

Alaska State Legislature

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Senate Labor and Commerce Committee

SB 122 Real Estate Transfer Fees/Title Plants Sponsor Statement

Currently, Alaska law allows a deed to real estate to contain a covenant requiring that a fee be paid to the original seller for any subsequent transfer of title. While the practice is unquestionably a benefit to the original seller, who can depend upon a steady income from property the seller no longer owns long after performing any service that might merit such a payment. According to Harvard Law School's Joseph William Singer, courts in the state of New York outlawed the practice in 1852 as a vestige of feudalism. Recently, Idaho, Indiana, Mississippi, and Montana have come around and passed their own prohibitions, making 41 states that have outlawed the practice. There appears to be no justification for allowing such practice to continue in Alaska.

Title plants maintained by title insurance companies are today only obligated to contain records going back 25 years. Alaskans participating in this industry believe that a more appropriate length of time would be 40 years. The current statute was passed in 1974, a short 16 years after statehood.

Your support for this bill is much appreciated.