

**ALASKA STATE LEGISLATURE
SENATE RESOURCES STANDING COMMITTEE**

April 4, 2025

3:30 p.m.

MEMBERS PRESENT

Senator Cathy Giessel, Chair
Senator Bill Wielechowski, Vice Chair
Senator Matt Claman
Senator Forrest Dunbar
Senator Scott Kawasaki
Senator Shelley Hughes
Senator Robert Myers

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE BILL NO. 128

"An Act establishing the Department of Agriculture; relating to the establishment of the Department of Agriculture; transferring functions of the Department of Natural Resources related to agriculture to the Department of Agriculture; and providing for an effective date."

- HEARD & HELD

SENATE BILL NO. 112

"An Act relating to credits against the oil and gas production tax; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 128

SHORT TITLE: CREATE DEPARTMENT OF AGRICULTURE

SPONSOR(S): RULES

03/12/25	(S)	READ THE FIRST TIME - REFERRALS
03/12/25	(S)	RES, FIN
03/28/25	(S)	RES AT 3:30 PM BUTROVICH 205
03/28/25	(S)	Heard & Held

03/28/25 (S) MINUTE (RES)
04/04/25 (S) RES AT 3:30 PM BUTROVICH 205

BILL: SB 112

SHORT TITLE: OIL & GAS PRODUCTION TAX

SPONSOR(s): RULES

02/26/25 (S) READ THE FIRST TIME - REFERRALS
02/26/25 (S) RES, FIN
03/12/25 (S) RES AT 3:30 PM BUTROVICH 205
03/12/25 (S) Heard & Held
03/12/25 (S) MINUTE (RES)
04/04/25 (S) RES AT 3:30 PM BUTROVICH 205

WITNESS REGISTER

HUNTER LOTTSFELDT, Staff
Senator Bill Wielechowski
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented the sectional analysis for SB 128.

BRYAN SCORESBY, Director
Division of Agriculture
Department of Natural Resources
Palmer, Alaska

POSITION STATEMENT: Answered question on SB 128.

RENA MILLER, Special Assistant
Officer of the Commissioner
Department of Natural Resources

POSITION STATEMENT: Answered questions on SB 128.

CARRIE HARRIS, representing self
Anchor Point, Alaska

POSITION STATEMENT: Testified in opposition to SB 128.

MARTHA MERRY, representing self
Soldotna, Alaska

POSITION STATEMENT: Testified in support of SB 128.

HUNTER LOTTSFELDT, Staff
Senator Bill Wielechowski
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented the sectional analysis for SB 112,
version I.

TIM HINTERBERGER, representing self
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 112.

LUANN MCVEY, representing self
Douglas, Alaska

POSITION STATEMENT: Testified in support of SB 112.

EMILY KANE, representing self
Juneau, Alaska

POSITION STATEMENT: Testified in support of SB 112.

TERRANCE DALTON, representing self
Anchorage, Alaska

POSITION STATEMENT: Testified in opposition to SB 112.

KELLY DROOP, representing self
Anchorage, Alaska

POSITION STATEMENT: Testified in opposition to SB 112.

JIM HILL, representing self
Anchorage, Alaska

POSITION STATEMENT: Testified in opposition to SB 112.

AURORA ROTH, representing self
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 112.

GARY DIXSON, representative
Keep Alaska Competitive
Anchorage, Alaska

POSITION STATEMENT: Testified in opposition to SB 112.

RACHAEL POSEY, representing self
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 112.

JESSE CARLSTROM, representing self
Anchorage, Alaska

POSITION STATEMENT: Testified in opposition to SB 112.

CAROLINE STORM, Executive Director
Coalition for Education Equity
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 112.

MARGI DASHEVSKY, representing self
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 112.

LEON LYNCH, representing self
Ester, Alaska

POSITION STATEMENT: Testified in support of SB 112.

KEN HUCKABA, representing self
Wasilla, Alaska

POSITION STATEMENT: Testified in opposition to SB 112.

JANE ANGVIK, representing self
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 112.

JANELL GRENIER, representing self
Nikiski, Alaska

POSITION STATEMENT: Testified in support of SB 112.

DANIELLE REDMOND, representing self
Juneau, Alaska

POSITION STATEMENT: Testified in support of SB 112.

ACTION NARRATIVE

[3:30:48 PM](#)

CHAIR GIESSEL called the Senate Resources Standing Committee meeting to order at 3:30 p.m. Present at the call to order were Senators Dunbar, Kawasaki, Hughes, Myers, and Chair Giessel. Senators Claman and Wielechowski arrived thereafter.

SB 128-CREATE DEPARTMENT OF AGRICULTURE

[3:31:37 PM](#)

CHAIR GIESSEL announced the consideration of SENATE BILL NO. 128 "An Act establishing the Department of Agriculture; relating to the establishment of the Department of Agriculture; transferring functions of the Department of Natural Resources related to agriculture to the Department of Agriculture; and providing for an effective date."

[3:32:22 PM](#)

SENATOR WIELECHOWSKI joined the meeting.

[3:32:23 PM](#)

HUNTER LOTTSFELDT, Staff, Senator Bill Wielechowski, Alaska State Legislature, Juneau, Alaska, paraphrased the sectional analysis for SB 112:

[Original punctuation provided.]

Senate Bill 128:
Department of Agriculture
Sectional Analysis

Section 1: Amends **AS 03.05.010** to transfer the following responsibilities from the commissioner of the Department of Natural Resources to the new commissioner of the Department of Agriculture:

- 1) Direct, administer, and supervise work and projects to promote the commercial and noncommercial agriculture industry within the state, including horticulture, dairying, cattle raising, fur farming, grain production, vegetable production, and agricultural products;
- 2) Procure, preserve, and disseminate public information regarding agriculture within the state;
- 3) Inform prospective and current agricultural industry stakeholders of related programs and activities available to them within the state;
- 4) Review marketing, financing, transportation, and development of local agricultural products, and negotiate marketing of local products with federal and state agencies operating with the state;
- 5) Regulate and control the flow of agricultural products, supplies, and chemicals into the state, which may include the use of registration, inspection, testing, and fees;
- 6) Regulate elk farming similar to the regulation of domestic animals and livestock;
- 7) Regulate industrial hemp, including establishing regulations to ensure industrial hemp harvest and seeds are pure;
- 8) Submit a list of individuals approved to produce industrial hemp and their registration expiration dates to the Marijuana Control Board and the Department of Public Safety;
- 9) Regulate the labeling of seeds transferred from community seed libraries in excess of 100 pounds;

- 10) Issue orders, regulations, quarantines, and embargoes relating to agricultural activities, sales, products, and inspections;
- 11) Notify the Marijuana Control Board and Department of Public Safety if a stop order is issued to industrial hemp growers who are not lawfully registered and/or who are found to be producing a plant with delta-9-tetrahydrocannabinol over 1 percent;
- 12) Manage the "Alaska Grown" trademark, licensing, and associated merchandise.

[3:32:53 PM](#)

MR. LOTTSELDT continued to paraphrase from the sectional analysis for SB 112:

[Original punctuation provided.]

Section 2: Amends **AS 03.05.027(a)** to transfer the responsibility of appointing a state coordinator for noxious or invasive species management and education from the commissioner of the Department of Natural Resources to the new commissioner of the Department of Agriculture.

Section 3: Amends **AS 03.05.040(b)** to transfer responsibilities relating to agricultural inspections from the commissioner of the Department of Natural Resources to the commissioner of the Department of Agriculture.

Section 4: Amends **AS 03.05.050(b)** to transfer responsibilities relating to agricultural products declared to be "public nuisance injurious to the public interest" from the commissioner of the Department of Natural Resources to the new commissioner of the Department of Agriculture that are under this commissioner's jurisdiction.

Section 5: Amends **AS 03.05.075(a)** to transfer the responsibility of managing and inspecting prospective elk farmers and the distribution of elk farming licensing from the commissioner of the Department of Natural Resources to the commissioner of the Department of Agriculture.

Section 6: Amends **AS 03.05.075(b)** to transfer the requirement for the commissioner the Department of

Natural Resources to the commissioner of Agriculture to provide applications and licenses for elk farming to the Department of Fish and Game.

Section 7: Amends **AS 03.05.075(d)** to transfer the requirement for the commissioner of the Department of Natural Resources to the commissioner of Agriculture to establish and communicate proposed fencing standards for elk farming with the Department of Fish and Game.

Section 8: Amends **AS 03.05.075(e)** to transfer the responsibility of regulating elk imports, exports, and possession from the commissioner of the Department of Natural Resources to the commissioner of the Department of Agriculture. This section of the bill does not change the roles of other departments in this process.

[3:33:48 PM](#)

MR. LOTTSFELDT continued to paraphrase from the sectional analysis for SB 112:

[Original punctuation provided.]

Section 9: Amends **AS 03.05.090(a)** by changing a reference to the commissioner of the Department of Natural Resources to the commissioner of the Department of Agriculture. This section provides that a person who violates statute, regulation, or quarantine orders as determined by commissioners of Agriculture or Environmental Conservation is guilty of a class A misdemeanor for each offense.

Section 10: Amends **AS 03.09.020(a)** to transfer the role of director of the Board of Agriculture and Conservation from the director of the Division of Agriculture to the commissioner of the Department of Agriculture or the commissioner's designee. This includes responsibility for the daily operations of the agricultural revolving loan fund.

Section 11: Amends **AS 03.20.140**, relating to online publication of noncommercial giving or exchanging of seeds, with conforming changes to reflect the new Title 44 Chapter 38 created under Section 45 in this bill.

[3:35:03 PM](#)

MR. LOTTSELDT continued to paraphrase from the sectional analysis for SB 112:

[Original punctuation provided.]

Section 12: Amends **AS 03.02.200(a)** to transfer the role of establishing a forgivable loan program for farmers from the Division of Agriculture within the Department of Natural Resources to the Department of Agriculture.

Section 13: Maintaining cooperation with the University of Alaska, this section amends **AS 03.22.010** to transfer the role of establishing and maintaining the plant materials center from the Department of Natural Resources to the Department of Agriculture.

Section 14: Amends **AS 03.22.040** to transfer the responsibility of appointing the administrator of the plant materials center from a joint appointment between the Department of Natural Resources and the University of Alaska to a joint appointment between the Department of Agriculture and the University of Alaska.

Section 15: Amends **AS 03.47.020** to transfer the responsibility of ensuring that apiary inspectors are qualified to assess imported bees for disease from the Division of Agriculture to the Department of Agriculture.

Section 16: Amends **AS 03.47.030(a)** to transfer the responsibility of investigating reports of diseased bees from the Division of Agriculture to the Department of Agriculture.

Section 17: Amends **AS 03.47.030(b)** to transfer the responsibility of preventing the spread of bee diseases and approving chamber fumigation for use in controlling their spread from the Division of Agriculture to the Department of Agriculture.

Section 18: Amends **AS 03.47.030(d)** to transfer the responsibility of ensuring beekeeping equipment is free of disease before removing a quarantine from the

Division of Agriculture to the Department of Agriculture

Section 19: Amends **AS 03.47.030(e)** to change the regulatory authority of bee disease investigations from the Division of Agriculture to Department of Agriculture.

[3:36:39 PM](#)

MR. LOTTSELDT continued to paraphrase from the sectional analysis for SB 112:

[Original punctuation provided.]

Section 20: Amends **AS 03.90.010**, the definitions section for Title 3 (Agriculture, Animals, and Food), to confirm any mention of "commissioner" and "department" to refer to Agriculture, and no longer Natural Resources.

Section 21: Amends **AS 09.45.235(a)** to clarify that the commissioner of the Department of Agriculture is responsible for receiving written notice from the governing body of a local soil and water conservation district if an agricultural facility is consistent with a local soil conservation plan.

Section 22: Clarifies references to the United States Departments of Agriculture and Interior under **AS 14.40.450**, relating to the Governor's authority to make certificates to obtain federal grants for state colleges of agriculture and mechanic arts.

Section 23: Amends **AS 16.20.310(c)** to transfer the responsibility of coordinating with the commissioner of the Department of Fish and Game on game management related to the Big Delta agricultural development project from the Department of Natural Resources to the Department of Agriculture.

Section 24: Amends **AS 27.19.030(b)** to add the commissioner of the Department of Agriculture to the list of commissioners to consult when the commissioner of the Department of Natural Resources considers uses for mining land after operations have concluded.

[3:38:10 PM](#)

MR. LOTTSFELDT continued to paraphrase from the sectional analysis for SB 112:

[Original punctuation provided.]

Section 25: Amends **AS 37.05.146(c)(78)** to change the mention of the Department of Natural resources to the Department of Agriculture as it related to fees collected for the Alaska Grown trademark under AS 03.05.010(d).

Section 26: Amends **AS 38.04.020(g)** to allow the commissioner of the Department of Agriculture to comment on disposal of agricultural land instead of the Board of Agriculture and Conservation.

Section 27: Regarding the conveyance of agricultural use rights to private users, this section amends **AS 38.04.030** to ensure the director of the Division of Lands within the department of Natural Resources consults with the commissioner of Agriculture, instead of the Board of Agriculture and Conservation.

Section 28: Regarding the modification of development requirements of a contract for the sale of agricultural land, this section amends **AS 38.05.020(b)** to transfer the responsibility of communicating with the commissioner of Natural Resources from the Board of Agriculture and Conservation to the commissioner of Agriculture.

Section 29: Regarding disposal of an interest in land limited to use for agricultural purposes by lottery, this section amends **AS 38.05.035(b)** to require the director of the Division of Lands of the Department of Natural Resources to consult the commissioner of Agriculture instead of the Board of Agriculture and Conservation.

Section 30: Regarding regulations to specify qualifications for agricultural land lottery participants, this section amends **AS 38.05.057(c)** to require the commissioner of Natural Resources to consult with the commissioner of Agriculture instead of the Board of Agriculture and Conservation.

Section 31: Regarding a possible sale of land classified for agricultural uses in parcels or tracts under AS 38.05.020(b)(6), this section amends **AS 38.05.059** to require the commissioner of Natural Resources to consult with the commissioner of Agriculture instead of the Board of Agriculture and Conservation.

Section 32: Regarding terms of contract for sale of public lands, this section amends **AS 38.05.065(h)** to require the commissioner of Natural Resources to consult with the commissioner of Agriculture instead of the Board of Agriculture and Conservation.

Section 33: Regarding the determination of the best use for selected unoccupied lands for agricultural purposes, this section amends **AS 38.05.069(a)** to require the commissioner of Natural Resources to consult with the commissioner of Agriculture instead of the Board of Agriculture and Conservation.

Section 34: Amends **AS 38.07.030(a)** to specify that an applicant's agricultural land may be included in state clearing or draining operations under AS 38.07.010(a) if it furthers the agricultural policies of the state, rather than the Division of Agriculture.

Section 35: Regarding the designation and availability for homestead entry state land, including land classified for agricultural use, this section amends **AS 38.09.010(a)** to require the commissioner of Natural Resources to consult with the commissioner of Agriculture instead of the Board of Agriculture and Conservation.

[3:38:41 PM](#)

MR. LOTTSELDT continued to paraphrase from the sectional analysis for SB 112:

[Original punctuation provided.]

Section 36: Amends **AS 41.10.040** to change the name of the Natural Resource Conservation and Development Board to the Soil and Water Conservation and Development Board. This section also transfers the position of ex officio member of the board from the

director of the Division of Agriculture to the commissioner of Agriculture.

Section 37: Amends **AS 41.10.045** to transfer the responsibility of appointing an executive director and clerical staff to assist the Soil and Water Conservation and Development Board from the commissioner of Natural Resources to the commissioner of Agriculture.

Section 38: Amends **AS 41.10.100** to transfer the responsibility of coordinating with the Soil and Water Conservation and Development Board from the commissioner of Natural Resources to the commissioner of Agriculture.

Section 39: To achieve soil and water conservation, this section amends **AS 41.10.110** to transfer the responsibilities of land surveys, technical assistance, soil conservation, erosion control, and accept federal assistance from the commissioner of Natural Resources to the commissioner of Agriculture.

Section 40: Amends **AS 41.10.120** to transfer the responsibility of receiving approval from the land users before implementing soil conservation and erosion control measures from the commissioner of Natural Resources to the commissioner of Agriculture.

Section 41: Amends **AS 41.10.130(a)** to transfer the responsibilities of establishing soil and water conservation districts from the commissioner of Natural Resources to the commissioner of Agriculture.

[3:39:00 PM](#)

MR. LOTTSFELDT continued to paraphrase from the sectional analysis for SB 112:

[Original punctuation provided.]

Section 42: Amends **AS 41.10.140(1)** to change the definition of "board" in this section from the Natural Resource Conservation and Development Board to the Soil and Water Conservation and Development Board.

Section 43: Amends **AS 44.17.005** to include the Department of Agriculture in the list of principal offices and departments.

Section 44: Amends **AS 44.37.020(a)** to remove agriculture and soil conservation from the purview of the Department of Natural Resources.

[3:39:24 PM](#)

MR. LOTTSELDT continued to paraphrase from the sectional analysis for SB 112:

[Original punctuation provided.]

Section 45: Adds a new Chapter 38 to Alaska Statute Title 44 (State Government) to create the Department of Agriculture:

- Sec. 44.38.010 establishes the commissioner of Agriculture as the principal executive officer of the Department of Agriculture.
- Sec. 44.38.020 outlines the duties of the Department of Agriculture.
- Sec. 44.38.030 allows the commissioner of Agriculture to adopt regulations for the Department of Agriculture.

Section 46: Regarding the Alaska grain reserve program, this section amends **AS 44.62.330(a)(31)** to change the mention of Department of Natural Resources to the Department of Agriculture.

Section 47: Repeals the following statutes:

- **AS 03.09.020(b):** The appointment process for the director of the Division of Agriculture in the Department of Natural Resources.
- **AS 03.47.040(2):** Definition of "division" referring to the Division of Agriculture in AS 03.47, relating to bees and beekeeping equipment.
- **AS 44.37.030:** Duties of the Department of Natural Resources with respect to agriculture.

Section 48: Adds to the uncodified law of the State of Alaska a section outlining the transition of related employees, board members, proceedings, contracts, regulations, records, equipment, and appropriations

from the Department of Natural Resources to the Department of Agriculture.

Section 49: Provides for an effective date of July 1, 2025.

[3:41:08 PM](#)

SENATOR DUNBAR directed his question to the director of the Division of Agriculture. He pointed out that SB 112 would elevate the director of the Division of Agriculture position to the commissioner of the Department of Agriculture. In addition, SB 112 would transfer some powers from the commissioner of the Department of Natural Resources (DNR) to the new commissioner of the Department of Agriculture (the new position would maintain the powers currently granted to the division director). He commented on the unique connection between the Division of Agriculture and the agricultural industry. He asked about current conflict of interest rules for the division director - and whether changes would be necessary for the new commissioner position.

[3:42:28 PM](#)

BRYAN SCORESBY, Director, Division of Agriculture, Department of Natural Resources, Palmer, Alaska, introduced himself. [Testimony is indiscernible.]

[3:43:14 PM](#)

RENA MILLER, Special Assistant, Office of the Commissioner, Department of Natural Resources, answered that the Commissioner of the Department of Agriculture would be subject to the same statutory ethics requirements (including conflict of interest provisions) as commissioners in other departments. In addition, there are internal requirements (e.g. employees are not eligible for lottery land offerings, etc.) She noted that the latter is not specific to agriculture and added that there are protections in state government that address those types of situations.

[3:43:47 PM](#)

SENATOR DUNBAR noted that individuals who hold certain commercial licenses are disqualified from state board membership. He wondered whether this is also true for the current division director. He offered an example to illustrate his concerns and asked about additional safeguards for the new commissioner position.

[3:44:44 PM](#)

MS. MILLER said she would consult with the Department of Law regarding any additional safeguards for that situation. She said state ethics statutes typically protect against employees being a direct beneficiary of state programs and state funding.

[3:45:25 PM](#)

SENATOR HUGHES directed attention to Section 4 of SB 128 and asked about industrial hemp. She recalled problems with the definition of industrial hemp that resulted in the manufacture of intoxicating food products. Those products were easily purchased by minors. This issue was addressed by the Marijuana Control Board (MCB). She shared her understanding that Congress is rewriting the definition, which would allow the Department of Agriculture to oversee industrial hemp production. She noted that, according to the sectional analysis, Section 4 of SB 128 refers to "agricultural products declared to be 'public nuisance injurious to the public interest.'" She wondered whether this issue was discussed - and whether having a commissioner of agriculture would help ensure the definition of industrial hemp is correct at the federal level. She pointed out that this is a multi-billion-dollar industry.

[3:47:35 PM](#)

MS. MILLER agreed with this recollection and surmised that a commissioner of agriculture with industrial hemp oversight could weigh in at the federal level on this issue. She expressed a willingness to work with the Division of Agriculture to provide a written update on industrial hemp.

[3:48:13 PM](#)

SENATOR KAWASAKI commented that SB 128 is similar to Executive Order (EO) 136. He asked for feedback on SB 128 and whether anything may have been missing from EO 136.

[3:48:41 PM](#)

MS. MILLER noted several ways SB 128 differs from EO 136. She stated that the Department of Natural Resources (DNR) has reviewed these differences and determined they are in the same tone and spirit of transferring responsibilities and addressing the new chain of communications between DNR and the new commissioner of the Department of Agriculture (versus a Board of Agriculture). SB 128 makes the Commissioner of Agriculture the Director of the Board of Agriculture. This keeps the line of communication open between DNR and the new Department of Agriculture.

[3:49:48 PM](#)

CHAIR GIESSEL opened public testimony on SB 128.

[3:50:31 PM](#)

CARRIE HARRIS, representing self, Anchor Point, Alaska, testified in opposition to SB 128. She said she is a hobby farmer and opined that Alaska does not need a Department of Agriculture. She asserted that Alaska's small farming population would never do environmental harm. She opined that adding farming regulations would not help anyone.

[3:51:42 PM](#)

MARTHA MERRY, representing self, Soldotna, Alaska, testified in support of SB 128. She said she owns Lancashire Farms. She emphasized the need for leadership to help further agricultural opportunities. She shared that she likes to experiment with growing a variety of crops and a Department of Agriculture would be a helpful resource. She emphasized the importance of farming and growing the farming community in Alaska. She briefly shared about the crops she grows and the growing methods she uses. She expressed hope that SB 192 would pass.

[3:53:57 PM](#)

CHAIR GIESSEL held public testimony open on SB 128.

[3:54:15 PM](#)

CHAIR GIESSEL held SB 128 in committee.

SB 112-OIL & GAS PRODUCTION TAX

[3:54:25 PM](#)

CHAIR GIESSEL announced the consideration of SENATE BILL NO. 112 "An Act relating to credits against the oil and gas production tax; and providing for an effective date."

[On March 12, 2025 the committee adopted CSSB 112, workorder 34-LS0566\I as the working document.]

[3:55:10 PM](#)

HUNTER LOTTSFELDT, Staff, Senator Bill Wielechowski, Alaska State Legislature, Juneau, Alaska, paraphrased the sectional analysis for SB 112, version I:

Senate Bill 112 Oil & Gas Production Tax Sectional Analysis for Version I

Section 1. Amends AS 43.55.024(i): Adds language to conform to the new subsection (k) under section 3 limiting the application of the \$5 per-barrel credit for new fields receiving a gross value reduction.

Section 2. Amends AS 43.55.024(j): Adds both conforming language for subsection (k) under section 3 and reduces the per-barrel credit slider from an \$8 to \$1 slider to a \$5 to \$1 slider.

Section 3. Adds a new subsection (k) to AS 43.55.024: This new subsection will tie the amount of per-barrel credits a producer may claim to the amount of qualified capital expenses that producer incurs on their property or leases. Limits a producer's ability to carry forward unused per-barrel credits.

Section 4. Adds an applicability section: This Act applies to credits from oil production on or after January 1, 2025.

Section 5. Adds a new uncodified law section: This section addresses the transition of tax payments under this Act.

Section 6. Adds a new section of uncodified law: This section addresses the Department of Revenues ability to make regulations retroactive.

Section 7. Adds a new section of uncodified law: Sets a retroactive date of January 1, 2025.

Section 8. Sets an immediate effective date.

[3:57:34 PM](#)

CHAIR GIESSEL stated that CSSB 112, workorder 34-LS0566\I was before the committee.

[3:58:16 PM](#)

CHAIR GIESSEL opened public testimony on SB 112.

[3:58:52 PM](#)

TIM HINTERBERGER, representing self, Anchorage, Alaska, testified in support of SB 112. He recalled Senate Bill 21

(2013), which assumed oil prices of above \$90/barrel with a ten-year average forecast of \$106/barrel. He stated that those assumptions have proved inaccurate and offered examples to illustrate this. He said SB 112 would generate \$191 million for fiscal year (FY) [2026] and approximately \$100 million annually over the next decade. He noted that the administration supports SB 112. He encouraged members to move SB 112 from committee and allow the State of Alaska to use its limited revenues on funding education rather than giving money away to major oil corporations.

[4:00:46 PM](#)

LUANN MCVEY, representing self, Douglas, Alaska, testified in support of SB 112. She said she is a retired teacher with several grandchildren under age 5. She expressed an understanding of how funding deficits impact teachers, children, and families. She expressed frustration that the State of Alaska gives money away in tax credits and does not adequately fund education. She stated that this effectively starves schools and added that if the state maintains current education funding levels, schools will experience a large budget deficit. If SB 112 passes, the state savings of \$191 million for FY 2026 would have a sizable positive impact on schools. She offered examples of possible positive changes. She encouraged support of SB 112.

[4:02:33 PM](#)

EMILY KANE, representing self, Juneau, Alaska, testified in support of SB 112. She said the restructuring of the oil and gas taxation credit system is long overdue. She said the state has lost billions of dollars under the current structure and SB 112 is a reasonable adjustment. She emphasized the importance of taking care of people, who are the most precious resource. She encouraged keeping Alaska's natural resource revenue in-state. This would positively impact education funding, transportation funding, and would allow Alaska to modernize. She encouraged support of SB 112.

[4:04:10 PM](#)

TERRANCE DALTON, representing self, Anchorage, Alaska, testified in opposition to SB 112. He said he has worked in the oil and gas industry and has children. He stated that SB 112 appears to be a short-term budget solution; however, it would be detrimental in the long-term. He offered examples to illustrate this, including a decrease in investment and jobs. He emphasized the negative impact this would have on Alaskan families and on the state. He said that the current tax structure provides stability and encourages investment and offered examples.

[4:06:03 PM](#)

KELLY DROOP, representing self, Anchorage, Alaska, testified in opposition to SB 112. She briefly discussed the importance of Alaska's natural resource industry. She referenced Senate Bill 21 (2013) and briefly discussed the positive impact of that legislation. She said that critics do not take external factors into account. She opined that changing the terms after companies have made investment decisions creates a sense of instability. She indicated that stability is needed for companies to invest in, maintain, and grow oil production in Alaska.

[4:07:59 PM](#)

JIM HILL, representing self, Anchorage, Alaska, testified in opposition to SB 112. He said he has a small business with 20 employees. He shared his belief that all companies rely on a robust oil and gas sector. North Slope development has benefited his business. He credited North Slope development to Senate Bill 21 (2013) and the stability of the current tax structure. He said tax policy should not target a single industry, particularly when other industries are lagging. He said SB 112 discourages future investment. He stated the current tax policy is working and emphasized the economic and social importance of increased production.

[4:09:42 PM](#)

AURORA ROTH, representing self, Anchorage, Alaska, testified in support of SB 112. She said oil prices have rarely exceeded \$80/barrel since 2013. She said oil companies are receiving the maximum credit possible. She opined that this is a very good deal for oil companies. She further opined that it is reasonable - particularly in the face of a budget crisis and school closures - to lower the tax credit cap to reflect the current economic reality. She shared her understanding that companies would remain profitable with a lower tax credit cap. She rejected the idea that any tax on oil and gas (or reducing the tax credit for oil companies) would be the downfall of Alaska. She shared her understanding that SB 112 would restructure the tax credit to benefit Alaskans in a time of economic difficulty. She urged support of SB 112.

[4:11:38 PM](#)

GARY DIXSON, representative, Keep Alaska Competitive, Anchorage, Alaska, testified in opposition to SB 112. He said he is the Secretary-Treasurer of Teamsters Local 959. He gave a brief overview of that organization. He stated that industry jobs are not limited to the work done on the North Slope. He explained

how supplies are transported from the Lower 48 to Alaska through the Port of Anchorage and on to Deadhorse. He emphasized that many Alaskans benefit from the oil and gas industry, which is a cornerstone of the state's economy. He offered examples to illustrate the various benefits. He said consistency is needed to ensure future development. He stated that SB 112 creates a risk for the future of the oil and gas industry and the jobs it provides. He reiterated that North Slope development is important to economic growth in Alaska.

4:14:09 PM

RACHAEL POSEY, representing self, Anchorage, Alaska, testified in support of SB 112. She said SB 112 reduces the tax credit, which she opined is a reasonable and prudent decision considering the state's current fiscal crisis. She emphasized the importance of a strong education system. She said reducing the tax credit for oil companies would provide additional revenues that could fund education.

4:15:11 PM

JESSE CARLSTROM, representing self, Anchorage, Alaska, testified in opposition to SB 112. He referenced Senate Bill 21 (2013) and emphasized the importance of the per barrel tax credit. He stated that companies made long-term, multibillion dollar investments in the state based on the stability of that policy. While oil prices and production levels are beyond the legislature's control, it does control policy. He opined that changing the rules after companies have invested sends the message that Alaska is unstable and unreliable. He said this impacts all Alaskans. He shared that he has two young children and would like the economy to support opportunities for them in the future. He encouraged a no vote on SB 112.

4:16:56 PM

CAROLINE STORM, Executive Director, Coalition for Education Equity, Anchorage, Alaska, testified in support of SB 112. She said the state is in a fiscal crisis. She recalled that Senate Bill 21 (2013) originally contained a \$5/barrel tax credit, and the \$8/barrel tax credit was a last-minute addition. She opined that oil companies are making an absurd profit in Alaska and can afford to receive a lower tax credit. In contrast, the State of Alaska needs revenue to support schools, Medicaid, and Alaskans in general. She stated that industry would not make Alaska more livable - schools, roads, and government services will. The State of Alaska must find adequate funding for these. She said SB 112 is the mechanism by which the state can provide programs and fulfill its constitutional obligations. She read from art.

VIII, sec. 2 of the Constitution of the State of Alaska, which states, "The legislature shall provide for the utilization, development, and conservation of all natural resources belonging to the State, including land and waters, for the maximum benefit of its people." She emphasized that the benefit should not be given to oil companies and added that oil companies make billions of dollars of profit from Alaskan resources.

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MARGI DASHEVSKY, representing self, Anchorage, Alaska, testified in support of SB 112. She said it is important to stop giving money away to oil companies who should pay a fair share of taxes. She opined that SB 112 is an important step in reducing the per barrel oil tax credit. She noted that the per barrel oil tax credit is projected to cost the State of Alaska \$6.5 billion over the next 8 years. She said education funding is critical at this time. She added that the additional funding SB 112 would create is vital. She briefly discussed the importance of creating social and economic stability for future generations of Alaskans.

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LEON LYNCH, representing self, Ester, Alaska, testified in support of SB 112. He briefly discussed the history of oil tax legislation in Alaska. He emphasized that legislators with conflicts of interest voted in favor of Senate Bill 21 (2013), which passed by a single vote. He briefly discussed how the tax structure created by Senate Bill 21 (2013) negatively impacted the State of Alaska. He opined that SB 112 is a modest effort to provide additional income to the State of Alaska. He acknowledged that oil companies oppose this change but argued that it would not deter investment.

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KEN HUCKABA, representing self, Wasilla, Alaska, testified in opposition to SB 112. He stated that this would strangle the oil industry and the future of Alaska. He noted that the oil industry funds many state programs, including education. He said he would like to see lobbyists and non-governmental organizations (NGO) taxed, as they are stakeholders. He observed that the state's budget has increased over the past decade and surmised that SB 112 would add to that growth. He said Alaska has neglected the private sector and offered examples. He stated that fiscal crises increase the likelihood for bad decision-making. This hurts the private sector. He said the State of Alaska needs to encourage investment in the state but opined that many decisions do not reflect this.

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JANE ANGVIK, representing self, Anchorage, Alaska, testified in support of SB 112. She said all Alaskans are stakeholders. She suggested that the state should reduce the per-barrel oil tax credit from \$8/barrel to \$5/barrel and use the excess funds for education. She shared that she has been working to make this change. She opined that it is a modest change that would create an opportunity for Alaskans to gain strength and independence in education. She shared a brief anecdote to illustrate her connection to Senate Bill 21 (2013) and support of SB 121.

[4:28:08 PM](#)

JANELL GRENIER, representing self, Nikiski, Alaska, testified in support of SB 112. She noted that previous testimony has touched on her reasons for supporting this legislation and emphasized that she supports SB 112.

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DANIELLE REDMOND, representing self, Juneau, Alaska, testified in support of SB 112. She briefly shared about her education and work history and connected this timeline to the passage of Senate Bill 21 in 2013. She pointed out that, while Senate Bill 21 (2013) projected that oil prices would remain above \$90/barrel, oil prices have remained low. As a result, oil producers have benefitted from the per-barrel oil tax credit and the legislature has sought ineffective short-term solutions to the state's fiscal crisis. She shared that she has three children in school. She emphasized that the short-term fiscal solutions have negatively impacted Alaskans. She expressed disgust that those with conflicts of interest are able to impact discussions and outcomes.

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CHAIR GIESSEL left public testimony on SB 112 open and held SB 112 in committee.

[4:31:36 PM](#)

There being no further business to come before the committee, Chair Giessel adjourned the Senate Resources Standing Committee meeting at 4:31 p.m.