

Legislative Update



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Let's Keep In Touch!

For immediate release:

Hello –

Happy Easter! It should come as no surprise that the Legislature will go beyond the 90-day voter initiative. The House got a little behind getting the FY18 Operating budget to us which has had a domino effect on a couple of major bills. The Senate moved SB 26: Appropriation Limit & Permanent Fund Dividend/Earnings to the House mid-March. The bill moved through the House committees; changes were made and the bill has come back before the Senate for concurrence. Most likely, this bill will go to a Conference Committee. The House introduced HB 111: Oil & Gas Production Tax, Payments/Credits at the beginning of February and finally passed the bill to the Senate this week. The Senate Resource & Finance Committees will be holding joint meetings this weekend on this bill.

It is day 88 and the Senate Finance Committee continues their work. This week, we heard the following bills; SB 107: Alaska Capital Income Fund; SB 88: Alaska Mental Health Trust Land Exchange; SB 102: Internet for Schools/Funding; SB 103: Education Grants – Scholarships- Innovations Education Fund; SB 104: Education Curriculum; SB 23: Capital Budget; SB51: Extend Board of Veterinary Examiners; SB 83: Protect Vulnerable Adults Long Term Care; SB 78: Permanent Fund Dividend Contributions/Lottery; HB 48: Architects, Engineers, Surveyors, Extend Board; and HB 137: State Council on the Arts.

The Senate Community & Regional Affairs committee has moved a couple of bills, which I have reported on below for your review.

A handwritten signature in blue ink, appearing to read "Lyman Hoffman".

### **SB 61 – Game Refuge / Critical Habitat Area Boundaries**

SB 61 purpose is to 1) correct boundary description errors and properly describe areas intended for habitat protection, 2) eliminate the confusing patchwork of land status within these refuge areas, 3) create contiguous, inclusive boundaries that better reflect the original intent of the designations, and 4) remove lands inadvertently included in critical habitat areas that were not appropriate for habitat protections, and eliminate permitting requirements for such lands. 17 areas in total will be protected under the bill. Within Senate district S, Izembek State Game Refuge, Cape Newenham State Game Refuge, Port Moller Critical Habitat Boundary, Egegik Critical Habitat Boundary, Pilot Point Critical Habitat Boundary are effected.

### **SB 107: Capital Income Fund**

SB 107 designates in statute the purpose of the Alaska Capital Income Fund from “any public purpose” to “preventive and deferred maintenance of state facilities.” While the fund has historically been utilized for capital projects, this bill creates a firm statutory designation.

SB 107 passed the Senate and is currently in the House Finance Committee.

### **SB 106 – Municipal Tax Exemption: Economic Development Property**

SB 106 provides local communities the ability to offer a full or partial optional property tax exemption or tax deferral by ordinance for economic development purposes. First, it removes the time limitation in statute and authorizes local government to determine time limits appropriate for specific projects according to each municipality’s own needs and objectives. For economic development property that involves a “significant capital investment in physical infrastructure,” SB 106 adds eligibility for expanding the tax base of the municipality and generating property tax revenue after the exemption expires. SB 106 also makes the current municipal property tax exemption: a 2% property tax exemption for construction of new structures that include sprinkler systems; optional.

SB 106 moved from the Senate Community & Regional Affairs Committee and is now in the Senate State Affairs Committee.