

ALASKA STATE LEGISLATURE
SENATE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE

February 20, 2018

3:30 p.m.

MEMBERS PRESENT

Senator Click Bishop, Chair
Senator Lyman Hoffman
Senator Bert Stedman

MEMBERS ABSENT

Senator Anna MacKinnon
Senator Berta Gardner

COMMITTEE CALENDAR

CONFIRMATION HEARING(S) :

Commissioner, Department of Commerce, Community and Economic
Development

Commissioner Designee Mike Navarre

- CONFIRMATION ADVANCED

SENATE BILL NO. 180

"An Act amending and repealing registration filing provisions of the Uniform Land Sales Practices Act; relating to the jurisdiction of the office of administrative hearings; and providing for an effective date."

- MOVED SB 180 OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: SB 180

SHORT TITLE: LAND SALES PRACTICES

SPONSOR(S) : RULES BY REQUEST OF THE GOVERNOR

02/09/18	(S)	READ THE FIRST TIME - REFERRALS
02/09/18	(S)	CRA, JUD
02/20/18	(S)	CRA AT 3:30 PM BELTZ 105 (TSBldg)

WITNESS REGISTER

ACTING COMMISSIONER MIKE NAVARRE
Department of Commerce, Community and Economic Development
Anchorage, Alaska

POSITION STATEMENT: Confirmation hearing and presenter of SB 180.

ACTION NARRATIVE

[3:30:38 PM](#)

CHAIR CLICK BISHOP called the Senate Community and Regional Affairs Standing Committee meeting to order at 3:30 p.m. Present at the call to order were Senators Hoffman, Stedman, and Chair Bishop.

CONFIRMATION HEARING(S)

Commissioner, Department of Commerce, Community and Economic Development

[3:31:31 PM](#)

CHAIR BISHOP announced the confirmation hearing of commissioner-designee, Mike Navarre, for the Department of Commerce, Community and Economic Development (DCCED).

COMMISSIONER DESIGNEE MIKE NAVARRE, Department of Commerce, Community and Economic Development (DCCED), Anchorage, Alaska, said he comes to this job with a broad background in local and state government and private business. He brings his own biases and experiences to the job just like they all do and looks forward to working with this committee and the legislature in the best interests of Alaskans. He was prepared to answer questions.

[3:32:32 PM](#)

SENATOR STEDMAN said DCCED oversees the Federal Emergency Management Agency (FEMA) program and asked if he was familiar with the funds that come to the state to administer this program, specifically the flood insurance.

COMMISSIONER DESIGNEE NAVARRE said he was familiar with the program, because of his former job as Mayor of the Kenai Peninsula Borough where he worked to incorporate local knowledge into the FEMA-led insurance program and its mapping process.

SENATOR STEDMAN said FEMA wants to push development back off the water front including pilings and rock fills, and a majority of

the thousands of pre-existing homes will not qualify because of their height. FEMA has extensive reach; it can link federal-backed mortgages into their program and restrict other insurance products from coming in, basically backing communities into a corner. The whole economy for his region is derived off the shore front.

COMMISSIONER DESIGNEE NAVARRE agreed adding that Federal Emergency Management Agency (FEMA) requirements are one-size fits all in terms of the flood insurance program and disaster relief, which has mostly happened to the East Coast of the United States that continues to rebuild in areas that are subject to significant storms. Every time that happens, the federal government ends up spending a bunch of money. So, they have tried to reduce some of those costs, and communities in Alaska, that don't have the same kind of water front, are getting caught up in it. A dialogue with Alaska's congressional delegation is the best avenue for seeing some movement in that conversation.

[3:38:32 PM](#)

SENATOR STEDMAN said the issue that Alaska is subsidizing Gulf Coast state disaster relief has been burning on his desk for several months. The premiums collected are substantial and the number of claims paid in Alaska since the inception is near zero.

CHAIR BISHOP asked Mr. Navarre what his top two priorities are now that he knows the flood insurance issue is the top one. Fairbanks just spent millions of dollars building a dam and a dyke to prevent a flood and it has the same issues with the flood insurance premiums.

COMMISSIONER DESIGNEE NAVARRE answered that he agreed to do this job, because of a level of frustration and concern he had about the state's long-term economic outlook. That is his highest priority. Then, the state needs a responsible fiscal plan.

CHAIR BISHOP opened public testimony and finding none, closed it.

[3:45:03 PM](#)

SENATOR STEDMAN moved to forward Commissioner Designee Navarre's name on to a joint session for consideration. There were no objections and it was so ordered.

[3:46:09 PM](#)

At ease

SB 180-LAND SALES PRACTICES

[3:46:31 PM](#)

CHAIR BISHOP called the meeting back to order and announced consideration of SB 180, version 30-GS2810\A.

[3:46:44 PM](#)

MIKE NAVARRE, Commissioner-designee, Department of Commerce, Community and Economic Development (DCCED), Anchorage, Alaska, said SB 180 was recommended by the recently retired director of the Division of Banking and Securities, because land sale practices law was obsolete. It was consumer protection law put in statute in 1968 mostly for developers coming to Alaska and taking advantage of a lack of sophistication by Alaskan consumers. It hasn't been used since 2000 and the consumer protection in real estate law and regulations in Alaska have significantly changed since then and these protections are no longer necessary. At the time it was adopted it was a uniform law and only nine other states adopted it. The National Conference of Commissioners of Uniform State Laws recommended withdrawing it in 2012 as obsolete.

[3:48:43 PM](#)

CHAIR BISHOP, finding no questions from committee members, opened public testimony.

MR. NAVARRE said this language was not available to the reviser of statutes and can't be removed that way. So, it was brought before the legislature for repeal.

CHAIR BISHOP noted the next committee of referral was Judiciary, and finding no further comments, closed public testimony.

SENATOR STEDMAN moved to report SB 180, version A, from committee with individual recommendations and attached fiscal note(s). There were no objections and it was so ordered.

[3:50:25 PM](#)

At ease

[3:50:34 PM](#)

CHAIR BISHOP called the meeting back to order at 3:50:34 p.m. and finding no further business, adjourned the Senate Community and Regional Affairs Standing Committee meeting at 3:50 p.m.

