

HOUSE FINANCE COMMITTEE  
February 21, 2013  
2:18 p.m.

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CALL TO ORDER

Co-Chair Stoltze called the House Finance Committee meeting to order at 2:18 p.m.

MEMBERS PRESENT

Representative Alan Austerman, Co-Chair  
Representative Bill Stoltze, Co-Chair  
Representative Mark Neuman, Vice-Chair  
Representative Mia Costello  
Representative Les Gara  
Representative Lindsey Holmes  
Representative Scott Kawasaki, Alternate  
Representative Cathy Munoz  
Representative Steve Thompson  
Representative Tammie Wilson

MEMBERS ABSENT

Representative Bryce Edgmon  
Representative David Guttenberg

ALSO PRESENT

Brandon Brefczynski, Aide, Representative Tammie Wilson;  
Stacy Schubert, Director, Governmental Relations and Public Affairs, Alaska Housing Finance Corporation, Department of Revenue; Rex Shattuck, Aide, Representative Mark Neuman.

PRESENT VIA TELECONFERENCE

Brian Judy, Senior State Liaison, National Rifle Association.

SUMMARY

HB 24 SELF DEFENSE

HB 24 was HEARD and HELD in committee for further consideration.

HB 35 HOME HEATING CONVERSION LOANS

HB 35 was HEARD and HELD in committee for further consideration.

HB 75 CONTRIBUTION FROM PFD: AUDITS; UNIVERSITY

HB 75 was SCHEDULED but not HEARD.

#hb35

HOUSE BILL NO. 35

"An Act creating a low-interest loan program for homeowners who improve or replace their home heating systems; and providing for an effective date."

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Representative Wilson stated that HB 35 will create a low-interest loan program, providing Alaskans an affordable avenue for converting their current heating system to a more efficient heating system. She pointed to some letters of support from different communities and organizations across the state (copies on file).

BRANDON BREFCZYNSKI, AIDE, REPRESENTATIVE TAMMIE WILSON, explained that HB 35 established under HB 35 would be overseen by the Alaska Housing Finance Corporation (AHFC), allowing qualified applicants, regardless of income level, to receive up to a \$15,000 loan for a new heating appliance, including the costs of labor and materials. Conditions of the loan are set at one percent interest over a ten year term. The loan program is open to all forms of heating systems, allowing homeowners to convert to the available low-cost heating methods within their community. An additional benefit of HB 35 will be the program's effects on a community's air quality. Currently, the U.S. Environmental Protection Agency (EPA) has declared the Fairbanks North Star Borough (FNSB) a PM 2.5 nonattainment area. This designation has serious economic development impacts. One example of such impacts is the potential loss of Federal highway funding. By converting to cleaner heating systems, such as natural gas, the FNSB will be able to apply the loan program of HB 35 towards their required EPA state implementation plan to mitigate the existing air quality concerns. I urge your support of HB 35 to help

provide Alaska's homes and families with cleaner, efficient and affordable heating options.

Representative Costello wondered how the program was different from other AHFC programs.

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STACY SCHUBERT, DIRECTOR, GOVERNMENTAL RELATIONS AND PUBLIC AFFAIRS, ALASKA HOUSING FINANCE CORPORATION, DEPARTMENT OF REVENUE, explained that the loan program proposed in HB 35 was a \$30,000 loan program, but had short terms and a current 3.75 interest rate.

Co-Chair Stoltze wondered how HB 35 was different than the other AHFC Home Energy Rebate program, specifically related to furnace replacement. Ms. Schubert replied that the Home Energy Rebate Program offered up to \$10,000 returned to homeowners who chose to participate; but the homeowner would only receive the rebate after an energy rating was complete. She stated that the upgrades to the home may include a furnace replacement, insulation, etc. She stressed that the \$10,000 may not completely cover the cost of the homeowner investment, because most of the participants in the Home Energy Rebate Program spend around \$6,000 out-of-pocket.

Representative Wilson remarked that some people may choose to participate in the Home Energy Rebate Program rather than the proposed loan in HB 35.

Co-Chair Stoltze wondered if the two programs could be combined. Ms. Schubert replied that homeowners could participate in both programs.

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Representative Kawasaki looked at page 2, lines 2 and 4. He wondered if increasing energy efficiency of the home specifically referred to efficiency of the heating unit. Representative Wilson replied that the intent of that language was specific to the efficiency of the heating unit.

Representative Kawasaki felt that language was not specific enough.

Representative Kawasaki surmised that the intent of bill was to provide money for individuals with inefficient heaters to upgrade to an efficient system. Representative Wilson replied that the intent of the legislation was to allow for cost and energy efficiency.

Representative Kawasaki wondered if someone could qualify for the loan, if they intended to install a coal burning heater that was more efficient than a gas heater. Representative Wilson responded that in order to qualify for an AHFC program, the system must be automated. She furthered that if the heater was an automated coal system, it could qualify for the program. She furthered that the automated systems that were installed in Fairbanks met air-quality standards.

Representative Kawasaki wondered if homes that did not already have a heating unit installed would qualify for the program. Representative Wilson replied that the program was intended for upgrades only, therefore upgrading from nothing would not be considered an "upgrade."

Representative Kawasaki looked at the income limitations, and wondered if there was a consideration for allowing lower income applicants to participate in the program. Representative Wilson replied that the Interior Weatherization program was available for extremely low income individuals to have their furnaces replaced at no cost. She remarked that the bill's intent was to allow homeowners to take advantage of Alaska's new sources of energy.

Representative Gara expressed appreciation that the bill was geared toward all Alaskan communities.

Representative Munoz wondered how much capitalization would be required to fund the program. Representative Wilson deferred to Ms. Schubert.

[2:32:33 PM](#)

Ms. Schubert furthered that AHFC could not determine how many homes may participate in the program, which is reflected in the indeterminate fiscal note.

Representative Munoz wondered if the 1 percent interest on the loan program was sufficient to cover the costs of

administration. Ms. Schubert responded that AHFC estimated a 10 percent administration fee. She explained that AHFC would partner with a financial institution, so individuals could request the loan through the institution.

Representative Munoz wondered if the 10 percent referred to the loan or the fund. Ms. Schubert replied that she meant 10 percent of the appropriation.

Representative Holmes surmised that the homeowner would not be required to upgrade their system, regardless of the inspector's findings. Representative Wilson replied in the affirmative, but could be dealt with through AHFC regulations.

Representative Holmes wondered if AHFC would have the ability to write regulations that would require findings under the bill's language. Ms. Schubert responded that the Home Energy Rebate Program had thresholds in place for certain efficiency requirements for the maximum rebate. She remarked that AHFC would not foresee the drafting of regulations that created a requirement, unless the legislature created an amendment.

Representative Holmes felt that the bill's language allowed for loan-approval, regardless of the inspector's findings. Representative Wilson felt that individuals would not participate in the program, unless they had a need. She remarked that it was a loan program. She stated that individuals would not participate in the program, if they did not have the need to upgrade, because it would put them further into debt.

Representative Holmes looked at page 2, line 19, and wondered if that language allowed prepayment without interest. Ms. Schubert responded that all of the AHFC loans allowed for prepayment without penalty, and the proposed program would be implemented in the same manner.

Representative Kawasaki looked at wondered if a person could qualify for the loan, if their home did not have the current natural hookup capability.

[2:37:42 PM](#)

Co-Chair Stoltze stated that there were many ways to convert a home to natural gas, including propane to natural gas conversion.

Representative Wilson furthered that she would provide more information regarding natural gas conversion language in the bill.

Representative Kawasaki felt that natural gas energy was important to Fairbanks' future. He wondered if there was a possibility to upgrade, even if the natural gas supply did not reach the individual's home. Representative Wilson anticipated that the first applicants to the program would be individuals who had access to a natural gas supply.

Co-Chair Stoltze wondered how the 10 percent that AHFC would use for administration would be outlined in the portfolio. Ms. Schubert responded that page 3, lines 1 and 2 of the bill stated that the interest from loans shall be deposited in the general fund. She remarked that the proposed program was not a revolving fund.

Co-Chair Stoltze understood that the program would not be revolving, because it only held a 1 percent interest rate. He stated that the committee would hear more about the bill at a later date.

Representative Wilson stressed that program participants would not be required to dispose of their current heating system. She furthered that the new system would need to be the primary heating system, but the old system could be used as a secondary heating method.

Co-Chair Stoltze wondered if two heating systems could be redundant in this program. Representative Wilson replied that the new system was required to be the primary source, but the secondary heating system could remain in place.

HB 35 was HEARD and HELD in committee for further consideration.

#hb24

HOUSE BILL NO. 24

"An Act relating to self-defense in any place where a person has a right to be."

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Vice-Chair Neuman stated that HB 24 added the language "in any other place where a person has the right to be" they have a right to defend themselves. He remarked that Alaskans had the right to defend themselves, without worrying about how the court may see their actions.

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REX SHATTUCK, AIDE, REPRESENTATIVE MARK NEUMAN, explained that Alaska Statutes already recognize that we have a right to use deadly force to protect our family, person, and property. HB 24 further clarifies that right exists not only in our home but also in any other place that we have a right to be. This legislation clarifies the individuals' right to stand their ground and not second guess the consequence of protecting their family or self. HB 24 strengthens the legal recognition of a basic human right to defend oneself, by sending a message to the Judiciary and Law Enforcement that it is the criminal who has the duty to retreat.

Mr. Shattuck stated that federal law, "Stand Your Ground" and "No Duty to Retreat" governed the United States federal case law in which self-defense was asserted against the charge of a criminal homicide. He referred to the 1895 Supreme Court ruling of the Beard vs. US case. That case included a ruling with the language that a man who was "where he had the right to be" when he came under attack and "did not provoke the assault, and had the time reasonable grounds, and in good faith believe that the deceased intended to take his life, or do him great body harm, was not obligated to retreat, nor to consider where he safely retreat to, but was entitled to stand his ground. He also referred to a Minnesota case, "State vs. Gardner." In this case, a man was acquitted for killing man who had attempted to kill him with a rifle. The judge for that case explained that the doctrine of "retreat to the wall" or "duty to retreat" had its origin in medieval England, before the general introduction of guns. The judge stressed that the "duty to retreat" had general regard to the general use and type weapon.

Representative Thompson wondered how many other states had similar laws like the proposed legislation. Mr. Shattuck replied that there were more than 17 states that had a

similar law, but deferred to Mr. Judy for a more accurate count.

Representative Thompson wondered if the bill would enable a person to use deadly force to protect a victim of a crime. Mr. Shattuck responded that the statutes already make provisions for that concern.

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BRIAN JUDY, SENIOR STATE LIAISON, NATIONAL RIFLE ASSOCIATION (via teleconference), stated that HB 24 was important self-defense legislation. He explained that it would provide that a law abiding person, who was justified in using deadly force in self-defense, had no duty to retreat from an attack from any place a person had a legal right to be. He reiterated that the person must be justified in using deadly force. He felt that the opposition to the bill ignored the point that the person could only use deadly force for a justifiable reason. He explained that existing Alaska law already provided that there was no duty to retreat, if a person, who was justified, was on premises which the person owns or leases, or in a building where they work. He stressed that a person would be required to retreat, if they were in any other location. He remarked that there were currently two considerations that a person must take into account: 1) Justification, which was the primary and most significant consideration; and 2) Retreat, which was much less significant. He felt that the only time "retreat" becomes a consideration is once a person felt justified in using deadly force in self-defense. He stressed that the legislation would only amend the subsection (b) AS 11.81.335. He remarked that all of the statutes detailed the legal framework for what constitutes "justification." He felt that it was critical to review the details of "justification" in order to understand what the existing requires for a person to claim "justification." He explained that a person may use deadly force in self-defense, only if a person reasonably believed that the use of deadly was necessary for self-defense against death, serious physical injury, kidnapping, sexual assault, or robbery. He noted that a person must satisfy, under Alaska case law, both a subjective and an objective standard.

Mr. Judy shared that Alaska statute also outlined a list of activities that specifically preclude a person from

claiming justification: if a person was engaged in mutual combat; if a person provoked the other's conduct; if the person was the initial aggressor; or if the person was involved in gang activity.

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Mr. Judy stated that the NRA believed that the legislation would reduce the cost of criminal prosecution, because the bill did not change the primary requirement that a person using deadly force in self-defense must have justification. He stressed that the bill did not change what constitutes "justification." He stressed that once the prosecution determined that there was justification, the provisions of the bill allowed for the charges to be dropped.

Vice-Chair Neuman thanked the committee for hearing the bill. He reiterated Mr. Judy's points related to justification. He stressed that the bill stated that individuals should have the same rights that they have at home or at work, while at any place a person has a right to be.

HB 24 was HEARD and HELD in committee for further consideration.

#hb75

HOUSE BILL NO. 75

"An Act repealing certain audit requirements for entities receiving contributions from permanent fund dividends; requiring each campus of the University of Alaska to apply to be included on the contribution list for contributions from permanent fund dividends; and requiring a university to pay an application fee for each campus separately listed on the contribution list for contributions from permanent fund dividends."

HB 75 was SCHEDULED but not HEARD.

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ADJOURNMENT

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The meeting was adjourned at 3:05 p.m.