

ALASKA STATE LEGISLATURE
SENATE TRANSPORTATION STANDING COMMITTEE

April 10, 2025

1:42 p.m.

MEMBERS PRESENT

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

MEMBERS ABSENT

Senator Jesse Kiehl

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."

- MOVED CSSB 138(TRA) OUT OF COMMITTEE

SENATE BILL NO. 152

"An Act renaming Ruby Airport as Harold Esmailka Airport; and providing for an effective date."

- HEARD & HELD

SENATE BILL NO. 104

"An Act relating to the transfer of a title on the death of the owner; and providing for an effective date."

- BILL HEARING CANCELED

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

04/03/25 (S) Heard & Held
04/03/25 (S) MINUTE(TRA)
04/10/25 (S) TRA AT 1:30 PM BUTROVICH 205

BILL: SB 152

SHORT TITLE: HAROLD ESMAILKA AIRPORT AT RUBY
SPONSOR(S): SENATOR(S) CRONK

03/31/25 (S) READ THE FIRST TIME - REFERRALS
03/31/25 (S) TRA, STA
04/10/25 (S) TRA AT 1:30 PM BUTROVICH 205

WITNESS REGISTER

CARLY DENNIS, Staff
Senator Matt Claman
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented the explanation of changes from
vrsion A to N of SB 138.

NICOLE STEWART, representing self
Fairbanks, Alaska

POSITION STATEMENT: Testified in support of SB 138.

HALEY JOHNSTON, Executive Director
Alaska Trails
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 138.

TYNDALL ELLIS, representing self
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 138.

SENATOR MIKE CRONK, District R
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Sponsor of SB 152.

CHARLIE GREEN, Chief
Louden Tribal Council
Galena, Alaska

POSITION STATEMENT: Testified in support of SB 152.

ACTION NARRATIVE

1:42:00 PM

CHAIR BJORKMAN called the Senate Transportation Standing Committee meeting to order at 1:42 p.m. Present at the call to order were Senators Tobin, Stedman and Chair Bjorkman. Senator Shower arrived thereafter.

SB 138-TAXATION: VEHICLE RENTALS, SUBPOENAS

[1:42:52 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."

[1:43:01 PM](#)

CHAIR BJORKMAN solicited a motion.

[1:43:03 PM](#)

SENATOR TOBIN moved to adopt the committee substitute (CS) for SB 138, work order 34-LS0749\N, as the working document.

[1:43:17 PM](#)

CHAIR BJORKMAN objected for purposes of discussion.

[1:43:40 PM](#)

CARLY DENNIS, Staff, Senator Matt Claman, Alaska State Legislature, Juneau, Alaska, presented the explanation of changes from version A to N of SB 138:

[Original punctuation provided.]

**Senate Bill 138
Explanation of Changes
Version A to Version N**

Section 2, AS 43.52.20

Page 1, Lines 12-14 and Page 2, Line 1

- Amends the vehicle rental tax from 10 percent to 9 percent for all vehicle rentals. Eliminates the proposed tiered tax structure of 8 percent for vehicle rental platforms and 10 percent for traditional rentals.

[1:44:22 PM](#)

CHAIR BJORKMAN removed his objection. He found no further objection and CSSB 138, work order 34-LS0749\N, was adopted as the working document.

[1:44:39 PM](#)

CHAIR BJORKMAN thanked the sponsor and invited final comments.

[1:44:44 PM](#)

SENATOR CLAMAN thanked the committee for hearing SB 138.

[1:45:09 PM](#)

CHAIR BJORKMAN announced invited testimony on SB 138.

[1:45:23 PM](#)

NICOLE STEWART, representing self, Fairbanks, Alaska, expressed disappointment that this issue was back before the legislature. She noted that SB 138 is nearly identical to the legislation that received legislative approval in 2024 and was supported by stakeholders (including Turo). She questioned the governor's reason for vetoing that legislation. She stated that there is no discernable difference between the rental car service provided by Turo and that of large national rental companies. She asserted that taxes should be the same for all operators. She expressed appreciation that SB 138 does not allow for retroactive tax collection, which protects small operators. She shared her understanding that, without passage of SB 138, the state could require operators to pay back taxes. She encouraged support of this legislation, as it would even the playing field for all rental car operators and protect small business owners.

[1:47:28 PM](#)

HALEY JOHNSTON, Executive Director, Alaska Trails, Anchorage, Alaska, briefly described the work done by Alaska Trails and noted that much of that work is done in state parks. She noted that Alaska's state parks receive many out-of-state visitors each year. She surmised that many of those visitors drive rental cars. Traditional rentals pay a rental car tax, while platform rentals (e.g. Turo) do not. She explained that the vehicle rental tax is split between Department of Transportation and Public Facilities (DOTPF) and State Parks. This tax makes up a large portion of the State Parks budget. She emphasized that out-of-state visitors who utilize public lands - and who rent their vehicles on platforms like Turo - are not paying a rental car tax (and therefore are not paying into the State Parks budget). She expressed support for the single tax rate for all rental companies. She opined that disallowing the collection of back taxes protects small business owners and is good common sense. She reiterated support for SB 138, which she said would allow Alaska Trails to continue elevating the condition of trails and access to state lands.

[1:49:20 PM](#)

SENATOR SHOWER joined the meeting.

[1:50:07 PM](#)

CHAIR BJORKMAN concluded invited testimony.

[1:50:15 PM](#)

CHAIR BJORKMAN opened public testimony on CSSB 138.

[1:50:47 PM](#)

TYNDALL ELLIS, representing self, Anchorage, Alaska, testified in support of SB 138. He said it is important to collect rental car taxes, as this benefits Alaska's state parks. He stated that within the state parks budget, funds from rental car taxes are allocated to deferred maintenance and operations. He stated that the deferred maintenance budget is over \$90 million, and every little bit helps to keep this under control.

[1:52:12 PM](#)

CHAIR BJORKMAN closed public testimony on SB 138.

[1:52:24 PM](#)

SENATOR SHOWER asked for confirmation of his understanding that the revenue from SB 138 is not designated for State Parks and would go into the unrestricted general fund (UGF).

[1:53:27 PM](#)

SENATOR CLAMAN clarified that, according to AS 43.52.080(b), the funds collected would be deposited into a special vehicle rental tax account within the general fund. This is not a designated fund; however, it is identified in the general fund.

[1:53:58 PM](#)

SENATOR SHOWER stated that, although the funds are placed into a vehicle tax account, there is no guarantee that those funds would be used for State Parks. He said he wanted to be sure this was clear.

[1:54:04 PM](#)

SENATOR STEDMAN shared his understanding of the constitutional barriers to creating dedicated funds.

[1:54:38 PM](#)

SENATOR CLAMAN thanked the committee.

[1:54:49 PM](#)

CHAIR BJORKMAN solicited the will of the committee.

[1:54:53 PM](#)

SENATOR TOBIN moved to report CSSB 138, work order 34-LS0749\N, from committee with individual recommendations and attached fiscal note(s).

[1:55:06 PM](#)

CHAIR BJORKMAN found no objection and CSSB 138(TRA) was reported from the Senate Transportation Standing Committee.

[1:55:26 PM](#)

At ease.

SB 152-HAROLD ESMAILKA AIRPORT AT RUBY

[1:58:24 PM](#)

CHAIR BJORKMAN reconvened the meeting and announced the consideration of SENATE BILL NO. 152 "An Act renaming Ruby Airport as Harold Esmailka Airport; and providing for an effective date."

[1:58:43 PM](#)

SENATOR MIKE CRONK, District R, Alaska State Legislature, Juneau, Alaska, said SB 152 would honor Harold Esmailka by renaming the Ruby Airport. He paraphrased from the article, "Legends in Alaska Aviation: Harold Esmailka" by Brice Banning. He highlighted many of Mr. Esmailka's accomplishments, including the more than 50 years he was dedicated to serving his community. Mr. Esmailka worked to provide aviation services (including medivac flights) to roughly 80 villages over the course of his career. He shared several anecdotes to illustrate the importance of Mr. Esmailka's role in the community. He said the proposal to rename the airport has received a significant amount of support.

[2:01:16 PM](#)

CHAIR BJORKMAN announced invited testimony on SB 152.

[2:01:23 PM](#)

CHARLIE GREEN, Chief, Louden Tribal Council, Galena, Alaska, said he is also on the Tanana Chiefs Conference (TCC) executive board for the Yukon Koyukuk subregion. He emphasized the importance of recognizing community leaders during their lifetime. He pointed out that Mr. Esmailka is 96 years old. He stated that Mr. Esmailka is a strong role model for leaders in the subregion and a strong Native man. He shared that Mr. Esmailka has broken the cycle of addiction and substance abuse

in all forms. He opined that this is one of the most important accomplishments for Native men. He stated that Mr. Esmailka is a strong role model for all Alaskans, but most profoundly for Alaskan Native youth. He said it is a gift to honor those who are most deserving, particularly now, when the world seems chaotic and unstable. He briefly described Mr. Esmailka's lifetime of work and emphasized the importance of this work to the local community. He stated that Mr. Esmailka's commitment to his community is reflected in his life's work. He asserted that Mr. Esmailka deserves the honor of having the Ruby airport dedicated in his name - and Alaskan Native people deserve to hold a fellow Alaskan Native up with pride.

[2:03:54 PM](#)

CHAIR BJORKMAN held SB 152 in committee.

[2:04:10 PM](#)

There being no further business to come before the committee, Chair Bjorkman adjourned the Senate Transportation Standing Committee meeting at 2:04 p.m.