

Senator Kevin Meyer

Serving Huffman, O'Malley, Abbott Loop, Independence Park, East Dowling



October 5, 2017

Dear Friends and Neighbors,

Fall is certainly upon us here in Southcentral Alaska, and of course that means shorter daylight hours, cooler temperatures, and holidays right around the corner. Make sure kids are bundled up and visible to vehicles as they walk or bike to school, and be sure to stay safe as you celebrate with loved ones this season.

As you probably know, the Legislature will be heading to Juneau again this month for yet another special session. Please continue reading below for details on the legislation we will be considering. As always, I welcome your comments, suggestions, and ideas. It is an honor to serve as State Senator for District M.

Sincerely,

SPECIAL SESSION IV

On September 22, the Governor called the Legislature back into a fourth special session to convene in Juneau on October 23. There are two items on the call: criminal justice reform and a payroll tax.

Criminal Justice Reform

[SB 54](#) seeks to improve some of the provisions passed in SB 91 - the criminal justice reform bill that was based on recommendations made by the [Alaska Criminal Justice Commission](#). Senate Bill 91 was a well-intended law, designed to focus on stopping people from becoming repeat criminals and break the cycle of a person escalating their criminal behavior. Since the implementation of SB 91, the Legislature has been contacted by our constituents, community leaders, law enforcement officers, and victims' advocates, requesting changes to the law. Particularly, with how Class C felonies like stalking, using a weapon, and vehicle theft are treated. Senate Bill 54 proposes to make changes to increase the sentences and jail time for first time offenders of Class C felonies. We in the Senate heard loud and clear from our constituents that people do not feel safe and changes need to be made now. Senate Bill 54 passed the Senate back in April with a vote of 19-1 and is now in the House where it will be taken up first in the House State Affairs committee.

Payroll Tax

The second item on the call is the Governor's proposed payroll tax of 1.5% of wages earned by Alaskans and non-resident workers, capped at \$2,200 or twice the previous year's permanent fund dividend amount, whichever is higher. For example, a person who earned \$50,000 would pay \$750 in payroll taxes. The \$750 may be deducted from the individual's PFD. The proposal is expected to generate between \$300 million and \$325 million, about 15% of which is projected to come from non-resident workers.

The Senate Majority continues to maintain that we can bridge the gap between our expenditures and our revenues without imposing new taxes on Alaskans. We introduced a fiscal plan in January, which included a revenue component that would cover 80-85% of our budget shortfall in the future by restructuring and protecting the Permanent Fund Dividend. The Senate passed [SB 26](#) early in the regular session to do just that, but unfortunately the House and Senate could not reach agreement on the differences and it died in Conference Committee during the first special session.

With prudent restructuring, the \$12-13 billion in the Earnings Reserve Account (ERA) of the Permanent Fund, which if used at 5% of market value, could fund the revenue shortfall for decades, as well as continue to support a \$1000 dividend for all eligible Alaskans. I am hopeful that when we return to Juneau in January that we will have a new proposal for such a solution. After all, under the Governor's newest tax proposal, it will require hiring more state employees to collect from private- and self-employed individuals. We do not support growing the public sector to collect money and fund it at the expense of the private sector. And finally, I would like to personally see a commitment from Governor Walker to introduce a budget in December that provides reductions in government spending, and a commitment to a spending cap, such as the one that the Senate proposed last year.

CONTACT INFORMATION

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2017-18 ASSIGNMENTS:

Senate Rules Committee

Chairman

Senate State Affairs Committee

Chairman

Senate Resources Committee

Member

Senate Labor and Commerce Committee

Member

Senate Committee on Committees

Member



Former Governor Steve Cowper was presented a commemorative map of Alaska by former Lt. Governor Mead Treadwell at the Commonwealth North Fiscal Forum.



Marty, our dogs Matty and Coco, and I, participated in the [Making Strides Against Breast Cancer](#) walk.

If you have moved out of the district, or would like to be removed from my mailing list, please click [HERE](#).