

ALASKA STATE LEGISLATURE
HOUSE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE

April 2, 2015

8:09 a.m.

MEMBERS PRESENT

Representative Cathy Tilton, Chair
Representative Paul Seaton, Vice Chair
Representative Shelley Hughes
Representative Benjamin Nageak
Representative Lora Reinbold
Representative Harriet Drummond
Representative Dan Ortiz

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

CS FOR SENATE BILL NO. 19(CRA)

"An Act relating to road service area boundary changes."

- MOVED CSSB 19(CRA) OUT OF COMMITTEE

HOUSE BILL NO. 118

"An Act adopting the Municipal Property Assessed Clean Energy Act; authorizing municipalities to establish programs to impose assessments for energy improvements in regions designated by municipalities; imposing fees; and providing for an effective date."

- MOVED CSHB 118(CRA) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: SB 19

SHORT TITLE: BOUNDARIES OF ROAD SERVICE AREAS

SPONSOR(S): SENATOR(S) COGHILL

01/21/15	(S)	PREFILE RELEASED 1/16/15
01/21/15	(S)	READ THE FIRST TIME - REFERRALS
01/21/15	(S)	CRA
03/05/15	(S)	CRA AT 3:30 PM BELTZ 105 (TSBldg)
03/05/15	(S)	Heard & Held
03/05/15	(S)	MINUTE(CRA)

03/12/15 (S) CRA AT 3:30 PM BELTZ 105 (TSBldg)
03/12/15 (S) Moved CSSB 19(CRA) Out of Committee
03/12/15 (S) MINUTE(CRA)
03/16/15 (S) CRA RPT CS 4DP SAME TITLE
03/16/15 (S) DP: BISHOP, STEDMAN, HOFFMAN, EGAN
03/18/15 (S) TRANSMITTED TO (H)
03/18/15 (S) VERSION: CSSB 19(CRA)
03/20/15 (H) READ THE FIRST TIME - REFERRALS
03/20/15 (H) CRA
03/24/15 (H) CRA AT 8:00 AM BARNES 124
03/24/15 (H) Heard & Held
03/24/15 (H) MINUTE(CRA)
04/02/15 (H) CRA AT 8:00 AM BARNES 124

BILL: HB 118

SHORT TITLE: MUNI ENERGY IMPROVEMNT ASSESSMNTS/BONDS
SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

02/18/15 (H) READ THE FIRST TIME - REFERRALS
02/18/15 (H) ENE, CRA, FIN
03/05/15 (H) ENE AT 10:15 AM CAPITOL 106
03/05/15 (H) Heard & Held
03/05/15 (H) MINUTE(ENE)
03/17/15 (H) ENE AT 10:15 AM CAPITOL 17
03/17/15 (H) Heard & Held
03/17/15 (H) MINUTE(ENE)
03/24/15 (H) CRA AT 8:00 AM BARNES 124
03/24/15 (H) <Pending Referral>
03/24/15 (H) ENE AT 10:15 AM CAPITOL 17
03/24/15 (H) Moved CSHB 118(ENE) Out of Committee
03/24/15 (H) MINUTE(ENE)
03/25/15 (H) ENE RPT CS(ENE) 7DP
03/25/15 (H) DP: CLAMAN, TALERICO, TILTON, NAGEAK,
WOOL, VAZQUEZ, COLVER
03/26/15 (H) CRA AT 8:00 AM BARNES 124
03/26/15 (H) Heard & Held
03/26/15 (H) MINUTE(CRA)
03/28/15 (H) CRA AT 10:00 AM BARNES 124
03/28/15 (H) Heard & Held
03/28/15 (H) MINUTE(CRA)
03/31/15 (H) CRA AT 8:00 AM BARNES 124
03/31/15 (H) -- MEETING CANCELED --
04/02/15 (H) CRA AT 8:00 AM BARNES 124

WITNESS REGISTER

RYNIEVVA MOSS, Staff

Senator John Coghill
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented SB 19 on behalf of the sponsor,
Senator Coghill.

GENE THERRIAULT, Deputy Director
Energy Policy, Alaska Energy Authority (AEA)
Department of Commerce, Community & Economic Development (DCCED)
Anchorage, Alaska

POSITION STATEMENT: Explained amendments to CSHB 118(ENE).

ACTION NARRATIVE

[8:09:19 AM](#)

CHAIR CATHY TILTON called the House Community and Regional Affairs Standing Committee meeting to order at 8:09 a.m. Representatives Hughes, Nageak, Reinbold, Ortiz, Drummond, Seaton, and Tilton were present at the call to order.

SB 19-BOUNDARIES OF ROAD SERVICE AREAS

[8:10:02 AM](#)

CHAIR TILTON announced that the first order of business would be CS FOR SENATE BILL NO. 19(CRA), "An Act relating to road service area boundary changes."

[8:10:21 AM](#)

RYNIEVVA MOSS, Staff, Senator John Coghill, Alaska State Legislature, speaking on behalf of Senator Coghill, sponsor, explained that CSSB 19(CRA) proposes changes to the road service area statutes per the request of the Fairbanks North Star Borough. The proposed changes allow the borough assembly without a vote of the parcels involved with the road service to do the following: consolidate a parcel split between two service areas into the service area that has access to the parcel; incorporate an entire parcel when a parcel is partially in a service area, but the parcel has to have access only through the service area.

[8:11:45 AM](#)

REPRESENTATIVE SEATON moved to report CSSB 19(CRA) out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSSB 19(CRA) was reported from the House Community and Regional Affairs Standing Committee.

[8:12:29 AM](#)

The committee took an at ease from 8:12 a.m. to 8:15 a.m.

HB 118-MUNI ENERGY IMPROVEMNT ASSESSMNTS/BONDS

[8:15:26 AM](#)

CHAIR TILTON announced that the final order of business would be HOUSE BILL NO. 118, "An Act adopting the Municipal Property Assessed Clean Energy Act; authorizing municipalities to establish programs to impose assessments for energy improvements in regions designated by municipalities; imposing fees; and providing for an effective date." [CSHB 118(ENE) is before the committee.]

[8:15:53 AM](#)

CHAIR TILTON moved that the committee adopt Amendment 1, labeled 29-GH102\H.1, Shutts, 4/1/15, which read:

Page 1, following line 7:

Insert new bill sections to read:

"* **Sec. 2.** AS 29.35.200(b) is amended to read:

(b) A first class borough may by ordinance exercise the following powers on an areawide basis:

- (1) provide transportation systems;
- (2) provide water pollution control;
- (3) provide air pollution control in accordance with AS 46.14.400;
- (4) license day care facilities;
- (5) license, impound, and dispose of animals;

(6) establish an energy improvement assessment program under AS 29.49.

* **Sec. 3.** AS 29.35.210(b) is amended to read:

(b) A second class borough may by ordinance exercise the following powers on an areawide basis:

- (1) provide transportation systems;
- (2) license, impound, and dispose of animals;

- (3) provide air pollution control under AS 46.14.400;
- (4) provide water pollution control;
- (5) license day care facilities;
- (6) establish an energy improvement assessment program under AS 29.49."**

Renumber the following bill sections accordingly.

REPRESENTATIVE SEATON objected for discussion purposes.

[8:16:12 AM](#)

GENE THERRIAULT, Deputy Director, Energy Policy, Alaska Energy Authority (AEA), Department of Commerce, Community & Economic Development (DCCED), explained that Amendment 1 would provide clear authority to first and second class boroughs to adopt a Property Assessed Clean Energy (PACE) financing mechanism areawide. The change merely adds to the list of things first and second class boroughs can do areawide.

[8:17:16 AM](#)

REPRESENTATIVE HUGHES related her understanding that cities can already do this by ordinance, that is areawide within city boundaries.

MR. THERRIAULT said he believes that is correct.

[8:17:31 AM](#)

REPRESENTATIVE SEATON removed his objection.

There being no further objection, Amendment 1 was adopted.

[8:17:45 AM](#)

REPRESENTATIVE HUGHES moved that the committee adopt [Conceptual] Amendment 2, labeled 3/16/2015, Macsalka, which read:

Page 1, line 3:
Delete "**regions designated by**"

Page 1, line 14:
Delete "a region designated under this chapter"
Insert "the municipality"

Page 2, lines 13 - 14:

Delete "in a region designated under this chapter"

Insert "located in the municipality"

Page 3, lines 7 - 15:

Delete all material and insert:

"Sec. 29.49.050. Applicability of program.

(a) A program established by a borough under this chapter shall apply on an areawide basis.

(1) The governing body of a city located within a borough that establishes a program under this chapter may, by ordinance, opt out of participation in the borough's program. A city that opts out of the program shall forward a copy of the ordinance to the borough within 30 days after adoption of the ordinance.

(2) A city that opts out of participation in a program established by a borough may opt back into the borough's program by ordinance.

(b) A program established by a city under this chapter shall apply throughout the 1 entire geographic boundaries of the city.

(c) If a borough establishes a program under this chapter after a city within the borough establishes a program under this chapter, the borough succeeds to all rights, powers, duties, assets, and liabilities of the city existing under the city's program.

Page 3, line 27:

Delete all material.

Page 3, line 28:

Delete "(E)"

Insert "(D)"

Page 3, line 31:

Delete "(F)"

Insert "(E)"

Page 4, line 2:

Delete "(G)"

Insert "(F)"

Page 4, line 5:
Delete "(H)"
Insert "(G)"

Page 4, line 7:
Delete "(I)"
Insert "(H)"

Page 4, line 29:
Delete all material.

Page 4, line 30:
Delete "(2)"
Insert "(1)"

Page 5, line 4:
Delete "(3)"
Insert "(2)"

Page 5, line 7:
Delete "(4)"
Insert "(3)"

Page 5, line 9:
Delete "(5)"
Insert "(4)"

Page 5, line 11:
Delete "(6)"
Insert "(5)"

Page 8, lines 21 - 22:
Delete all material and insert:
"(1) payments of contractual assessments on
property benefited under this chapter;"

Page 9, line 19:
Delete "region"
Insert "program"

Page 9, line 22:
Delete "region"
Insert "municipality"

Page 9, line 25:

Delete "region"
Insert "municipality"

Page 10, line 9:
Delete all material.

CHAIR TILTON objected for discussion purposes.

8:17:59 AM

REPRESENTATIVE HUGHES informed the committee that after working with Mr. Therriault and speaking with the Matanuska-Susitna Borough mayor, it seemed appropriate to address the concern of choosing winners and losers by picking regions. The amendment will allow cities to opt out if they so choose.

MR. THERRIAULT explained that the impact of [Conceptual] Amendment 2 is that the government would no longer have the power to apply PACE in a sub region of the borough or the city but rather would have to be the entire area. Therefore, language referring to the designation of a region has been removed and now refers to it being areawide. In the case in which a city within a borough wants to opt out, they can do so by passage of an ordinance. The language in [Conceptual] Amendment 2 also provides the city assembly the ability to opt in later. He then explained that the language on page 2, lines 3-5, of [Conceptual] Amendment 2 addresses a situation in which a city within a borough decides to allow PACE financing within its boundaries and then the borough later wants to allow PACE financing as well. In such a situation, the borough would assume the city program and take on the city's program obligations. The remainder of [Conceptual] Amendment 2 is conforming language.

8:20:57 AM

REPRESENTATIVE HUGHES said that [Conceptual] Amendment 2 would follow the principle as embodied in [HB 146] in which tax exemptions would be areawide.

8:21:21 AM

The committee took a brief at ease.

8:22:42 AM

REPRESENTATIVE HUGHES clarified that Amendment 2 is conceptual.

8:22:57 AM

CHAIR TILTON withdrew her objection.

There being no further objection, Conceptual Amendment 2 was adopted.

8:23:33 AM

REPRESENTATIVE SEATON moved to report CSHB 118, Version 29-GH1021\H, Shutts, 3/25/15, as amended, out of committee with individual recommendations and the accompanying zero fiscal note. There being no objection, CSHB 118(CRA) was reported from the House Community and Regional Affairs Standing Committee.

8:24:08 AM

ADJOURNMENT

There being no further business before the committee, the House Community and Regional Affairs Standing Committee meeting was adjourned at 8:24 a.m.