



"Village with a Past, City with a Future"

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April 4, 2017

Senator Dennis Egan
ALASKA STATE LEGISLATURE
State Capitol Room 417
Juneau, Alaska 99801

RE: Letter of Support for SB 100, An Act Relating to Municipal Liens

Dear Senator Egan:

Thank you for introducing SB 100, an Act Relating to Municipal Liens. The City of Kenai supports this Bill which returns to municipalities the clear ability to create and enforce certain municipal liens. The City provides water and sewer utilities and enforces laws related to public health, safety and welfare; which occasionally require the City to take action on private property to protect the public from unsafe or dangerous conditions. Enabling the City to create and enforce liens authorized by municipal ordinances for these rendered services improves efficiency and lowers City costs by providing a tool for the City to securely recoup its expenditures. Unpaid utility charges are often individually small enough that securing a court order is not cost effective, but collectively these charges can be substantial.

Creating and enforcing liens was a tool previously utilized by municipalities. In a 2012 Alaska Supreme Court Case, *Cutler v. Kodiak Island Borough*, 290 P.3d 415, the Court determined that SB 195, which became law in 1998, prohibited the Kodiak Island Borough (a second class borough) from creating and enforcing liens for garbage collection service charges. After the decision as a cautionary matter, the City of Kenai, a home rule city, stopped creating and recording its own liens. Senate Bill 195 was intended to protect public officials and servants from frivolous lien filings by individuals, and in doing so, limited liens to those consensually agreed to, imposed by a court or provided for by state or federal statute. Senate Bill 195's legislative history, does not indicate any intention to remove a municipality's ability to impose its own valid liens.

Senate Bill 100 imposes no costs to the State, has public benefit, and improves local government efficiency and the financial bottom line. Please let me know if the City can provide any further support to help SB 100 become law.

Sincerely,

Paul Ostrander
City Manager

cc: City of Kenai Council Members