

SENATOR
GARY STEVENS

Alaska State Legislature

REPRESENTATIVE
BRYCE EDGMON

Senate President

State Capitol
Juneau, Alaska 99801-
1182



Speaker of the House

State Capitol
Juneau, Alaska 99801-
1182

May 27, 2025

Honorable Governor Mike Dunleavy
Office of the Governor
P.O. Box 110001
Juneau, Alaska 99801

Dear Governor Dunleavy,

We write to you in our capacities as the presiding officers of the Alaska State Legislature to call attention to a persistent pattern of obstruction within the senior ranks of Alaska's Department of Revenue (DOR), and to express our growing concern about friction between the Executive and Legislative branches, particularly as it pertains to legislative oversight responsibilities conducted through the Legislative Budget & Audit Committee (LB&A). We do not take lightly the decision to write to you directly in this manner, nor to accompany legislation with a formal letter of appeal. However, these are not ordinary times, and the recent interactions between the DOR and the LB&A is without precedent in our institutional memory.

Considering these circumstances and the urgency they present, we respectfully and emphatically urge you, Governor Dunleavy, to sign Senate Bill 183 into law. This legislation sends the right signal at a time when clarity, accountability, and institutional cooperation are most needed. This letter accompanies the bill not as a routine legislative communication, but as a reflection of the extraordinary nature of the circumstances we face. The ongoing obstructions by the DOR must not be allowed to become precedent for future administrations. We must reinforce, not erode, the norms of oversight and accountability that are vital to Alaska's republican form of government.

While SB 183 clarifies and reinforces the constitutional and statutory authority of the Legislative Auditor, it is not a matter of celebration. Rather, it represents an unfortunate but necessary response to sustained resistance by DOR to fulfill lawful and long-standing duties of transparency and cooperation. The Division of Legislative Audit (DLA), led by the Legislative Auditor, exists to provide the Legislature and the public with independent, professional oversight of the Executive Branch's financial operations. The Alaska Constitution (Article IX, Section 14) explicitly empowers the Legislature to appoint an auditor, and AS 24.20.201(a)(3) requires state agencies to fully cooperate with LB&A inquiries. Without timely access to complete and usable information, particularly as it pertains to oil and gas production taxes, oversight is impaired, public trust is undermined, and the integrity of our state's governance is imperiled.

On May 8, 2025, during a hearing of the House Rules Committee on SB 183, the Legislative Auditor once again confirmed that the DOR has refused to provide essential audit data in a functional manner, this despite repeated requests dating back several years. These delays, omissions, and format obfuscations have made it functionally impossible for her office to complete a constitutionally derived audit of Alaska's oil and gas production tax system. This incapacitation disaffects the Legislature, by impeding its ability to exercise fiscal oversight, evaluate the efficacy of revenue policies, and make informed decisions regarding the stewardship of billions in public funds derived from Alaska's most critical natural resources.

Just before the May 8 hearing, DOR Commissioner Adam Crum submitted a letter to the House Rules Chair expressing concern about SB 183 and attaching a 2020 letter of opinion from then-Attorney General Kevin Clarkson. However, the Commissioner did not include the Legislative Auditor's written rebuttal to that opinion, nor did he attend the hearing, instead delegating representation to a staff member calling in by phone. While the letter offered general statements about respect for the audit process, the failure to appear before the Committee spoke louder. Meanwhile, concerns about the Commissioner's attention to these matters have escalated due to the dismissal of a high-ranking DOR deputy shortly after LB&A invoked its statutory authority to initiate a special audit of oil and gas production tax processes.

It is our sincere wish that the changes enacted through SB 183 are fruitful in communicating the seriousness of current circumstances and the importance of the constitutionally mandated oversight role conducted by the Legislative Auditor. Once more, SB 183 is not celebrated by our institution, nor does it represent an attempt to expand the purview of the legislature's oversight role. Instead, it reflects the somewhat regrettable necessity to clarify the role of the Legislative Auditor and to caution state agencies such as DOR about obfuscating tactics that until recently were unprecedented.

The overall pattern of peculiarities at DOR has already gained the attention of the public. Transparency, accountability, and cooperation among co-equal branches of government are the bedrock of a functioning democracy. The Legislature's duty to oversee the management of public resources, especially those derived from Alaska's vital oil and gas sectors are both constitutional and essential. Upholding that duty requires that the Executive Branch meet its own obligations under the law. We hope that you will sign SB 183 in the spirit of upholding constitutional oversight, protecting the integrity of legislative audits, and restoring public trust in the transparent governance of Alaska's most vital revenue sources.

We appreciate your attention to these serious matters and look forward to your prompt response.

Sincerely,



Rep. Bryce Edgmon
Speaker of the House



Senator Gary Stevens
President of the Senate