

ALASKA STATE LEGISLATURE
SENATE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE

January 31, 2012

3:33 p.m.

MEMBERS PRESENT

Senator Donald Olson, Chair
Senator Thomas Wagoner
Senator Albert Kookesh
Senator Linda Menard

MEMBERS ABSENT

Senator Johnny Ellis

COMMITTEE CALENDAR

SENATE BILL NO. 154

"An Act creating a low-interest loan program for homeowners who convert their homes to natural gas-fired heating; and creating the natural gas home heating conversion loan fund."

- HEARD AND HELD

SENATE BILL NO. 122

"An Act relating to real estate transfer fees and increasing the length of time title records must be maintained by a title plant."

- HEARD AND HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 154

SHORT TITLE: NATURAL GAS CONVERSION PROGRAM/FUND

SPONSOR(s): SENATOR(s) THOMAS

01/17/12	(S)	PREFILE RELEASED 1/13/12
01/17/12	(S)	READ THE FIRST TIME - REFERRALS
01/17/12	(S)	CRA, FIN
01/24/12	(S)	CRA AT 3:30 PM BELTZ 105 (TSBldg)
01/24/12	(S)	Heard & Held
01/24/12	(S)	MINUTE(CRA)
01/31/12	(S)	CRA AT 3:30 PM BELTZ 105 (TSBldg)

BILL: SB 122

SHORT TITLE: REAL ESTATE TRANSFER FEES/TITLE PLANTS
SPONSOR(s): LABOR & COMMERCE

04/08/11 (S) READ THE FIRST TIME - REFERRALS
04/08/11 (S) CRA, L&C
01/24/12 (S) CRA AT 3:30 PM BELTZ 105 (TSBldg)
01/24/12 (S) Heard & Held
01/24/12 (S) MINUTE(CRA)
01/31/12 (S) CRA AT 3:30 PM BELTZ 105 (TSBldg)

WITNESS REGISTER

SENATOR JOE THOMAS
Alaska State Legislature
Juneau, Alaska
POSITION STATEMENT: SB 154 sponsor.

GRIER HOPKINS, Staff
Senator Joe Thomas
Alaska State Legislature
Juneau, Alaska
POSITION STATEMENT: Provided supportive testimony for SB 154.

DAVID SCOTT, Staff
Senator Donny Olson
Alaska State Legislature
Juneau, Alaska
POSITION STATEMENT: Explained how CSSB 122, version B, differs from the original bill.

DANA OWEN, Staff
Senator Dennis Egan
Alaska State Legislature
Juneau, Alaska
POSITION STATEMENT: Provided supportive testimony for CSSB 122(CRA).

RAYMOND DAVIS, Vice President
Old Republic Title Insurance Company
Seattle, Washington
POSITION STATEMENT: Supports CSSB 122(CRA).

ACTION NARRATIVE

3:33:58 PM

CHAIR DONALD OLSON called the Senate Community and Regional Affairs Standing Committee meeting to order at 3:33 p.m. Present

at the call to order were Senators Wagoner, Kookesh, Menard, Ellis, and Chair Olson.

SB 154-NATURAL GAS CONVERSION PROGRAM/FUND

CHAIR OLSON announced the consideration of SB 154.

[3:34:43 PM](#)

SENATOR JOE THOMAS, SB 154 sponsor, said the bill would create a low interest loan program for Alaskan families to replace their oil, coal or wood home-heating appliances with natural gas fueled appliances. He said families would have the ability to plan ahead for low cost energy, knowing that when they do get access to natural gas in their neighborhoods or communities they will be able to afford to use it.

He said the home heating change-out mechanism would create a more robust gas distribution system in Southcentral Alaska where gas is currently distributed. He said Fairbanks would be able to prepare for delivery of natural gas either by pipeline or truck. He said the Fairbanks Borough was studying the options and economics of expanding the current gas distribution system beyond the current 1100 customers to over 3500 customers in a relatively short period of time. He said he had a recent discussion with Fairbanks Natural Gas and was told that over 2000 homes in Fairbanks are within reach of the current pipeline infrastructure.

He said heavier use of gas in Fairbanks would also assist the borough in complying with the Environmental Protection Agency's (EPA) air quality mandate when 12,000 homes are converted to natural gas.

[3:36:31 PM](#)

SENATOR THOMAS He said by implementing SB 154 and establishing the natural gas home heating conversion loan fund, upgrading to cleaner, cheaper gas will become affordable for more families, making any gas delivery project much more economic. He said the economy would be vitalized by job creation across the state and more money would circulate within Alaska rather than on energy expenditures.

[3:37:52 PM](#)

GRIER HOPKINS, staff to Senator Thomas, said he was available for questions.

CHAIR OLSON asked what the plans were for extending some of the services in Fairbanks.

SENATOR THOMAS answered that Fairbanks Natural Gas would continue to address distribution logistics and infrastructure. He said Golden Valley Electric Association and Flint Hills Resources' North Pole Refinery could offer the Fairbanks market with excess natural gas from their Prudhoe Bay shipments.

CHAIR OLSON asked if Fairbanks residents would pay higher taxes due to the added infrastructure costs.

SENATOR THOMAS answered no.

SENATOR WAGONER commented that SB 154 would benefit both Fairbanks and other areas in the state that have natural gas availability.

CHAIR OLSON asked if Senator Wagoner's constituents were in favor of SB 154.

SENATOR WAGONER replied that he did not know, but said he was in favor of SB 154.

CHAIR OLSON commented that SB 154 had a large fiscal note and answers were required.

[3:40:47 PM](#)

SENATOR WAGONER said money would come back to the state in future years.

CHAIR OLSON asked how the money would come back to the state.

SENATOR WAGONER answered that the money appropriated was a loan, not a grant.

CHAIR OLSON asked about a return on investment at one percent interest.

SENATOR THOMAS answered that the loans within the program are at one percent interest to be repaid over a ten-year period.

SENATOR WAGONER confirmed that the loan is at one percent and the principle would be paid back.

[3:41:20 PM](#)

SENATOR KOOKESH moved to report SB 154 from the committee with individual recommendations and attached fiscal note(s).

[3:41:33 PM](#)

CHAIR OLSON announced without objection, SB 154 moved from the Senate Community and Regional Affairs Standing Committee.

[3:42:01 PM](#)

At ease from 3:42 p.m. to 3:43 p.m.

SB 122-REAL ESTATE TRANSFER FEES/TITLE PLANTS

[3:43:19 PM](#)

CHAIR OLSON announced the consideration of SB 122 [CSSB 122(CRA), 27-LS0789\B was before the committee].

DAVID SCOTT, staff to Senator Olson, aide to the Community and Regional Affairs Committee, said the committee substitute (CS), version B, had removed section one from the original bill and section two became section one.

SENATOR KOOKESH asked for a review of section one from the original bill.

MR. SCOTT answered that title plants would have been required to maintain records up to 50 years.

[3:44:49 PM](#)

SENATOR KOOKESH moved to adopt CSSB 122(), labeled 27-LS0789\B as a working document.

[3:44:57 PM](#)

SENATOR WAGONER objected for discussion purposes.

SENATOR WAGONER asked if the CS was acceptable to dissenting and concurring title insurance parties from previous testimony.

MR. SCOTT answered correct.

[3:45:51 PM](#)

SENATOR THOMAS removed his objection.

[3:46:04 PM](#)

CHAIR OLSON said CSSB 122(), version B had been adopted. He asked if there was public or committee comment on the CS.

DANA OWEN, aide to Senator Egan, said the Senate Labor and Commerce Committee supported CSSB 122(), version B.

RAYMOND DAVIS, Vice President, Old Republic Title Insurance Company, said he supports CSSB 122().

[3:47:35 PM](#)

SENATOR WAGONER moved to report CSSB 122(), labeled 27-LS0789\B from the committee with individual recommendations and a zero fiscal note.

[3:48:07 PM](#)

CHAIR OLSON announced without objection, CSSB 122(CRA) moved from the Senate Community and Regional Affairs Standing Committee.

[3:48:31 PM](#)

There being no further business to come before the committee, Chair Olson adjourned the Senate Community and Regional Affairs Standing Committee at 3:48 p.m.