

# BLUMER AND ASSOCIATES

## City of Unalaska Legislative Report

3/6/22

Last year the Spring Revenue Forecast had oil at \$61/barrel for FY 2022 and \$62/barrel for FY 2023. That was updated in the Fall Revenue Forecast to \$75/barrel for FY 2022 and \$71/barrel in FY2023. Estimates show the difference from \$60/barrel and \$90/barrel is nearly \$2 billion. This weekend oil reached \$116/barrel, the last time oil prices topped \$100/barrel was in 2014. This majorly changes the conversation as the budget talks continue in the Capital City.

The House Finance Committee has a budget bill that would increase state spending more than that proposed by the Administration. It would pay a combined permanent fund dividend and energy relief check estimated to be around \$2500. The bill would spend \$4.1 billion for the operating budget, about \$148 million more than the Governor's proposed budget unveiled in December.

Also included in the draft bill;

- \$50 million for public schools;
- \$5 million for senior and disability services;
- \$4.6 million for the University of Alaska;
- \$4 million for regional and community jails and;
- \$1.5 million for public radio.

The bill doesn't include the additional \$1,215 payment the Governor has proposed to make up the difference he requested for last year's PFD, that is in a separate bill.

The committee plans to wait until the administration updates its revenue forecast before moving the budget along. That's expected on March 15<sup>th</sup>.

The Senate has canceled all Senate Finance Hearings for this week as several members head to Energy Council.

House Energy will hear the Governor's Renewable Portfolio Standards bill, **HB 301**, on Tuesday and Thursday with invited testimony only. The proposed RPS legislation would require each Railbelt electric utility to use renewable energy resources to supply 20% of its electricity by Dec. 31, 2025; 30% by Dec. 31, 2030; 55% by Dec. 31, 2035; and 80% by Dec. 31, 2040. The RPS implementation would be managed by the ERO and regulated by the Regulatory Commission of Alaska. Beginning on March 1, 2025, each utility would need to submit annual reports to the commission, documenting the utility's progress towards meeting the RPS goals.

The proposed legislation would also require each utility to issue renewable energy credits in association with renewable energy sourced electricity that it delivers to its customers. And the

commission would be able to fine a utility that does not meet the requirements of the RPS. There is much concern around these lofty goals and potential increase to rate payers instead of the reverse.

Also, **HB 104**, the Motor Fuel Tax bill will be heard in House Finance this week. The last update for this tax was in 1970 and we remain the lowest in the nation, the increase will not apply to jet fuel. The rate at the pump would increase to 16 cents, up from 8 cents per gallon if this bill were to pass.

### Weekly Schedule

Here is the link to more information about the committee hearings, at this time of year it is good to check daily if you are watching a hearing as they change frequently.

<http://w3.legis.state.ak.us/index.php?tab2=type%3DAI%26com%3D%26startDate%3D03%2F06%2F2022%26endDate%3D03%2F14%2F2022%26chamber%3D#tab2>

### Bills of Interest

Bill	Short Title	Prime Sponsors	Current Status	Status Date
<a href="#">HB 28</a>	Registration Of Boats: Exemption	HOUSE FISHERIES	(S) FIN	2/23/22
<a href="#">HB 30</a>	Workers' Comp: Death; Perm Partial Impair	JOSEPHSON	(H) RLS	3/2/22
<a href="#">HB 55</a>	Peace Officer/firefighter Retire Benefits	JOSEPHSON	(S) L&C	1/18/22
<a href="#">HB 56</a>	Power Cost Equalization	FOSTER	(H) CRA	2/18/21
<a href="#">HB 64</a>	Fishery Development Assoc.; Assessments	STUTES	(H) RLS	3/2/22
<a href="#">HB 75</a>	Employer Contributions To Pers	RULES	(H) FIN	5/1/21
<a href="#">HB 88</a>	Equal Pay & Minimum Wage Act	TARR	(H) STA	2/18/21
<a href="#">HB 134</a>	Amhs Operation & Planning Board	RULES	(H) TRA	3/10/21
<a href="#">HB 135</a>	Geothermal Resources	RULES	(H) FIN	1/27/22

<b>Bill</b>	<b>Short Title</b>	<b>Prime Sponsors</b>	<b>Current Status</b>	<b>Status Date</b>
<a href="#">HB 225</a>	Municipal Property Tax Senior Exemption	GILLHAM	(H) CRA	1/18/22
<a href="#">HB 227</a>	Muni Energy Improvemnt Assessment Program	SCHRAGE	(H) AWAIT NEXT COM	3/3/22
<a href="#">HB 247</a>	Power Cost Equalization Fund	THOMPSON	(H) ENE	1/18/22
<a href="#">HB 322</a>	AK Marine Hwy System Vessel Repl. Fund	HOUSE TRANSPORTATION	(H) FIN	3/2/22
<a href="#">HB 350</a>	School Bond Debt Reimbursement	DRUMMOND	(H) EDC	2/22/22
<a href="#">HB 363</a>	Broadband: Office, Grants, Parity	EDGMON	(H) L&C	2/22/22
<a href="#">HB 370</a>	AK Energy And Broadband Authority	TUCK	(H) L&C	2/22/22
<a href="#">HB 371</a>	Broadband Cost Equalization Fund	TUCK	(H) L&C	2/22/22
<a href="#">HB 378</a>	Municipal Property Tax Assessments	EASTMAN	(H) CRA	2/22/22
<a href="#">HB 393</a>	Fishery Landing Tax Surcharge	MCCABE	(H) FSH	2/22/22
<a href="#">HJR 6</a>	Const. Am: Approp Limit; Budget Reserve	RULES	(H) W&M	3/24/21
<a href="#">SB 6</a>	Rip For Public Employees/teachers	KAWASAKI	(S) FIN	4/19/21
<a href="#">SB 9</a>	Alcoholic Beverage Control; Alcohol Reg	MICCICHE	(H) FIN	2/22/22
<a href="#">SB 11</a>	Community Property Trusts	BEGICH	(H) JUD	2/16/22
<a href="#">SB 15</a>	Open Meetings Act; Penalty	COSTELLO	(S) FIN	4/21/21
<a href="#">SB 17</a>	Energy Efficiency & Policy: Pub. Bldgs	BEGICH	(S) FIN	5/3/21
<a href="#">SB 37</a>	Teachers & Pub Employee Retirement Plans	KIEHL	(S) L&C	1/25/21

<b>Bill</b>	<b>Short Title</b>	<b>Prime Sponsors</b>	<b>Current Status</b>	<b>Status Date</b>
<a href="#"><u>SB 41</u></a>	Health Insurance Info.; Incentive Program	HUGHES	(S) L&C	1/25/21
<a href="#"><u>SB 100</u></a>	State Income Tax	BEGICH	(S) STA	3/10/21
<a href="#"><u>SB 170</u></a>	Marine Highway Corporation	SENATE TRANSPORTATION	(S) TRA	1/21/22
<a href="#"><u>SB 172</u></a>	Property Tax Exemption	WIELECHOWSKI	(S) CRA	1/26/22