

ALASKA STATE LEGISLATURE
SENATE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE

April 8, 2025

1:30 p.m.

MEMBERS PRESENT

Senator Kelly Merrick, Chair
Senator Forrest Dunbar, Vice Chair
Senator Elvi Gray-Jackson
Senator Robert Yundt

MEMBERS ABSENT

Senator Donald Olson

COMMITTEE CALENDAR

HOUSE JOINT RESOLUTION NO. 5

Urging the United States Congress and the President of the United States to reinstate the Secure Rural Schools and Community Self-Determination Act of 2000 and make the funding mechanism in the Act permanent.

- MOVED HJR 5 OUT OF COMMITTEE

SENATE BILL NO. 129

"An Act establishing a 30-day deadline for the payment of contracts under the State Procurement Code; establishing deadlines for the payment of grants, contracts, and reimbursement agreements to nonprofit organizations, municipalities, and Alaska Native organizations; relating to payment of grants to named recipients that are not municipalities; and providing for an effective date."

- HEARD & HELD

SENATE BILL NO. 111

"An Act relating to the diagnosis, maintenance, and repair of products that use digital electronics to operate; adding an unlawful act to the Alaska Unfair Trade Practices and Consumer Protection Act; and providing for an effective date."

- MOVED CSSB 111(CRA) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HJR 5

SHORT TITLE: SECURE RURAL SCHOOLS PROGRAM

SPONSOR(s): REPRESENTATIVE(s) BYNUM

01/22/25 (H) READ THE FIRST TIME - REFERRALS
01/22/25 (H) EDC
02/05/25 (H) EDC AT 8:00 AM DAVIS 106
02/05/25 (H) Heard & Held
02/05/25 (H) MINUTE(EDC)
02/12/25 (H) EDC AT 8:00 AM DAVIS 106
02/12/25 (H) Heard & Held
02/12/25 (H) MINUTE(EDC)
02/17/25 (H) EDC RPT 4DP
02/17/25 (H) DP: EISCHEID, ELAM, STORY, HIMSCHOOT
02/17/25 (H) EDC AT 8:00 AM DAVIS 106
02/17/25 (H) Moved HJR 5 Out of Committee
02/17/25 (H) MINUTE(EDC)
03/17/25 (H) TRANSMITTED TO (S)
03/17/25 (H) VERSION: HJR 5
03/18/25 (S) READ THE FIRST TIME - REFERRALS
03/18/25 (S) CRA
04/01/25 (S) CRA AT 1:30 PM BELTZ 105 (TSBldg)
04/01/25 (S) Heard & Held
04/01/25 (S) MINUTE(CRA)
04/08/25 (S) CRA AT 1:30 PM BELTZ 105 (TSBldg)

BILL: SB 129

SHORT TITLE: PAYMENT OF CONTRACTS

SPONSOR(s): SENATOR(s) KAWASAKI

03/12/25 (S) READ THE FIRST TIME - REFERRALS
03/12/25 (S) CRA, L&C
04/01/25 (S) CRA AT 1:30 PM BELTZ 105 (TSBldg)
04/01/25 (S) Heard & Held
04/01/25 (S) MINUTE(CRA)
04/08/25 (S) CRA AT 1:30 PM BELTZ 105 (TSBldg)

BILL: SB 111

SHORT TITLE: DIGITAL PRODUCT REPAIR

SPONSOR(s): SENATOR(s) DUNBAR

02/26/25 (S) READ THE FIRST TIME - REFERRALS
02/26/25 (S) CRA, L&C
03/11/25 (S) CRA AT 1:30 PM BELTZ 105 (TSBldg)
03/11/25 (S) Heard & Held
03/11/25 (S) MINUTE(CRA)

03/25/25 (S) CRA AT 1:30 PM BELTZ 105 (TSBldg)
03/25/25 (S) Heard & Held
03/25/25 (S) MINUTE(CRA)
04/08/25 (S) CRA AT 1:30 PM BELTZ 105 (TSBldg)

WITNESS REGISTER

TREVOR SHAW, Staff
Representative Jeremy Bynum
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Provided a brief overview of HJR 5.

ANJI GALLANOS, Superintendent
Kake City School District
Kake, Alaska

POSITION STATEMENT: Testified in support of HJR 5.

SENATOR SCOTT KAWASAKI, District P
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Gave a brief re-introduction to SB 129.

PAT BRANSON, representing self
Kodiak, Alaska

POSITION STATEMENT: Testified in support of SB 129.

MICHELE GIRAULT, Executive Director, Hope Community Resources
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 129.

DAVID WILSON, Director, Public Policy, Mat-Su Health Foundation
Wasilla, Alaska

POSITION STATEMENT: Testified in support of SB 129.

SUSAN ANDERSON, Chief Executive Officer
Boys and Girls Clubs of Southcentral Alaska
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 129.

DEEPIKA RAMESH PERUMAL, Executive Director, Alaska Literacy
Program
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 129.

JEN GRIFFIS, Vice President
Policy and Advocacy

Alaska Children's Trust
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 129.

LAURIE MEAD, representing self
Kenai, Alaska

POSITION STATEMENT: Testified in support of SB 129.

TOM HIRATSUKA, Chief Financial Officer
Hope Community Resources
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 129.

SARAH HOLLISTER, Executive Director
United Way of the Tanana Valley
Fairbanks, Alaska

POSITION STATEMENT: Testified in support of SB 129.

ELIA PETERSON, Operations Director
Open Arms Child Development Center
Fairbanks, Alaska

POSITION STATEMENT: Testified in support of SB 129.

HAHLEN BEHNKEN, Intern
Senator Forrest Dunbar
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Explained proposed amendments to SB 111.

ACTION NARRATIVE

[1:30:45 PM](#)

Chair Merrick called the Senate Community and Regional Affairs Standing Committee meeting to order at 1:30 p.m. Present at the call to order were Senators Yundt, Dunbar, Gray-Jackson, and Chair Merrick.

HJR 5-SECURE RURAL SCHOOLS PROGRAM

[1:31:42 PM](#)

CHAIR MERRICK announced the consideration of HOUSE JOINT RESOLUTION NO. 5 Urging the United States Congress and the President of the United States to reinstate the Secure Rural Schools and Community Self-Determination Act of 2000 and make the funding mechanism in the Act permanent.

[1:32:03 PM](#)

TREVOR SHAW, Staff, Representative Jeremy Bynum, Alaska State Legislature, Juneau, Alaska, provided an overview of HJR 5, which urges Congress and the President of the United States to reauthorize the Secure Rural Schools and Community Self-Determination Act of 2000. This program was in place from 2000 - 2023 and provided \$12.6 million to Alaskan communities in FY 2023. The program went through 8 reauthorizations prior to its expiration. He explained that the program requires congressional reauthorization and presidential approval.

[1:33:10 PM](#)

CHAIR MERRICK opened public testimony on HJR 5.

[1:33:31 PM](#)

ANJI GALLANOS, Superintendent, Kake City School District, Kake, Alaska, testified in support of HJR 5. She explained that Kake receives approximately \$200,000 annually through the SRS program. This funding provides a critical portion of the State's required local contribution for education; the loss of SRS funding would significantly impact students and staff. She emphasized that SRS funding is essential in Kake (and in other small communities in Southeast Alaska). She explained that Kake is surrounded by federal land and has little to no local tax base. SRS funding offsets this imbalance and allows the school district to meet its obligations to students without sacrificing services. In addition, it enables the school district to provide educational stability and consistent staffing, programs and services for students. She stated that, in small rural communities, minor funding shifts can have major consequences. The SRS funding allows for greater budget predictability, which creates the stability needed for responsible planning. She reiterated that losing SRS funding would create substantial difficulties that would impact students and staff.

[1:35:27 PM](#)

CHAIR MERRICK closed public testimony on HJR 5.

[1:35:36 PM](#)

CHAIR MERRICK solicited the will of the committee.

[1:35:40 PM](#)

SENATOR DUNBAR moved to report [HJR 5], work order 34-LS0420\A, from committee with individual recommendations and attached zero fiscal note(s) and authorize Legislative Legal Services to make conforming changes.

[1:35:59 PM](#)

CHAIR MERRICK found no objection and HJR 5 was reported from the Senate Community and Regional Affairs Standing Committee.

[1:36:06 PM](#)

At ease.

SB 129-PAYMENT OF CONTRACTS

[1:38:24 PM](#)

CHAIR MERRICK reconvened the meeting and announced the consideration of SENATE BILL NO. 129 "An Act establishing a 30-day deadline for the payment of contracts under the State Procurement Code; establishing deadlines for the payment of grants, contracts, and reimbursement agreements to nonprofit organizations, municipalities, and Alaska Native organizations; relating to payment of grants to named recipients that are not municipalities; and providing for an effective date."

[1:38:44 PM](#)

SENATOR SCOTT KAWASAKI, District P, Alaska State Legislature, Juneau, Alaska, gave a brief re-introduction to SB 129, which would ensure that non-profit organizations, municipalities, and Alaska Native organizations receive prompt payment parity with other businesses (e.g. construction companies) that have contractual agreements with the State of Alaska.

[1:39:52 PM](#)

CHAIR MERRICK opened public testimony on SB 129.

[1:40:15 PM](#)

PAT BRANSON, representing self, Kodiak, Alaska, testified in support of SB 129. She provided a hypothetical situation to illustrate the need for the State of Alaska to make timely payments to non-profit organizations (non-profits). She emphasized that some non-profits provide vital services to Alaskans and cannot pause those services due to lack of payment. She pointed out that the State of Alaska is required to make timely payments to for-profit businesses; however, this requirement does not extend to non-profits. She emphasized that this is highly problematic and causes many difficulties for non-profits. She stated that outstanding bills may be up to \$100,000 for operations and over \$200,000 for capital projects. She said there is no state law requiring the State of Alaska to make timely payments to non-profits. SB 129 would fix this problem.

[1:42:26 PM](#)

MICHELE GIRAULT, Executive Director, Hope Community Resources, Anchorage, Alaska, testified in support of SB 129. She stated that it is unfortunate that timely bill payment requires legislation. She emphasized that this is a critical need for non-profits that rely on state grants in order to provide services. She briefly described the grant process, noting that grant recipients must often wait up to 90 days to receive payment for services previously provided. SB 129 would correct this error. She shared that late payments have impacted Hope Community Resources (requiring the organization to shift money in order to pay staff) and have significantly disrupted smaller, sister organizations.

[1:43:47 PM](#)

DAVID WILSON, Director, Public Policy, Mat-Su Health Foundation, Wasilla, Alaska, testified in support of SB 129. He paraphrased from the following written testimony:

[Original punctuation provided.]

The MSHF is deeply invested and dedicated to supporting the health and well-being of our community, and we recognize the critical importance of timely payments for services rendered. SB 129 addresses a significant issue that affects many nonprofit organizations, municipalities, and Alaska Native organizations, including those we fund and collaborate with. The establishment of a payment deadline will ensure that these entities receive the funds they need to continue their vital work without unnecessary delays.

Timely payments are essential for the financial stability of nonprofit organizations. Delays in payment can disrupt operations, hinder project progress, and create financial strain. SB 129 will help provide a reliable payment schedule, allowing these entities to plan and execute their programs effectively.

Our organization has witnessed firsthand the challenges faced by nonprofit organizations, municipalities, and Alaska Native organizations due to delayed payments. Through our partnerships and initiatives, we have worked tirelessly to support these entities in their efforts to provide critical services to our communities. The passage of SB 129

will provide much-needed support and resources to amplify these efforts and create lasting, positive change.

We believe that SB 129 is a necessary and beneficial measure that will greatly improve the efficiency and effectiveness of nonprofit organizations, municipalities, and Alaska Native organizations. We urge the legislature to pass this bill and support the timely payment of contracts and grants.

Thank you for considering our perspective and for your commitment to improving the financial stability and operational efficiency of organizations that serve our community.

[1:45:59 PM](#)

SUSAN ANDERSON, Chief Executive Officer, Boys and Girls Clubs of Southcentral Alaska, Anchorage, Alaska, testified in support of SB 129. While payments from the State of Alaska are currently averaging 65 days, the Boys and Girls Club of Southcentral Alaska has experienced payment delays of up to 150 days. She said the shorter payment delay is the result of calling and emailing to follow-up on payments. She emphasized that delayed payments disrupt essential services for children, families, and caregivers. She explained that late payments create severe hardships, and the Boys and Girls Club of Southcentral Alaska has been forced to take on debt. In addition, late payments negatively affect planning and vendor payments. She emphasized the importance of SB 129, which would ensure that organizations providing vital services do not take on unnecessary financial instability due to slow reimbursement from state agencies. She stated that the Boys and Girls Club of Alaska is a grant-funded non-profit and cannot pause services or commitments to staff and vendors while waiting to receive payments from the State of Alaska; however, this may be necessary if the delayed payments continue.

[1:48:34 PM](#)

DEEPIKA RAMESH PERUMAL, Executive Director, Alaska Literacy Program, Anchorage, Alaska, testified in support of SB 129. She said the Alaska Literacy Program (ALP) relies on state funding to keep classes running and to maintain support services. She briefly discussed the impact of late payments, emphasizing that ALP must stretch already limited resources. She explained that ALP has chosen to forgo certain grants (for which the organization is eligible) because of the financial strain late

payments cause. She stated that non-profits deserve timely payments. She emphasized the importance of prompt, timely payments, which create greater stability for non-profits across the state.

[1:50:55 PM](#)

JEN GRIFFIS, Vice President, Policy and Advocacy, Alaska Children's Trust, Anchorage, Alaska, testified in support of SB 129. She said this would strengthen Alaska's communities and families by ensuring both state and federal funds are promptly dispersed to non-profits, local governments, and tribal organizations. She emphasized the many challenges that long delays in payment cause and stated that timely payments are essential for these organizations to execute state policy in an efficient manner. This includes policies that protect and support Alaska's children, youth, and families. She briefly discussed the number of families who depend on public assistance in Alaska, which is equal to 21 percent of Alaska's families with children. She surmised that those families likely also depend on services provided by non-profit, municipal, and tribal organizations across the state. She listed the many programs that have been negatively impacted by delayed payments, including child care and domestic violence services, among others. She emphasized the importance of these programs, which play an important role in preventing child abuse and neglect. She said SB 129 would support the organizations that provide these services to Alaska's families.

[1:52:58 PM](#)

LAURIE MEAD, representing self, Kenai, Alaska, testified in support of SB 129. She said she has been a licensed childcare provider for 40 years. She said she has experienced 60-90 day delayed payments. She emphasized that delayed payments mean she is unable to pay staff and/or utility bills. She shared a personal anecdote to illustrate how delayed payments have impacted her business. She stated that timely payments for completed work are necessary to keep Alaska running.

[1:55:09 PM](#)

TOM HIRATSUKA, Chief Financial Officer, Hope Community Resources, Anchorage, Alaska, testified in support of SB 129. He said Hope Community Resources (HCR) receives three operating grants from the State of Alaska. During the previous fiscal year (FY), while the grants started July 1, HCR did not receive payment until October. During that time, HCR had to redistribute funds (over \$100,000) in order to pay staff and program costs.

He noted potential threats to future funding and reiterated support for SB 129.

[1:56:10 PM](#)

SARAH HOLLISTER, Executive Director, United Way of the Tanana Valley, Fairbanks, Alaska, testified in support of SB 129. She said that United Way of the Tanana Valley manages a suicide prevention and drug misuse grant for Fairbanks Wellness Coalition. She stated that, in the first year of the grant, they didn't receive payment until after the first quarter. This was after reports were due and meant that the Fairbanks Wellness Coalition (FWC) was not able to provide services for the first quarter. She explained that because the FWC did not receive payment for the first quarter, the grant amount was cut by the amount they should have received during that time. She opined that SB 129 is common sense and emphasized that small organizations that do not have internal funding sources are negatively impacted by delayed payments.

[1:57:51 PM](#)

ELIA PETERSON, Operations Director, Open Arms Child Development Center, Fairbanks, Alaska, testified in support of SB 129. She emphasized the importance of timely payments, which enable businesses to cover financial responsibilities. She stated that currently, 25 children who attend her facility receive child care assistance. Delayed payments result in late fees and an unpredictable budget.

[1:59:34 PM](#)

CHAIR MERRICK closed public testimony on SB 129.

[2:00:00 PM](#)

SENATOR KAWASAKI made closing comments pertaining to fiscal notes. He directed attention to the fiscal note from the Department of Health, [OMB Component Number 2665], which estimates a cost of \$150,000 to create a new position that would ensure timely payments. This cost is based on prior contracts and grants. He expressed hope that the Senate Finance Committee would scrub excessive costs from the fiscal notes that accompany SB 129. He then directed attention to the fiscal note from the Department of Labor and Workforce Development, OMB Component Number 340, which indicates that the department would make every effort to change program processes to ensure prompt payments and avoid any interest. He opined that this is ideal.

[2:01:38 PM](#)

[CHAIR MERRICK held SB 129 in committee.]

At ease.

SB 111-DIGITAL PRODUCT REPAIR

[2:02:47 PM](#)

CHAIR MERRICK reconvened the meeting and announced the consideration of SENATE BILL NO. 111 "An Act relating to the diagnosis, maintenance, and repair of products that use digital electronics to operate; adding an unlawful act to the Alaska Unfair Trade Practices and Consumer Protection Act; and providing for an effective date."

[2:03:05 PM](#)

SENATOR DUNBAR, speaking as sponsor, said SB 111 allows Alaskans to fix products that contain digital electronics. He noted feedback from various industries and said some of that feedback has been incorporated into amendments.

[2:03:47 PM](#)

CHAIR MERRICK solicited a motion.

[2:03:48 PM](#)

SENATOR DUNBAR moved to adopt Amendment 1, work order 34-LS0560\N.2.

34-LS0560\N.2
Bullard
3/26/25

A M E N D M E N T 1

OFFERED IN THE SENATE
TO: SB 111

BY SENATOR DUNBAR

Page 1, line 11:

Delete "AS 45.45.800 - 45.45.890"
Insert "AS 45.45.800 - 45.45.899"

Page 2, line 14:

Delete "AS 45.45.800 - 45.45.890"
Insert "AS 45.45.800 - 45.45.899"

Page 2, line 19:

Delete "AS 45.45.800 - 45.45.890"

Insert "AS 45.45.800 - 45.45.899"

Page 2, line 23:

Delete "AS 45.45.800 - 45.45.890"

Insert "AS 45.45.800 - 45.45.899"

Page 2, line 26:

Delete "AS 45.45.800 - 45.45.890"

Insert "AS 45.45.800 - 45.45.899"

Page 3, line 12:

Delete "AS 45.45.800 - 45.45.890"

Insert "AS 45.45.800 - 45.45.899"

Page 3, line 20:

Delete "AS 45.45.800 - 45.45.890"

Insert "AS 45.45.800 - 45.45.899"

Page 3, line 29:

Delete "AS 45.45.800 - 45.45.890"

Insert "AS 45.45.800 - 45.45.899"

Page 3, line 30:

Delete "AS 45.45.800 - 45.45.890"

Insert "AS 45.45.800 - 45.45.899"

Page 4, line 2:

Delete "AS 45.45.800 - 45.45.890"

Insert "AS 45.45.800 - 45.45.899"

Page 4, line 4:

Delete "; exemption"

Page 4, line 6:

Delete "AS 45.45.800 - 45.45.890"

Insert "AS 45.45.800 - 45.45.899"

Page 4, lines 11 - 13:

Delete all material.

Page 4, line 14:

Delete "AS 45.45.800 - 45.45.890"

Insert "AS 45.45.800 - 45.45.899"

Page 4, following line 19:

Insert a new section to read:

"Sec. 45.45.890. Exemptions. (a) The provisions of AS 45.45.800 - 45.45.899 do not apply to

(1) a digital product that is a medical device intended for use in the diagnosis of disease or other conditions, or in the cure, mitigation, treatment, or prevention of disease, in humans or animals;

(2) the diagnosis, maintenance, or repair of a digital product that is a motor vehicle or a part for a motor vehicle.

(b) In this section, "medical device" has the meaning given to "device" in 21 U.S.C. 321(h)(1)."

Page 4, line 20:

Delete "**Sec. 45.45.890**"

Insert "**Sec. 45.45.899**"

Delete "AS 45.45.800 - 45.45.890"

Insert "AS 45.45.800 - 45.45.899"

Page 5, line 22:

Delete "AS 45.45.800 - 45.45.890"

Insert "AS 45.45.800 - 45.45.899"

Page 5, line 28:

Delete "AS 45.45.890"

Insert "AS 45.45.899"

[2:03:59 PM](#)

CHAIR MERRICK objected for purposes of discussion.

[2:04:04 PM](#)

SENATOR DUBAR deferred to his staff to explain Amendment 1.

[2:04:22 PM](#)

HAHLEN BEHNKEN, Intern, Senator Forrest Dunbar, Alaska State Legislature, Juneau, Alaska, said that [Amendment 1] creates an exemption for medical devices. This exemption was requested by the medical device industry. He explained that there is no demand for the general public and/or independent service providers to repair medical devices such as pacemakers and other complex medical devices. He noted their sensitive nature and the complex regulations around these devices and opined that there is no reason to provide a right to repair them.

[2:05:12 PM](#)

CHAIR MERRICK removed her objection. She found no further objection and Amendment 1 was adopted.

[2:05:18 PM](#)

CHAIR MERRICK solicited a motion.

[2:05:21 PM](#)

SENATOR DUNBAR moved to adopt Amendment 2, work order 34-LS0560\N.5.

34-LS0560\N.5
Bullard
4/4/25

A M E N D M E N T 2

OFFERED IN THE SENATE BY SENATOR DUNBAR
TO: SB 111

Page 1, line 11:

Delete "AS 45.45.800 - 45.45.890"
Insert "AS 45.45.800 - 45.45.899"

Page 2, following line 12:

Insert a new section to read:

"Sec. 45.45.820. Parts pairing prohibited.

(a) A digital product manufacturer may not use parts pairing software or another technology that

(1) prevents or inhibits an independent service provider or owner of a digital product from installing and enabling a functional replacement part or component that the digital product manufacturer has not approved; and

(2) if a functional replacement part or component for a digital product that has not been approved by the digital product manufacturer is installed or otherwise enabled,

(A) reduces the functionality or performance of the product; or

(B) causes the product to display misleading alerts or warnings that the owner cannot immediately dismiss.

(b) Nothing in this section requires a digital product manufacturer to make available to a person special documentation, tools, parts, electronic programs, or other devices that

disable or override anti-theft or privacy security measures that are activated, installed, or otherwise enabled by an owner of a digital product."

Page 2, line 13:

Delete "**Sec. 45.45.820**"

Insert "**Sec. 45.45.830**"

Page 2, line 14:

Delete "AS 45.45.800 - 45.45.890"

Insert "AS 45.45.800 - 45.45.899"

Page 2, line 16:

Delete "**Sec. 45.45.830**"

Insert "**Sec. 45.45.840**"

Page 2, line 19:

Delete "AS 45.45.800 - 45.45.890"

Insert "AS 45.45.800 - 45.45.899"

Page 2, line 23:

Delete "AS 45.45.800 - 45.45.890"

Insert "AS 45.45.800 - 45.45.899"

Page 2, line 26:

Delete "AS 45.45.800 - 45.45.890"

Insert "AS 45.45.800 - 45.45.899"

Page 3, line 11:

Delete "**Sec. 45.45.840**"

Insert "**Sec. 45.45.850**"

Page 3, line 12:

Delete "AS 45.45.800 - 45.45.890"

Insert "AS 45.45.800 - 45.45.899"

Page 3, line 16:

Delete "AS 45.45.850(a) "

Insert "AS 45.45.860(a) "

Page 3, line 18:

Delete "AS 45.45.850(a) "

Insert "AS 45.45.860(a) "

Page 3, line 19:

Delete "**Sec. 45.45.850**"

Insert "**Sec. 45.45.860**"

Page 3, line 20:

Delete "AS 45.45.800 - 45.45.890"

Insert "AS 45.45.800 - 45.45.899"

Page 3, line 29:

Delete "AS 45.45.800 - 45.45.890"

Insert "AS 45.45.800 - 45.45.899"

Page 3, line 30:

Delete "**Sec. 45.45.860**"

Insert "**Sec. 45.45.870**"

Delete "AS 45.45.800 - 45.45.890"

Insert "AS 45.45.800 - 45.45.899"

Page 4, line 2:

Delete "AS 45.45.800 - 45.45.890"

Insert "AS 45.45.800 - 45.45.899"

Page 4, line 4:

Delete "**Sec. 45.45.870**"

Insert "**Sec. 45.45.880**"

Page 4, line 6:

Delete "AS 45.45.800 - 45.45.890"

Insert "AS 45.45.800 - 45.45.899"

Page 4, line 11:

Delete "AS 45.45.800 - 45.45.890"

Insert "AS 45.45.800 - 45.45.899"

Page 4, line 14:

Delete "**Sec. 45.45.880**"

Insert "**Sec. 45.45.890**"

Delete "AS 45.45.800 - 45.45.890"

Insert "AS 45.45.800 - 45.45.899"

Page 4, line 19:

Delete "AS 45.45.850(a)"

Insert "AS 45.45.860(a)"

Page 4, line 20:

Delete "**Sec. 45.45.890**"

Insert "**Sec. 45.45.899**"

Delete "AS 45.45.800 - 45.45.890"

Insert "AS 45.45.800 - 45.45.899"

Page 4, line 22:

Delete "AS 45.45.850"

Insert "AS 45.45.860"

Page 5, line 9:

Delete "AS 45.45.840"

Insert "AS 45.45.850"

Page 5, line 22:

Delete "AS 45.45.800 - 45.45.890"

Insert "AS 45.45.800 - 45.45.899"

Page 5, line 28:

Delete "AS 45.45.890"

Insert "AS 45.45.899"

[2:05:24 PM](#)

CHAIR MERRICK objected for purposes of discussion.

[2:05:29 PM](#)

MR. BEHNKEN explained that Amendment 2 prohibits parts pairing - a practice in which digital product manufacturers will use software tools to bind certain parts together. Parts pairing requires the use of specific parts to ensure full functionality. He offered an example to illustrate this. He explained that this practice prevents anyone except the manufacturer from making repairs to the device. He stated that banning this practice creates more avenues for quality repair.

[2:06:30 PM](#)

SENATOR DUNBAR added that SB 111 is complex and involved discussions with national advocacy organizations and manufacturers. He commented that Amendment 2 is the least controversial part of SB 111, as most of the manufacturers he spoke to were in support of this change.

[2:07:06 PM](#)

MR. BEHNKEN replied that this is correct.

[2:07:09 PM](#)

CHAIR MERRICK removed her objection. She found no further objection and Amendment 2 was adopted.

[2:07:16 PM](#)

CHAIR MERRICK solicited a motion.

[2:07:17 PM](#)

SENATOR DUNBAR moved to adopt Amendment 3, work order 34-LS0560\N.6.

34-LS0560\N.6

Bullard

4/8/25

A M E N D M E N T 3

OFFERED IN THE SENATE BY SENATOR DUNBAR
TO: SB 111

Page 3, line 8, following "equipment":
Insert "or powersports equipment"

Page 5, following line 16:

Insert a new paragraph to read:

"(10) "powersports equipment"

(A) includes an all-terrain vehicle,
a personal watercraft, snowmobile, or similar
vehicle or craft, and attachments and repair
parts for powersports equipment;

(B) does not include a motor vehicle
required to be registered under AS 28.10;"

Renumber the following paragraph accordingly.

[2:07:23 PM](#)

CHAIR MERRICK objected for purposes of discussion.

[2:07:25 PM](#)

MR. BEHNKEN said that [Amendment 3] adds a provision protecting dealers and authorized service providers of powersports equipment. He said SB 111 includes a provision protecting farm equipment dealers and authorized service providers. Amendment 3 extends the same provision to powersports equipment. He said there is a commonality between these industries, in both the products they provide and their business model. He explained that in these industries, nearly all business is conducted through a network of dealers (rather than manufacturer to consumer). He noted feedback from dealers (and the largest feedback from Alaskans) related to supplying parts to equipment owners and independent service providers at wholesale prices. This would require dealers to provide services and stock parts without making any profit. Amendment 3 allows dealers and authorized service providers to create terms and charge prices (above wholesale) that are reasonable.

[2:08:44 PM](#)

CHAIR MERRICK removed her objection.

[2:08:48 PM](#)

SENATOR DUNBAR expounded on why the provision in Amendment 3 was offered. He emphasized that residents in rural areas would still be able to fix their own equipment. He noted push back from all-terrain vehicle (ATV), personal watercraft, and snowmobile dealers regarding wholesale pricing. He clarified that this is not an exemption from SB 111; rather, Amendment 3 adds powersports equipment dealers to the existing farm equipment provision. He opined that this is a good balance that allows dealers to set a price above wholesale and does not artificially set prices for those products and services. He surmised that most individuals would continue to seek out an authorized dealer for repairs.

[2:10:39 PM](#)

CHAIR MERRICK found no further objection and Amendment 3 was adopted.

[2:10:54 PM](#)

SENATOR YUNDT asked the sponsor to restate the concerns addressed by Amendments 1-3.

[2:11:17 PM](#)

SENATOR DUNBAR acknowledged that there are many manufacturing organizations that do not support SB 111. While those organizations are not based in Alaska, they have fought right to repair legislation across the country. He said that the central core of SB 111 is the same and would allow Alaskans to repair their own equipment. He indicated that the amendments were in response to feedback from various industries and manufacturers. He explained that the medical industry received a blanket exemption. He briefly discussed conversations he had with other manufacturers, stating that in some cases, manufacturers raised false points. In other instances, no amendment was necessary. He stated that the majority of feedback was related to the powersports industry and adding powersports to the existing farm equipment provision addressed those concerns. He indicated a willingness to work with the powersports industry on additional adjustments, if needed. He noted that additional amendments could be added in Senate Labor and Commerce Standing Committee, which is the next committee of referral. He explained that SB 111 is partially based on what other states have done. He noted that there is a blanket exemption for automobiles. He

acknowledged that SB 111 does not go as far as some advocates would like; however, he opined that it is an important first step toward the right to repair. He pointed out that right to repair legislation is being considered nationwide. He commented that SB 111 is conservative in that it is a return to a more traditional way of fixing personal property that does not rely solely on manufacturers that are sometimes located in another state. He offered examples to illustrate this. He stated that the advent of software and digital devices has allowed for monopolistic and oligopolistic behaviors that are inherently anticompetitive. He opined that SB 111 is a good compromise. He added that he offered the amendments to address feedback from Alaskans.

[2:14:41 PM](#)

CHAIR MERRICK commented that all Senate Community and Regional Affairs Standing Committee members are also members of the Senate Labor and Commerce Standing Committee.

[2:14:47 PM](#)

SENATOR YUNDT indicated his understanding and thanked Senator Dunbar for his explanation.

[2:14:53 PM](#)

CHAIR MERRICK solicited the will of the committee.

[2:14:56 PM](#)

SENATOR DUNBAR moved to report SB 111, work order 34-LS0560\N, as amended, from committee with individual recommendations and attached fiscal note(s) and authorize Legislative Legal Services to make conforming changes.

[2:15:14 PM](#)

CHAIR MERRICK found no objection and CSSB 111(CRA) was reported from the Senate Community and Regional Affairs Standing Committee.

[2:15:45 PM](#)

There being no further business to come before the committee, Chair Merrick adjourned the Senate Community and Regional Affairs Standing Committee meeting at 2:15 p.m.