

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

March 17, 2025

3:15 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**

HOUSE BILL NO. 30

"An Act establishing the office of entrepreneurship; relating to new businesses in the state; relating to reports concerning procurements by agencies; and relating to initial business license fees for new businesses in the state."

- HEARD & HELD

HOUSE BILL NO. 75

"An Act relating to national criminal history record checks for certain employees of the Department of Revenue; relating to allowable absences for eligibility for a permanent fund dividend; relating to the confidentiality of certain information provided on a permanent fund dividend application; relating to electronic notice of debt collection executed on a permanent fund dividend; and providing for an effective date."

- MOVED CSHB 75(STA) OUT OF COMMITTEE

HOUSE BILL NO. 132

"An Act relating to loans in an amount of \$25,000 or less; relating to the Nationwide Multistate Licensing System and Registry; relating to deferred deposit advances; and providing for an effective date."

- BILL HEARING CANCELED

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 38

"An Act relating to supplemental employee benefits; and providing for an effective date."

- BILL HEARING CANCELED

HOUSE BILL NO. 121

"An Act relating to the practice of accounting; and providing for an effective date."

- BILL HEARING CANCELED

**PREVIOUS COMMITTEE ACTION**

BILL: HB 30

SHORT TITLE: OFFICE OF ENTREPRENEURSHIP

SPONSOR(s): REPRESENTATIVE(s) HOLLAND

01/22/25	(H)	PREFILE RELEASED 1/10/25
01/22/25	(H)	READ THE FIRST TIME - REFERRALS
01/22/25	(H)	STA, L&C
02/22/25	(H)	STA AT 1:00 PM GRUENBERG 120
02/22/25	(H)	Heard & Held
02/22/25	(H)	MINUTE(STA)
02/27/25	(H)	STA AT 3:15 PM GRUENBERG 120
02/27/25	(H)	Heard & Held
02/27/25	(H)	MINUTE(STA)
03/06/25	(H)	STA AT 3:15 PM GRUENBERG 120
03/06/25	(H)	Scheduled but Not Heard
03/11/25	(H)	STA AT 3:15 PM GRUENBERG 120
03/11/25	(H)	Moved CSHB 30(STA) Out of Committee
03/11/25	(H)	MINUTE(STA)
03/12/25	(H)	STA RPT CS(STA) NEW TITLE 1DP 1DNP 5NR
03/12/25	(H)	DP: HOLLAND
03/12/25	(H)	DNP: MCCABE
03/12/25	(H)	NR: VANCE, MOORE, HIMSCHOOT, STORY, CARRICK
03/17/25	(H)	L&C AT 3:15 PM BARNES 124

BILL: HB 75

SHORT TITLE: PERM FUND; EMPLOYMENT; ELIGIBILITY

SPONSOR(s): REPRESENTATIVE(s) BYNUM

01/31/25	(H)	READ THE FIRST TIME - REFERRALS
01/31/25	(H)	STA, L&C
02/18/25	(H)	STA AT 3:15 PM GRUENBERG 120

02/18/25	(H)	Heard & Held
02/18/25	(H)	MINUTE (STA)
02/22/25	(H)	STA AT 1:00 PM GRUENBERG 120
02/22/25	(H)	Heard & Held
02/22/25	(H)	MINUTE (STA)
02/27/25	(H)	STA AT 3:15 PM GRUENBERG 120
02/27/25	(H)	Moved CSHB 75 (STA) Out of Committee
02/27/25	(H)	MINUTE (STA)
02/28/25	(H)	STA RPT CS (STA) 5DP
02/28/25	(H)	DP: HOLLAND, HIMSCHOOT, MOORE, STORY, CARRICK
03/12/25	(H)	L&C AT 3:15 PM BARNES 124
03/12/25	(H)	Heard & Held
03/12/25	(H)	MINUTE (L&C)
03/17/25	(H)	L&C AT 3:15 PM BARNES 124

**WITNESS REGISTER**

CAMERON EBERSOLD, Staff  
 Representative Ky Holland  
 Alaska State Legislature  
 Juneau, Alaska

**POSITION STATEMENT:** On behalf of Representative Holland, prime sponsor, gave a PowerPoint presentation on HB 30.

BRITTENY CIONI-HAYWOOD, representing self  
 Juneau, Alaska

**POSITION STATEMENT:** Gave invited testimony in support of HB 30.

JARED REYNOLDS, Director  
 Center for Economic Development, University of Alaska Anchorage  
 Anchorage, Alaska

**POSITION STATEMENT:** Gave invited testimony in support of HB 30.

REPRESENTATIVE KY HOLLAND  
 Alaska State Legislature  
 Juneau, Alaska

**POSITION STATEMENT:** As prime sponsor, answered questions during the hearing on HB 30.

REPRESENTATIVE JEREMY BYNUM  
 Alaska State Legislature  
 Juneau, Alaska

**POSITION STATEMENT:** As prime sponsor, answered questions during the hearing on HB 75.

TREVOR SHAW, Staff

Representative Jeremy Bynum  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** On behalf of Representative Bynum, prime sponsor, answered questions during the hearing on HB 75.

**ACTION NARRATIVE**

[3:15:31 PM](#)

**CO-CHAIR ZACK FIELDS** called the House Labor and Commerce Standing Committee meeting to order at 3:15 p.m. Representatives Carrick, Burke, Coulombe, Hall, and Fields were present at the call to order. Representatives Nelson and Saddler arrived as the meeting was in progress.

**HB 30-OFFICE OF ENTREPRENEURSHIP**

[3:15:52 PM](#)

CO-CHAIR FIELDS announced that the first order of business would be HOUSE BILL NO. 30, "An Act establishing the office of entrepreneurship; relating to new businesses in the state; and relating to reports concerning procurements by agencies." [Before the committee was CSHB 30(STA).]

[3:16:14 PM](#)

The committee took an at-ease from 3:16 p.m. to 3:17 p.m.

[3:17:42 PM](#)

CAMERON EBERSOLD, Staff, Representative Ky Holland, on behalf of Representative Holland, prime sponsor, gave a PowerPoint presentation on HB 30 [hard copy included in committee file], titled "House Bill 30: Office of Entrepreneurship." He began on slide 2, an overview of Alaska's economic outlook, which read as follows [original punctuation provided]:

Slow economic growth  
Job loss in key industries  
Talent and family outmigration

We cannot rely on our legacy sectors to create the jobs of the future

MR. EBERSOLD moved to slide 3, titled "Alaska needs to diversify and support emerging sectors," which read as follows [original punctuation provided]:

Future growth will come from value-added support of existing economic engines and investment in emerging sectors and jobs

Diversification and technology growth aligns with our CEDS, state and national economic development trends, and history

MR. EBERSOLD highlighted the statistics related to emerging sectors, displayed on slide 4, which read as follows [original punctuation provided]:

New and young businesses create virtually all net job growth in America

Research shows that for every 1 percent increase in the U.S. entrepreneurship rate, the poverty rate decreases by 2 percent

New businesses

- grow local GDP
- increase community wealth
- create homegrown jobs
- diversify goods and services

MR. EBERSOLD moved to slide 5 and cited Alaska: State of Entrepreneurship by The University of Alaska Center for Economic Development (2018). Slide 5 read as follows [original punctuation provided]:

"Over the last decade, startups in Alaska consistently added 4,000 to 6,000 jobs to the economy each year. Firms that are aged five years or younger accounted for 89% of Alaska's net employment growth in the private sector."

MR. EBERSOLD moved to slide 6, an overview of HB 30, which read as follows [original punctuation provided]:

Creates Office of Entrepreneurship in DCCED and directs them to:

- Promote entrepreneurship
- Assist new business as they navigate interactions with the state of Alaska
- Annually review policy changes that impact new businesses

Directs state agency money to support programs or organizations that help new businesses

[3:21:30 PM](#)

MR. EBERSOLD moved to slide 7, an overview of the changes made to HB 30 in the previous committee of referral, which read as follows [original punctuation provided]:

The Committee Substitute for House State Affairs yielded these changes:

1. Eliminated change from v. A that would have changed Department of Administration's procurement report from biennial to annual
2. Removed business license exemption for new businesses
3. Clarified the goals of the Office of Entrepreneurship with more specific language
4. Tightened definition of "new business in the state" using preexisting statutory definition of Alaska Bidder Preference

MR. EBERSOLD moved to slide 8, drawing committee members' attention to a flow chart representative of the startup process and highlighting how HB 30 would help the process: Ecosystem Building, Ideation, Business Modelling, Business Strategy, Business Planning, Startup Financing, Execution, and Business Exits. He provided an anecdote about starting a laundromat, asserting that a unique or never-done-before business idea could be categorized as investable, but not bankable. He stated that the proposed Office of Entrepreneurship would focus on the first four steps of the startup process, thus creating connectivity in the startup ecosystem.

MR. EBERSOLD moved to slide 9, an overview of expected outcomes of HB 30, which read as follows [original punctuation provided]:

NEW BUSINESSES AND JOBS  
REDUCED COSTS FOR NEW BUSINESSES  
IMPROVE STATE INTEGRATION WITH STARTUP ECOSYSTEM  
ECONOMIC OPPORTUNITY FOR THE NEXT GENERATION OF  
ALASKANS

CO-CHAIR FIELDS stated the committee would hear from invited testifiers.

[3:26:55 PM](#)

BRITTENY CIONI-HAYWOOD, representing self, began her invited testimony by stating that she is an economist and had taught economics at several universities. Additionally, she stated that she had formerly served as the director of the Division of Economic Development (DED) from March 2015 to December 2018. She explained that DED was split into three sections while she was director: the revolving loan fund, now currently the Division of Investments; a small group of staff that worked on economic development projects; and a third group of staff members that "facilitated that visitor industry and tourism work." She reported that staff members from were laid off due to budgetary constraints. She further explained that the funding for travel and tourism was funneled into the Alaska Travel Industry Association (ATIA).

MS. CIONI-HAYWOOD explained that the Division of Investments provides support for the fishing industry and facilitates loan programs, such as microloan, mariculture, and small business development. She highlighted some of DED's accomplishments during her tenure, including the development of the first Statewide Comprehensive Economic Development Strategy (CEDS), which allowed the Economic Development Administration (EDA) to dispense more grants to Alaska. Additionally, she reported that DED worked to facilitate the Alaska Regional Development Organization (ARDOR) program. She listed many organizations that DED has worked with, including University of Alaska [Anchorage] (UAA) Business Enterprise [Institute] (BEI), Juneau Economic Development Council (JEDC), Spruce Roots, Alaska Industrial Development and Export Authority (AIDEA), the Alaska Chamber, and the Alaska Department of Labor & Workforce Development (DLWD). She stated that DED conducted research for various economic organizations around Alaska.

MS. CIONI-HAYWOOD stated that as director of DED, there was a philosophy of "growing our own." She asserted that businesses in Alaska face many challenges and that startups are

particularly vulnerable. She offered her belief that it is important to have an entity that facilitates and spearheads the work to support economic development. She suggested that the proposed Office of Entrepreneurship could pick up pieces that are no longer happening, that were happening under DED, with some changes. She concluded by emphasizing the importance of "growing our own," remarking that businesses in Alaska face unique challenges.

[3:31:48 PM](#)

REPRESENTATIVE CARRICK asked about the funds redirected to tourism marketing through ATIA.

MS. CIONI-HAYWOOD explained that tourism industry funding has historically swung between state funding and private funding. She further explained that when she became the director of DED, the funding had come from DED, and during her time, the funds were shifted to ATIA.

REPRESENTATIVE CARRICK asked for clarification that the funds were not "taken away"; rather, the funds were shifted around.

MS. CIONI-HAYWOOD stated that is correct and noted that funds have resided between a state entity or an outside entity.

[3:33:16 PM](#)

MS. CIONI-HAYWOOD, in response to a question from Representative Saddler, confirmed that she was testifying as a private citizen, on her own time. She explained that she is a State of Alaska employee currently on approved leave.

[3:33:41 PM](#)

JARED REYNOLDS, Director, Center for Economic Development (CED), University of Alaska Anchorage (UAA), began his invited testimony by stating that he had facilitated a range of startups. He said CED was embedded in Alaska's entrepreneurial system in three major ways. First, he explained that CED provides direct entrepreneurial support through programs such as Upstart Alpha, which supports emerging businesses by clarifying business models, refining marketing strategies, and mapping out steps for launching and scaling a business. He highlighted CED's goal of supporting "early-stage companies" in determining feasibility of ideas and connecting startups to resources.

MR. REYNOLDS explained that CED works closely with municipalities and local economic development organizations, such as ARDORs. He stated that CED conducts research spanning a range of topics, including opportunities within targeted industries and the State of Entrepreneurship report, which highlights strengths and weaknesses of the current entrepreneurial landscape. He shared some statistics from the report, emphasizing three areas: business creation, business survival, and scalability and growth of businesses in Alaska. He reported that one-third of businesses in Alaska are less than 5 years old, and over half of businesses in Alaska are less than 10 years old. He reported that "nearly every job in Alaska is created by a business that is less than 5 years old." He additionally asserted that Alaska is successful at reaching a wide range of entrepreneurs, reporting that young people and women start businesses at a rate that is higher than the national average. However, he noted that Alaska struggled with business growth and scalability. He reported that Alaska falls behind significantly with regards to small business innovation research (SBIR) and small business technology transfer (STTR) funding, which helps with the commercialization of scalable businesses. He additionally reported that nationally, Alaska ranked forty-ninth in high-growth density and forty-fourth in share of supported scalable businesses. He offered his hope that the Office of Entrepreneurship could address these poor statistics.

MR. REYNOLDS stated that many Alaska businesses are born out of necessity, not opportunity. He acknowledged that while businesses born out of necessity fill important community needs, scalable businesses "are essential for creating high-quality jobs, increasing income in driving innovation, and developing new industries." He concluded that Alaska has many programs and organizations that support entrepreneurs and stated that he saw an opportunity [with CSHB 30(STA)] to create a "robust entrepreneurial pipeline that will support entrepreneurs at each stage of their development and create a vibrant and more robust Alaskan economy."

[3:38:50 PM](#)

REPRESENTATIVE SADDLER questioned what states have similar metrics to Alaska.

[3:39:09 PM](#)

MR. REYNOLDS responded that Alaska is unique in its remoteness, and it is expensive to run a scalable business with exports. He noted that Alaska is similar to Hawai'i and other rural-based states in that regard. He asserted that Alaska is pretty unique with the challenges it faces and the areas in which it finds success.

[3:40:19 PM](#)

REPRESENTATIVE SADDLER stated that the Department of Commerce, Community, and Economic Development (DCCED) provides economic development opportunities for the state. He offered his belief that the proposed Office of Entrepreneurship under HB 30 replicates DCEED's functions. He queried the justification for HB 30, asking where Alaska Statute (AS) falls behind.

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MR. REYNOLDS stated that economic development organizations in Alaska are always seeking additional resources, support, and connections. Additionally, he reported that these organizations desire to bring programs to their regions to support local entrepreneurs. He also spoke to leveraging university research to support commercialization.

[3:41:52 PM](#)

MR. REYNOLDS, in response to a follow-up question from Representative Saddler, replied that entrepreneurs in Alaska struggle with connections, access to diverse capital, and navigating the startup process. He reiterated that Alaska typically ranks forty-ninth or fiftieth nationally as recipients of SBIR and STTR funding.

[3:43:32 PM](#)

REPRESENTATIVE COULOMBE questioned the purpose of the annual report cited on page 3, line 23 of the proposed legislation. She asserted that the legislature should know how legislation would impact businesses. Additionally, she asserted that the Alaska Chamber typically reports to the legislature how proposed legislation might affect businesses.

[3:44:28 PM](#)

REPRESENTATIVE KY HOLLAND, Alaska State Legislature, as prime sponsor of HB 30, stated that the focus of the report would be

the impact on new businesses and "to what degree ... legislation is helping create new business opportunities." He provided anecdotes about people outside of Alaska doing work that he suggested could be accomplished by Alaska residents.

[3:45:58 PM](#)

REPRESENTATIVE HOLLAND, in response to a question from Representative Coulombe regarding fiscal notes, replied that there are two new fiscal notes. He stated his expectation that the proposed legislation would cost money. He reminded the committee that the legislature had appropriated zero dollars for the DCCED line item in previous years. He explained that the largest change in the fiscal note was due to "the impact of getting rid of the business license fee," reinstating approximately \$2 million of previously forgone revenue. Additionally, he noted that in the previous committee of referral, there was clarification made to the duties and scope of the Office of Entrepreneurship, which allowed for the elimination of three positions in the proposed legislation, which significantly decreased the fiscal note. He explained that the Office of Entrepreneurship was not meant to replicate existing organizations as a "startup support center"; rather, the intent was to look more strategically at connecting startups with state programs. He also noted that he would have liked to see an annual report on the purchasing activity of the State of Alaska annually, but that was changed to every two years to align with the existing two-year cycle of purchasing reports.

[3:48:32 PM](#)

CO-CHAIR FIELDS suggested that the proposed report should say "may" instead of "shall".

[3:48:46 PM](#)

REPRESENTATIVE HOLLAND clarified that the current report is a longstanding report on purchasing activity by request of the legislature. He explained that CSHB 30(STA) took the existing purchasing report in AS and added a couple new elements.

CO-CHAIR FIELDS thanked the bill sponsor for his clarification.

[3:49:27 PM](#)

REPRESENTATIVE HOLLAND, in response to a question from Representative Saddler on the difference between the duties of

the proposed Office of Entrepreneurship and DCCED, offered agreement that the broad scope was already outlined under statute. He stated that CSHB 30(STA) would bring "specificity and focus" to the startup system and new businesses, noting that new businesses create 89 percent of "net new job creation," creating approximately 5,000 jobs a year. He asserted that DCCED takes care of business licensing and corporate transactions. He drew committee members to goal two and goal three of CEDS, which spoke to economic and entrepreneurial diversification, and stated that the Office of Entrepreneurship would put these goals into action.

[3:52:00 PM](#)

REPRESENTATIVE SADDLER questioned the need to prepare reports on past legislation and suggested that BASIS already served this function. He referred to page 3 of HB 30.

[3:52:32 PM](#)

REPRESENTATIVE HOLLAND directed committee members' attention to line 24 of the proposed legislation and asserted that BASIS provides a lot of "raw data" but does not analyze the impacts of legislation, to what degree it supports, hinders, or otherwise affects new businesses.

[HB 30 was heard and held.]

**HB 75-PERM FUND; EMPLOYMENT; ELIGIBILITY**

[3:53:49 PM](#)

CO-CHAIR FIELDS announced that the final order of business would be HOUSE BILL NO. 75, "An Act relating to national criminal history record checks for certain employees of the Department of Revenue; relating to allowable absences for eligibility for a permanent fund dividend; relating to the confidentiality of certain information provided on a permanent fund dividend application; relating to electronic notice of debt collection executed on a permanent fund dividend; and providing for an effective date." [Before the committee was CSHB 75(STA).]

[3:54:23 PM](#)

CO-CHAIR FIELDS opened public testimony on CSHB 75(STA). After ascertaining that there was no one who wished to testify, he closed public testimony.

[3:54:46 PM](#)

REPRESENTATIVE COULOMBE asked for clarification on the status of National Oceanic and Atmospheric Administration (NOAA) employees under CSHB 75(STA).

[3:55:04 PM](#)

REPRESENTATIVE JEREMY BYNUM, Alaska State Legislature, stated that his office found additional information to justify the inclusion of NOAA employees in the proposed legislation. He deferred to Mr. Shaw.

[3:55:33 PM](#)

TREVOR SHAW, Staff, Representative Jeremy Bynum, Alaska State Legislature, on behalf of Representative Bynum, prime sponsor of HB 75, stated that he found many similarities between NOAA, the United States Public Health Service (USPHS) and traditional armed services. He explained that both NOAA and USPHS are required to accept orders, with exceptions for extreme hardship in case of life-threatening illness or the death of a family member. Otherwise, he stated, officers would be subject to disciplinary action should they decline their orders. Additionally, he noted that officers are allowed to attend the Naval War College and the Army War College. He stated that NOAA and USPHS are entitled to receive Tri-Care benefits, tuition assistance under the GI Bill, and Arlington National Cemetery burials. He pointed out that the primary difference between NOAA and USPHS and members of other armed services is that members of NOAA and USPHS do not carry a firearm.

[3:57:24 PM](#)

CO-CHAIR FIELDS stated that upon discussion with the Permanent Fund Dividend Division, it was discovered to be more administratively efficient to keep the proposed legislation as is with regards to potentially wealthy students returning home from college out-of-state.

CO-CHAIR FIELDS entertained a motion.

[3:58:02 PM](#)

CO-CHAIR HALL moved to report CSHB 75(STA) out of committee with individual recommendations and the accompanying fiscal notes.

There being no objection, CSHB 75 (STA) was reported out of the House Labor and Commerce Standing Committee.

3:59:11 PM

**ADJOURNMENT**

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 3:59 p.m.