

**ALASKA STATE LEGISLATURE**  
**HOUSE STATE AFFAIRS STANDING COMMITTEE**

May 8, 2025

3:23 p.m.

**MEMBERS PRESENT**

Representative Ashley Carrick, Chair  
Representative Andi Story, Vice Chair  
Representative Rebecca Himschoot  
Representative Ky Holland  
Representative Sarah Vance  
Representative Kevin McCabe  
Representative Elexie Moore

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

SENATE BILL NO. 40

"An Act establishing the period between September 15 and October 15 of each year as Hispanic Heritage Month."

- MOVED SB 40 OUT OF COMMITTEE

HOUSE BILL NO. 146

"An Act prohibiting public employers from disclosing certain public employee personal information; making disclosure of certain public employee personal information an unfair labor practice; and creating an exception to the Public Records Act for certain public employee personal information."

- HEARD & HELD

HOUSE BILL NO. 170

"An Act relating to a failure to report a violent crime."

- MOVED HB 170 OUT OF COMMITTEE

HOUSE BILL NO. 1

"An Act relating to specie as legal tender in the state; and relating to borough and city sales and use taxes on specie."

- HEARD & HELD

HOUSE BILL NO. 114

"An Act relating to the Alaska permanent fund; relating to permanent fund dividends; relating to the use of state income from mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments, and bonuses from mineral leases; relating to contributions from permanent fund dividends to the general and permanent funds; and providing for an effective date."

- SCHEDULED BUT NOT HEARD

**PREVIOUS COMMITTEE ACTION**

BILL: SB 40

SHORT TITLE: HISPANIC HERITAGE MONTH

SPONSOR(s): SENATOR(s) GRAY-JACKSON

01/22/25	(S)	PROFILE RELEASED 1/17/25	
01/22/25	(S)	READ THE FIRST TIME - REFERRALS	
01/22/25	(S)	STA	
02/25/25	(S)	STA AT 3:30 PM BELTZ 105 (TSBldg)	
02/25/25	(S)	Heard & Held	
02/25/25	(S)	MINUTE(STA)	
03/04/25	(S)	STA AT 3:30 PM BELTZ 105 (TSBldg)	
03/04/25	(S)	Moved SB 40 Out of Committee	
03/04/25	(S)	MINUTE(STA)	
03/05/25	(S)	STA RPT 5DP	
03/05/25	(S)	DP: KAWASAKI, WIELECHOWSKI, JACKSON, BJORKMAN, YUNDT	GRAY-
04/14/25	(S)	TRANSMITTED TO (H)	
04/14/25	(S)	VERSION: SB 40	
04/15/25	(H)	READ THE FIRST TIME - REFERRALS	
04/15/25	(H)	STA	
05/06/25	(H)	STA AT 3:15 PM GRUENBERG 120	
05/06/25	(H)	Heard & Held	
05/06/25	(H)	MINUTE(STA)	
05/08/25	(H)	STA AT 3:15 PM GRUENBERG 120	

BILL: HB 146

SHORT TITLE: PUBLIC EMPLOYEE PERSONAL INFORMATION

SPONSOR(s): REPRESENTATIVE(s) HALL

03/21/25	(H)	READ THE FIRST TIME - REFERRALS	
03/21/25	(H)	STA, L&C	
03/24/25	(H)	L&C AT 3:15 PM BARNES 124	
03/24/25	(H)	<Pending Referral>	
05/08/25	(H)	STA AT 3:15 PM GRUENBERG 120	

BILL: HB 170

SHORT TITLE: REPORTING VIOLENT CRIMES

SPONSOR(s): REPRESENTATIVE(s) BURKE

04/02/25	(H)	READ THE FIRST TIME - REFERRALS
04/02/25	(H)	STA, JUD
04/29/25	(H)	STA AT 3:15 PM GRUENBERG 120
04/29/25	(H)	Heard & Held
04/29/25	(H)	MINUTE(STA)
05/06/25	(H)	STA AT 3:15 PM GRUENBERG 120
05/06/25	(H)	Heard & Held
05/06/25	(H)	MINUTE(STA)
05/07/25	(H)	JUD AT 1:00 PM GRUENBERG 120
05/07/25	(H)	<Bill Hearing Canceled>
05/08/25	(H)	STA AT 3:15 PM GRUENBERG 120

BILL: HB 1

SHORT TITLE: SPECIE AS LEGAL TENDER

SPONSOR(s): REPRESENTATIVE(s) MCCABE

01/22/25	(H)	PREFILE RELEASED 1/10/25
01/22/25	(H)	READ THE FIRST TIME - REFERRALS
01/22/25	(H)	STA, FIN
04/15/25	(H)	STA AT 3:15 PM GRUENBERG 120
04/15/25	(H)	-- MEETING CANCELED --
04/29/25	(H)	STA AT 3:15 PM GRUENBERG 120
04/29/25	(H)	Heard & Held
04/29/25	(H)	MINUTE(STA)
05/08/25	(H)	STA AT 3:15 PM GRUENBERG 120

**WITNESS REGISTER**

SENATOR ELVI GRAY-JACKSON

Alaska State Legislature

Juneau, Alaska

**POSITION STATEMENT:** As prime sponsor, presented SB 40.

REPRESENTATIVE CAROLYN HALL

Alaska State Legislature

Juneau, Alaska

**POSITION STATEMENT:** As prime sponsor, presented HB 146.

HEIDI DRYGAS, Executive Director

Alaska State Employees Association/American Federation of State,  
County, and Municipal Employees

Juneau, Alaska

**POSITION STATEMENT:** Gave invited testimony during the hearing on HB 146.

REPRESENTATIVE ROBYN NIAYUK BURKE  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** As prime sponsor, presented HB 170.

NANCY MEADE, General Counsel  
Office of the Administrative Director  
Alaska Court System  
Anchorage, Alaska

**POSITION STATEMENT:** Responded to questions during the hearing on HB 170.

KACI SCHROEDER, Assistant Attorney General  
Central Office  
Criminal Division  
Department of Law  
Juneau, Alaska

**POSITION STATEMENT:** Responded to questions during the hearing on HB 170.

LAWRENCE HILTON, General Counsel  
United Precious Metals Association  
Alpine, Utah

**POSITION STATEMENT:** Provided information and responded to questions during the hearing on HB 1.

#### **ACTION NARRATIVE**

[3:23:27 PM](#)

**CHAIR ASHLEY CARRICK** called the House State Affairs Standing Committee meeting to order at 3:23 p.m. Representatives McCabe, Vance, Moore, Himschoot, and Carrick were present at the call to order. Representatives Story and Holland arrived as the meeting was in progress.

#### **SB 40-HISPANIC HERITAGE MONTH**

[3:24:50 PM](#)

CHAIR CARRICK announced that the first order of business would be SENATE BILL NO. 40, "An Act establishing the period between September 15 and October 15 of each year as Hispanic Heritage Month."

[3:25:10 PM](#)

SENATOR ELVI GRAY-JACKSON, as prime sponsor, reintroduced SB 40. She gave an introduction and overview of the bill in Spanish. She told the committee that by passing this legislation and recognizing Hispanic Heritage Month, it would send a clear message that Alaska values diversity, inclusivity, and the recognition of the many communities that contribute to our shared success. She urged support for the legislation.

[3:26:11 PM](#)

REPRESENTATIVE VANCE apologized for missing previous bill discussions and asked whether Senator Elvi could point to any notable Alaska Hispanics that she wanted to highlight with the establishment of a Hispanic Heritage Month.

SENATOR GRAY-JACKSON responded that she believed every citizen in Alaska with a Hispanic background was notable.

[3:26:53 PM](#)

REPRESENTATIVE MCCABE commented that his chief of staff's family was of Mexican descent and was personally notable to him.

[3:27:27 PM](#)

REPRESENTATIVE HIMSCHOOT moved to report SB [40] out of committee with individual recommendations and the accompanying fiscal notes.

[3:27:43 PM](#)

The committee took a brief at-ease at 3:27 p.m.

CHAIR CARRICK noted that the motion would need to be restated [to correct the bill number in the motion].

REPRESENTATIVE HIMSCHOOT moved to report SB 40 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, SB 40 was reported out of the House State Affairs Standing Committee.

[3:28:32 PM](#)

The committee took an at-ease from 3:28 p.m. to 3:31 p.m.

**HB 146-PUBLIC EMPLOYEE PERSONAL INFORMATION**

3:31:18 PM

CHAIR CARRICK announced that the next order of business would be HOUSE BILL NO. 146, "An Act prohibiting public employers from disclosing certain public employee personal information; making disclosure of certain public employee personal information an unfair labor practice; and creating an exception to the Public Records Act for certain public employee personal information."

3:32:02 PM

REPRESENTATIVE CAROLYN HALL, Alaska State Legislature, as prime sponsor, presented HB 146. She began by paraphrasing part of the sponsor statement [included in the committee file], which read in its entirety as follows [original punctuation provided]:

A Right to Privacy is guaranteed in Alaska's Constitution, established in 1972 by a vote of the people. Since then, this right has been enumerated into many aspects of Alaskans' daily lives. Simply put, the Constitution protects our personal information and the discretion required to ensure individual privacy is not a courtesy but an expectation.

House Bill 146 clarifies that in the course of state employment, certain personal information - home address, personal email, personal phone number, payroll deduction history, union status, and date of birth, among other details - will also be privileged under state law.

This is a natural extension of disclosure prohibitions contained in the State Personnel Act, which does not specify things such as email addresses.

REPRESENTATIVE HALL began a PowerPoint presentation [hard copy included in the committee file], with an introduction of the goals of HB 146. She said that the purpose and scope of HB 146 is to prohibit the disclosure of public employee information. The proposed legislation would expand Title 23 and would identify the release of personal data as an unfair labor practice. Furthermore, it would amend Alaska Statute (AS) 40.25.120 by adding a conforming change to the Public Records

Statute that would mirror AS 23.40.110. This would clarify that releasing personal information to the public would violate privacy rights. Furthermore, it would prohibit employers from releasing private information, regardless of union membership.

REPRESENTATIVE HALL said that in 1972 the Alaska Department of Public Safety (DPS) began developing the Alaska Justice Information System (AJIS), a computer database intended to log Alaska's criminal history. She said that some legislators including Terry Miller believed that this system would violate Alaskans' privacy. She said to think along the lines of "Big Brother." She said that Terry Miller began working with Attorney General John Havelock to mitigate this concern. She said that the document on the committee screens was an excerpt from the AJIS updated master plan, which she noted could also be found online. She explained the use of AJIS and said that it was explicitly designed to provide interagency communication. She said that much like what Alaskans are concerned with today, legislators in 1972 were afraid that AJIS would be misused and violate Alaskans privacy.

REPRESENTATIVE HALL said that in 1972, the legislators began drafting a constitutional amendment with Attorney General John Havelock. In May of that year, Senate Joint Resolution 68 was introduced, which recognized Alaskans' right to privacy. She said the resolution passed with a vote of 39-1 in the State House of Representatives and 16-2 in the State Senate. In August 1972, this issue also appeared before the voters, and a constitutional amendment was adopted with 86 percent support. After the vote, Article 22 was adopted into the Alaska State Constitution.

REPRESENTATIVE HALL remarked that other states have made similar constitutional provisions. These include Arizona, California, Florida, Hawai'i, Illinois, Louisiana, Montana, South Carolina, Washington, and New Hampshire. She told the committee that this information was included in the bill file as a memorandum ("memo") from Legislative Research Services.

REPRESENTATIVE HALL redirected attention to the bill of discussion, HB 146. She pointed out to committee members examples of mailers sent to public employees, which she described as privacy violations. She remarked that some of the mailers request personal information as an opt-out option, and the senders often pretend to be affiliated with the Alaska State Employees Association (ASEA) or other organizations. She reiterated that public employees should expect their personal

contact information to be protected. She said that much has changed since the constitutional amendment was passed in 1972. She pointed out to the committee additional examples of information that have been sent to public employees and the misleading steps that mailing organizations take. In closing, she said that Alaskans have a strong constitutional right to privacy, but public employees are a group that has been overlooked. She said that the legislature can protect public employees with HB 146.

3:38:21 PM

CHAIR CARRICK announced the committee would hear invited testimony.

3:38:38 PM

HEIDI DRYGAS, Executive Director, Alaska State Employees Association/American Federation of State, County, and Municipal Employees (ASEA/AFSCME), began invited testimony on HB 146 by thanking Representative Hall for carrying the legislation. She said that protecting employees' privacy is a safety and security issue and public employees deserve the same right to personal privacy and safety as any other Alaskan. She said that releasing personal details such as home addresses, phone numbers or email addresses can put public workers at risk of harassment, identity theft, or worse. She said that employees in sensitive roles such as law enforcement, child welfare, or even revenue collection can face retaliation or threats if personal information is too easily accessible.

MS. DRYGAS said that employee information disclosures revealed trends among public employees and identified interest groups that have become targets of unsolicited commercial and political campaigns. She said that the State of Alaska (SOA) employs more than 16,000 people and even limited disclosures can reveal a significant amount of personal information. Once this information is released, SOA has no control over how employee details are further distributed. She said that when the state discloses private employee details, it exposes employees to risk of spammers and manipulators.

MS. DRYGAS explained that since the Janus vs. American Federal of State, County, and Municipal Employees (AFSCME) Supreme Court decision on June 27, 2018, union membership for public employees has been an elective decision. She remarked that SOA facilitates misinformation and harassment aimed at union

members. She said that these concerns are not limited to union membership or the lack thereof. Personal employee contact information is subject to disclosure to any number of outside third-party organizations. She said that the proposed legislation would balance transparency with constitutional privacy protections. It would not eliminate public transparency around job titles, salaries or employment status; it simply would limit the release of personal details that are not necessary for government oversight. She said that the proposed legislation is a reasonable and targeted approach to protect public sector workers. The bill would also support recruitment and retention in public service at a time when Alaska is facing challenges retaining public workers. She said that the focus should be on making appeals to employees. Knowing that their personal details are protected would build trust in the workplace. She said this is especially important in rural departments.

[3:42:25 PM](#)

REPRESENTATIVE MCCABE asked Ms. Drygas why this was a legislative push rather than being part of a collective bargaining agreement (CBA) where he opined it belongs.

MS. DRYGAS responded that this was a good question and there was some language in statute about being able to provide information to the bargaining representative, but she felt that it makes the most sense to have this in statute because not all public employees are represented by a union. She said that the legislation is about asserting privacy rights, which is not necessarily in the purview of collective bargaining. She said that enforcing privacy rights would be enforcing the rights of the Alaska Constitution and would clarify in statute that the right to privacy includes ensuring personal emails, phone numbers, and addresses are not part of a broad information request by third-party organizations.

REPRESENTATIVE MCCABE asked for clarification of what sets public employee unions apart from private sector unions. He said that when he negotiated on behalf of his company, they had put this in the CBA. He asked the reason for placing this legislation in statute for just public sector employees and not the private sector as well, as their rights to privacy remain worth consideration. He said the privacy agreements could be placed in the Union CBA and not state law.

MS. DRYGAS responded that public employees were in a unique position, but she certainly supports protecting the privacy rights of all employees, union or not. She explained that the difference in being a public employee is that records are subject to the Alaska Public Records Act, and this requires certain disclosures when receiving information requests, unlike private employees. She reiterated the importance of understanding that the bill covers non-unionized public employees as well. She reported that some public employees were getting unnecessary emails, political information and flyers. She said the union works hard to differentiate between collective bargaining and political action, which is handled by the organization's political action committee (PAC). She said the union has members of all political stripes and efforts are made to keep these things separate. She remarked that just recently one of the union members in the Matanuska-Susitna (Mat-Su) Valley received an e-mail from a Pro-Palestinian group and was unaware of how they were put on e-mail lists. She reiterated that all the proposed legislation would do is keep certain information private to keep these types of occurrences from happening.

REPRESENTATIVE MCCABE noted that the state's voter rolls have addresses on them that could be cross-referenced for gathering information regarding employees. He reaffirmed that the proposed legislation would be better accomplished in a CBA rather than under law. He believed that there were around 22,000 total state employees and asked if that was an accurate figure.

MS. DRYGAS responded that she believed it was around 16,000 employees and Representative McCabe's figure may have included university affiliates and others not captured by her figure.

REPRESENTATIVE MCCABE reiterated that this concern would be better addressed in CBA.

[3:48:53 PM](#)

REPRESENTATIVE HOLLAND said that he was surprised to see this bill because given his experience working in the private sector, private employers never release this type of information. He said it was easy to assume that all employers had some level of standardization with regard to protecting employee privacy. He said he was shocked to hear that SOA employees have this easily accessible information. He acknowledged that there are many ways to find information but legal obligations to release

information were something new to him and he appreciated the bill intent. He mentioned his previous university training to maintain privacy for students and faculty.

REPRESENTATIVE HOLLAND asked whether the proposed legislation would change information that was accessible with the SOA's workplace directory. Furthermore, he asked whether there had been considerations for contracted employees working on behalf of SOA.

REPRESENTATIVE HALL responded that to her understanding, the state employee directory would remain public. She added that when it comes to contractors, her understanding was when looking Section 1, subsection (a) of the proposed legislation, on page 1, line [7], the language read that "a public employer or an agent of a public employer may not". She interpreted this language to include contractors.

REPRESENTATIVE HOLLAND asked about personal contractors that may be using personal e-mails and phone numbers when doing contracted work for SOA. He was unsure how private information would be handled in these instances.

REPRESENTATIVE HALL responded that to her understanding, every department operates differently, and contractors and subcontractors may be different on a case-by-case basis. She said that she could follow up with a more concise answer.

[3:53:34 PM](#)

MS. DRYGAS added that she had experience interfacing with the employee directory and, to her knowledge, she had never seen a contractor listed in the directory. She said that the employee directory is helpful for navigating departmental personnel across the state. She said that she navigates the directory frequently and reiterated that she had not seen contractors listed. She explained that contractors were not public employees and were subject to different requirements.

MS. DRYGAS confirmed that there are many ways to get private information as Representative McCabe had mentioned, but she did not believe that one of those ways to get information should be with a request for information to the State of Alaska, which requires compliance. She did not know whether contractors were subject to the same kind of disclosures, but the name of the contractor would be public.

REPRESENTATIVE HOLLAND said that he would appreciate some work looking into this and that this could have implications. He said an agency might hire contractors for SOA related work. He said the question would be whether the contractor's contact can be listed if the contact information was also personal information. He said that the state uses contractors a lot these days and it would be a potential issue that should be addressed. He asked how the Federal Government, as an employer, handles this type of personal information for Federal employees.

REPRESENTATIVE HALL responded that she did not know how the Federal Government handles employee information but could investigate it and follow up. She said that within her district she has gone to multiple community council meetings that often have state contractors present. She said that some of these contractors give work e-mails as contact information. She talked about the Fish Creek Trail Connection Project as an example of contracted work. She said in her experience, she has seen only work e-mails associated with contractors - not personal information.

[3:57:50 PM](#)

REPRESENTATIVE HIMSCHOOT asked whether legislators were technically considered employees of SOA.

REPRESENTATIVE HALL responded that legislators were considered employees of SOA.

[3:58:23 PM](#)

CHAIR CARRICK affirmed Representative McCabe's comments about the ease of gathering information. She remarked that it could even include Alaska Public Office Commission (APOC) reports.

[3:59:00 PM](#)

REPRESENTATIVE HIMSCHOOT commented that private information disclosures due to a condition of employment "did not sit well with her."

[3:59:34 PM](#)

CHAIR CARRICK asked how common employee privacy protection policies were in the private sector.

REPRESENTATIVE HALL responded that she did not know the answer but could follow up with a response.

MS. DRYGAS explained that the private sector was different due to differences in disclosure requirements defined by AS.

[4:01:42 PM](#)

REPRESENTATIVE MOORE said that private information about legislators was a different scenario than most SOA employees due to APOC disclosures. She asked Representative Hall what the rationale was to keep payroll deduction histories and union status private.

REPRESENTATIVE HALL responded that language in Section 7 of HB 146, on page 2, line 26, states: "any information about an employee's charitable payroll deductions, except to the receiving charity". She said Ms. Drygas could better speak to the reason for union status privacy.

MS. DRYGAS added that most of Alaska's public employees feel that their associations with various organizations are private matters unless they chose to share them. She said it's much like making donations to various charities. She said that most people who make charitable donations consider them private. She gave examples of the National Rifle Association (NRA) or even the Sierra Club as associations that often remain private. She said that many employees do not want to share potentially partisan associations and said that there is something fundamental about Alaskans' belief in privacy rights.

REPRESENTATIVE MOORE commented that she thought that being public employees, and paid with public funds, certain pieces of information should be available to the public.

[4:05:10 PM](#)

REPRESENTATIVE MCCABE explained that AS 39.25.080 already exempts all the public employee records, except for name and position, and there are very few exemptions. He said it suggests that the state is already not supposed to disclose this type of private information. He asked whether this was a correct assumption.

REPRESENTATIVE HALL noted that there is a committee substitute (CS) that was going to be introduced that conforms to current AS.

4:06:09 PM

REPRESENTATIVE VANCE asked Representative Hall, given that the bill is about public employees, why there wasn't someone who represents all public employees available to speak to the proposed bill.

REPRESENTATIVE HALL responded that she would be happy to find people who can speak to the proposed legislation in future committee hearings.

REPRESENTATIVE VANCE said that what she heard in the testimony was that this proposed legislation is about the Janus vs. AFSCME U.S. Supreme Court Case. She remarked that the hearing was unexpected for her and having this be about all public employees without someone who represented public employees made discussions feel one-sided. She was struggling to see the instances of how people have this information so readily available. She wanted to find out what was done currently to protect employees' information. She asked how it may impact the Supreme Court ruling.

MS. DRYGAS explained that the proposed legislation had nothing to do with implementing Janus vs. AFSCME rulings. She talked about the ability of outside, third-party organizations to target members of union membership as a "by-product" of the case. She said that it's not anything related to the ruling. She did not think the information was so readily available and highlighted information request requirements. She talked about the Alaska Public Records Act and discussed the dynamics associated with records requests. She said that the legislation was about keeping personal information private when issued these requests.

REPRESENTATIVE VANCE offered her understanding that during the presentation, Ms. Drygas had specifically said the State of Alaska put out "propaganda" about the Janus vs. AFSCME ruling and the proposed bill was specifically trying to counter the administration's wishes with regards to implementing the U.S. Supreme Court's decision. She said that it seemed to her that the bill was really about that decision.

4:10:49 PM

CHAIR CARRICK announced that HB 146 was held over.

**HB 170-REPORTING VIOLENT CRIMES**

[4:11:33 PM](#)

CHAIR CARRICK announced that the next order of business would be HOUSE BILL NO. 170, "An Act relating to a failure to report a violent crime."

[4:12:08 PM](#)

REPRESENTATIVE ROBYN NIAYUK BURKE, Alaska State Legislature, as prime sponsor, reintroduced HB 170. She explained that HB 170 would seek to increase the penalties for failing to report violent crimes committed against adults. The proposed legislation would ensure accountability and justice for those silent in the face of violence. She remarked that the bill is part of an ongoing commitment to address the crisis of Missing and Murdered Indigenous Persons (MMIP). She asked for bill support not only to honor Kathleen Joe Henry but for all those who demand justice and accountability.

[4:13:11 PM](#)

The committee took an at-ease from 4:13 p.m. to 4:15 p.m.

[4:15:06 PM](#)

REPRESENTATIVE VANCE moved to adopt Amendment 1 to HB 170, labeled 34-LS0638\N.3, C. Radford, 5/5/25, which read as follows:

Page 1, following line 2:

Insert a new bill section to read:

**"\* Section 1.** AS 11.56.767(a) is amended to read:

(a) A person, other than the victim, commits the offense of failure to report a violent crime committed against an adult if the person, under circumstances not requiring the person to report as required by AS 11.56.765,

(1) witnesses what the person knows or reasonably should know is

(A) the murder or attempted murder of a person by another;

(B) the kidnapping or attempted kidnapping of a person by another; [OR]

(C) the sexual penetration or attempted sexual penetration by another

(i) of a person without consent of the person;

(ii) of a person who is mentally incapable;

(iii) of a person who is incapacitated; or

(iv) of a person who is unaware that a sexual act is being committed;

**(D) human trafficking in the first degree or attempted human trafficking in the first degree; or**

**(E) sex trafficking in the first degree or attempted sex trafficking in the first degree;** and

(2) does not, as soon as reasonably practicable, report that crime to a peace officer or law enforcement agency."

Page 1, line 3:

Delete "**Section 1**"

Insert "**Sec. 2**"

Renumber the following bill section accordingly.

Page 1, line 8:

Following "APPLICABILITY.":

Insert "AS 11.56.767(a), as amended by sec. 1 of this Act, and"

Delete "sec. 1"

Insert "sec. 2"

Delete "applies"

Insert "apply"

CHAIR CARRICK objected for the purpose of discussion.

REPRESENTATIVE VANCE explained that the proposed amendment would add human and sex trafficking in the first degree to the list of violent crimes that would require mandatory reporting. She said that the bill should also include other egregious violent crimes. She said that following discussions with the bill sponsor, a first-degree classification was determined to keep the bill "tight" and avoid any "gray areas." She remarked that kidnapping was already listed in the proposed legislation and human trafficking was part of it.

[4:17:47 PM](#)

CHAIR CARRICK noted that some individuals were available to help facilitate questions.

[4:18:11 PM](#)

REPRESENTATIVE BURKE thanked Representative Vance for offering the amendment but stated that it was her hope that HB 170 would be passed through the committee as a clean bill. She remarked that there were many different iterations of the bill and given discussions with stakeholders, community members, and affiliates with the Senate Companion Bill, the intent is to retain the current bill structure. She discussed stipulations associated with mandatory reporting of human and sex trafficking. She opposed the amendment but was grateful for the discussion.

[4:20:01 PM](#)

CHAIR CARRICK asked Nancy Meade whether she could address questions about current laws on sex and human trafficking. She inquired about the legal classification of this type of crime and whether it was classified as a violent crime.

[4:20:49 PM](#)

NANCY MEADE, General Counsel, Office of the Administrative Director, Alaska Court System, responded that to her knowledge, the statutes do not define "violent crime", but the committee may want to hear from Ms. Schroeder for clarification.

[4:21:11 PM](#)

KACI SCHROEDER, Senior Assistant Attorney General, Central Office, Criminal Division, Department of Law (DOL), said that "violent crime" is not defined in Alaska Statute (AS), however the legislature has the ability to classify these definitions in statute.

[4:21:44 PM](#)

REPRESENTATIVE HIMSCHOOT asked Ms. Meade whether she could speak to how many people would potentially be charged for failing to report human or sex trafficking and what would constitute witnessing a crime. She gave an example of walking through an airport and said that there needed to be something to make a compelling argument for what would constitute a non-reporting witness.

MS. MEADE said that witnesses have a normal definition that one may think, "to observe or see something" but the statute also includes what a person "knows or reasonably should know". She said that this would be the standard used by DOL. She gave an

example of a possible witness of human trafficking by an employer as someone getting captured by this type of statutory language. She said that it would be more appropriate for DOL to explain the timing related to these types of charges.

REPRESENTATIVE HIMSCHOOT redirected her question and asked for clarification regarding what constitutes a witness in some of the cases regarding human and sex trafficking. She was unsure about the definitions.

REPRESENTATIVE MCCABE commented that there should be definitions.

[4:24:31 PM](#)

CHAIR CARRICK asked whether Ms. Meade could help clarify the definitions associated with human and sex trafficking.

MS. MEADE responded that human trafficking in the first degree is defined under AS 11.41.360, [subsection (a)], which read as follows:

Sec. 11.41.360. Human trafficking in the first degree.

(a) A person commits the crime of human trafficking in the first degree if the person compels or induces another person to engage in sexual conduct, adult entertainment, or labor in the state by force or threat of force against any person, or by deception.

MS. MEADE explained the stipulations of inducing and remarked that sex trafficking is confined to prostitution-type situations. She explained that human trafficking and sex trafficking are different. She said that previous attempts have been made to change legal definitions.

REPRESENTATIVE HIMSCHOOT said that she wanted to know how much this amendment would expand the proposed bill and how many more people could be charged as witnesses.

CHAIR CARRICK remarked that Ms. Schroeder could address this question.

[4:26:18 PM](#)

MS. SCHROEDER explained that the elements of the offense are that someone witnesses, knows, or reasonably should know that

human or sex trafficking, or an attempt thereof, is occurring. She said that the witness must "see" it and "know", and she related the concept to the proposed amendment. She said there is a definition in statute of knowing so the person would have to be aware of the conduct and the circumstance. Knowledge is established if the person is aware of a substantial probability unless the person believes is did not. In this case, the state would be required to prove beyond a reasonable doubt that the person knew in the event charges were made. She could not say how many people might get captured under the proposed amendment. She said that based on the testimonies that have been given with previous bills, there are attempts to change definitions for this "insidious conduct." She said that often great efforts are made to hide what is going on, and both investigations and prosecutions are complex. She said that it is possible that someone could witness this and not actually know what was being witnessed. She said that a participant in prostitution could be a technical witness and could be charged in conjunction with other crimes.

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REPRESENTATIVE MCCABE said that this Amendment 1 would give a prosecutor some extra tools to suggest that someone was a witness to this type of crime. He gave a theoretical example of trafficking people in a parking lot at gunpoint. He said that prosecution could say that they thought someone was a witness and if they withheld information there would be a penalty. He asked Ms. Schroeder whether she thought this was an appropriate characterization.

MS. SCHROEDER responded that it would be another tool, but she suggested that cases would probably be egregious in nature where prosecutors thought there may be a non-reporting witness, and they knew what they were witnessing before any charges followed.

REPRESENTATIVE MCCABE asked whether Ms. Schoeder thought the sideboards on this were sufficient to protect somebody from being falsely accused.

MS. SCHROEDER responded that she could not speak to whether someone would be accused of witnessing something. However, she said that the "knowing" standard is a relatively high standard and it should protect somebody from witnessing something without knowing what it was. She discussed the mechanics of "knowing" and proving it. She said that knowing would be a standard above a simple suspicion.

REPRESENTATIVE MCCABE speculated that this would be a much higher standard than "see something/say something."

MS. SCHROEDER responded that that was a correct assessment. She added that someone would also need to "know" that they have a duty to report, which adds an extra layer of complication to investigations.

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CHAIR CARRICK removed her objection to the motion to adopt Amendment 1 to HB 170.

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REPRESENTATIVE STORY objected and asked Representative Burke for clarification as to why she did not want to add Amendment 1 at this time and what she had learned from previous discussions about this issue.

REPRESENTATIVE BURKE responded that with various iterations of the proposed bill, different levels of crime were considered. She remarked that this was not an amendment she had previously considered. She noted that this was the bill's first committee and said that she wants to continue conversations with stakeholders, constituents, community members, and the sponsor of the companion bill in the Senate. She noted that the proposed legislation still had referral to the House Judiciary Standing Committee where it could have additional scrutiny and amendments. She said it was her intent to move the bill without amendments and conversations could take place in the next committee of referral.

REPRESENTATIVE STORY maintained her objection.

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A roll call vote was taken. Representatives Vance and McCabe voted in favor of Amendment 1 to HB 170. Representatives Holland, Story, Moore, Himschoot, and Carrick voted against it. Therefore, Amendment 1 failed to be adopted by a vote of 2-5.

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CHAIR CARRICK said that she hoped that this amendment would get added in the future committee of referral following additional

research and outreach. She appreciated the arguments regarding the topic.

[4:34:04 PM](#)

REPRESENTATIVE VANCE thanked Representative Burke for bringing the bill forward. She said that when first looking at the proposed legislation, it did not sit well with her. However, after looking at existing statutory references, the [necessity for adding] these egregious trafficking crimes was clear. She commented that there are a lot of organizations that have been fighting human trafficking in Alaska. She expressed intent to work with Representative Burke to add mechanisms to address this type of crime. She emphasized the desire to bring awareness to Alaska's communities and make appropriate laws for the people.

[4:36:04 PM](#)

REPRESENTATIVE HIMSCHOOT asked Ms. Schroeder for clarification regarding how Alaska defines violent crime.

[4:36:25 PM](#)

MS. SCHROEDER responded that there is no statutory definition for violent crime in Alaska.

REPRESENTATIVE HIMSCHOOT explained that she was trying to digest what the words mean and how they apply to the proposed bill.

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REPRESENTATIVE BURKE cited AS 11.56.767 [subsection (a), paragraph (1)], which read as follows:

Sec. 11.56.767. Failure to report a violent crime committed against an adult.

(a) A person, other than the victim, commits the offense of failure to report a violent crime committed against an adult if the person, under circumstances not requiring the person to report as required by AS 11.56.765,

(1) witnesses what the person knows or reasonably should know is

(A) the murder or attempted murder of a person by another;

(B) the kidnapping or attempted kidnapping of a person by another; or

(C) the sexual penetration or attempted sexual penetration by another

- (i) of a person without consent of the person;
- (ii) of a person who is mentally incapable;
- (iii) of a person who is incapacitated; or
- (iv) of a person who is unaware that a sexual act is being committed; and

REPRESENTATIVE HIMSCHOOT asked for additional clarification regarding how these definitions would be interpreted.

CHAIR CARRICK commented that these were the interpretations addressed by both Ms. Meade and Ms. Schroeder.

REPRESENTATIVE HIMSCHOOT said that she was "blown away" that a crime could be considered violent in one statute but not violent in another statute.

CHAIR CARRICK asked Ms. Schroeder if she could clarify how violent crime is utilized under AS.

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MS. SCHROEDER responded that it was not utilized often and when used it appears in contexts like this. She said the offense goes on to describe what is meant by the word "violent".

CHAIR CARRICK echoed Representative Himschoot's line of inquiry concerning these nuances regarding violent crime classification.

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REPRESENTATIVE STORY moved to report HB 170 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 170 was reported out of the House State Affairs Standing Committee.

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The committee took an at-ease from 4:40 p.m. to 4:45 p.m.

**HB 1-SPECIE AS LEGAL TENDER**

[4:45:08 PM](#)

CHAIR CARRICK announced that the final order of business would be HOUSE BILL NO. 1, "An Act relating to specie as legal tender in the state; and relating to borough and city sales and use taxes on specie."

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REPRESENTATIVE MCCABE, as prime sponsor, reintroduced HB 1. He said that he appreciates a second hearing on the proposed legislation. He said that HB 1 is about constitutional fidelity and financial freedom. It would recognize gold and silver as legal tender in Alaska; this would be in alignment with Article 1 Section 10 of the United States (U.S.) Constitution. He said that the proposed legislation would protect Alaskans' rights to use "sound money." He said the legislation is about choice, not mandates, and nobody would be required to use gold or silver, but the legislation would affirm someone could. He noted that testifiers were available to address any questions from the committee.

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REPRESENTATIVE STORY asked what consumer protections were in place. She said that she wanted to ensure that consumers can understand what they are getting and buying. She remarked that the Department of Commerce, Community & Economic Development (DCCED) reported that the State of Alaska (SOA) did not accept cryptocurrencies as a valid form of payment for any debts or obligations. She said that cryptocurrencies must first be converted to United States Dollars (USD). She asked how much notice would need to be given to consumers.

REPRESENTATIVE MCCABE responded that HB 1 does not pertain to cryptocurrency but pertains to physical gold and other precious metals. He said that the consumer protections would be the same as with a USD. He said it falls to the consumer to make purchases from a vendor that is reputable. He said that Goldbacks had military level anti-counterfeit features built in. He said that online testimony could better address consumer protection.

REPRESENTATIVE STORY said that when looking at specie, her understanding was that there were different values for the specie and it seemed to her that much like the USD, it fluctuates. She wondered how much education the public would need to understand these types of fluctuations. She asked for clarification about this.

REPRESENTATIVE MCCABE said that U.S. Citizens were [accustomed to] a single currency. He said that some countries might use four or even five types of currency with different values, which requires negotiated rates. He said that when he went to Hong Kong, he negotiated between USD and Hong Kong Dollars. He said that he accepts or declines what the stated value is regarding a set price. He said that with HB 1, the price would be based on daily spot price of the precious metal. He said a merchant that accepted Goldbacks may have an application ("app"), a device, or even a set price. He said he had a conversation about this with Mr. Diaz that morning. Additionally, he said Mr. Hilton may be able to further speak about the issue.

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LAWRENCE HILTON, General Counsel, United Precious Metals Association, proffered that Federal Statute requires the Treasurer of the United States to maintain equal purchasing power among all forms of the USD. However, there are five different kinds of dollars, each with different purchasing power. He said the Federal Government has not fulfilled its obligation to maintain parity. It has prompted states to step in and assert that these dollars are not equivalent. He said these types of dollars can include the Gold Dollar, Silver Dollar, Platinum Dollar, and Paper Dollar Federal Reserve Note. He said each has different purchasing power due to Federal Government's failure to uphold equal purchasing power.

MR. HILTON, regarding the Goldback, said that it is a negotiable instrument redeemable for USD. What makes the Goldback unique is its physical composition; it contains as little as 1/2000<sup>th</sup> of an ounce of gold, making it usable in everyday transactions. He said that thousands of merchants across the country accept Goldbacks for goods and services.

MR. HILTON explained that Goldbacks include over a dozen security features to prevent counterfeit attempts. He said apps are available to determine value and authenticity as well.

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REPRESENTATIVE STORY asked whether any changes were needed to HB 1 to address education and consumer protection. She further inquired whether the proposed bill contained protection mechanisms.

REPRESENTATIVE MCCABE responded that he believes that the proposed legislation had all the consumer protection of any other piece of this type of legislation. He said that he believes that there were many things that were easier to counterfeit than Goldbacks, especially given the testimony regarding counterfeit measures. He said that someone who was educated and wanted to buy a Goldback would likely use apps and tools to determine pricing. He explained that a reputable seller is the best safeguard.

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REPRESENTATIVE STORY said that she was specifically looking at language beginning on page 3, line 9, of the bill, regarding a prospective Joint Legislative Budget & Audit Committee study.

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REPRESENTATIVE HOLLAND shared that recently while at Costco, he noticed someone selling gold bars, specifically bullion. He commented that generally Costco is a reputable place to make purchases and seeing gold for sale caught his attention given previous bill discussions. He added that gold was also available for purchase from the Costco and Amazon websites. He remarked that he found that gold is a commonly traded form of value, much like how one might buy postage stamps at Costco. He clarified that he was speaking to gold in legal tender form, not jewelry or collectibles.

REPRESENTATIVE HOLLAND said that what intrigued him the most was learning about the availability of gold in this type of format. He asked at what point the purchase of gold as legal tender would get exempted from sales tax and noted the distinctions between gold purchased as tender as opposed to artistic, historic, or other value-based formats. He said that he saw some gold items resembling gold bills or cards and remarked on the formatting.

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REPRESENTATIVE MCCABE remarked that given his time working as a legislator, this bill has been the most fun. He said that if someone went to a coin store and bought a pre-1950 Morgan Silver Dollar valued at \$2,000-\$3,000, then a sales tax would be expected. But if someone were to walk into a 7-Eleven convenience store and purchase one out of the till and offer a dollar bill in exchange, that would be an informal transaction.

He emphasized the distinction of items being used for money and items being used for collection.

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CHAIR CARRICK shared Representative Story's concerns regarding consumer protection. She asked whether HB 1 would add a layer of consumer protection that is not already in place for people currently making transactions with these types of items. She inquired that when something is classified as legal tender in a state, whether there would be any additional protection laws.

REPRESENTATIVE MCCABE responded that he was not sure whether there is any kind of consumer protection for a \$100 bill. He said that if one is familiar with Goldbacks, which would be assumed if a merchant accepts them, then there would be ways to tell whether it was authentic. When using a \$100 bill, one could use a brown pen, he noted; however, most people don't carry a brown pen around. He reiterated that he believed Goldbacks have more consumer protections built in than do \$100 dollar bills.

REPRESENTATIVE MCCABE talked about the protections regarding the Costco gold bars; the protection was that it came from a reputable seller and it likely had the required qualifiers.

CHAIR CARRICK said that a dollar right now, or forever stamp, would hold the same inherent value, regardless of when it would be used. She talked about price fluctuations and whether this would be a concern and how to avoid any potential lawsuits due to the new type of legal tender.

REPRESENTATIVE MCCABE responded that he did not believe that this was a concern at all; he said it's no more of a concern than dollar bills. He speculated that what Chair Carrick may be getting at is whether the value of the Goldback goes down. He said that traditionally, gold has continued to track commodity prices in a fashion that the USD has not. He affirmed that market prices fluctuate and gave an example of purchases with a Goldback and USD in an environment of high inflation.

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REPRESENTATIVE HIMSCHOOT commented that when finally doing a base student allocation (BSA) increase, maybe it could be issued in Goldbacks. She questioned what problem would be solved by HB 1.

REPRESENTATIVE MCCABE responded that the problem being solved is allowing a mid-level investor, or someone who cannot afford to buy a \$3,400, one-ounce gold coin, the ability to slowly accumulate Goldbacks. He spoke about investment growth given the opportunity to store precious metals as a value-holding agent. He said that it would be a means to fight inflation and a fiat currency. He talked about future repository opportunities to hedge against inflation of the USD. He described issues with the absence of a gold standard and the various countries and states that are making similar initiatives.

REPRESENTATIVE HIMSCHOOT commented that if someone wanted to accumulate money slowly, Sound Money could be difficult due to a \$200 membership fee.

REPRESENTATIVE MCCABE commented that one doesn't need to be a member to buy a Goldback.

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CHAIR CARRICK announced that HB 1 was held over.

[5:10:17 PM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the House State Affairs Standing Committee meeting was adjourned at 5:10 p.m.