

ALASKA STATE LEGISLATURE
SENATE LABOR AND COMMERCE STANDING COMMITTEE

March 12, 2025

1:33 p.m.

MEMBERS PRESENT

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

MEMBERS ABSENT

All members present

OTHER LEGISLATORS PRESENT

Senator Stevens

COMMITTEE CALENDAR

SPONSOR SUBSTITUTE FOR 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 the scope of the certification requirements for architects, engineers, land surveyors, landscape architects, and registered interior designers; 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."

- MOVED CSSSSB 54(L&C) OUT OF COMMITTEE

SENATE BILL NO. 24

"An Act relating to tobacco, tobacco products, electronic smoking products, nicotine, and products containing nicotine; raising the minimum age to purchase, exchange, or possess tobacco, a product containing nicotine, or an electronic smoking

product; relating to the tobacco use education and cessation fund; relating to the taxation of electronic smoking products and vapor products; and providing for an effective date."

- MOVED CSSB 24(L&C) OUT OF COMMITTEE

SENATE BILL NO. 55

"An Act relating to employer contributions in the teachers' retirement system; relating to supplemental employee benefits; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 54

SHORT TITLE: EXT ARCH, ENG, SURVEY BRD; REG INT DESIGN

SPONSOR(s): SENATOR(s) CLAMAN

01/24/25	(S)	READ THE FIRST TIME - REFERRALS
01/24/25	(S)	L&C, FIN
02/24/25	(S)	SPONSOR SUBSTITUTE INTRODUCED-REFERRALS
02/24/25	(S)	L&C, FIN
02/26/25	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
02/26/25	(S)	Heard & Held
02/26/25	(S)	MINUTE(L&C)
03/05/25	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
03/05/25	(S)	Heard & Held
03/05/25	(S)	MINUTE(L&C)
03/07/25	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
03/07/25	(S)	Heard & Held
03/07/25	(S)	MINUTE(L&C)
03/12/25	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: SB 24

SHORT TITLE: TOBACCO/NICOTINE/E-CIG AGE; E-CIG TAX

SPONSOR(s): SENATOR(s) STEVENS

01/10/25	(S)	PREFILE RELEASED 1/10/25
01/22/25	(S)	READ THE FIRST TIME - REFERRALS
01/22/25	(S)	L&C, FIN
02/24/25	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
02/24/25	(S)	Heard & Held
02/24/25	(S)	MINUTE(L&C)
03/03/25	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
03/03/25	(S)	Heard & Held
03/03/25	(S)	MINUTE(L&C)

03/12/25 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: SB 55

SHORT TITLE: TRS CONTR RATE; PERS/TRS SOC SECUR OR SBS

SPONSOR(S): SENATOR(S) STEDMAN

01/24/25 (S) READ THE FIRST TIME - REFERRALS
01/24/25 (S) L&C, FIN
02/12/25 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)
02/12/25 (S) Heard & Held
02/12/25 (S) MINUTE(L&C)
03/12/25 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

WITNESS REGISTER

KONRAD JACKSON, Staff
Senator Jesse Bjorkman
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented the summary of changes for SB 24.

KONRAD JACKSON, Staff
Senator Jesse Bjorkman
Alaska State Legislator
Juneau, Alaska

POSITION STATEMENT: Explained the amendment changes for SB 55.

ACTION NARRATIVE

1:33:04 PM

CHAIR BJORKMAN called the Senate Labor and Commerce Standing Committee meeting to order at 1:33 p.m. Present at the call to order were Senators Merrick, Gray-Jackson, Yundt and Chair Bjorkman. Senator Dunbar arrived soon thereafter.

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

1:34:15 PM

CHAIR BJORKMAN announced the consideration of SPONSOR SUBSTITUTE FOR 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 the scope of the certification requirements for architects, engineers, land surveyors, landscape architects, and registered interior designers; 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."

Chair Bjorkman stated the committee adopted three amendments in the March 7, 2025 Senate Labor and Commerce Committee meeting and SSSB 54, as amended, is before the committee.

[1:34:48 PM](#)

CHAIR BJORKMAN solicited the will of the committee.

[1:34:51 PM](#)

SENATOR MERRICK moved to report SSSB 54, work order 34-LS0044\I, as amended, from committee with individual recommendations and attached fiscal note(s).

[1:35:13 PM](#)

CHAIR BJORKMAN found no objection and CSSSSB 54(L&C) was reported from the Senate Labor and Commerce Standing Committee.

[1:35:27 PM](#)

At ease.

SB 24-TOBACCO/NICOTINE/E-CIG AGE; E-CIG TAX

[1:37:31 PM](#)

CHAIR BJORKMAN reconvened the meeting and announced the consideration of SENATE BILL NO. 24 "An Act relating to tobacco, tobacco products, electronic smoking products, nicotine, and products containing nicotine; raising the minimum age to purchase, exchange, or possess tobacco, a product containing nicotine, or an electronic smoking product; relating to the tobacco use education and cessation fund; relating to the taxation of electronic smoking products and vapor products; and providing for an effective date."

[1:38:00 PM](#)

CHAIR BJORKMAN solicited a motion.

[1:38:02 PM](#)

SENATOR MERRICK moved to adopt the committee substitute (CS) for SB 24, work order 34-LS0260\I, as the working document.

[1:38:11 PM](#)

CHAIR BJORKMAN objected for purposes of discussion.

[1:38:30 PM](#)

KONRAD JACKSON, Staff, Senator Jesse Bjorkman, Alaska State Legislature, Juneau, Alaska, presented the summary of changes for SB 24:

[Original punctuation provided.]

The CSSB 24, version I, before you makes three substantive changes to the bill.

First it maintains the status quo when it comes to the shipping or transporting of cigars or pipe tobacco into the State. This new language can be found on page 8, lines 29-31.

Secondly, language on page 9, lines 14-19 is deleted to remove the requirement that a recipient provide a copy of their identification to the common or contract carrier prior to delivery.

Thirdly, on page 15, line 9 of the CS version N, the cap of 50 milligrams of nicotine is changed to 70 milligrams.

There are additional conforming changes in the CS.

[1:40:02 PM](#)

CHAIR BJORKMAN asked what kind of effect SB 24 would have had on pipe tobacco and cigars.

[1:40:24 PM](#)

MR. JACKSON answered that tobacco cigars and pipe tobacco can be imported and sold in the state without being subject to licensing and taxes. He said the current language in the CS would maintain the status quo. If the committee doesn't adopt the CS, these products would be regulated similarly to other tobacco products.

[1:41:00 PM](#)

CHAIR BJORKMAN asked what the reason is for changing the cap on nicotine from 50 to 70 milligrams.

[1:41:09 PM](#)

MR. JACKSON answered that some reputable manufacturers produce products with nicotine levels higher than 50 milligrams. The

concern is that setting a 50-milligram cap could lead to those products being sold on the black market with less reputable manufacturers.

[1:42:04 PM](#)

SENATOR DUNBAR asked why not apply the tobacco tax to pipe and cigar tobacco and whether doing so would create a double tax on pipe and cigars.

[1:43:09 PM](#)

MR. JACKSON responded that cigars and pipe tobacco are not included in the same tax structure as other tobacco products (OTP) or cigarettes. The goal is to maintain the status quo, but it's ultimately up to the committee and legislature to decide whether to include these products in the Department of Revenue's tax structure.

SENATOR DUNBAR asked if there was someone else who could speak to the amendment.

[1:43:48 PM](#)

CHAIR BJORKMAN stated SB 24 is focused on e-cigarettes and vaping, which pose a real danger to young people. Youth are becoming addicted early because the products are cheap and easy to get. He said by taxing all FDA-approved devices, the state can discourage youth use and prevent these products going to the black market. He didn't want to include pipe tobacco and cigars because they're not the main concern.

[1:45:30 PM](#)

CHAIR BJORKMAN removed his objection. He found no further objection and [CSSB 24 was adopted as the working document.]

[1:45:37 PM](#)

At ease.

[1:45:58 PM](#)

CHAIR BJORKMAN reconvened the meeting.

[1:46:09 PM](#)

CHAIR BJORKMAN solicited the will of the committee.

[1:46:12 PM](#)

SENATOR MERRICK moved to report CSSB 24, work order 34-LS0260\I, from committee with individual recommendations and eight attached fiscal note(s).

[1:46:27 PM](#)

CHAIR BJORKMAN found no objection and CSSB 24 (L&C) was reported from the Senate Labor and Commerce Standing Committee.

[1:46:42 PM](#)

At ease.

SB 55-TRS CONTR RATE; PERS/TRS SOC SECUR OR SBS

[1:49:49 PM](#)

CHAIR BJORKMAN reconvened the meeting and announced the consideration of SENATE BILL NO. 55 "An Act relating to employer contributions in the teachers' retirement system; relating to supplemental employee benefits; and providing for an effective date."

[1:50:49 PM](#)

CHAIR BJORKMAN opened public testimony on SB 55.

[1:51:18 PM](#)

CHAIR BJORKMAN solicited a motion.

[1:51:20 PM](#)

SENATOR MERICK moved to adopt Amendment 1, work order 34-LS0301\A.3.

34-LS0301\A.3

Wayne

3/11/25

A M E N D M E N T 1

OFFERED IN THE SENATE
TO: SB 55

BY SENATOR BJORKMAN

Page 1, line 1:

Delete "**relating to employer contributions in the teachers' retirement system;**"

Page 1, lines 4 - 13:

Delete all material and insert:

"* Section 1. AS 39.30.150(a) is amended to read:

(a) In place of contributions to the federal social security system that would have been required on behalf of an employee had the participating employer belonged to the social security system, a [THE] participating employer in the public employees' retirement system (AS 39.35) shall contribute an amount equal to 6.13 percent of the wages of the employee up to the taxable wage base then in effect in the social security system, and a participating employer in the teachers' retirement system (AS 14.25) shall contribute an amount required under (d) of this section. For each employee, the contributions required under this subsection and (d) - (g) of this section [. THIS CONTRIBUTION] shall be paid into an individual employee annuity account in the Department of Administration under the terms of the State of Alaska Supplemental Annuity Plan. The department shall pay 6.13 percent of the wages of the employee up to the taxable wage base then in effect in the social security system into the individual employee annuity account established under this subsection. This wage reduction shall be treated as an employer contribution under 26 U.S.C. 414(h)(2). All costs of establishing and administering the programs established under AS 39.30.150 - 39.30.180 shall be paid from the contributions made to the individual employee annuity accounts under this section.

* **Sec. 2.** AS 39.30.150 is amended by adding new subsections to read:

(d) A participating employer in the teachers' retirement system (AS 14.25) shall contribute an amount equal to 6.13 percent of the wages of the employee up to the taxable wage base then in effect in the social security system, less a contribution by the department, if applicable, under (e) of this section.

(e) Of the amount under (d) of this section equal to 6.13 percent of the wages of the employee up to the taxable wage base then in effect in the social security system, the department shall contribute

(1) for the fiscal years ending June 30, 2027, through June 30, 2029, 100 percent;

(2) for the fiscal years ending June 30, 2030, through June 30, 2033, 66 and two-thirds percent;

(3) for the fiscal years ending June 30, 2034, through June 30, 2037, 33 and one-third percent.

(f) An employee in the teachers' retirement system (AS 14.25) shall contribute an amount equal to 6.13 percent of the wages of the employee up to the taxable wage base then in effect in the social security system, less a contribution by the department, if applicable, under (g) of this section.

(g) Of the amount under (f) of this section equal to 6.13 percent of the wages of the employee up to the taxable wage base then in effect in the social security system, the department shall contribute

(1) for the fiscal years ending June 30, 2027, through June 30, 2029, 100 percent;

(2) for the fiscal years ending June 30, 2030, through June 30, 2033, 66 and two-thirds percent;

(3) for the fiscal years ending June 30, 2034, through June 30, 2037, 33 and one-third percent."

Page 2, line 25:
Delete "2025"
Insert "2026"

[1:51:26 PM](#)

CHAIR BJORKMAN objected for purposes of discussion.

[1:51:38 PM](#)

At ease.

[1:52:12 PM](#)

CHAIR BJORKMAN reconvened the meeting.

[1:52:42 PM](#)

KONRAD JACKSON, Staff, Senator Jesse Bjorkman, Alaska State Legislator, Juneau, Alaska, explained Amendment 1(A.3):

[Original punctuation provided.]

The amendment before you A.3, removes language from SB 55 which proposed to increase the individual retirement account.

The amendment further puts participating members of the Teachers Retirement System into the Alaska Supplemental benefits program.

AS 39.30.150 is amended by adding new subsections laying out the payment of the employer and employee contributions to the system. Specifically, for the first three years of participation, the Department of Education and Early Development (DEED) shall pay 100 percent of the employers and employers' contribution.

During the 4th through 7.th years of participation, the department shall pay 66 2/3 percent and the following three years, the department shall pay 33 1/3 percent of the required contributions. Following June 30, 2037, the employers and employees shall be responsible for their respective contributions.

A change to the effective date is also made by the amendment.

He stated this would change the effective date from 2026 to 2027, this will match the timing of the stepped payment plan.

If this is not done, the TRS participants would begin participation one year before the Department began covering the cost. They would therefore be required to pay 100 percent of their respective contributions for one year before the stepped phase in begins.

[1:55:13 PM](#)

CHAIR BJORKMAN removed his objection.

[1:55:19 PM](#)

CHAIR BJORKMAN found no further objection and Amendment 1 was adopted.

[1:55:31 PM](#)

CHAIR BJORKMAN stated his goal in amending SB 55 is further consideration of SB 55 is to clarify the potential financial impact, especially in terms of less cash in paychecks as

districts contribute to the supplemental benefit system and retirement savings.

[CHAIR BJORKMAN held SB 55, as amended, in committee.]

[1:57:47 PM](#)

There being no further business to come before the committee, Chair Bjorkman adjourned the Senate Labor and Commerce Standing Committee meeting at 1:57 p.m.