

SENATE FINANCE COMMITTEE

April 11, 2025

9:04 a.m.

9:04:55 AM

CALL TO ORDER

Co-Chair Hoffman called the Senate Finance Committee meeting to order at 9:04 a.m.

MEMBERS PRESENT

Senator Lyman Hoffman, Co-Chair  
Senator Donny Olson, Co-Chair  
Senator Bert Stedman, Co-Chair  
Senator Mike Cronk  
Senator James Kaufman  
Senator Jesse Kiehl  
Senator Kelly Merrick

MEMBERS ABSENT

None

ALSO PRESENT

Paul Menke, Staff, Senator Mike Cronk; Senator Matt Claman, Sponsor; Liz Harpold, Staff, Senator Donny Olson; Cole Osowski, Intern, Senator Jesse Kiehl; Senator Jesse Bjorkman, Sponsor.

PRESENT VIA TELECONFERENCE

Kathy Leary, City Administrator, City of Gustavus, Gustavus; Colleen Stansbury, Self, Gustavus.

SUMMARY

SB 29           BIG GAME COMMERCIAL SERVICES BOARD

SB 29 was REPORTED out of committee with four "do pass" recommendations, two "no recommendation" recommendations, and with one previously published fiscal impact note: FN 1(CED).

SB 54           EXT ARCH, ENG, SURVEY BRD; REG INT DESIGN

CS SSSB 54(FIN) was REPORTED out of committee with one "do pass" recommendation and with five "no recommendation" recommendations, and with one forthcoming fiscal impact note from the Department of Commerce, Community and Economic Development.

SB 63 LOCAL BOUNDARY COMMISSION

SB 63 was HEARD and HELD in committee for further consideration.

SB 86 MONEY TRANSMISSION; VIRTUAL CURRENCY

CSSB 86(FIN) was REPORTED out of committee with four "do pass" recommendations and two "no recommendation" recommendations and with one previously published fiscal impact note: FN 1(CED).

HB 56 APPROP: SUPP; FUND CAP; CAP; AMENDING

HB 56 was SCHEDULED but not HEARD.

Co-Chair Hoffman discussed the agenda.

#sb63

SENATE BILL NO. 63

"An Act relating to the Local Boundary Commission; and providing for an effective date."

9:05:41 AM

Co-Chair Hoffman relayed that it was the first hearing for SB 63.

9:06:03 AM

Senator Mike Cronk, Sponsor, explained that SB 63:

Senate Bill 63 is the final product of last session's HB 279, which passed the House unanimously, made it through the Senate committee process and was calendared for Senate Floor vote, but the clock ran

out before it could be voted on. SB 63 is adding language to existing statute to accomplish three goals:

1.) To ensure commissioners appointed from each of the four Judicial Districts actually live in and vote in the Judicial District from which they are appointed.

2.) To create an additional seat on the Commission and ensure that at least one of the six Commissioners come from the Unorganized Borough.

3.) To change statute regarding the selection of the Commission chair. Instead of the chair automatically being the member from the state at-large, the chair of the commission will be elected from amongst its members.

Note: The effective date of January 31, 2026 is selected so the present Local Boundary Commission (LBC) makeup will be retained until the next LBC seat becomes open. At that time a person from the Unorganized Borough will be selected.

[9:07:31 AM](#)

PAUL MENKE, STAFF, SENATOR MIKE CRONK, provided a sponsor statement:

**Section 1:**

- Changes the number of seats on the Local Boundary Commission from 5 seats to 6 seats.
- Changes the terms for the commissioner seats from 5 years to 6 years.
- Establishes that at least one Commissioner be from the unorganized Borough.
- Requires a commissioner appointed from a Judicial District to be domiciled and registered to vote in that District.
- Establishes that the Chair of the Local Boundary Commission be elected from among its members, rather than the Chair being the member at-large by default.

**Section 2:**

Amends the uncodified law of the State of Alaska to state that members appointed to the Local Boundary Commission

will serve six-year terms, and this act will not affect the term of a member appointed prior to January 31, 2026.

**Section 3:**

Establishes an effective date of January 31, 2026

Co-Chair Hoffman relayed that there were two individuals available to answer questions.

[9:09:15 AM](#)

Co-Chair Hoffman OPENED public testimony.

[9:09:25 AM](#)

KATHY LEARY, CITY ADMINISTRATOR, CITY OF GUSTAVUS, GUSTAVUS (via teleconference), expressed support for the bill. She relayed that communities not in organized boroughs currently had no voice on the commission. She asserted that the lack of direct representation was inequitable. She expounded on the various ways the lack of representation negatively impacted unorganized boroughs. She urged passage of the legislation.

[9:13:06 AM](#)

COLLEEN STANSBURY, SELF, GUSTAVUS (via teleconference), spoke in support of the bill. She was a 40-year resident of Gustavus. She shared her recent experience with the commission regarding the Hoonah Borough petition. She said that the process revealed to her deep dysfunction within the commission's policies and process. She expounded on the need for reformation of representation on the Local Boundary Commission.

[9:15:21 AM](#)

Co-Chair Hoffman CLOSED public testimony.

Senator Kiehl reviewed a new zero fiscal note from the Department of Commerce, Community and Economic Development, OMB Component 2879.

Senator Cronk thanked the committee for their time.

SB 63 was HEARD and HELD in committee for further consideration.

#sb54

SENATE BILL NO. 54

"An Act relating to registered interior designers and interior design; extending the termination date of the State Board of Registration for Architects, Engineers, and Land Surveyors; relating to the State Board of Registration for Architects, Engineers, and Land Surveyors; establishing requirements for the practice of registered interior design; relating to the practice of architecture, engineering, land surveying, landscape architecture, and registered interior design by partnerships; relating to liens for labor or materials furnished; relating to the procurement of landscape architectural and interior design services; and providing for an effective date."

9:16:04 AM

Co-Chair Hoffman relayed that the committee had previously heard the bill and had taken public testimony.

9:16:37 AM

SENATOR MATT CLAMAN, SPONSOR, explained that SB 54 did three things: extended the statutory authorization for the Board of Architects, Engineers, and Land Surveyors (AELS Board), added Registered Interior Designers to the board's jurisdiction, and made statutory changes requested by the board. The bill would allow the AELS Board to continue the important work of regulating design professionals in Alaska and add a qualified interior designer to the board.

9:17:28 AM

AT EASE

9:18:16 AM

RECONVENED

Senator Kiehl MOVED to ADOPT proposed committee substitute for SSSB 54, Work Draft 34-LS0044\H (Gunther, 4/10/25).

Co-Chair Hoffman OBJECTED for discussion.

9:18:54 AM

LIZ HARPOLD, STAFF, SENATOR DONNY OLSON, explained that the changes in the bill were the result of amendments offered by the sponsor in the previous committee. The changes were as follows:

**Title:** Adds language to conform to changes adopted in the previous version of the bill. Specifically, it includes references to "project costs for the construction, enlargement, or improvement of airports;" and "relating to immunity for design professionals; relating to the cost of construction for recreation centers;" and "relating to the cost of construction of safe water and hygienic sewage disposal facilities in villages."

**Section 1:** New section. Provides a definition of project costs.

**Sections 2 - 6:** Previous sections 1 - 5, renumbered.

**Section 7:** Previous section 6, updated to reflect that the Architect, Engineers and Land Surveyors Board shall adopt through regulation the definition for "interior design" and determine what type of documents a "registered interior designer" is authorized to sign and stamp with an official seal to obtain requisite permits for construction projects. **Sections 8 - 32:** Previous sections 7 - 31, renumbered.

**Section 33:** Previous section 32, updated to include the definition of registered interior designers to coincide with the changes made in new section 7.

**Section 34:** Previous section 33, renumbered.

**Section 35:** New section. Adds definition for cost of construction.

**Sections 36 - 39:** Previous sections 34 - 37, renumbered. **Section 40:** New section. Conforming changes. **Section 41:** New section. Conforming changes.

**Section 42:** Previous section 38, renumbered.

**Section 43:** New section, conforming changes.

**Sections 44 - 48:** Previous section 39 - 43, renumbered and updated with conforming changes.

Co-Chair Hoffman WITHDREW his OBJECTION. There being NO OBJECTION, it was so ordered.

[9:20:25 AM](#)

Co-Chair Stedman asked the sponsor whether all the professions under the legislation were in support of the bill.

Senator Claman said that architect had withdrawn their opposition and were ambivalent to the legislation. He said that the AELS board was in support of the current bill version.

Senator Kiehl MOVED to report CSSB 54 out of Committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

CS SSSB 54(FIN) was REPORTED out of committee with one "do pass" recommendation and with five "no recommendation" recommendations, and with one forthcoming fiscal impact note from the Department of Commerce, Community and Economic Development.

[9:21:40 AM](#)

AT EASE

[9:23:20 AM](#)

RECONVENED

#sb86

SENATE BILL NO. 86

"An Act relating to the business of money transmission; relating to licenses for money transmission, licensure requirements, and registration through a nationwide multistate licensing system; relating to the use of virtual currency for money transmission; relating to authorized delegates of a licensee; relating to acquisition of control of a license; relating to record retention and reporting requirements; authorizing the Department of Commerce, Community, and Economic Development to cooperate with other states in the regulation of money transmission; relating to permissible investments; relating to violations and enforcement of money transmission laws; relating to exemptions to money transmission licensure requirements; relating to payroll processing services; relating to currency exchange licenses; amending Rules 79 and 82, Alaska Rules of Civil Procedure; and providing for an effective date."

[9:23:25 AM](#)

Co-Chair Hoffman relayed that the committee had heard the bill on April 1, 2025, and had taken public testimony.

[9:23:55 AM](#)

Senator Jesse Kiehl, Sponsor, offered a sponsor statement:

Cryptocurrency transactions have exploded in number and value in recent years. While many Alaskans are doing well, others have lost tens of millions of dollars' worth of value in recent cryptocurrency exchange collapses. Alaska has basic safety and soundness laws for businesses that transmit money electronically, but they were written in 2007, before cryptocurrency existed. So Alaskans today don't often know if a business holding and moving their assets is one that gets a basic check-up by the state, or one that can operate with no rules.

SB 86 modernizes our laws to protect Alaskans, keep a lid on red tape, and let our state cooperate with others for maximum efficiency.

The bill transitions Alaska to a new model law developed jointly by the Conference of State Bank Supervisors and industry groups. Already adopted by 26 states, it will apply to both cash and crypto and will 1) license money services businesses to keep fraudsters out of the corporate office, 2) examine the books to make sure they have enough money or crypto to cover what customers entrust to them, and 3) prevent diversion of customers' assets.

The federal government leaves this job to the states, so SB 86 lets Alaska regulators collaborate with colleagues from other states and use modern tools like the Nationwide Multistate Licensing System and Registry to increase efficiency and reduce costs. But it does not double regulate businesses like banks or brokerages that already have safety rules to follow.

The bill also updates fees for money service businesses. Today, multinational money transmitters and Alaska mom-and-pop establishments pay the same 'one-size-fits all' license fees. SB 86 will ramp the charge up or down based on volume so it's not a barrier to new businesses. Importantly, SB 86 protects Alaskans' assets without regard to technology, so the

next innovation in value can flourish just as safely as the ones we have today.

Co-Chair Stedman MOVED to ADOPT proposed committee substitute for SB 86, Work Draft 34-LS0305\T (Gunther, 3/28/25).

Co-Chair Hoffman OBJECTED for discussion.

[9:25:54 AM](#)

COLE OSOWSKI, INTERN, SENATOR JESSE KIEHL, discussed an Explanation of Changes document (copy on file):

The following changes were made from Version I to Version T of Senate Bill 86:

- Page 9, line 21: Deleted redundant language "that virtual currency is not money."
- Page 16, line 6: Replaced "all records the department reasonably requires" with "records necessary for the department" to clarify the scope of the records subject to departmental examination.
- Page 23, line 13: Replaced "All records" with "Records" for conciseness.
- Page 23, line 15; Inserted "only as permitted" for consistency and to restrict the scope of record inspections to those specified in statute.
- Page 38, line 22: Increased daily maximum civil penalty from \$1,000 to \$10,000, to conform with other existing civil penalties like mortgage licensees.
- Page 55, lines 6-11: Added transitional regulatory authority.
- Page 55, lines 17-18: Updated the effective date to July 1, 2026 to allow enough time to adopt regulations.

[9:26:35 AM](#)

Co-Chair Stedman clarified that the CS was Version T.

Co-Chair Hoffman WITHDREW his OBJECTION. There being NO OBJECTION, it was so ordered.

Co-Chair Stedman MOVED to report CSSB 86(FIN) out of Committee with individual recommendations and the accompanying fiscal notes.

There being NO OBJECTION, it was so ordered.

CSSB 86(FIN) was REPORTED out of committee with four "do pass" recommendations and two "no recommendation" recommendations, and with one previously published fiscal impact note: FN 1(CED).

[9:27:34 AM](#)

AT EASE

[9:29:11 AM](#)

RECONVENED

#sb29

SENATE BILL NO. 29

"An Act relating to an executive administrator for the Big Game Commercial Services Board."

[9:29:12 AM](#)

Co-Chair Hoffman relayed that the committee heard the bill on April 1, 2025.

[9:29:48 AM](#)

SENATOR JESSE BJORKMAN, SPONSOR, relayed that the bill built on the work on Senator Cronk, and provided a sponsor statement:

Senate Bill 29 secures the executive administrator position to the Big Game Commercial Services Board in statute. This position is paid for by guide licensing fees and has been requested by the Big Game Commercial Services Board to make their work more efficient and cost effective. Guiding has many complex regulations. Designating a temporary position to concentrate on licensing functions, examinations and investigations is current practice and it is working well. Securing this position in statute adds assurance to the continuation of this effective process.

The Big Game Commercial Services Board plays an important role in the management of commercial game hunters in the interest of the State's wildlife resources. They fulfill this role by managing all hunting guide licensing functions, administering board meetings, assisting the board with maintaining and writing 29 written and practical exams, generating reports, and assisting Department of Commerce Community and Economic Development's Investigative Services and Department of Public Safety in game investigations.

New licensing examiners require extensive training, and with board members only serving 4 years, it seems like they depart as soon as they are up to speed. This has led to administrative errors that were highlighted in the recent audit of the Board. The Board was previously sharing an executive administrator with the Board of Marine Pilots to help address the workload. While this helped, the two boards were too complex. As a result, a temporary position was created in the FY24 and FY25 budgets to add this executive administrator using Designated General Funds paid for by guide licensing fees. This bill would continue using the same funding source and codify this position and its range into statute.

[9:32:09 AM](#)

AT EASE

[9:32:20 AM](#)

RECONVENED

Co-Chair Stedman MOVED to report SB 29 out of Committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

SB 29 was REPORTED out of committee with four "do pass" recommendations, two "no recommendation" recommendations` and with one previously published fiscal impact note: FN 1 (CED).

[9:33:01 AM](#)

AT EASE

[9:34:44 AM](#)

RECONVENED

Co-Chair Hoffman discussed the agenda for the next meeting.

#

ADJOURNMENT

9:35:06 AM

The meeting was adjourned at 9:35 a.m.