

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

March 19, 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. 123

"An Act relating to vehicle rental taxes; relating to the issuance of subpoenas related to tax records; and providing for an effective date."

- MOVED HB 123 OUT OF COMMITTEE

SENATE BILL NO. 79

"An Act relating to wage payments."

- HEARD & HELD

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."

- MOVED CSHB 30(L&C) 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

**PREVIOUS COMMITTEE ACTION**

BILL: HB 123

SHORT TITLE: TAXATION: VEHICLE RENTALS, SUBPOENAS

SPONSOR(s): REPRESENTATIVE(s) MCCABE

03/05/25 (H) READ THE FIRST TIME - REFERRALS  
03/05/25 (H) L&C, FIN  
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)  
03/19/25 (H) L&C AT 3:15 PM BARNES 124

BILL: SB 79

SHORT TITLE: PAYMENT OF WAGES; PAYROLL CARD ACCOUNT

SPONSOR(s): LABOR & COMMERCE

01/31/25 (S) READ THE FIRST TIME - REFERRALS  
01/31/25 (S) L&C  
02/07/25 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)  
02/07/25 (S) Heard & Held  
02/07/25 (S) MINUTE(L&C)  
02/12/25 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)  
02/12/25 (S) Moved SB 79 Out of Committee  
02/12/25 (S) MINUTE(L&C)  
02/14/25 (S) L&C RPT 2DP 2NR  
02/14/25 (S) DP: BJORKMAN, GRAY-JACKSON  
02/14/25 (S) NR: MERRICK, YUNDT  
02/24/25 (S) TRANSMITTED TO (H)  
02/24/25 (S) VERSION: SB 79  
02/26/25 (H) READ THE FIRST TIME - REFERRALS  
02/26/25 (H) L&C  
03/19/25 (H) L&C AT 3:15 PM BARNES 124

BILL: HB 30

SHORT TITLE: OFFICE OF ENTREPRENEURSHIP

SPONSOR(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
03/17/25	(H)	Heard & Held
03/17/25	(H)	MINUTE (L&C)
03/19/25	(H)	L&C AT 3:15 PM BARNES 124

**WITNESS REGISTER**

REPRESENTATIVE KEVIN MCCABE

Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** As prime sponsor, answered questions during the hearing on HB 123.

BRANDON SPANOS, Deputy Director

Tax Division  
Department of Revenue  
Juneau, Alaska

**POSITION STATEMENT:** Answered questions during the hearing on HB 123.

SENATOR JESSE BJORKMAN

Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Presented SB 79 on behalf of the Senate Labor and Commerce Standing Committee, prime sponsor of SB 79, on which Senator Bjorkman serves as chair.

SAVAYA BIEBER, Staff

Senator Jesse Bjorkman  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Gave the sectional analysis for SB 79 on behalf of the bill sponsor, the Senate Labor and Commerce Standing Committee, on which Senator Bjorkman serves as chair.

AMY MILLER, Senior Director  
Government Affairs  
Automatic Data Processing, Inc.  
Washington, D.C.

**POSITION STATEMENT:** Gave invited testimony in support of SB 79.

REPRESENTATIVE KY HOLLAND  
Alaska State Legislature  
Juneau, Alaska

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

TYLER ARNOLD, representing self  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HB 30.

#### **ACTION NARRATIVE**

[3:15:35 PM](#)

**CO-CHAIR CAROLYN HALL** called the House Labor and Commerce Standing Committee meeting to order at 3:15 p.m. Representatives Nelson, Saddler, Burke, Coulombe, Carrick, Fields, and Hall were present at the call to order.

#### **HB 123-TAXATION: VEHICLE RENTALS, SUBPOENAS**

[3:17:02 PM](#)

CO-CHAIR HALL announced that the first order of business would be HOUSE BILL NO. 123, "An Act relating to vehicle rental taxes; relating to the issuance of subpoenas related to tax records; and providing for an effective date."

[3:17:17 PM](#)

REPRESENTATIVE KEVIN MCCABE, Alaska State Legislature, as prime sponsor, gave a recap of HB 123, asserting that it would be a "much needed fix to Alaska's broken vehicle rental tax system." He explained that the bill was becoming increasingly important due to new Internal Revenue Service (IRS) requirements for Turo Inc. hosts. He clarified that his primary purpose for sponsoring HB 123 was to protect people in Alaska who could be harmed financially from the collection of retroactive taxes. He stated that the percentage tax decrease in HB 123 was agreed upon by members of the industry, including Turo Inc. and

Enterprise Rent-A-Car. He noted that there were letters of support in committee packets from industry members.

REPRESENTATIVE MCCABE cautioned committee members that Alaska could be subject to a lawsuit should the vehicle rental tax system remain unchanged, and that a "big rental car company could sue Alaska or quit paying taxes." He reminded committee members that a court case, a judge had already ruled that rental platform companies, such as Turo Inc., and rental car companies were "similarly situated" from a legal standpoint. He stated he would follow up with the committee with a legal memo from the Department of Law (DOL) asserting that Alaska would lose against a rental car company in court.

[3:21:03 PM](#)

CO-CHAIR FIELDS shared his concern with Turo Inc. hosts owing taxes should there be a lawsuit. He asked whether HB 123 would obviate this concern.

[3:21:31 PM](#)

REPRESENTATIVE MCCABE replied yes. He referenced Alaska Statute (AS) stating that Turo Inc. should have been paying a tax and further stated that the courts would put people in Alaska at risk. He noted that there are approximately 1,500 people that would be affected by a potential lawsuit and approximately \$6,000 that is owed.

[3:23:02 PM](#)

CO-CHAIR FIELDS offered his appreciation for HB 123.

[3:23:16 PM](#)

CO-CHAIR HALL opened public testimony on HB 123. After ascertaining that there was no one who wished to testify, she closed public testimony.

[3:23:42 PM](#)

REPRESENTATIVE COULOMBE noted that the fiscal note showed a revenue change of over \$1 million. She queried whether it was a deficit.

[3:24:24 PM](#)

BRANDON SPANOS, Deputy Director, Tax Division, Department of Revenue (DOR), answered that the fiscal note for HB 123 was indeterminate. He explained that the platforms do not currently pay taxes; rather, the individual would pay the tax. He additionally explained that retail rental companies are paying taxes. He noted that the reduction shown on page 2 of the fiscal note is representative of the proposed rate change from 10 percent to 9 percent. He further explained that page 1 of the fiscal note is indeterminate, as it is unknown how much of an increase would result from the new 7 percent tax proposition on the platforms.

[3:25:24 PM](#)

REPRESENTATIVE MCCABE noted that DOR does not know what would be collected from Turo Inc., as the company is not currently taxed. He further noted that DOR is uncertain whether the proposed legislation would bring a revenue increase or be revenue neutral. He offered his belief that it would not bring a decrease in revenue. He suggested that after passage of the legislation, the State of Alaska could look at adjusting the taxes. He reminded committee members that the money collected would go towards the Department of Transportation & Public Facilities (DOT&PF) and the state parks system.

[3:26:59 PM](#)

REPRESENTATIVE COULOMBE clarified that the state is not necessarily losing revenue. She referenced HB 123, stating that at face value, it does appear to be a loss of revenue, but in actuality, the fiscal impact is unknown.

[3:27:41 PM](#)

REPRESENTATIVE CARRICK moved to adopt Amendment [1] to HB 123, labeled 34-LS0551\I.2, Nauman, 3/14/25, which read as follows:

Page 2, line 1:

Delete "(1)"

Page 2, lines 2 - 5:

Delete "not arranged through a vehicle rental platform; or  
(2) seven percent of the total"

Insert ", including"

[3:27:47 PM](#)

CO-CHAIR FIELDS objected.

[3:27:51 PM](#)

REPRESENTATIVE CARRICK explained that Amendment [1] would remove the tiered tax structure in HB 123 and would add the peer-to-peer car sharing platforms, and their own definition, at a tax of 9 percent and would continue the reduction in traditional car rentals at 9 percent. She shared her understanding that Turo, Inc. and Enterprise Rent-A-Car had come to "some sort of grand bargain agreement." She shared her concern about the potential drop in revenue from traditional car rentals and the subsequent decrease in state parks funding. She opined that it would be reasonable for all rentals in Alaska to pay an equivalent tax. She noted that ultimately it is the end consumer who pays the tax, not the person or company who owns the vehicle. She further noted that Turo, Inc. had testified previously that it "shares" cars, it does not "rent" cars - which she asserted was a misnomer. She noted that both traditional car rental companies and Turo, Inc. car owners have unique business expenses. She asserted that Amendment [1] would preserve revenue while maintaining an overall tax reduction. She offered her desire to ensure equivalent rates for the end consumer.

[3:30:56 PM](#)

CO-CHAIR FIELDS concurred with Representative Carrick. He stated that parity would be ideal without question, but that the committee must acknowledge the reality of what the legislature could do in the face of serious legal implications. He stated that although the amendment was his preferred policy, he would vote against it in the interest of advancing the bill.

[3:31:51 PM](#)

REPRESENTATIVE COULOMBE offered her agreement with Co-Chair Fields. She reiterated that there would be a good chance that there would be no loss of revenue. She stated that she would be voting against the amendment.

[3:32:08 PM](#)

REPRESENTATIVE MCCABE noted that there was currently a 3 percent tax levied on motorhomes. He noted that Enterprise Rent-A-Car does not depend on airport services.

[3:33:02 PM](#)

REPRESENTATIVE CARRICK stated that she would support the proposed legislation in either case but that she would prefer to discuss it with transparency. She opined that policy decisions should be made with respect to the end consumer, not based on any particular company. She offered appreciation for the companies that had contributed to the making of the proposed legislation.

[3:33:54 PM](#)

CO-CHAIR FIELDS maintained his objection to Amendment [1] to HB 123.

A roll call vote was taken. Representative Carrick voted in favor of the motion to adopt Amendment 1 to HB 123. Representatives Saddler, Burke, Nelson, Coulombe, Fields, and Hall voted against it. Therefore, Amendment 1 failed to be adopted by a vote of 1-6.

[3:34:38 PM](#)

REPRESENTATIVE MCCABE thanked the committee for the opportunity to present HB 123 and offered his strong belief in protecting the people of Alaska.

[3:35:10 PM](#)

REPRESENTATIVE SADDLER offered his support for the proposed legislation.

[3:35:44 PM](#)

REPRESENTATIVE NELSON thanked the bill sponsor for the proposed legislation.

CO-CHAIR HALL entertained a motion.

[3:36:05 PM](#)

CO-CHAIR FIELDS moved to report HB 123 out of committee with individual recommendations and the accompanying fiscal notes.

There being no objection, HB 123 was reported out of the House Labor and Commerce Standing Committee.

[3:36:37 PM](#)

The committee took an at-ease from 3:36 p.m. to 3:39 p.m.

**SB 79-PAYMENT OF WAGES; PAYROLL CARD ACCOUNT**

[Contains discussion of HB 99.]

[3:39:13 PM](#)

CO-CHAIR HALL announced that the next order of business would be SENATE BILL NO. 79, "An Act relating to wage payments."

[3:39:48 PM](#)

SENATOR JESSE BJORKMAN, Alaska State Legislature, presented SB 79 on behalf of the bill sponsor, the Senate Labor and Commerce Standing Committee, on which Senator Bjorkman serves as chair. He gave the sponsor statement for SB 79 [included in the committee file], which read as follows [original punctuation provided]:

Senate Bill 79 would allow employers to credit wages to an employee on a payroll card account if an employee has voluntarily authorized this, or if an employee has not authorized deposit of their wages to a specified account. This legislation gives employers another option to pay their employees that could be less expensive than other forms of payment and avoids the difficulties of distributing paper checks.

SB 79 requires employers to be transparent when giving employees the option to open a payroll card account. The bill requires that employers provide employees with a list of fees they could encounter with the card and a cost-free method to access their wages, as having an ATM card that is not connected to a specific bank can require fees for withdrawal. Employers also cannot offer a payroll card that charges fees for an employee's application, initiation, or participation in the account.

The bill gives employees that don't have a bank account another option to accept payment of their

wages and a mechanism to avoid check cashing fees. Payroll cards will be used without fees to pay for any store purchases and one cost-free ATM withdrawal in an amount up to the employee's net wages per pay-period.

I urge your support of Senate Bill 79

SENATOR BJORKMAN gave a brief history of the bill in the prior legislature, noting that it failed to pass.

[3:41:53 PM](#)

SAVAYA BIEBER, Staff, Senator Jesse Bjorkman, Alaska State Legislature, on behalf of the bill sponsor, the Senator Labor and Commerce Standing Committee, on which Senator Bjorkman serves as chair, gave the sectional analysis for SB 79 [included in the committee file], which read as follows [original punctuation provided]:

**Section 1:** Amends AS 23.10.040(a) to add AS 23.10.044 allowing an employer to pay via payroll card account.

**Section 2:** AS 23.10 is amended by adding section AS 23.10.044

(a) Allows an employer to pay wages to a payroll card account if an employee has voluntarily authorized or if an employee has not authorized deposit of their wages to a bank account.

(b) States an employer paying wages to a payroll card account shall notify the employee of the terms and conditions of payroll cards.

(c) A payroll card account must provide an employee with at least one cost-free withdrawal each pay period, up to the amount of the employee's net wages, and a cost-free mechanism to check the account balance through a phone system and an additional unlimited cost-free electric mechanism to check account balances.

(d) An employer may not offer a payroll card account that charges fees for employee application or participation in the account, or issuance of an employee's card and one replacement each calendar year, or transfer of employee wages to the account, or point-of-sale purchase transactions.

(e) An employer may not offer a payroll card account unless the wages are insured on a passthrough basis by an entity that insures bank deposits.

(f) This section protects employees' right to bargain collectively through representatives of their choice to establish mechanisms for payments of wages.

(g) Defines "payroll card" and "payroll card account" in statute.

[3:43:57 PM](#)

AMY MILLER, Senior Director, Government Affairs, Automatic Data Processing, Inc. (ADP), gave invited testimony in support of SB 79. She explained that ADP was the nation's largest provider of human capital management solutions, supporting Human Resources (HR), payroll, and benefits administration. She reported that ADP pays one in six employees in the United States. She stated that SB 79 would eliminate the requirement that Alaska employers offer paper paychecks as a form of wage payment. Under SB 79, employers would have the right to offer wages in the form of direct deposit or payment cards. She clarified that the proposed legislation does not prevent employees from receiving pay via direct deposit, nor does it prohibit employers from distributing paper checks. She further noted that SB 79 would protect the right to collective bargaining arrangements and would not impact payments made to state employees.

MS. MILLER asserted that alternatives to paper checks are more timely, consistent, and secure. She noted that some employers, if forced to offer paper checks, may be unable to fulfill the legal requirements of timely pay laws; weather events or slow mail processing can prevent employees from picking up their paper checks. She noted that employees who do not qualify for a bank account could still receive a payroll card from their employer, asserting that payroll cards offer employees consumer protection and convenience. She stated that payroll cards can be used for online bill payments, online shopping, and electronic travel arrangements, such as flights, hotels, or rental cars. She further stated that payroll cards provide protection against unauthorized use and fraud and cannot be overdrawn.

MS. MILLER asserted that nearly all government payments are electronic, such as tax refunds, social security payments, et cetera. She cited the National Automated Clearing House Association, reporting that 93 percent of American workers are

paid via electronic direct deposit. She additionally reported that electronic pay is the only permitted form of wage payment in many states, and at least 30 states have already implemented payroll cards. She concluded by stating that employees often welcome the change and are adaptable. She urged committee members to pass SB 79 and thanked the committee.

[3:48:12 PM](#)

REPRESENTATIVE COULOMBE asked whether state employees would be eligible for payroll cards under the proposed legislation.

[3:48:27 PM](#)

MS. MILLER reiterated that SB 79 would not have an impact on the payment of wages to State of Alaska employees and further stated that it would be up to the state if it wanted to allow payroll cards for its employees.

[3:48:39 PM](#)

REPRESENTATIVE CARRICK noted that Section 2, [subsection] (a) of SB 79 would allow employers to either pay wages to payroll card account if an employee has voluntarily authorized that action or an employer would deposit wages into a bank account if an employee has not authorized wages to be paid into a payroll card account. She asked which scenario would be more common under the proposed legislation.

[3:49:35 PM](#)

MS. MILLER offered her belief that the most popular of the two scenarios would be the direct deposit and noted that most employees were already on a direct deposit option. She explained that the payroll card would serve as an alternative for those who are "unbanked." Additionally, she explained that unbanked individuals who receive a payroll card could make purchases online.

[3:50:12 PM](#)

REPRESENTATIVE COULOMBE asked whether an employee would receive a single reloadable payroll card or a new payroll card every payday.

MS. MILLER replied that the employee would receive a reloadable payroll card.

REPRESENTATIVE COULOMBE noted that the legislation prohibits employers from offering a payroll card account that would charge fees. She asked who would be responsible for the payroll card fees.

MS. MILLER responded that the issuer, such as Visa or MasterCard, would be responsible for the payroll card fees. She offered her belief that mobile check cashing and cash reloading are typical kinds of associated fees. She further stated that employees could use the payroll cards anywhere that would accept a check without incurring fees.

[3:51:31 PM](#)

CO-CHAIR FIELDS requested a list of fees that consumers could pay under SB 79 and queried how payroll cards interact with banks. He asked whether ADP provides banking services.

MS. MILLER responded that ADP does not provide banking services but that it does provide payroll cards.

MS. MILLER, in response to a follow-up question from Co-Chair Fields clarified that ADP does not provide any other banking services.

[3:52:28 PM](#)

REPRESENTATIVE COULOMBE asked whether payroll card users would pay a fee for withdrawing cash from an automated teller machine (ATM).

MS. MILLER replied that payroll card users are allowed one free ATM withdrawal per pay period. She noted that there are in-network ATMs that offer free, unlimited withdrawals. Additionally, she stated that payroll card users could go to a teller at any brick-and-mortar bank that accepts Visa or MasterCard for unlimited cash withdrawals with no fees. She noted that payroll card users could not use an automated teller machine (ATM) inside of a bank.

[3:53:39 PM](#)

REPRESENTATIVE SADDLER asked whether the Federal Deposit Insurance Corporation (FDIC) regulates payroll cards. He further asked whether federal banking regulations are applicable

to payroll cards. He remarked that the legislation was being presented as a simplified banking service.

MS. MILLER responded that there are regulations regarding anti-theft protection [for payroll cards]. Additionally, she stated that she would do more research and follow-up with the committee.

[3:54:33 PM](#)

REPRESENTATIVE NELSON commented that access to payroll cards was helpful for anyone without a bank account. He noted he was paid through a payroll card at his first job.

[3:54:54 PM](#)

CO-CHAIR FIELDS offered his understanding that the Consumer Financial Protection Bureau (CFPB) was "essentially shut down." He asked whether CFPB had any role related to payroll cards.

MS. MILLER replied that she believed CFPB may have had a broader federal role in providing consumer protection for payroll cards and stated that the states typically provide consumer protection for payroll cards. She added that the typical protections one might expect with credit and debit cards are the same as for payroll cards. Additionally, she stated that any fees associated with payroll cards are no different from fees associated with credit or debit cards, such as merchant-generated fees or transaction fees.

[3:56:17 PM](#)

MS. BIEBER, in response to Representative Saddlers prior question, referred to page 2, line 24, [subsection] (e) and read "an employer may not offer a payroll card account unless employee wages or other forms of compensation credited to the account are insured on a passed through basis to the employee by the Federal Deposit Insurance Corporation, the National Credit Union Administration, or another entity that insures bank deposits."

[3:56:49 PM](#)

SENATOR BJORKMAN, in response to Representative Saddler's prior question, noted that state legislation regarding cryptocurrency and money transmission modernization should also consider

including gift cards in regulation. He stated that was not the purpose of SB 79.

[3:57:33 PM](#)

REPRESENTATIVE CARRICK referred to [subsection] (f) of SB 79 and asked if that language was in the previous iteration of the proposed legislation. She noted that the value of SB 79 appeared to be in "employer options" and "employee choice."

[3:58:16 PM](#)

SENATOR BJORKMAN offered his understanding that SB 79 was identical to the previous iteration of the proposed legislation. He noted that the provision in [subsection] (f) would preserve collective bargaining rights of employees regarding payroll format. He added that it is the employee's right to advocate for and negotiate with employers regarding how they are paid. He stated, "That provision simply protects rights of employees who are organized and bargain collectively with their employer."

[3:59:16 PM](#)

REPRESENTATIVE CARRICK noted that members of a collective bargaining unit might disagree with the form of pay they might collectively accept. She suggested that the proposed legislation was supposed to be an "employer-offered option."

SENATOR BJORKMAN, in response to Representative Carrick's question regarding the consideration of SB 79 as conforming language, responded yes.

[4:00:09 PM](#)

REPRESENTATIVE SADDLER asked whether HB 99 would need to be modified were SB 79 to pass the legislature.

SENATOR BJORKMAN responded that SB 79 would not intersect with HB 99.

[4:01:20 PM](#)

CO-CHAIR FIELDS queried the "real-world impact" of the proposed legislation.

[4:01:57 PM](#)

MS. MILLER stated that 20 other states have passed paperless pay legislation. She stated that it is helpful for employers, given that the cost of issuing checks can range from \$4 to \$20, which could be expensive for a small business owner. She remarked that most employees opt for direct deposit and the payroll cards serve as an alternative.

CO-CHAIR FIELDS further inquired whether there had been a positive impact on reducing the rate of unbanked individuals or other consumer gains in states where similar legislation has been enacted.

MS. MILLER replied that the payroll cards would not "offer the option to be banked," but the alternative allows unbanked individuals to participate in online shopping.

[4:04:00 PM](#)

CO-CHAIR HALL announced that SB 79 was held over.

**HB 30-OFFICE OF ENTREPRENEURSHIP**

[4:04:14 PM](#)

CO-CHAIR HALL announced that the final 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).]

[4:04:43 PM](#)

REPRESENTATIVE COULOMBE moved to adopt Amendment 1 to CSHB 30(STA), labeled 34-LS0320\G.1, Gunther, 3/18/25, which read as follows:

Page 2, line 23:

Delete "Department of Commerce, Community, and  
Economic Development"

Insert "department"

Page 2, line 30:

Delete "and"

Page 3, line 10, following "state":

Insert new material to read:

"; and

(5) actively seek and use volunteers to assist in the performance of the duties described in this section"

Page 3, following line 15:

Insert a new subsection to read:

"(c) The department may provide to the office facilities to implement the duties described under this section. If the department determines that facilities are not necessary to perform a duty of the office, the office shall perform the duty using electronic or telephonic means."

Reletter the following subsection accordingly.

Page 3, following line 16:

Insert a new paragraph to read:

"(1) "department" means the Department of Commerce, Community, and Economic Development;"

Renumber the following paragraphs accordingly.

Page 3, line 26:

Delete "senate secretary and the"

Insert "the governor, senate secretary, and"

CO-CHAIR FIELDS objected for the purpose of discussion.

[4:04:55 PM](#)

REPRESENTATIVE COULOMBE stated that the purpose of the amendment was to reduce the fiscal impact of the proposed legislation. She explained that Amendment 1 would prioritize a volunteer-driven approach within the department. and ensure that the Department of Commerce, Community & Economic Development (DCCED) provides necessary resources, whether a physical workspace or remote communication tools, to support volunteers in carrying out their duties effectively. She added that Amendment 1 would additionally require that all generated reports be submitted to the governor.

[4:05:41 PM](#)

REPRESENTATIVE KY HOLLAND, Alaska State Legislature, as prime sponsor of HB 30, noted that the [entrepreneurial] ecosystem is already heavily reliant on volunteers and could not function without them.

[4:06:30 PM](#)

REPRESENTATIVE KY HOLLAND, in response to a question from Co-Chair Fields, confirmed that he was in support of the proposed amendment.

CO-CHAIR FIELDS removed his objection. There being no further objection, Amendment [1] to CSHB 30(STA) was adopted.

[4:07:30 PM](#)

REPRESENTATIVE SADDLER moved to adopt Amendment [2] to CSHB 30(STA), as amended, labeled 34-LS0320\G.2, Gunther, 3/18/25, which read as follows:

Page 3, line 28, through page 4, line 5:

Delete all material.

Page 4, line 10:

Delete ";"

Insert "."

Page 4, lines 11 - 13:

Delete all material.

CO-CHAIR FIELDS objected.

[4:07:42 PM](#)

REPRESENTATIVE SADDLER explained that Amendment 2 would eliminate statutory language directing state agencies to appropriate 5 percent [of revenue] "for a purpose." He shared his concern that the language is "too broad." He shared his secondary concern, noting that there was no fiscal note or quantifier attached to that particular section of the bill. He shared his tertiary concern that "the 5 percent shall be appropriated for support and expansion of organizations or programs." He queried which organizations or programs were referred to in the legislation and asked for clarification on the intent of the language.

[4:08:58 PM](#)

REPRESENTATIVE HOLLAND explained that the "5 percent language" came from model national legislation. He further explained that state and local governments' purchasing power could be an engine for economic development. He stated that he intentionally made the language to which Representative Saddler referred "very general" and further stated that he would like agencies to be purposeful in spending money on small businesses in Alaska. He clarified that the intent was the development of different programs for economic development to expand access of small Alaska startups less than five years old to "bidding and purchasing opportunities." He shared his goal of the development of more Alaska-based products and services.

[4:11:28 PM](#)

CO-CHAIR FIELDS maintained his objection. He opined that 5 percent was not too much to ask in the name of supporting new businesses.

A roll call vote was taken. Representatives Saddler, Coulombe, and Nelson voted in favor of the motion to adopt Amendment 2 to CSHB 30(STA), as amended. Representatives Burke, Carrick, Fields, and Hall voted against it. Therefore, Amendment 2 failed to be adopted by a vote of 3-4.

[4:12:21 PM](#)

REPRESENTATIVE SADDLER moved to adopt Amendment [3] to CSHB 30(STA), as amended, labeled 34-LS0320\G.3, Gunther, 3/18/25, which read as follows:

Page 3, line 30:

Delete "five"

Insert "two"

CO-CHAIR FIELDS objected.

REPRESENTATIVE SADDLER explained that Amendment 3 was a tiered response to language in the proposed legislation referred to during the motion to adopt Amendment [2] to HB 30. He stated that without specificity, he would not know where the money is going and exactly how much money entails 5 percent or 2 percent. He explained that the amendment would lower 5 percent to 2 percent, thus lowering the [financial] impact.

[4:13:11 PM](#)

CO-CHAIR FIELDS asked the bill sponsor whether the amendment was workable.

[4:13:21 PM](#)

REPRESENTATIVE HOLLAND clarified that the language addressed by Amendment 3 would not make new appropriations; rather, it would be a shift of money already spent on products towards "younger, newer organizations" in Alaska. He stated that the percentage did not matter, given the intent to direct spending into emerging businesses. However, he also stated that the national model legislation that CSHB 30(STA) was based on, which has been enacted in over 30 states, had identified 5 percent as meaningful and impactful, and he stated his preference not to change the number.

[4:15:00 PM](#)

CO-CHAIR FIELDS maintained his objection to Amendment 3.

[4:15:36 PM](#)

The committee took a brief at-ease at 4:15 p.m.

[4:16:32 PM](#)

A roll call vote was taken. Representatives Nelson, Coulombe, and Saddler voted in favor of the motion to adopt Amendment 3 to CSHB 30(STA), as amended. Representatives Burke, Carrick, Fields, and Hall voted against it. Therefore, Amendment 3 failed to be adopted by a vote of 3-4.

4:17:11 PM

REPRESENTATIVE SADDLER indicated that he would not be offering Amendment 4 to HB 30.

4:17:25 PM

REPRESENTATIVE SADDLER moved to adopt Amendment [5] to CSHB 30(STA), as amended, labeled 34-LS0320\G.5, Gunther, 3/18/25, which read as follows:

Page 1, line 2:

Delete **"and"**

Following **"agencies"**:

Insert **"; and providing for an effective date"**

Page 4, following line 13:

Insert new bill sections to read:

**"\* Sec. 4.** AS 36.30.540(a)(4), 36.30.540(a)(5), 36.30.540(a)(6), 36.30.540(b); AS 44.33.850, 44.33.853, 44.33.855, 44.33.857, and 44.33.859 are repealed.

**\* Sec. 5.** Section 4 of this Act takes effect December 31, 2028."

CO-CHAIR FIELDS objected.

REPRESENTATIVE SADDLER explained that Amendment [5] would create a three-year sunset provision for the Office of Entrepreneurship proposed by HB 30. He shared his concern in the establishment of a permanent council that "may or may not exceed its aspirations." He noted that most startup businesses do not stay open beyond three years. He asserted that a three-year sunset gives the proposed Office of Entrepreneurship time to prove its worth.

[4:18:15 PM](#)

CO-CHAIR FIELDS shared his concern that three years would not be enough time to accurately assess the effectiveness of the program. He queried whether five years would be enough time for a sunset provision.

[4:18:35 PM](#)

REPRESENTATIVE HOLLAND noted that CSHB 30(STA) would have two reporting mechanisms. He opined that Amendment 5 was brilliant, noting that a startup should prove its worth. He additionally noted that three years would be a little early for most startups but also stated that he was comfortable with the proposed legislation required to prove itself within three years.

[4:20:08 PM](#)

CO-CHAIR FIELDS asked what other committee members thought regarding a date for a sunset clause.

[4:20:21 PM](#)

REPRESENTATIVE CARRICK stated that five years would be a reasonable amount of time for a sunset provision.

REPRESENTATIVE CARRICK moved to adopt Conceptual Amendment 1 to Amendment 5, to change the effective date on line 10, as numbered on Amendment 5, to 2030.

[4:21:04 PM](#)

REPRESENTATIVE COULOMBE objected.

REPRESENTATIVE COULOMBE offered her agreement with the bill sponsor and stated that the proposed Office of Entrepreneurship needed to prove its value relatively soon after establishment. She stated that she would prefer a three-year sunset clause, but that she wouldn't object to a five-year sunset clause, whether it was the will of the committee.

[4:21:43 PM](#)

REPRESENTATIVE SADDLER stated that he would not oppose Conceptual Amendment 1 to Amendment 5. He offered his appreciation for the bill sponsor's conviction.

[4:22:06 PM](#)

CO-CHAIR FIELDS observed that the council might see whether the Office of Entrepreneurship was performing well in three years, but the legislature may require five years to see results. He shared his preference for a five-year sunset provision.

[4:22:32 PM](#)

REPRESENTATIVE COULOMBE withdrew her objection to Conceptual Amendment 1 to Amendment 5. There being no further objection, it was so ordered.

[4:22:52 PM](#)

CO-CHAIR FIELDS withdrew his objection to Amendment 5, as amended. There being no further objection, Amendment 5, as amended, was adopted.

[4:23:31 PM](#)

REPRESENTATIVE SADDLER moved Amendment [6] to CSHB 30(STA), as amended, labeled 24-LS0320\G.6, Gunther, 3/18/25, which read as follows:

Page 3, lines 23 - 27:

Delete all material.

Page 3, line 28:

Delete "**Sec. 44.33.857**"

Insert "**Sec. 44.33.855**"

CO-CHAIR FIELDS objected.

REPRESENTATIVE SADDLER explained that Amendment 6 would remove the requirement to procure a report characterizing legislation as "helpful or harmful" for new businesses in Alaska. He argued that the legislature's Bill Access & Status Inquiry System (BASIS) already served that function. Further, he remarked that people could decide for themselves whether a piece of legislation was helpful or harmful.

[4:24:44 PM](#)

CO-CHAIR FIELDS requested the bill sponsor's opinion on Amendment 6.

[4:24:49 PM](#)

REPRESENTATIVE HOLLAND offered his belief that this particular report was vital to the proposed legislation. He remarked that BASIS was an incredible resource but asserted that it was for recordkeeping and does not analyze the legislative effects on small and emerging businesses.

[4:26:01 PM](#)

CO-CHAIR FIELDS maintained his objection.

[4:26:13 PM](#)

REPRESENTATIVE SADDLER opined that the legislature, as a public agency, should not "be in the business of telling people what to think about its own enactments." He asserted that constituents should be empowered to review legislation and come to their own conclusions. He urged committee members to vote in support of Amendment 6.

[4:26:45 PM](#)

A roll call vote was taken. Representatives Nelson, Coulombe, and Saddler voted in favor of the motion to adopt Amendment [6] to CSHB 30(STA), as amended. Representatives Carrick, Burke, Fields, and Hall voted against it. Therefore, Amendment 6 failed to be adopted by a vote of 3-4.

[4:27:53 PM](#)

The committee took a brief at-ease at 4:27 p.m.

[4:28:19 PM](#)

CO-CHAIR HALL opened public testimony on CSHB 30(STA), as amended.

[4:28:41 PM](#)

TYLER ARNOLD, representing self, testified in support of HB 30. He stated that he was the founder of Tyler Systems, LLC and worked in startups in Silicon Valley, New York, Washington,

D.C., and Europe. He explained that his business creates innovative artificial intelligence (AI) solutions to "help Alaskans that are being forced to do more with less in our current economic environment." He encouraged committee members to imagine an Alaska where "every budding entrepreneur has the resources they need to succeed."

MR. ARNOLD offered his belief that the establishment of an Office of Entrepreneurship should be a legislative priority, asserting that its establishment was a strategic investment in addressing Alaska's unique problems. He stated that the reality of entrepreneurship in Alaska was "dark," remarking that many entrepreneurs work for less than minimum wage. He asserted that entrepreneurs are Alaska's hope for finding unique solutions to Alaska's unique problems, and entrepreneurs in Alaska need a "central hub of support" that can provide sustainable models to help Alaska succeed, coordinate existing services, and act as a catalyst to help individuals solve Alaska's greatest problems.

MR. ARNOLD asserted that existing support systems, federally or locally funded, are "fragmented [with] high barriers to entry," with rural communities facing even higher barriers. He additionally asserted that there is little collaboration between existing support services. He stated that Alaska, with its large land mass and small population, is unique. He emphasized the importance of Alaska investing in itself. He noted that the "global business environment [is] chang[ing] drastically," particularly with new technologies like AI and bureaucracies dare being replaced with peer-to-peer help. He encouraged committee members to vote yes on HB 30.

[4:33:32 PM](#)

CO-CHAIR HALL, after ascertaining that there was no one else who wished to testify, closed public testimony on CSHB 30(STA).

[4:33:40 PM](#)

REPRESENTATIVE HOLLAND offered his appreciation for the amendments and feedback on CSHB 30(STA).

CO-CHAIR HALL entertained a motion.

[4:34:17 PM](#)

CO-CHAIR FIELDS moved to report CSHB 30(STA), as amended, out of committee with individual recommendations and the accompanying

fiscal notes. There being no objection, CSHB 30(L&C) was reported out of the House Labor and Commerce Standing Committee.

4:35:00 PM

**ADJOURNMENT**

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 4:35 p.m.