY MERRIMAN, CEO, Alaska Primary Care Association (APCA), continued the presentation. She stated that APCA supports the operations and development of Alaska's 29 federally qualified health centers. She reported that health centers across Alaska provide care to one in six Alaskans. She explained that APCA's apprenticeship program was established in 2017 in partnership with the Department of Labor and Workforce Development (DOLWD). She stated that Alaska health centers have, for years, cited workforce as one of their primary challenges. As a result, APCA became a multi-employer apprenticeship program sponsor through the U.S. Department of Labor (DoL), and APCA partnered with Alaska Pacific University (APU) to extend the value and meaning of apprenticeships to [traditional] academic pathways.

MS. MERRIMAN stated that APCA received some grants in 2017, whose funds were used to create registered apprenticeship programs for entry-level positions in healthcare. She noted that registered apprenticeship programs can be complex, with a plethora of rules and mandatory reporting requirements. She commented that APCA has learned a lot since its establishment eight years prior and that employee recruitment, training, and retention have changed in the modern era. She stated that health care centers are hiring people with little to no exposure to a healthcare field. She asserted that frontier and rural

areas need programs that are asynchronous, online, and paced to an individual's needs.

MS. MERRIMAN noted that APCA has expanded its programs to include non-registered apprenticeships in addition to registered apprenticeships. She explained that the delivery of non-registered apprenticeships is modified to fit the scheduling, pacing, and timing needs of Alaska. She asserted that the non-registered apprenticeships provide quality training and further noted that APCA has shifted focus to meeting the needs of both employers and employees in Alaska.

[3:39:07 PM](#)

TARI O'CONNOR, Chief Program Officer, Alaska Primary Care Association, continued the presentation. She stated that apprenticeship programs at APCA are distance-delivered, allowing employers throughout Alaska to train staff in their communities. She reported that [APCA] has almost 100 apprentices currently in training by more than 25 different employers, including hospitals, private healthcare providers, tribal healthcare organizations, and social service organizations. She reported that of the nine registered apprenticeship programs that APCA sponsors, the most popular are clinical medical assistant, pharmacy technician, and billing and coding specialist.

MS. O'CONNOR announced that they are launching a new project partnership with the Anchorage Neighborhood Health Center, with a focus on dental assistants. She explained that under the new partnership, APCA would provide the apprenticeship structure and administration, while the Anchorage Neighborhood Health Center would provide would hire personnel and provide the direct on-site instruction. Additionally, she stated that APCA, in response to employer feedback, has been expanding outside of formal registered apprenticeship programs. She explained that [unregistered programs] are shorter in length, more flexible, and provide for both asynchronous and synchronous learning opportunities.

MS. O'CONNOR further mentioned that APCA provides "pre-apprenticeship" training, which prepares people to work in a formal workplace. She explained that students learn soft skills such as teamwork and self-care and earn some "basic certifications."

[3:41:36 PM](#)

MS. MERRIMAN concluded with a request for outreach support from legislators to assist in the promotion of apprenticeship programs. She suggested [legislators] add information about the apprenticeship programs in their newsletters.

[3:42:14 PM](#)

CO-CHAIR FIELDS asked whether school districts were sufficiently aware of APCA apprenticeships. Further, he asked whether there was adequate structure for the school to apprenticeship pathways.

MS. MERRIMAN offered her belief that there are some school districts aware of the apprenticeship programs. She reported that, through work with a school district, APCA had discovered that juniors and seniors are most likely to successfully handle a job in conjunction with training.

[3:43:15 PM](#)

REPRESENTATIVE COULOMBE voiced concern about a new person with very little training delivering healthcare on the job.

[3:44:05 PM](#)

MS. MERRIMAN responded that healthcare careers typically have very long training programs, both academic and in the field. She noted that they typically start off in positions with very minimal patient interaction. She reported that APCA's most popular profession, clinical medical assistant, is a longer program and always supervised and mentored through the training program.

[3:45:15 PM](#)

MS. O'CONNOR added that the requirement for supervision can be a limitation on capacity for programs. She explained that, to ensure appropriate supervision in any given site, a supervisor can adequately supervise only a limited number of people.

[3:45:54 PM](#)

CO-CHAIR FIELDS stated that when federal funding "fell off" and state capital budgets "fell off," there was a drop in the number of construction workers. With a one-to-one ratio of mentors to apprentices, the [construction] industry can grow only so fast.

He asserted that stability in funding allows for safe and adequate mentorship.

CO-CHAIR FIELDS stated that, historically in America, [apprenticeship] training and [continuing] education have been separated.

[3:47:27 PM](#)

HILTON HALLOCK, PhD, Provost, Alaska Pacific University (APU), as an invited testifier, finished the presentation on apprenticeships in Alaska. She explained that APU is a small, independent university located primarily in Anchorage, with some instructional locations throughout Alaska. She reported that 88 percent of students enrolled at APU are from Alaska. She stated APU has programs ranging from undergraduate certificates to doctoral degrees, with the goal of providing academic programs and educational opportunities that meet Alaska's critical needs.

DR. HALLOCK continued with an overview of the programs offered at APU. She stated that APU offers an Alaska Rural Management Certificate in Business to help prepare communities for the management of infrastructure projects, sponsored in part by the Denali Commission. Additionally, APU offers certificates, associates, and bachelors in Environmental Health Programs to help students address serious public health issues, such as water and air quality. She stated that APU is currently working with East High School (EHS) through Academies of Anchorage to allow high-school students to graduate with industry credits. Further, she reported that APU has launched three nursing degrees and a Licensed Practical Nurse (LPN) to Registered Nurse (RN) bridge in the last eight years. She stated that APU received a \$5-million grant from the DoL to expand the nursing workforce in Alaska and APU is working closely with partner-employers on the development of "earn-and-learn programs."

DR. HALLOCK described APU's approach to workforce development as "innovative" and stated that APU is well-suited for apprenticeships and other workforce/competency-based programs because the college has always incorporated experiential learning in their degree programs. She listed examples of apprenticeship programs offered at APU, including teacher apprenticeships and academic credentials for the Community Health Aide Program (CHAP), a national certificate program offered through the Alaska Tribal Health System (ATHS). Additionally, Dr. Hallock explained that APU partners with APCA and ATHS to offer academic credit for industry-specific training

in health occupations, including community medical assistant, electronic records, pharmacy technician, et cetera. She stated the health occupations program is an example of APU's "creative partnership[s]." After the completion of the apprenticeship program, students then take the national exam. She stated that APU appoints APCA instructors as adjunct faculty. She explained that credits earned through the apprenticeship programs can be applied towards undergraduate certificates in health occupations and likened the process to "doing major requirements before doing general education requirements." She explained that APU originally aligned its apprenticeship programs with [traditional] academic terms; however, in order to meet the demand for APCA's health centers, APU had adjusted its enrollment strategy to enroll students at a faster pace.

DR. HALLOCK concluded by listing some unique principles of APU: stackable degrees with no loss of credit for students; the establishment of authentic community partnerships; and credits for competency-based learning.

[3:54:18 PM](#)

CO-CHAIR FIELDS thanked the invited testifiers for their presentation.

#### **HB 80-RESIDENTIAL BUILDING CODE**

[3:54:32 PM](#)

CO-CHAIR FIELDS announced that the next order of business would be HOUSE BILL NO. 80, "An Act relating to minimum standards for residential buildings; relating to construction contractors and residential contractor endorsements; establishing the Alaska State Residential Building Safety Council; and providing for an effective date."

CO-CHAIR FIELDS noted that HB 80 was a request from the Alaska State Home Building Association (ASHBA).

[3:55:00 PM](#)

CO-CHAIR FIELDS opened public testimony on HB 80.

[3:55:20 PM](#)

AARON WELTERLEN, Vice President, Interior Alaska Building Association, Alaska State Home Building Association, testified

in support in HB 80. He explained that building a "code-minimum house" is the "bare bones standard" and further emphasized that many builders build far beyond that [standard]. He stated that HB 80 would create consumer protection and provide for legal pathways were a building not constructed to a minimum standard. He reiterated that ASHBA would like to see HB 80 move forward.

[3:56:26 PM](#)

CO-CHAIR FIELDS thanked Mr. Welterlen for his work on expanding affordable housing opportunities in Interior Alaska. Further, he asked about lifecycle savings from building well-insulated homes, given the rising costs of heating in Alaska.

[3:56:43 PM](#)

MR. WELTERLEN responded that lifecycle is dependent on the use of the house. He further stated that energy use decreases through installation of more energy-efficient features, thereby extending the lifecycle and creating a healthy house. He noted that HB 80 pertains to structural standards, not energy [standards].

[3:57:27 PM](#)

DAVID MILLER, Past President, Board of Directors, Mat-Su Home Builders Association (MSHBA), testified during the hearing on HB 80. He stated that he is a lifelong builder of 34 years. He noted that Alaska currently has adopted a standard of building codes through the Alaska Housing Finance Corporation (AHFC), by which the majority of builders in the state abide. He recognized that, occasionally, some do not build to AHFC's standard and remarked that it is a concern to all builders.

MR. MILLER stated that the majority of MSHBA opposes HB 80 in its current form. He asserted that, when builders follow a high standard, it drives competition that creates an environment of high-quality construction. He remarked that his organization does not see lack of standards as an issue and offered his belief that the Matanuska-Susitna ("Mat-Su") Valley would be most affected by HB 80. He said that the Matanuska-Susitna Borough is the fastest growing area in the state. He clarified his belief that a building code is important but opined that [HB 80] may be premature. He stated that MSHBA adopted AHFC's building codes [in 2024].

MR. MILLER emphasized the importance of preventing housing costs from increasing with the administration of HB 80. Additionally, he shared his concern that there are no provisions in the current legislation to prevent permitting processes from being protracted. Nonetheless, he stated that he would support the proposed legislation in its current form.

[4:01:17 PM](#)

CO-CHAIR FIELDS asked Mr. Miller to clarify whether he was in support of the proposed legislation.

MR. MILLER responded that, were HB 80 to be adopted at the statewide level, it would eventually necessitate enforcement. He asserted that the process of enforcement should be facilitated by local governments.

[4:02:10 PM](#)

REPRESENTATIVE COULOMBE noted that Mat-Su is the fastest growing region in Alaska. She queried the relationship between the pace of homebuilding and building codes.

[4:02:32 PM](#)

MR. MILLER responded that they are not directly linked. He provided an anecdote about homebuilding in Chugiak. He stated that his company began construction the prior summer [2024], but the project was stalled over the winter due to the time it took to acquire materials necessitated by the Municipality of Anchorage (MOA).

[4:03:57 PM](#)

LEAH WINTERS, Public Policy Fellow, Cold Climate Housing Research Center, testified in support of HB 80. She reported that she had been researching building codes in collaboration with AHFC. She explained that Alaska currently has a patchwork of local regulations. She argued that communities that have adopted residential codes have adopted national standards that are not suitable for Alaska's climate. Additionally, she stated that local code adoption is expensive and time-consuming for local governments. Further, she stated that it creates inconsistencies across regions, making it more difficult for contractors.

MS. WINTERS argued that HB 80 would create an "Alaska-specific" starting point, from which local governments can adopt, amend, and enforce regulations at a local level. She stated HB 80 is designed to be flexible out of an understanding that the "one-size-fits-all" approach does not work in Alaska communities. She asserted that HB 80 creates a baseline that is tailored to Alaska's conditions, therefore reducing the burden on local governments.

MS. WINTERS stressed that HB 80 would not apply to owner builders. She asserted that HB 80 would improve [building] standards and consistencies while protecting the right to build independently. She concluded by urging committee members to support HB 80.

[4:06:15 PM](#)

REPRESENTATIVE SADDLER offered his understanding that HB 80 would require a minimum residential building code statewide, and local governments could only exercise flexibility by making the code stricter.

MS. WINTERS cited Colorado and Maine, which have allowed exceptions and flexibilities for communities, typically remote, that do not have the capacities or institutions to enforce a statewide code. She offered her understanding that a statewide residential building code is not inherently enforceable, and that HB 80 would "set the baseline for the capability of local adoption." She further echoed another speaker in stating that local jurisdictions could adopt a code stricter than the provisions under the proposed legislation.

REPRESENTATIVE SADDLER asked for clarification of Ms. Winters' position on the proposed legislation.

MS. WINTERS responded that she is in support of HB 80, particularly with the increase of natural disasters on the West Coast. She noted that the Federal Emergency Management Agency (FEMA) has research indicating that building codes save both lives and money. Further, she remarked that Alaska is one of few states lacking a statewide building code while being the most seismically active.

REPRESENTATIVE SADDLER asked whether building codes save money for the homebuyers or the homebuilders.

MS. WINTERS gave an anecdote about earthquakes, stating that, when there is an earthquake, buildings that collapse must be rebuilt. She asserted that money is saved by both the homebuyers and the homebuilders when buildings are constructed to withstand natural disasters, such as earthquakes.

[4:09:30 PM](#)

EDNA DEVRIES, Mayor, Matanuska-Susitna Borough, testified in opposition to HB 80. She offered her agreement with Ms. Winters' point on the "one-size-fits-all" approach not working for Alaska but disagreed that the proposed legislation would offer a solution. She asserted that HB 80 would remove local control. She explained that the Matanuska-Susitna Borough has limited government and is not typically receptive to state or federal government overreach. She predicted that, were HB 80 to pass, the borough would be required to construct a building department. She stated that the [Mat-Su Borough] has very qualified builders and financing agencies. In conclusion, Ms. Devries shared her concern that the proposed legislation would create an additional unnecessary layer of government.

[4:11:33 PM](#)

REPRESENTATIVE SADDLER asked whether the local governments in the Matanuska-Susitna Borough currently have any local building codes.

MS. DEVRIES answered that they have conditional use permits regarding junk cars and marijuana shops and setbacks. She explained that many subdivisions in the Mat-Su Borough have homeowners' associations (HOAs) that enforce "covenants." Additionally, she stated that if HB 80 were to pass, the Mat-Su Borough would be required to set up a building department "as large as Anchorage," given the size of the borough.

[4:12:54 PM](#)

CO-CHAIR FIELDS stated that HB 80, as currently drafted, would not require the borough to construct a building department.

MS. DEVRIES acknowledged that the proposed legislation does not currently require a building department. However, she argued, the State of Alaska has historically put restrictions and guidance upon local governments, like the school bond reimbursement or the senior citizen exemption, that have fallen to the [local] taxpayer.

4:14:02 PM

PETER MICCICHE, Mayor, Kenai Peninsula Borough (KPB) and former legislator testified in opposition to HB 80. He stated that the Kenai Peninsula Borough is the size of West Virginia. He stated that, of his 61,000 constituents, approximately two-thirds live in areas without local building codes. He asserted that people are moving out of the cities in the Kenai Peninsula Borough to areas without local building codes because of the cost of building in cities.

MAYOR MICCICHE asserted that, through the creation of a mayor's working group with inputs from citizens, state agencies, builders, developers, and economists from the DOLWD, a statewide building code would not address the "extreme lack of affordable housing." He stated that the KPB is tackling the problem with other solutions. He reported that the KPB is making borough land available for construction. Additionally, he reported that KPB worked with local homebuilders to create affordable housing units that would not meet the code requirements of the proposed legislation.

MAYOR MICCICHE asserted that there are "two Alaskas." He maintained that the concrete foundation requirements discussed in a previous hearing on HB 80 are non-existent in a large portion of Alaska. He argued that the issues of insurability and resale value are null during an unprecedented housing shortage. He contended that middle- and low-income individuals would have no housing under the additional constraints of the proposed legislation. He spoke to local control, commenting that cities have the right to institute building codes - some cities in KPB have chosen to do so, but the borough itself has not.

MAYOR MICCICHE offered some alternative suggestions for ensuring that residential buildings are constructed to a high standard, including utilizing a 5-star builders group and builder warranties. He recognized the intent of the proposed legislation but argued that it would not accomplish what it intended. He shared that he strongly felt creating a [statewide residential] building code during an unprecedented housing shortage would create an additional barrier. He concluded by urging committee members to consider alternative solutions for low-cost quality housing.

4:20:28 PM

REPRESENTATIVE SADDLER asked if there have been any changes in adoption or recension of building codes in Mayor Micciche's area of governance.

MAYOR MICCICHE stated that the cities in KPB update their building codes every two to three years and can opt out of certain stipulations. He stated that people choose to live in or outside of the cities based on what best suits them and further stated that the cities have the infrastructure to support building codes. He stated that outside of city limits, individuals are not required to build to code. He emphasized that rent has doubled in the last five years on the Kenai Peninsula. He asserted that there is a demographic of people, low- and middle-income, who are struggling to afford housing and "every incremental cost that's added to unaffordable housing pushed that build out another several years."

REPRESENTATIVE SADDLER queried about region-specific hazards that building codes might address in KPB.

MAYOR MICCICHE responded that the biggest hazard to housing for residents in KPB is lack of housing. He remarked that a building code is the minimum expectation in the "right place ...for a certain demographic - the more traditional homebuyer." He stated that a building code is a requirement for most conventional loans and for AHFC. He noted that, due to the extreme housing shortage, there are people building yurts, cabins, and nonconventional housing as primary residences. He stated that KPB provides local option zoning districts (LOZDs). Finally, he commented that, of the 61,000 residents in KPB, 41,000 residents have opted to live outside of zoning districts.

[4:24:56 PM](#)

DEAN BARTSCH, representing self, testified in opposition to HB 80. He said that he is a "substandard" builder. He stated that the legislature does not have the authority to dictate how he builds his house. He asserted that a uniform building code from rainforest to permafrost is impossible. He argued that licensed contractors would be prohibited from repairing his house, because it is not built to code. He provided a personal anecdote to illustrate that systems not built to code could outlast systems that are built to code.

[4:29:26 PM](#)

CO-CHAIR FIELDS stated that HB 80 was the result of requests from homebuilders.

CO-CHAIR FIELDS, after ascertaining that there was no one else who wished to testify, closed public testimony on HB 80.

[4:30:03 PM](#)

REPRESENTATIVE COULOMBE reiterated her concern that the proposed legislation would increase both the cost and red tape regarding housing. She stated that the Anchorage Assembly passed an ordinance last night [February 11, 2025], to halt design standards for multi-family housing as part of the assembly's "10,000 homes in 10 years strategy." She maintained that the assembly is doing so to remove "cost-adding rules and the time delay." She commented that "even Anchorage understands that ... more rules and more codes ... will increase the cost of housing and ... does increase delays."

[HB 80 was held over.]

**HB 74-CRIME COUNTERFEIT/NONFUNCTIONING AIRBAG**

[4:30:49 PM](#)

CO-CHAIR FIELDS announced that the final order of business would be HOUSE BILL NO. 74, "An Act establishing the crime of airbag fraud."

[4:31:11 PM](#)

The committee took an at-ease from 4:31 p.m. to 4:32 p.m.

[4:32:34 PM](#)

FRANK TOMASZEWSKI, Alaska State Representative, Alaska State Legislature, as prime sponsor, presented HB 74. He explained that HB 74 was brought to his attention by the Honda Motor Co., Inc. and the Automotive Anti-Counterfeiting Council (A2C2). He stated that there are currently no laws in Alaska that prohibit the installation or re-installation of airbags that do not meet federal safety standards. He stated that counterfeit and non-functioning airbags are known to improperly deploy, or not deploy at all, which can result in serious injury or death. He stated that HB 74 would establish the crime of airbag fraud and prohibit dangerous actors from knowingly selling, installing, or manufacturing counterfeit or non-functioning airbags. He

explained that a counterfeit airbag is defined as a replacement airbag displaying an unauthorized mark that is similar to the mark of the vehicle manufacturer [Honda, Toyota, Subaru]. A non-functioning airbag is an inoperable or damaged airbag, or an airbag that had been previously deployed or removed from a vehicle due to unreasonable safety risks. He noted that legislation similar to HB 74 has passed in 30 other states. He stated that passage of HB 74 would align Alaska with the Federal Administration's efforts to stop the importation of counterfeit or non-functioning airbags through the Federal Trade Commission Act (FTC Act). He stated that HB 74 would allow federal authorities to seize counterfeit or non-functioning airbags at Alaska's border. He stated that the Coalition Against Insurance Fraud, which supports HB 74, believes that consumers should be able to trust that their airbags will function.

REPRESENTATIVE TOMASZEWSKI asserted that Alaska has a responsibility to protect its citizens from all counterfeit and non-functioning airbags. He stated the HB 74 would provide legal consequences for those who knowingly install counterfeit or non-functional airbags. Further, he noted that, in the proposed legislation, there are protections for third parties, such as owners or dealerships, who unknowingly install or sell counterfeit/non-functional airbags.

REPRESENTATIVE TOMASZEWSKI concluded with a personal anecdote, stating that he was involved in a head-on collision three years prior, where all airbags were properly deployed. He asked his staff to continue with the sectional analysis of HB 74.

[4:35:53 PM](#)

DAVID GOFF, Staff, Representative Tomaszewski, Alaska State Legislature, as staff to Representative Tomaszewski, prime sponsor of HB 74, gave the sectional analysis of HB 74 [included in the committee file], which read as follows [original punctuation provided]:

**Section 1**

Amends the airbag fraud statute (AS 28.35.248) by establishing and defining airbag fraud as knowingly selling, offering for sale, installing, reinstalling, or manufacturing a counterfeit or nonfunctioning airbag or device that is intended to conceal a counterfeit or nonfunctioning airbag, or intentionally selling,

leasing or trading a vehicle that the person knows has a counterfeit or nonfunctioning airbag.

Establishes airbag fraud as a class A misdemeanor or a class C felony if death or serious physical injury to another person occurs as a result of the counterfeit or nonfunctioning airbag.

Establishes that the liability of any party in a civil action is not precluded. Provides that this legislation does not create a duty to inspect a vehicle for a counterfeit or nonfunctioning airbag before its sale.

This section excludes a person installing, reinstalling, or replacing an airbag on a vehicle used solely for police work; an owner or employee of a motor vehicle dealership or the owner of a vehicle who does not have knowledge that the vehicle's airbag is counterfeit or nonfunctioning; a person who transfers a vehicle title to an insurance company to satisfy an insurance claim; or an insurance company that sells or otherwise disposes of a vehicle as authorized by law or regulation.

[4:37:47 PM](#)

REPRESENTATIVE SADDLER pondered on where the supply chain for counterfeit/non-functional airbags existed. He asked if the proposed legislation would have an effect on counterfeit/non-functional airbag supply chains.

[4:38:27 PM](#)

REPRESENTATIVE TOMASZEWSKI responded that, to date, he is not aware of any incidents in Alaska. He stated that he is attempting to get ahead of the issue, reiterating that 30 other states have already passed legislation regarding the issue. He stated that counterfeits are circulating in the United States.

[4:39:27 PM](#)

REPRESENTATIVE COULOMBE asked about the penalties proposed under HB 74.

[4:39:53 PM](#)

MR. GOFF responded that he would get back to the committee with the information, but offered his belief that a felony [if death

or serious physical injury to another person occurs as a result of the counterfeit or nonfunctioning airbag] would constitute up to a \$25,000 fine and up to one year in prison.

[4:40:15 PM](#)

CO-CHAIR HALL asked whether there was a black market or business incentive for the manufacturing of counterfeit/non-functional airbags.

[4:40:51 PM](#)

REPRESENTATIVE TOMASZEWSKI responded that airbags are an expensive purchase that are required for vehicles. He stated that an individual, in trying to cut costs, might go to an un reputable supplier to replace the product.

[4:41:46 PM](#)

REPRESENTATIVE NELSON offered his appreciation for HB 74.

[4:42:26 PM](#)

CO-CHAIR FIELDS announced the committee would hear invited testimony. He asked the invited testifier to clarify how counterfeit/non-functional airbags might be installed in a vehicle, i.e. whether it is typically an individual or third party that installs the counterfeit/non-functional airbag.

[4:42:59 PM](#)

CRAIG ORLAN, Director of State and Local Government Affairs, American Honda Motor Co., Inc., began invited testimony in support of HB 74. He began his testimony by stating that counterfeit or non-functioning airbags have been plaguing the industry for over a decade. He clarified that counterfeit/non-functional airbag installations are not a problem with legitimate automotive supply chains. He explained that, after an accident, a customer might go to an independent repair facility for an airbag replacement and receive a counterfeit/non-functional airbag installation. He reported that there is a "handful" of "unscrupulous actors" installing the counterfeit/non-functional airbags.

MR. ORLAN reported that faulty airbags have been filled with a variety of debris, including sawdust, newspapers, rags, and trash bags. He mentioned a shipment of counterfeits in Los

Angeles that required a bomb squad to detonate the airbags. Additionally, he reported that a repair shop owner in Florida was recently charged under a law similar to HB 74 for installing over 300 counterfeit airbags in the vehicles of unsuspecting customers.

MR. ORLAN explained that the majority of counterfeit/non-functional airbags originate overseas and are imported into the United States from China. He stated that agencies like the U.S. Customs and Border Protection, the Federal Bureau of Investigation (FBI), and the U.S. Department of Homeland Security have limited authority and can pursue action only if there is a violation under federal trademark or federal hazmat law, which Mr. Orland asserts, does not apply to the majority of manufactured counterfeit/non-functional airbags. He asserted that supplementing federal law with state law would allow state-federal cooperation on prohibiting counterfeit/non-functional airbags from entering the U.S. and allows e-commerce retailers to delist products in a timely manner.

MR. ORLAN concluded by noting that the proposed legislation had been drafted with inputs from numerous stakeholders including automakers, dealers, repair professionals, insurance companies, law enforcement agencies, and consumer groups. He further noted that similar legislation has passed in 38 other states with bipartisan support and no public opposition. He finished with an anecdote regarding the underground market, reporting that there was a man in North Carolina who made over \$1.7 million in a little over one year selling counterfeit airbags to unsuspecting consumers. He further reported that the law in North Carolina was used as leverage to identify victims and remove the faulty airbags from their vehicles. He said that the nature of an underground economy makes it difficult to fully determine its size and scope. He reported that counterfeit/non-functional airbags have been found in almost every state. He thanked the committee members for their time and consideration.

[4:46:32 PM](#)

CO-CHAIR FIELDS stated that some e-commerce retailers, like Amazon or eBay, have done little "due diligence" to protect customers from purchasing faulty airbags.

MR. ORLAN responded that some e-commerce retailers are more helpful than others. He stated that e-commerce retailers are more responsive when it is in violation of state and federal laws and a public safety risk. He asserted that his company has

seen e-commerce retailers become more responsive when laws like HB 74 are passed.

[4:47:13 PM](#)

CO-CHAIR HALL asked what the purpose of counterfeit airbags.

MR. ORLAN responded that airbags can sell for hundreds to thousands of dollars and replacements can be sold at a much cheaper price. He stated the goal is to deceive the consumer, bypass radiographs, and look more authentic. He additionally stated that many faulty airbags are simply empty, or nonfunctional, which is why the proposed legislation was written to include nonfunctional airbags as an act of fraud.

CO-CHAIR HALL asked how much an airbag weighs and what contents are typically inside an airbag.

MR. ORLAN replied that an airbag is a part of a supplemental restraint system (SRS). He explained that when a vehicle is involved in a collision, a sensor goes off to determine the point of impact, which airbags to deploy, in what order, and with how much force to provide maximum protection. He explained that a collision would trigger a small explosion, filling the functioning/non-counterfeit airbag with gas before deflation. He stated an airbag is a cushion material, meant to protect the passenger. He reiterated that some people are intentionally filling airbags with debris or nothing at all.

[HB 74 was held over.]

[4:50:23 PM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at [4:50] p.m.