

ALASKA STATE LEGISLATURE
SENATE TRANSPORTATION STANDING COMMITTEE

April 3, 2025

1:40 p.m.

MEMBERS PRESENT

Senator Jesse Bjorkman, Chair
Senator Löki Tobin, Vice Chair
Senator Jesse Kiehl
Senator Bert Stedman
Senator Mike Shower

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE BILL NO. 138

"An Act relating to vehicle rental taxes; relating to the issuance of subpoenas related to tax records; and providing for an effective date."

- HEARD & HELD

PRESENTATION: TRIBAL TRANSPORTATION RELATIONS: A NEW APPROACH

- HEARD

PREVIOUS COMMITTEE ACTION

BILL: SB 138

SHORT TITLE: TAXATION: VEHICLE RENTALS, SUBPOENAS

SPONSOR(S): SENATOR(S) CLAMAN

03/19/25	(S)	READ THE FIRST TIME - REFERRALS
03/19/25	(S)	TRA, FIN
04/03/25	(S)	TRA AT 1:30 PM BUTROVICH 205

WITNESS REGISTER

SENATOR MATT CLAMAN, District H
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Sponsor of SB 138.

PAULA BIRMINGHAM, Tax Enforcement Officer
Finance
Municipality of Anchorage
Anchorage, Alaska
POSITION STATEMENT: Testified by invitation on SB 138.

CLAIRE HOLLAND LECLAIR, representing self
Anchorage, Alaska
POSITION STATEMENT: Testified by invitation in support of SB 138.

BRANDON SPANOS, Deputy Director
Tax Division
Department of Revenue (DOR)
Anchorage, Alaska
POSITION STATEMENT: Answered questions on SB 138.

SHANNON MCCARTHY, Communication Director
Commissioner's Office
Department of Transportation and Public Facilities (DOTPF)
Anchorage, Alaska
POSITION STATEMENT: Co-presented Tribal Transportation Relations: A New Approach.

SARA LUCEY, Planning Manager
Northern Region
Department of Transportation and Public Facilities (DOTPF)
Fairbanks, Alaska
POSITION STATEMENT: Co-presented Tribal Transportation Relations: A New Approach.

JUDY CHAPMAN, Deputy Director
Planning
Department of Transportation and Public Facilities (DOTPF)
Fairbanks, Alaska
POSITION STATEMENT: Co-presented Tribal Transportation Relations: A New Approach.

ACTION NARRATIVE

[1:40:17 PM](#)

CHAIR BJORKMAN called the Senate Transportation Standing Committee meeting to order at 1:40 p.m. Present at the call to order were Senators Stedman, Kiehl, Shower (via teleconference) and Chair Bjorkman. Senator Tobin arrived thereafter.

SB 138-TAXATION: VEHICLE RENTALS, SUBPOENAS

1:41:13 PM

CHAIR BJORKMAN announced the consideration of SENATE BILL NO. 138 "An Act relating to vehicle rental taxes; relating to the issuance of subpoenas related to tax records; and providing for an effective date."

1:41:30 PM

SENATOR MATT CLAMAN, District H, Alaska State Legislature, Juneau, Alaska, Sponsor of SB 138, read from the following introductory statement:

[Original punctuation provided.]

SB 138: Matt STRA Opening Remarks

Thank you, Mr. Chair and members of the committee. For the record this is Senator Matt Claman and I represent District H. Thank you for hearing Senate Bill 138.

Over the past several years, the use of vehicle rental platforms, such as Turo and Getaround, has greatly increased. These companies offer an easy way for Alaskans to rent out their cars directly, often to supplement their income. They are already subject to the 10 percent state vehicle rental tax, but many of them do not know how to pay the tax, or even that they owe it. As it stands, there is no easy way for Alaskans using these platforms to comply with the existing state vehicle rental tax.

I recently met a couple from West Anchorage. Every summer, they buy 5 late-model used cars. They rent their cars on Turo for the entire tourist season, with 90 percent of the days in-use. They sell the cars at the end of tourist season and do it again the next year. This couple did not know about the state vehicle rental tax. They were aware that Turo collects the Anchorage rental tax. Asking them to separately collect the state tax from each renter would be unreasonable. The couple expressed to me that they would be very pleased if Turo collected the tax on their behalf.

Senate Bill 138 requires vehicle rental platforms like Turo to collect the existing state vehicle rental tax and remit the tax to the Department of Revenue.

[1:43:57 PM](#)

SENATOR CLAMAN continued to read from his opening remarks:

[Original punctuation provided.]

Under existing law, Turo is already required to invoice for this tax. AS 43.52.050(b) states that "the tax shall be stated as a separate item on the lease or rental contract or other document invoicing payment." Because vehicle rental platform companies prepare the invoices for their renters, they have a duty to collect and remit the tax to the state. Turo collects all fees for the rental and the vehicle owner gets paid last. Last year, we went onto the Turo website and reviewed rental charges in all 50 states. We learned that Turo already collects state and local taxes on behalf of owners in at least 42 other states and many more cities and counties.

Additionally, Senate Bill 138 lowers the vehicle rental tax rate from 10 percent to 8 percent for vehicle rental platforms. The tax remains at 10 percent for traditional rental operations. We recognize the governor vetoed the same bill in September.

Of particular importance, the bill eliminates the window for the Department of Revenue to retroactively collect taxes. With passage of this bill, vehicle platform owners who were not previously collecting the tax will be protected from back taxes.

In 2020, the Municipality of Anchorage adopted similar legislation requiring vehicle rental platforms to collect and remit the city's flat 8 percent vehicle rental tax. Discounting the impacts of Covid-19 on rentals in 2020, the vehicle tax revenue to the Municipality of Anchorage has increased substantially in the years since the adoption of that ordinance. I will note that we have invited testimony from Anchorage Municipality that can speak more to that.

[1:46:01 PM](#)

SENATOR CLAMAN continued to read from his opening remarks:

[Original punctuation provided.]

Finally, the Department of Revenue deposits these funds in the vehicle rental tax account in the general fund. Historically, the legislature has appropriated the money in the vehicle rental tax account to the Department of Transportation and to State Parks. AS 43.52.080(c) states: "The Legislature may appropriate the actual balance of the vehicle rental tax account for tourism development and marketing. This section is not intended to create a dedicated fund."

It makes good sense to require collection of this tax and ensure that the folks who rent cars to drive on Alaska's roads and enjoy our parks also help maintain those services.

[1:47:39 PM](#)

SENATOR CLAMAN noted the Governor's previous concern that this change would place a burden on a startup industry. He shared his belief that Turo is the primary rental company used by younger generations and pointed out that there are hundreds of Turo rentals available in a given location (e.g. Anchorage). He opined that Turo does not qualify as a small business or a startup industry; rather, it is an important part of the rental industry in the US.

[1:47:52 PM](#)

SENATOR STEDMAN asked whether the state is collecting taxes on Turo rentals.

[1:48:26 PM](#)

SENATOR CLAMAN differed the question to the Department of Law (DOL) and/or the Department of Revenue (DOR). He shared his understanding that DOR has the authority to issue regulations to ensure that taxes are collected.

[1:49:26 PM](#)

SENATOR STEDMAN shared his understanding that the Constitution of the State of Alaska requires DOR to implement and collect taxes. He questioned how DOR can pick and choose which tax collection to enforce.

[1:49:51 PM](#)

SENATOR CLAMAN replied that he shares this frustration. He said this is a question for DOL.

[1:50:01 PM](#)

SENATOR KIEHL shared a personal anecdote and asked how far back in time DOR could go to collect taxes owed.

[1:50:37 PM](#)

SENATOR CLAMAN shared his understanding that the statute of limitations would likely be two years.

[1:51:04 PM](#)

SENATOR KIEHL asked for clarification.

[1:51:11 PM](#)

SENATOR CLAMAN clarified that SB 138 would prohibit the collection of back taxes.

[1:51:28 PM](#)

SENATOR KIEHL said that currently, car rental taxes are ten percent. He asked why SB 138 introduces a differential rate that is based on business model.

[1:51:51 PM](#)

SENATOR CLAMAN replied that various interests were involved in crafting SB 138. These interests are no longer fully aligned, and the differential rate was a compromise. He noted that SB 138 is the same as the legislation that passed in 2024. He said that there is a similar House bill and explained that the previous legislation was used as a starting point.

[1:52:40 PM](#)

SENATOR KIEHL questioned why Alaska should have different rates for these business models. He suggested that, with this structure, one business model would benefit over the other.

[1:53:07 PM](#)

SENATOR CLAMAN agreed. He opined that all rental companies should pay the same tax rate.

[1:53:37 PM](#)

SENATOR STEDMAN asked about the administration's stance on SB 138.

[1:53:58 PM](#)

SENATOR CLAMAN said that the administration has not taken a position on SB 138.

[1:54:10 PM](#)

CHAIR BJORKMAN returned to the question of DOR's responsibility to collect taxes. He surmised that any Alaskan could take this issue to court and demand DOR collect the appropriate tax - without any legislation to support that action. He asked for confirmation of this understanding.

[1:54:47 PM](#)

SENATOR CLAMAN shared his belief that there is sound basis for any Alaskan to bring a lawsuit on this issue.

[1:55:02 PM](#)

CHAIR BJORKMAN expressed fascination at this possibility.

[1:55:09 PM](#)

SENATOR KIEHL asked for more information about how the flat rate tax is collected in the Municipality of Anchorage.

[1:55:44 PM](#)

CHAIR BJORKMAN announced invited testimony on SB 138.

[1:56:02 PM](#)

PAULA BIRMINGHAM, Tax Enforcement Officer, Finance, Municipality of Anchorage, Anchorage, Alaska, stated that the Turo tax revenue amount is confidential. She said that tax rate is 8 percent. This applies to all rental agencies and includes the hosting platform. The municipality did not consider a separate rate for the hosting platforms. The municipality did not pursue Turo back taxes, as this was found to be too burdensome. She stated that administering a rental vehicle tax with a hosting platform is far easier than administering the tax to individual owners/businesses. In this way, the hosting platform saves the municipality time and money. Hosting platforms (e.g. Turo) were added to the municipal code in October 2020. Turo registered with the municipality in early 2021. The municipality did pursue taxes for the time between the change in October 2020 and when Turo registered in 2021. She noted that there were different interpretations of how to apply the code. The municipality holds Turo accountable to collect and remit the taxes from all individuals who rent a vehicle through the platform.

[1:59:53 PM](#)

SENATOR KIEHL asked whether the liability for the tax lies with the provider of the vehicle or the party responsible for billing.

[2:00:16 PM](#)

MS. BIRMINGHAM replied that the liability for the rental vehicle tax lies with the hosting platform or the rental vehicle agency.

[2:00:26 PM](#)

SENATOR KIEHL acknowledged that the tax information is confidential and asked how many hosting platforms are submitting reports.

[2:00:43 PM](#)

MS. BIRMINGHAM said she did not know.

[2:00:48 PM](#)

SENATOR KIEHL noted that, while Turo is the biggest player, there are many others. He pointed out that Anchorage does not have a sales tax and asked whether a local business license is required - or whether only a state business license is required.

[2:01:23 PM](#)

SENATOR TOBIN joined the meeting.

MS. BIRMINGHAM said that no municipal or city business license is required. The only requirement is a current state business license.

[2:01:50 PM](#)

SENATOR KIEHL asked whether Anchorage has differential local fees added to vehicle registrations for personal versus business vehicles.

[2:02:18 PM](#)

MS. BIRMINGHAM expressed uncertainty and asked to hear the question again.

SENATOR KIEHL explained that many municipalities add local fees to the state's vehicle registration fees. He noted that in some municipalities, the fee is more. He asked if this is the case in Anchorage.

MS. BIRMINGHAM said she is unsure about businesses; however, she said the municipality does collect some of the vehicle registration fees. She said that this information is listed on the renewal notice.

SENATOR KIEHL said that many municipalities provide an exemption for a specified dollar value of business personal property. He asked if, in the Municipality of Anchorage, there is a threshold

after which a business personal property tax would go into effect.

MS. BIRMINGHAM replied yes. She said the business personal property tax goes into effect when the value is \$20,000 or more.

[2:04:47 PM](#)

At ease.

[2:05:19 PM](#)

CHAIR BJORKMAN reconvened the meeting.

[2:05:37 PM](#)

CLAIRE HOLLAND LECLAIR, representing self, Anchorage, Alaska, testified by invitation in support of SB 138. She said she previously served on the Chugach State Park advisory board and explained that vehicle rental tax receipts are partially allocated to the state parks operating budget. (The receipts are split between DOTPF and the state parks.) She said that in the current fiscal year, vehicle rental tax receipts make up 50 percent of the state parks operating budget. She pointed out that the law requires vehicle rental companies to invoice the tax; however, Turo has not complied. She stated that she does not support differential (i.e. lower) taxes for platform companies like Turo. She requested that this be changed to make the tax payment 10 percent for all rental car companies.

[2:07:29 PM](#)

SENATOR TOBIN asked for more information about Ms. LeClair's Alaska State Parks affiliation.

[2:07:44 PM](#)

MS. LE CLAIRE replied that she is representing herself; however, she was previously employed by Alaska State Parks as a seasonal ranger and as deputy director.

[2:08:29 PM](#)

SENATOR KIEHL asked whether there is an estimate for the uncollected tax amounts.

[2:08:47 PM](#)

SENATOR CLAMAN said Department of Revenue (DOR) has consistently reported that a reasonable amount would be collected; however, the exact number is unknown. He added that DOR has attempted to collect the tax from the Turo hosts (i.e. vehicle owners) but shared his understanding that DOR is no longer doing this.

[2:09:35 PM](#)

SENATOR KIEHL commented that this is not a reasonable expectation to have of a small business owner. He asked if DOR is available for questions.

[2:10:28 PM](#)

BRANDON SPANOS, Deputy Director, Tax Division, Department of Revenue (DOR), Anchorage, Alaska, said that DOR does not have a revenue estimate, and the DOR fiscal note is indeterminate. DOR does not have specific date on platform collections. He confirmed that DOR has sent collection letters to vehicle owner. He stated that those numbers have been very low, as it is difficult to identify who is using platforms like Turo. He said that DOR previously subpoenaed Turo for a client list (to send vehicle owners a notice that tax collection is required) and TURO refused to comply, and this issue went to court. The court ruled that DOR did not have authority to enforce the subpoena language outside of Alaska. He explained that SB 138 contains language that would allow DOR to enforce the subpoenaed language outside of the state. He emphasized that it is difficult to enforce tax collection without the names of those utilizing the platform service (and while a business license is required, not everyone complies).

[2:12:47 PM](#)

SENATOR KIEHL recalled a change in Internal Revenue Service (IRS) rules that would enable DOR to access information on those whose revenue is more than \$600 or \$700. He asked if this is correct.

[2:13:17 PM](#)

MR. SPANOS replied that this is correct; however, it has not yet gone into effect. He noted that the threshold was previously \$20,000 and was lowered to \$600. He provided a brief overview of this change and how it would be applied. He stated that, if DOR has the information identifying individuals who are using platforms and renting vehicles, DOR is then obligated to collect those taxes. When DOR receives the 1099K information from IRS, it will begin to collect the associated taxes. The IRS is behind on issuing this information to the states due to the Covid-19 pandemic, though it is forthcoming. He briefly described the process once the data is received by IRS. However, if the individual renting the vehicle does not know the tax is due (and therefore doesn't collect it from the renter), they will have to pay the tax themselves.

[2:15:42 PM](#)

SENATOR KIEHL opined that this is an issue worth addressing, as Alaskans who have potentially not been able to collect the tax would then be required to pay the state.

[2:16:25 PM](#)

SENATOR STEDMAN asked whether the administration supports SB 138.

[2:16:38 PM](#)

MR. SPANOS replied that the administration has not taken a position on SB 138.

[2:16:51 PM](#)

SENATOR STEDMAN requested a financial report from DOR to better understand how much revenue was collected. He opined that this information would be beneficial for the Senate Finance Committee as members work to balance the budget.

[2:17:22 PM](#)

CHAIR BJORKMAN requested confirmation of his understanding that the administration vetoed a previous version of this legislation. This effectively vetoed DOR's ability to collect a tax (that is already due under state law) from platform companies like Turo. This means DOR must collect the taxes from individual Alaskans who use platforms like Turo to rent their vehicles.

[2:18:20 PM](#)

MR. SPANOS said that DOR is not actively seeking collection from individuals using platforms like Turo; however, the obligation exists. When DOR is provided with identifying information, it must take action to collect those taxes. He added that the tax division seeks to treat all taxpayers the same; therefore, taxes will not be collected on an individual basis (e.g. when the division is made aware of one person who is renting their vehicle out on Turo). Receiving the 1099K data from IRS will allow DOR to begin collecting taxes from those individuals (and potentially also collect back taxes).

[2:19:37 PM](#)

CHAIR BJORKMAN questioned the reasoning behind DOR's decision to wait until the information is received from IRS. He pointed out that, by this logic, one could argue that no laws should be enforced since law enforcement cannot possibly catch all individuals who break the law.

[2:19:58 PM](#)

MR. SPANOS replied that he does not have a response.

[2:20:06 PM](#)

CHAIR BJORKMAN held SB 138 in committee.

[2:20:14 PM](#)

At ease.

PRESENTATION: TRIBAL TRANSPORTATION RELATIONS: A NEW APPROACH

[2:22:24 PM](#)

CHAIR BJORKMAN reconvened the meeting and announced the presentation, Tribal Transportation Relations: A New Approach by Department of Transportation and Public Facilities (DOTPF).

[2:23:02 PM](#)

SHANNON MCCARTHY, Communication Director, Commissioner's Office, Department of Transportation and Public Facilities (DOTPF), Anchorage, Alaska, gave the presentation, Tribal Transportation Relations: A New Approach.

[2:23:31 PM](#)

MS. MCCATHY advanced to slide 2 and discussed how the unique features of Alaska's communities (e.g. geography, climate and cultural differences) requires an individual approach:

[Original punctuation provided.]

Alaska has Unique Communities

- 229 federally recognized Tribes
- 148 incorporated cities
- 19 organized boroughs
- 100s unincorporated communities
- 365 million acres of land

[2:24:05 PM](#)

MS. MCCATHY advanced to slide 3 and discussed Department of Transportation and Public Facilities (DOTPF) vision:

[Original punctuation provided.]

Alaska's Vision

Strengthening Workforce and Partnerships to Shape
Alaska's Transportation Future

Community Focused

Moving forward through meaningful engagement, strong partnerships, workforce development, and community-driven infrastructure

Partnership Playbook

Following successes through updating policy, toolkits, and training to strengthen Alaska's engagement framework

Training and Development

Driving Alaska's future with workforce development, skills training, and employment integration opportunities

Alaska's Future

Community-Led Projects: Shaping Alaska's long-term policy, sustainability, and strategic planning from community driven perspectives

[2:25:01 PM](#)

SENATOR TOBIN asked whether anyone on the planning team is trained in asset-based community development. She also asked how many of the training resources are translated into the community's mother tongue.

[2:25:33 PM](#)

MS. MCCATHY asked for clarification of what is meant by "asset-based community development."

[2:25:47 PM](#)

SENATOR TOBIN explained that asset-based community development is a paradigm that works with communities, focuses on the community's successes rather than detriments, and is led by the community's needs and preferences.

[2:26:11 PM](#)

MS. MCCATHY said this approach is what DOTPF aspires to. She emphasized the importance of listening to communities in order to better understand their unique needs. With respect to languages, she said that DOTPF is using more translation resources than ever before and has translated Statewide Transportation improvement Plan (STIP) and STIP Amendment notices.

[2:27:15 PM](#)

SENATOR TOBIN asked for more information about the program DOTPF is using to translate documents. She noted that the Federal Emergency Management Agency (FEMA) has been known to use artificial intelligence to translate documents. She shared an example in which FEMA used AI to translate documents into Inupiaq; however, the documents were gibberish.

[2:27:34 PM](#)

MS. MCCATHY answered that DOTPF is working closely with the Civil Rights Division to ensure that all translators are qualified. DOTPF has translated documents into Yupik and Spanish.

[2:27:54 PM](#)

MS. MCCATHY advanced to slide 4 and discussed DOTPF's move from a tribal liaison to a 5-member (and growing) tribal team:

[Original punctuation provided.]

Move Toward a Tribal Team

Alaska DOTPF recognizes the deep cultural heritage and unique needs of Alaska Native peoples and organizations.

The DOTPF Tribal Relations Team was established to:

- Strengthen collaboration
- Foster mutual respect
- Build lasting relationships
- Share collaboration tools internally and externally

[2:28:49 PM](#)

MS. MCCATHY advanced to slide 5:

[Original punctuation provided.]

WHY?

One Alaska: We all live in Alaska and want to see the best possible outcome for all communities, for all Alaskans.

We want to consult early and often: Invite Tribal leaders or elders to meet and discuss projects, plans, etc. so that we're meeting the community needs

Avoid a "one-size-fits-all" approach: We acknowledge the diversity among Alaska Native cultures.

[2:29:36 PM](#)

MS. MCCATHY advanced to slide 6 and discussed consultation and engagement:

[Original punctuation provided.]

Consultation and Engagement

DOT Order 5301.1A: Formally sets the stage for DOT&PF consultation with Indian Tribes and Alaska Native corporations

- All voices should be heard
- Early Involvement
- Specific Responsibilities
- Appropriate Styles of Communication
- Focus on Building Long-Term Relationships

[2:30:33 PM](#)

MS. MCCATHY advanced to slide 7 and discussed training for DOTPF staff:

[Original punctuation provided.]

Training for DOTPF staff

- Background and Legal Framework Training
- Cross Cultural Sensitivity Training
- Tools and Best Practices for Staff

[2:31:20 PM](#)

MS. MCCATHY advanced to slide 8, which contains tribal relations information from the DOTPF website. She briefly discussed tools for collaboration and described recent changes to the DOTPF tribal relations webpage.

[2:32:32 PM](#)

MS. MCCATHY advanced to slide 9 and discussed tools for collaboration:

[Original punctuation provided.]

Tools for tribes and DOTPF Collaboration

- Memoranda of Understanding/Agreements (MOA/MOU's)
 - Project coordination
 - Right-of-way consultations
 - Joint planning and design
 - Maintenance partnerships
 -
- Fund Transfers Pursuant 23 USC 202(a)(9)
- Workforce Development and Funding
- Regional Planning Organizations
- We are available!

[2:33:17 PM](#)

SARA LUCEY, Planning Manager, Northern Region, Department of Transportation and Public Facilities (DOTPF), Fairbanks, Alaska, advanced to slide 10 and discussed current and ongoing efforts. Slide 10 contains a map and website information for the Statewide Transportation Improvement Program (STIP), Statewide Functional Classification Update (SFCU), and Statewide Long Range Transportation Plan (SLRTP). She briefly discussed each with respect to tribal engagement. STIP 2024-2027 has a targeted focus on tribal engagement; DOTPF has sent notifications and solicitations for consultation for each amendment and utilized translation services. DOTPF has conducted six SFCU consultations with tribes around the state; these consultations have led to discussions about local transportation needs. The goal for SLRTP outreach is "early and often." The stakeholder transportation advisory committee will include tribal representation. She briefly discussed the Alaska Moves 2050 Plan effort, which includes statewide tribal outreach. In-person meetings will include both urban and rural communities.

[2:35:58 PM](#)

SENATOR TOBIN noted that one STIP-related tribal consultation issue was resolved, with two issues remaining. She asked for and update on these issues.

[2:36:17 PM](#)

MS. LUCEY differed the question.

[2:36:24 PM](#)

MS. MCCATHY said DOTPF has been working closely with the Federal Highway Administration (FHA) on these issues and expressed confidence that each was met.

[2:36:32 PM](#)

SENATOR TOBIN asked if DOTPF has received confirmation that those needs have been met.

MS. MCCATHY said DOTPF has met with FHA weekly for several weeks. She said DOTPF would receive confirmation prior to submitting the final document for FHA approval.

[2:36:48 PM](#)

MS. LUCEY advanced to slide 11 and discussed coordination calls:

[Original punctuation provided.]

DOTPF and Tribal Coordination Calls

GOALS

- Collaboration
- Establish relationships
- Tribal and DOTPF updates on transportation items
- Mutual opportunity to relay issues and concerns
- Share upcoming funding opportunities
- Provide foundation for partnership

Mat-Su Meetings:

- Bi-monthly meetings online for one hour, with one meeting a year in-person
- Six tribal entities represented, usually 20-30 people in attendance including department staff
- Contact: Kristina Huling,
kristina.huling@alaska.gov

Interior Meetings:

- Quarterly meetings online for one hour
- Various tribal entities represented, usually 15 people in attendance including department staff
- Contact: Sara Lucey, sara.lucey@alaska.gov

MS. LUCEY said that the South Coast region is meeting regularly with area tribes to discuss transportation needs in those areas. She mentioned community transportation workshops and said that these have been beneficial.

[2:39:47 PM](#)

SENATOR STEDMAN asked for information about Kake and Prince of Whales Island (POW), Yakutat, and Sitka communities.

[2:41:09 PM](#)

MS. LUCEY replied that the planning team is divided among state regions due to its large size. She said the South Coast staff would have this information and offered to provide additional details.

[2:41:45 PM](#)

SENATOR STEDMAN said he would be interested to meet with DOTPF and discuss the transportation needs in Southeast. He commented that the legislature seeks ways to work with tribes (who may have funding sources but lack equipment and/or expertise), particularly when state funding is low.

[2:42:40 PM](#)

JUDY CHAPMAN, Deputy Director, Planning, Department of Transportation and Public Facilities (DOTPF), Fairbanks, Alaska, said she has met with the Kake tribal council and the Director of the Alaska Marine Highway System (AMHS) regarding Kake ferry service. She has also met with Sitka tribe to discuss a potential connection to Baranof Warm Springs. These conversations are ongoing. She stated that additional information could be provided by the South Coast region office.

[2:43:30 PM](#)

SENATOR STEDMAN stated that he responded to the long-range plan in writing. He mentioned a proposed tunnel through Baranof Island and stated that DOTPF has never reached out to discuss this proposal. He asserted that this tunnel would not be approved or built and was never seriously considered. He pointed to the community's infrastructure needs and expressed concern that DOTPF creates a sense of false hope for projects that will never be built. He encouraged DOTPF to keep conversations focused on realistic projects that are likely to be built, rather than creating false hope within the community. He emphasized that Kake is in dire need of ferry service and said the legislature has been working with DOTPF to build the necessary infrastructure there. He opined that these are legitimate possibilities, unlike the proposed Baranof Island tunnel. He stated that the best way to create greater access to Sitka is to enhance AMHS service. He offered further examples for projects on POW. He reiterated that DOTPF should focus on realistic projects and stated that, due to his role as co-chair of the Senate Finance Committee, he must explain to constituents that those projects are never going to happen.

[2:46:15 PM](#)

MS. CHAPMAN said DOTPF is initiating the Southeast Alaska Transportation Plan, which will dovetail with the AMHS long-range plan in an effort to increase AMHS efficiency. She expressed appreciation for the reminder that projects and communications should remain realistic.

[2:46:51 PM](#)

MS. LUCEY advanced to slide 12 and discussed grant opportunities:

[Original punctuation provided.]

Grant Opportunities

Discretionary Grants have brought many opportunities to the table

Success Stories:

- Elliott Highway Corridor Study
- Talkeetna Spur Culvert grants with Knik Tribe
- Glenn Highway Separated Pathway Study with Chickaloon

[2:48:18 PM](#)

SENATOR TOBIN asked for additional information on the Glenn Highway Separated Pathway Study and whether this would create a separate bike path.

[2:48:41 PM](#)

MS. LUCEY shared her understanding that this study specifically considers the creation of a separate bike path but would likely also consider alternatives.

[2:48:56 PM](#)

MS. LUCEY advanced to slide 13 and discussed the funding opportunities hub:

[Original punctuation provided.]

Alaska Transportation Funding Opportunities Hub

Entities can Submit and Manage their own project concepts.

The Hub provides Alaskan communities an opportunity to:

- Submit project ideas for consideration by DOTPF and our partners
- Work with our planners to improve project ideas and project readiness and to apply for funding

[2:50:04 PM](#)

SENATOR STEDMAN commented on DOTPF's long-range planning. He noted AMHS efforts to restructure. He stated that AMHS's planned projects are realistic and deliverable and suggested that DOTPF focus on those. This would provide a sense of hope without turning to projects that will never be built. He opined that sometimes, saying the difficult truth is best. He emphasized the need for deliverables.

[2:51:52 PM](#)

MS. LUCEY expressed appreciation for this suggestion. She advanced to slide 14 and discussed the Tribal Transportation Bridge Facility Program:

[Original punctuation provided.]

Tribal Transportation Bridge Facility Program

- Manley, Hot Springs Slough Bridge Replacement - Construction, FY2028
- The facility needs to be in the tribal inventory

MS. LUCEY provided examples to illustrate how this program would benefit tribes across the state.

[2:53:52 PM](#)

SENATOR STEDMAN indicated that he has not previously heard about the bridge facility program. He suggested that DOTPF meet with Sitka Tribe to discuss the Katlian River bridge. He stated that the Katlian River bridge is a deliverable project that is a fraction of the size of the Manley, Hot Springs Slough Bridge Replacement project. He shared his understanding that the communities in Southeast Alaska are unaware of the federal bridge funding and stated that providing this information would help to build needed infrastructure. He said funding for bridges is an issue with DOTPF.

[2:55:03 PM](#)

SENATOR KIEHL stated that he was aware of the Tribal Transportation Program but was not aware of the bridge program. He asked about coordination with Alaska Native Corporations (ANC) and whether DOTPF is pursuing these conversations.

[2:55:57 PM](#)

MS. MCCATHY said the process is iterative and outreach continues to expand. She said that DOTPF intends to reach out to ANCs in the future.

[2:56:30 PM](#)

SENATOR KIEHL asked for a timeframe.

[2:56:33 PM](#)

MS. MCCARTY replied that DOTPF would reach out to ANCs within the year.

CHAIR BJORKMAN commented that bridges are a statewide concern and surmised that there is a lot of opportunity to find additional projects to incorporate into the program. He said there is a potential project in Ninilchik.

[2:57:24 PM](#)

MS. LUCEY noted that, in order to qualify for the program, bridges must be in the tribe's National Transportation Inventory or Asset Inventory. She said conversations between DOTPF and tribes begin with ensuring that projects of interest meet this criterion.

[2:57:59 PM](#)

SENATOR STEDMAN expressed interest in a map showing tribal roads in the Southeast region.

[2:58:40 PM](#)

MS. LUCEY shared her understanding that data on tribal roads is not available to the public and DOTPF must work with the tribes to identify roads. She said it is an ongoing, collaborative effort.

[2:59:00 PM](#)

SENATOR STEDMAN acknowledged the difficulty and suggested a rough map could be created by interested individuals utilizing online map data. He reiterated that this data would be helpful.

[2:59:31 PM](#)

MS. LUCEY advanced to slide 15 and discussed 202(a)(9) fund transfers:

[Original punctuation provided.]

202(a)(9) Fund Transfers

- Tanana Dust Control (FY2016)
- Barrow Arctic Research Center Road (FY2017)
- Kiana Community Wide Roadway and Drainage (FY2023)
- Wales Community Road Improvements (FY2025)
- Wales to Tin City Road Reconstruction (FY2025)
- Craig to Klawock Bike and Pedestrian Path (FY2026)

[3:00:21 PM](#)

SENATOR KIEHL asked whether there is more flexibility with fund transfers of this type compared to the transfer of responsibilities agreement (TORA) that DOTPF sometimes uses.

[3:00:39 PM](#)

MS. CHAPMAN briefly explained when TORA would be used and offered examples. She explained how 229(a)(9) fund transfers differ from TORA and said the 229(a)(9) fund transfers are under a different (less burdensome) authority.

[3:01:45 PM](#)

MS. CHAPMAN advanced to slide 16 and discussed Regional Planning Organizations (RPO):

[Original punctuation provided.]

Regional Planning Organizations

Local Control and Collaboration

Communities shape their own transportation priorities

Improved Access to Funding

Better positioned to apply for federal and state grants

More Equitable Planning

Ensures rural and tribal voices are included in statewide planning

Stronger Regional Partnerships

Encourages collaboration between neighboring communities

Tailored Solutions

Plans reflect Alaska's unique geography, climate, and access needs

MS. CHAPMAN said that there are 3 RPOs. She briefly discussed the Copper River Valley RPO, which is the most active. She noted that this is a great fit, as it is un an unorganized borough where tribes provide the only form of leadership. She briefly described the RPO board structure and function. She noted that several tribes have expressed interest in forming RPOs.

[3:04:00 PM](#)

MS. CHAPMAN advanced to slide 17 and discussed the Thriving Communities Program:

[Original punctuation provided.]

Thriving Communities Program - Regional Capacity Builder

- Project to provide assistance to 18 disadvantaged communities and regions in Alaska
- No capital component, but planning/design assistance is eligible
- Some of the grant to be distributed directly to sub-recipients
- Partnering with Alaska Municipal League to deliver this project

[Slide 17 contains a table listing cities and qualifying vulnerabilities.]

[3:04:59 PM](#)

CHAIR BJORKMAN thanked the presenters.

[3:06:36 PM](#)

There being no further business to come before the committee, Chair Bjorkman adjourned the Senate Transportation Standing Committee meeting at 3:06 p.m.