

ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE

February 14, 2011

3:17 p.m.

MEMBERS PRESENT

Representative Kurt Olson, Chair
Representative Craig Johnson, Vice Chair
Representative Dan Saddler
Representative Paul Seaton
Representative Steve Thompson
Representative Lindsey Holmes
Representative Bob Miller

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 114

"An Act relating to an opt-out charitable giving program offered by an electric or telephone cooperative."

- MOVED CSHB 114(L&C) OUT OF COMMITTEE

HOUSE BILL NO. 130

"An Act relating to municipal building code requirements for fire sprinkler systems in certain residential buildings; and providing for an effective date."

- MOVED CSHB 130(L&C) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HB 114

SHORT TITLE: OPT-OUT CHARITABLE GIVING PROGRAM

SPONSOR(S): REPRESENTATIVE(S) THOMPSON

01/21/11	(H)	READ THE FIRST TIME - REFERRALS
01/21/11	(H)	L&C, JUD
02/07/11	(H)	L&C AT 3:15 PM BARNES 124
02/07/11	(H)	Heard & Held
02/07/11	(H)	MINUTE(L&C)
02/14/11	(H)	L&C AT 3:15 PM BARNES 124

BILL: HB 130

SHORT TITLE: RESIDENTIAL SPRINKLER SYSTEMS

SPONSOR(S): LABOR & COMMERCE

01/28/11	(H)	READ THE FIRST TIME - REFERRALS
01/28/11	(H)	CRA, L&C
02/08/11	(H)	CRA AT 8:00 AM BARNES 124
02/08/11	(H)	Moved Out of Committee
02/08/11	(H)	MINUTE(CRA)
02/09/11	(H)	CRA RPT 6DP
02/09/11	(H)	DP: AUSTERMAN, CISSNA, DICK, FOSTER, GARDNER, MUNOZ
02/14/11	(H)	L&C AT 3:15 PM BARNES 124

WITNESS REGISTER

JANE PIERSON, Staff
Representative Steve Thompson
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified and answered questions during the discussion of HB 114.

CLYDE (ED) SNIFFEN, JR., Senior Assistant Attorney General
Commercial/Fair Business Section
Civil Division (Anchorage)
Department of Law (DOL)
Anchorage, Alaska

POSITION STATEMENT: Provided comments and answered questions during the discussion of HB 114.

ROB EARL, Staff
Representative Bob Herron
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented HB 130 on behalf of Representative Bob Herron and the sponsor, the House Labor & Commerce Committee.

ERROL CHAMPION, Secretary
Alaska Association of Realtors, Southeast Chapter
Juneau, Alaska

POSITION STATEMENT: Testified and answered questions during the discussion of HB 130.

ALAN WILSON, Director; Legislative Committee Co-Chair
Alaska State Home Building Association (ASHBA)

Juneau, Alaska

POSITION STATEMENT: Testified in support of HB 130.

KATHIE WASSERMAN, Executive Director

Alaska Municipal League (AML)

Juneau, Alaska

POSITION STATEMENT: Testified during the discussion of HB 130.

AMY KRIER, Owner/Broker

Advantage Alaska Realty

Fairbanks, Alaska

POSITION STATEMENT: Testified in support of HB 130.

GLEND A FEEKAN, Owner, RE/MAX of the Peninsula;

Member, Alaska Association of Realtors

Kenai, Alaska

POSITION STATEMENT: Testified in support of HB 130.

JEFF TUCKER, President

Alaska Fire Chiefs Association (AFCA)

North Pole, Alaska

POSITION STATEMENT: Testified in support of HB 130.

PAUL MICHELSON, Co-Chair, Legislature Committee

Alaska Home Building Association (ASHBA)

Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 130.

ACTION NARRATIVE

[3:17:52 PM](#)

CHAIR KURT OLSON called the House Labor and Commerce Standing Committee meeting to order at 3:17 p.m. Representatives Olson, Johnson, Saddler, Seaton, Thompson, Holmes, and Miller were present at the call to order.

HB 114-OPT-OUT CHARITABLE GIVING PROGRAM

[3:18:14 PM](#)

CHAIR OLSON announced that the first order of business would be HOUSE BILL NO. 114, "An Act relating to an opt-out charitable giving program offered by an electric or telephone cooperative."

[3:18:36 PM](#)

JANE PIERSON, Staff, Representative Steve Thompson, Alaska State Legislature, on behalf of the prime sponsor, recapped HB 114, which was previously heard by the committee. She explained that HB 114 would create an opt-out charitable giving program. The program would "roundup" to the next dollar on an electric cooperative billing. The fractional amount would be distributed to organizations and individuals in need of charitable donations. Individuals or organizations would apply by application. Most cooperatives establish a separate "501 (c) (3)" organization to oversee these monies. One issue that arose at an earlier hearing on HB 114 was the necessity of placing some restrictions on the opt-out charitable giving program.

[3:19:28 PM](#)

REPRESENTATIVE THOMPSON made a motion to adopt Amendment 2, labeled, 27-LS0424\A.4, Kane, 2/11/11, as follows:

Page 3, lines 13 - 14:

Delete "charitable donations and for no other purpose"

Insert "the relief of poverty, distress, or other conditions of general public concern but not for religious organizations, political organizations, organized labor unions, or unorganized labor unions, or for any political purpose"

CHAIR OLSON objected for purpose of discussion.

[3:19:56 PM](#)

MS. PIERSON explained that proposed Amendment 2 would "place some sideboards" on what the charitable funds uses. She said the funds could be used for the relief of poverty, distress, or other conditions of general public concern but not for religious organizations, political organizations, organized labor unions, or unorganized labor unions, or for any political purpose. In response to Representative Johnson, she answered that she did not have a definitive answer since the term "charitable" has many definitions. She offered to work on a definition for consideration at the next committee of referral.

REPRESENTATIVE JOHNSON said he would also like "general public concern" defined but his concern was not significant enough to impede the progress of HB 114. However, he thought the term was too general.

3:21:19 PM

REPRESENTATIVE SEATON asked for the definition of an "unorganized labor union."

MS. PIERSON said she was uncertain but she thought some labor organizations have programs and this language would extend to these programs.

3:22:05 PM

REPRESENTATIVE SEATON described a scenario in which house repairs were being donated. He asked whether employees of companies would be prevented from using the funds or working on a house if the employees were part of organized labor.

MS. PIERSON offered her belief that the intent of the bill would be for the, the person who needs the repairs done, the recipient, to hire anyone he/she chose to do the repairs. She indicated this could include any member of organized or unorganized labor since the labor organization would not be receiving the funds. Instead, the individual or nonprofit organization would be receiving the charity, she stated.

3:23:23 PM

CLYDE (ED) SNIFFEN, JR., Senior Assistant Attorney General, Commercial/Fair Business Section, Civil Division (Anchorage), Department of Law (DOL), revisited the question as whether an individual recipient could contract with an organized labor union or an unorganized labor union to repair the roof. He agreed with Ms. Pierson, that the intent would be for the recipient of the donation is the focus of this language. He offered his belief that some restrictions would be placed on paying labor directly but a carpenter who happened to be part of a labor union would not likely have any restriction.

3:24:29 PM

REPRESENTATIVE SEATON referred to page 3, lines 13-14 of HB 114, and said he thought the language referred to the purpose of the charitable funds and not who receives the funds. He read: "...the relief of poverty, distress, or other conditions of general public concern but not for religious organizations, political organizations, organization labor unions, or unorganized labor unions, or for any political purpose." He asked for further clarification.

MR. SNIFFEN referred to an earlier question on whether the term "general public concern" could be defined. He offered to work on this definition. The language was derived from AS 45.68, which relates to charitable solicitation in Alaska. The statute defines a charitable organization to mean an organization that is formed for the relief of poverty, distress, or other conditions of general public concern. He recalled other statutes use that phrase. Unfortunately, the phrase is not defined in any of those other statutes either. He said, "It's kind of a moving target and we'll see if we can do better."

MR. SNIFFIN turned to the specific question as to whether Amendment 2 would refer to the purpose of the donation or the individual. He said he was uncertain whether it matters too much, but he understood the concern. He related a scenario in which GVEA wanted make a donation to the International Brotherhood of Electrical Workers (IBEW) for the purpose of opposing an attempt to de-unionize a particular shop. The GVEA would be restricted from doing so as long as the purpose of the grant is not to benefit the labor, political or religious organization. This language would allow that to happen but he suggested that there may be a way to focus on the purpose rather than on the individual.

REPRESENTATIVE SEATON offered that he was having difficulty with the "purpose" and the "recipient" on the "same line". He was uncertain how that would work.

[3:27:31 PM](#)

REPRESENTATIVE JOHNSON recalled Mr. Sniffen used the term "unorganized labor organizations" several times but the specific language in Amendment 2 uses the term "unorganized labor unions." He asked whether the committee should consider altering the language.

MR. SNIFFEN related his understanding that union suggests an organized entity. He offered his belief it might make more sense to say "organized labor unions" or "other unorganized labor organization" would perhaps resolve that issue. He suggested that clarification could be worked on in the House Judiciary Standing Committee, as well.

[3:28:33 PM](#)

REPRESENTATIVE JOHNSON referred to an organization such as the Associated General Contractors (AGC), which is not a union but is an organized labor association. He reiterated such an organization is not really a union but it is an organization. He commented that he struggles with the meaning of that phrase.

REPRESENTATIVE SEATON related a scenario in which AGC needed to replace 20 roofs that blew off in a wind storm. He asked whether AGC could replace the roofs under the charitable giving program in HB 114.

MR. SNIFFEN responded that AGC is a contractor's association so it would not likely fit the definition of a labor organization. He identified the AGC as an affiliation of entities that have labor organization interests. The purpose and intent of HB 114 is to allow donations for charitable giving projects for projects such as replacing a roof on a disabled person's home. He remarked that would not be prohibited to have the donation go through a labor organization of some kind so long as the grant was not to the labor organization. He offered his belief that the funds would have to be earmarked for a specific purpose. He related that it may make more sense to put parameters on the definition in order to better focus on the purpose of the fund. Then if the funds are channeled to entities it would likely be fine so long as the purpose of the donation was met. He offered to continue to work to improve the language.

REPRESENTATIVE JOHNSON said he thought the funds should be remitted directly to the recipient rather than to the person receiving the repair. He reiterated that he would prefer the process to be structured so any charitable funds would be paid to the recipient and the person would then hire the repair person to do the work.

MR. SNIFFEN said he did not disagree. He offered his belief that they both have same idea.

[3:32:37 PM](#)

REPRESENTATIVE MILLER remarked that he reviewed the list of examples of recipients and thought one solution might be to insert language, such as nonprofit businesses. He recalled the sponsor's staff mentioning the difficulty in inserting "charitable organization" since it may have "tentacles" but all of the examples on the list seemed to be individual or nonprofit organizations.

MS. PIERSON said she thought that was a good idea and offered to work with Mr. Sniffen on specific language to address his concern.

REPRESENTATIVE MILLER referred to line 4 of proposed Amendment 2, and suggested the committee may wish to delete "unorganized labor unions" and replace it with "other labor organizations."

MR. SNIFFEN said he thought that change makes sense. He also thought a similar restriction to non-profit organizations was previously considered. He said he thought the language in Amendment to that imposes restrictions to "not for religious organizations and political organizations" helps to clarify who is eligible since religious organizations and political organizations are also nonprofit organizations. He offered his belief that the committee has given the sponsor good direction to move forward to address the concerns.

[3:35:13 PM](#)

REPRESENTATIVE HOLMES asked whether proposed Amendment 2 should be adopted or if it still needs tinkering. She said it seemed like committee is interested in moving the bill along.

REPRESENTATIVE JOHNSON said he was not opposed to moving the bill with this amendment included since the committee is building a public record. He said would be uncomfortable sending this bill out without adopting Amendment 1, even though the language was imperfect.

REPRESENTATIVE SEATON said he was unsure which entities are being discussed under "other labor organizations" that are not "labor unions," especially as it pertains to rural Alaska. He was uncertain whether the language may capture entities the committee may not want included in the charitable giving provisions.

REPRESENTATIVE JOHNSON asked the sponsor to clarify whether deleting the language after "labor unions" and using "or unorganized labor unions" would serve the sponsor's purpose and may also address Representative Seaton's concern.

MS. PIERSON answered yes.

[3:38:36 PM](#)

REPRESENTATIVE JOHNSON made a motion to conceptually amend Amendment 2, on line 4, of HB 114, after "organized labor unions" to delete "or unorganized labor unions."

REPRESENTATIVE HOLMES objected for purpose of discussion.

REPRESENTATIVE THOMPSON considered the suggested language change in the conceptual amendment to Amendment 2 as "a friendly amendment."

MR. SNIFFEN agreed that he could not come up with a solid clear example of an unorganized labor union either. He said he did not think the conceptual amendment to Amendment 2 would detract from the intent of the sponsors, although he left it up to the sponsors to decide.

[3:39:51 PM](#)

REPRESENTATIVE HOLMES removed her objection to the conceptual amendment to Amendment 2. There being no further objection, the conceptual amendment to Amendment 2 was adopted.

CHAIR OLSON lifted his objection. There being no objection, Conceptual Amendment 2, as amended was adopted.

CHAIR OLSON, after first determining no one else wished to testify, closed public testimony on HB 114.

[3:41:03 PM](#)

REPRESENTATIVE SADDLER made a motion to adopt Conceptual Amendment 3, on page 3, line 2, to delete "but does not" and insert "by an amount not to". He explained the bill would then read: "program that rounds the monthly bill of a member to the next whole dollar amount by an amount not to exceed 99 cents a month."

REPRESENTATIVE HOLMES objected for the purpose of discussion.

REPRESENTATIVE SADDLER clarified that it was "a grammar thing" since the subject is "a program that" "rounds the monthly bill" "but does not exceed." He suspected a monthly bill would exceed 99 cents a month.

[3:42:39 PM](#)

REPRESENTATIVE SADDLER explained that Conceptual Amendment 3 would also have to add "up" to read, "rounds up" instead of "rounds". He restated the bill would then read: "program that "rounds up" the monthly bill of a member to the next whole dollar amount by an amount not to exceed 99 cents a month." He then restated Conceptual Amendment 3, after "member" insert "up" then delete "but does not" and insert "by an amount not to".

REPRESENTATIVE HOLMES removed her objection.

There being no further objection, Conceptual Amendment 3 adopted.

REPRESENTATIVE THOMPSON acknowledged Conceptual Amendment 3 as a "friendly amendment."

[3:44:09 PM](#)

REPRESENTATIVE JOHNSON moved to report HB 114, as amended, out of committee with individual recommendations and the accompanying zero fiscal note. There being no objection, CSHB 114(L&C) was reported from the House Labor and Commerce Standing Committee.

[3:44:45 PM](#)

The committee took an at-ease from 3:44 p.m. to 3:48 p.m.

HB 130-RESIDENTIAL SPRINKLER SYSTEMS

[3:48:41 PM](#)

CHAIR OLSON announced that the final order of business would be HOUSE BILL NO. 130, "An Act relating to municipal building code requirements for fire sprinkler systems in certain residential buildings; and providing for an effective date."

[3:49:06 PM](#)

ROB EARL, Staff, Representative Bob Herron, Alaska State Legislature, on behalf of Representative Bob Herron, stated that HB 130 was sponsored by the House Labor and Commerce Standing Committee. He explained the main purpose of HB 130 is to expand the public process necessary for a municipality if it wishes to consider mandating fire sprinklers in all new construction projects. The parties affected tend to fall into two groups, with homebuilders and realtors who are concerned about the cost associated with a blanket mandate for fire sprinkler systems and

the Fire Chiefs' Association, who rightfully promote expanded installation of fire sprinklers in residential homes to provide for additional safety. After multiple hearings on these issues, a compromise between these two groups has been reached and is incorporated in HB 130. He said he is not aware of any opposition to the bill. The bill is neither "pro" nor "anti" fire sprinkler systems. The proposed legislation does not prohibit Alaskans from installing fire sprinkler systems in their homes.

MR. EARL highlighted that HB 130 includes language, "a municipality may not adopt an ordinance to require a sprinkler system in all new residential buildings with one or two dwelling units" unless the municipality performs additional public noticing. At least 30 days prior to the hearing for the ordinance a municipality must publish a summary of the ordinance and notice of the time and place of each public hearing, and a municipality must schedule at least three public hearings to be held within a 60 to 180 day time period. The sponsor stresses that any decisions on fire sprinklers should be decided at local level. The question is whether the requirement, with potential financial costs associated with installing fire sprinkler systems, should have a more robust public hearing process. The sponsor thinks the additional public hearing process is necessary.

[3:51:37 PM](#)

REPRESENTATIVE JOHNSON acknowledged that this bill would apply to all new single family dwellings. He asked whether HB 130 would apply to retrofitting existing residences and if so, would the noticing requirements be the same.

MR. EARL offered his belief that such a change could be made without additional notice since a municipality could require an area to have fire sprinklers. Under the bill, a municipality could not require fire sprinklers for new residences unless it submitted to the three requirements just listed.

CHAIR OLSON reiterated that there is not any known opposition to HB 130.

REPRESENTATIVE JOHNSON expressed concern that if new construction requires additional noticing that an ordinance requiring retrofitting should also require additional public notices since it would be more expensive to install fire systems in existing homes, which could be onerous to homeowners. He

said he did not want to "throw a wrench in it" but noted this aspect is worth considering.

MR. EARL said he had no comments.

[3:53:45 PM](#)

REPRESENTATIVE MILLER said he liked the intention of HB 130. He pointed out that he has a number of constituents with dry cabins and it would be impossible for them to install fire sprinklers. He related his understanding that HB 130 would defer to the local municipality. He wondered if anyone had any thoughts on that issue.

MR. EARL answered that he raised a good point, which is the reason for the expanded public process. Alaska is unique. People live in dry cabins. He offered his belief that this bill takes that into consideration.

[3:54:47 PM](#)

REPRESENTATIVE SADDLER referred to page 2 of HB 130, to the publishing requirement in subparagraphs (A) and (B) and asked for the specific publication requirements.

MR. EARL answered that the bill does not impose as specific requirement for the scope of the publications necessary to meet this provision. He reviewed the current statutory requirements and stated that under AS 29.25.020, a municipality must introduce the ordinance in writing, that a public hearing may be required by majority vote, and at least five days prior to a public hearing a summary of the ordinance must be published with the time and place of the hearing. Thus, the time and place is not specified in current statute, he said.

[3:56:44 PM](#)

REPRESENTATIVE SADDLER pointed out if the intent is to be certain the public is adequately informed that it seemed important to be certain adequate public noticing occurs.

[3:57:12 PM](#)

REPRESENTATIVE THOMPSON recalled from his experience as a former mayor that upcoming matters were published in the newspaper, but his agency discovered some "wiggle room" that allowed it to publish notices on the Internet. He reported that this action

saved advertising monies and that the newspaper notices advised the public of the upcoming meeting and to check online for the specific agenda.

CHAIR OLSON recalled similar testimony on the fire sprinkler issue last year.

REPRESENTATIVE HOLMES recalled discussing publication issues but she not certain which bill. She offered her belief that the requirements vary between municipalities.

[3:59:07 PM](#)

ERROL CHAMPION, Secretary, Alaska Association of Realtors, Southeast Chapter, thanked the committee. He related that he testified last year on a similar bill which did not pass. He said HB 130 is important to realtors in terms of the sale of homes and to keep the prices of homes down. He urged members to adopt HB 130.

[4:00:10 PM](#)

ALAN WILSON, Director; Legislative Committee Co-Chair, Alaska State Home Building Association (ASHBA), stated that he is a local builder. He offered that the Alaska State Home Building Association supports HB 130. He offered to address an earlier question with respect to fire sprinkler requirements for new or existing construction. The main reason ASHBA is before the legislature is to address revisions to the overall building codes. Sprinkler systems were previously in the building code appendix, but the soon to be adopted revised building code will place sprinkler systems into the body of the code. The concern is that when various code agencies review the codes during the adoption process, the agencies may overlook how adopting the revised code will change the local requirements for fire sprinklers. Typically, code agency reviews address local requirements by amendment to address vapor barriers, insulation values and similar things. He related ASHBA's concern that "that would be overlooked, the codes would be adopted and one day you'd wake up and you'd have a mandatory sprinkler requirement." He offered his belief that in terms of existing construction everyone is more tuned in to the cost factor associated with retrofitting the property. In response to Chair Olson, he agreed that the extended hearing process especially if sprinkler systems are mentioned would address the retrofitting sprinkler issue.

4:02:13 PM

KATHIE WASSERMAN, Executive Director, Alaska Municipal League (AML), stated that she is primarily acting as an observer today. She offered that the AML is not opposed to bill and is happy with the bill as it is currently written.

CHAIR OLSON asked whether public noticing requirements would vary by political subdivision.

MS. WASSERMAN answered many municipalities already comply with the notice requirements in HB 130. She offered her belief that very few municipalities would be affected by changes in HB 130 and municipalities will be "ready and willing" to comply.

4:03:26 PM

REPRESENTATIVE HOLMES referred to page 2, line 8 of HB 130, which requires that a summary of the ordinance be published 30 days prior to the first scheduled public hearing for the ordinance. She asked whether the term "publish" to some extent may be determined by municipal code and may differ between municipalities.

MS. WASSERMAN answered yes. She recalled that she previously lived in Pelican and in that community it meant publish in three places, which could be on the wall at city hall, on the boardwalk, in front of the bar, or any place the city thought the notice would most likely be seen. She offered her belief that in most large communities an ordinance states which papers, radio, or other media would satisfy the public notice requirement. She offered that most communities have a pretty good record in terms of public noticing.

4:04:41 PM

AMY KRIER, Owner/Broker, Advantage Alaska Realty, explained that the requirement for single family homes to have sprinkler systems would increase the already high cost of new construction in the Interior and would prohibit many families from being able to afford a new home. She reported that rent is extremely high and any increase in the cost of building duplexes would be passed on to renters and may result in fewer duplexes being built. She pointed out that maintaining a sprinkler system, which would likely require inspections could be costly. Additionally, there may not be enough inspectors to perform inspections for single family homes or duplexes. Further,

inspections would be necessary and would add to the sales cost, especially if the system needed repairs. She related her understanding that the code change was developed to apply to densely populated, urban multi-family housing. Alaska has a lot of rural homes not connected to public water systems and maintaining a pressurized system in a home with a well or holding tank isn't very practical. It could require the homeowner to purchase a generator since well pumps are not functional during power outages. Alaska has "dry" cabins as previously mentioned and the risk of freezing pipes could also cause serious water damage and related mold issues. She expressed concern that requiring fire sprinkler systems in homes could result in more insurance claims and higher premiums. She also shared concerns about retrofitting with regard to home remodels. The cost of retrofitting could be astronomical, she said.

[4:07:37 PM](#)

MS. KRIER opined that the cost and potential downsides outweigh the benefits for single family homes and duplexes. She asserted that she agreed with the expanded public notice outlined in HB 130. She suggested that a cost benefit analysis should be made available and public input should be considered before a municipality is allowed to adopt a requirement for installation of mandatory fire sprinkler systems in single family residential homes or in duplexes.

[4:07:57 PM](#)

REPRESENTATIVE JOHNSON asked in terms of her experience as a real estate broker, whether a bank would treat the financing in a scenario during sales, and if it would affect a homeowner's financing if the person did not retrofit his/her home. He asked whether the bank could require retrofitting as a condition of a sale.

MS. KRIER answered she did not think an inspection would be required for a refinancing, but it could "come into play" if an inspection was required, if the code included upgrades requiring fire sprinklers, and the lender wanted a copy of the inspection report. She offered her belief it is possible in those circumstance that the issue of fire sprinklers could arise and financing would be denied.

[4:09:11 PM](#)

GLEND A FEEKAN, Owner, RE/MAX of the Peninsula; Member, Alaska Association of Realtors, stated she strongly urges members to support HB 130. She explained that realtors support affordable housing. She offered her belief that mandatory fire sprinklers for single family homes and duplexes would cause considerable costs for construction, maintenance, resale, and insurance. She asked members to keep in mind that current homeowners do not upkeep the batteries in their smoke alarms so she has no idea what they would do to maintain sprinkler systems. She stressed that affected people should be advised of the incredible burden associated with sprinkler systems before a governing body adopts a new rule. She stated that citizens should not be subject to this mandate without notification. She offered that HB 130 is a great bill since it is proactive in response to a national movement to require fire sprinkler systems, which would be very detrimental to Alaskans.

[4:10:36 PM](#)

JEFF TUCKER, President, Alaska Fire Chiefs Association (AFCA), stated that the issues in HB 130 have been worked on for the past two years in the legislature. He said the AFCA does not oppose the bill and encourages adoption of HB 130 in its current form. He concluded, "We'd like to see it passed in its current format."

[4:11:50 PM](#)

PAUL MICHELSON, Co-Chair, Legislature Committee, Alaska Home Building Association (ASHBA), stated that he appreciated the committee introducing HB 130. He said he has worked on this issue for five years with the National Association of Home Builders. He stressed he is in total support of HB 130. He related his understanding that the legislature ran out of time last year. He urged members to pass the bill out today.

CHAIR OLSON commended the work that last year's sponsor did on this bill.

[4:13:13 PM](#)

CHAIR OLSON, after first determining no one else wished to testify, closed public testimony on HB 130.

[4:13:27 PM](#)

REPRESENTATIVE SEATON referred to page 2, line 18 of HB 130, to the effective date of the bill of July 1, 2011. He offered his belief the effective date would not allow time for regulations to be promulgated, although he did not think it would be necessary for municipalities to do so.

MR. EARL said he did not have any comment on the effective date.

[4:14:23 PM](#)

The committee took an at-ease from 4:14 p.m. to 4:15 p.m.

[4:15:56 PM](#)

REPRESENTATIVE SEATON asked whether the committee should consider amending HB 130 to remove the effective date of the bill. He related his understanding that some confusion exists on how the effective date might affect municipalities. He asked for any other committee discussion on the effective date.

REPRESENTATIVE HOLMES offered her belief that the effective date is not critical since the bill would become effective 90 days after the governor signed the bill. She commented if the bill were to languish until the next legislature session that someone would need to amend HB 130 to address the effective date.

REPRESENTATIVE JOHNSON remarked that the effective date is also in the title of the bill.

[4:17:40 PM](#)

REPRESENTATIVE SEATON made a motion to adopt Conceptual Amendment 1 to delete proposed Section 3 and the appropriate language in the title to reflect removal of the effective date. There being no objection, Conceptual Amendment 1 was adopted.

[4:18:20 PM](#)

REPRESENTATIVE THOMPSON expressed his initial concern with HB 130 since it appeared the bill created an imposition on residents. He related his subsequent understanding that HB 130 actually provides consumer protection since it offers some protection against the requirement for mandatory fire sprinkler systems. He offered his support for HB 130.

REPRESENTATIVE THOMPSON moved to report HB 130, as amended, out of committee with individual recommendations and the

accompanying fiscal notes. There being no objection, CSHB 130(L&C) was reported from the House Labor and Commerce Standing Committee.

4:19:43 PM

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 4:19 p.m.