

ALASKA STATE LEGISLATURE
SENATE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE

April 30, 2018

3:29 p.m.

MEMBERS PRESENT

Senator Click Bishop, Chair
Senator Anna MacKinnon
Senator Lyman Hoffman
Senator Bert Stedman
Senator Berta Gardner

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 374(L&C)

"An Act relating to on-bill financing by a utility for certain energy efficiency and conservation improvements."

- MOVED SCS CSHB 374(CRA) OUT OF COMMITTEE

HOUSE BILL NO. 410

"An Act relating to the reinstatement of Native corporations; and providing for an effective date."

- MOVED HB 410 OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HB 374

SHORT TITLE: ON-BILL FINANCING OF ENERGY IMPROVEMENTS

SPONSOR(S): REPRESENTATIVE(S) WOOL

02/21/18	(H)	READ THE FIRST TIME - REFERRALS
02/21/18	(H)	ENE, L&C
03/01/18	(H)	ENE AT 10:15 AM CAPITOL 17
03/01/18	(H)	Heard & Held
03/01/18	(H)	MINUTE(ENE)
03/08/18	(H)	ENE AT 10:15 AM CAPITOL 17
03/08/18	(H)	Moved CSHB 374(ENE) Out of Committee
03/08/18	(H)	MINUTE(ENE)

03/09/18 (H) ENE RPT CS(ENE) 2DP 1NR 2AM
 03/09/18 (H) DP: CLAMAN, WOOL
 03/09/18 (H) NR: JOHNSON
 03/09/18 (H) AM: JOHNSTON, RAUSCHER
 03/16/18 (H) L&C AT 3:15 PM BARNES 124
 03/16/18 (H) Heard & Held
 03/16/18 (H) MINUTE(L&C)
 03/26/18 (H) L&C AT 3:15 PM BARNES 124
 03/26/18 (H) Heard & Held
 03/26/18 (H) MINUTE(L&C)
 03/31/18 (H) L&C AT 1:00 PM BARNES 124
 03/31/18 (H) Moved CSHB 374(L&C) Out of Committee
 03/31/18 (H) MINUTE(L&C)
 04/02/18 (H) L&C RPT CS(L&C) NT 4DP
 04/02/18 (H) DP: WOOL, JOSEPHSON, EDGMON, KITO
 04/09/18 (H) TRANSMITTED TO (S)
 04/09/18 (H) VERSION: CSHB 374(L&C)
 04/10/18 (S) READ THE FIRST TIME - REFERRALS
 04/10/18 (S) CRA
 04/11/18 (S) CRA WAIVED PUBLIC HEARING NOTICE, RULE
 23
 04/12/18 (S) CRA AT 3:30 PM BELTZ 105 (TSBldg)
 04/12/18 (S) -- MEETING CANCELED --
 04/17/18 (S) CRA AT 3:30 PM BELTZ 105 (TSBldg)
 04/17/18 (S) Heard & Held
 04/17/18 (S) MINUTE(CRA)
 04/18/18 (S) CRA AT 3:30 PM BELTZ 105 (TSBldg)
 04/18/18 (S) -- MEETING CANCELED --
 04/20/18 (S) CRA AT 3:30 PM FAHRENKAMP 203
 04/20/18 (S) -- MEETING CANCELED --
 04/25/18 (S) CRA AT 3:30 PM BELTZ 105 (TSBldg)
 04/25/18 (S) Heard & Held
 04/25/18 (S) MINUTE(CRA)
 04/26/18 (S) CRA AT 3:30 PM BELTZ 105 (TSBldg)
 04/26/18 (S) -- MEETING CANCELED --
 04/27/18 (S) CRA AT 3:30 PM BELTZ 105 (TSBldg)
 04/27/18 (S) -- MEETING CANCELED --
 04/30/18 (S) CRA AT 3:30 PM BELTZ 105 (TSBldg)

BILL: HB 410

SHORT TITLE: REINSTATEMENT OF NATIVE CORPS

SPONSOR(S): COMMUNITY & REGIONAL AFFAIRS

04/06/18 (H) READ THE FIRST TIME - REFERRALS
 04/06/18 (H) CRA
 04/12/18 (H) CRA AT 8:00 AM BARNES 124
 04/12/18 (H) Moved HB 410 Out of Committee

04/12/18 (H) MINUTE (CRA)
 04/17/18 (H) CRA RPT 5DP
 04/17/18 (H) DP: RAUSCHER, LINCOLN, TALERICO,
 PARISH, ZULKOSKY
 04/17/18 (H) CRA AT 8:00 AM BARNES 124
 04/17/18 (H) Moved HB 410 Out of Committee
 04/17/18 (H) MINUTE (CRA)
 04/26/18 (H) SESSION CANCELED 4/25 - ON 4/26
 CALENDAR
 04/26/18 (H) TRANSMITTED TO (S)
 04/26/18 (H) VERSION: HB 410
 04/27/18 (S) READ THE FIRST TIME - REFERRALS
 04/27/18 (S) CRA, STA
 04/30/18 (S) CRA AT 3:30 PM BELTZ 105 (TSBldg)

WITNESS REGISTER

ROB EARL, staff to Representative Wool
 Alaska State Legislature
 Juneau, Alaska

POSITION STATEMENT: Commented on HB 374.

PAUL LABOLLE, staff to Representative Foster
 Alaska State Legislature
 Juneau, Alaska

POSITION STATEMENT: Commented on HB 410 for the sponsor.

SARA CHAMBERS, Deputy Director
 Division of Corporations, Business, and Professional Licensing
 Department of Commerce, Community and Economic Development
 Juneau, Alaska

POSITION STATEMENT: Answered questions on HB 410.

KATHY FAGERSTROM, Supervisor
 Division of Corporations, Business, and Professional Licensing
 Department of Commerce, Community and Economic Development
 Juneau, Alaska

POSITION STATEMENT: Answered questions on HB 410.

ACTION NARRATIVE

3:29:50 PM

CHAIR CLICK BISHOP called the Senate Community and Regional Affairs Standing Committee meeting to order at 3:29 p.m. Present at the call to order were Senators Stedman, Hoffman, Gardner, and Chair Bishop.

HB 374-ON-BILL FINANCING OF ENERGY IMPROVEMENTS

3:30:35 PM

CHAIR BISHOP announced consideration of HB 374. [Chair Bishop had an outstanding objection to adopting SCS CSHB 374(CRA), version 30-LS1333\S.]

ROB EARL, staff to Representative Wool, Alaska State Legislature, Juneau, Alaska, briefly recapped HB 374 for the committee.

CHAIR BISHOP said Mr. Therriault had been asked a specific question by Senator MacKinnon and invited him to give the committee a brief description of what he found.

3:31:53 PM

MR. THERRIAULT responded that Senator MacKinnon had asked about how much the program was used across the nation and he touched bases with the National Council of State Legislatures (NCSL), and the Environmental and Energy Study Institute to get the most updated information.

3:32:07 PM

SENATOR MACKINNON joined the meeting.

MR. THERRIAULT said it was explained to him that not all states, depending on their utility regulations, needed a specific statutory authorization, and that the State of Alaska falls into the area of needing clarification. This information may be one year old, but there are 80 on-bill programs being operated in 27 different states. Not all of them were linked to energy efficiency, but the mechanism is in use. His correspondence indicates that Illinois, Minnesota, and South Carolina are good examples of statutes to follow and this legislation is patterned after South Carolina's.

CHAIR BISHOP removed his objection to adopting version S, and finding no further objection, announced that SCS CSHB 374(CRA) version S, was adopted.

3:34:00 PM

SENATOR STEDMAN moved to report SCS CSHB 374(CRA), version 30-LS1333\S, from committee with individual recommendations and attached fiscal note(s). There were no objections and it was so ordered.

CHAIR BISHOP noted the fiscal note was reviewed and did not change with adoption of the Senate Committee Substitute; it is still a zero fiscal note.

[3:34:21 PM](#)

At ease

HB 410-REINSTATEMENT OF NATIVE CORPS

[3:35:49 PM](#)

CHAIR BISHOP announced consideration of HB 410.

[3:36:22 PM](#)

PAUL LABOLLE, staff to Representative Foster, Alaska State Legislature, Juneau, Alaska, said HB 410 is a one word amendment found on page 1, line 9, that changes the date from 2006 to 2020.

He explained that this change has to do with the involuntary dissolution of Native corporations. When any corporation, including Native corporations, are involuntarily dissolved, they can reincorporate, but they can't reincorporate as the same entity. For Native village corporations, that proves to be problematic as the assets and rights given to them under the Alaska Native Claims Settlement Act (ANCSA) of 1971 are tied to that specific corporation. This change will allow them to reincorporate and still maintain their status and assets.

[3:37:55 PM](#)

SENATOR GARDNER asked how often this has happened and generally how long a corporation has been dissolved before being reformed.

MR. LABOLLE replied that this bill had been introduced five times, and the answer varies depending largely on the reason for the dissolution. These are not major corporations like the 13 regional for-profit corporations. These are very small non-professional organizations. Sometimes what happens is that the president of that corporation moves out of town and no one submits the paperwork. It could be two years, four years, until people realize what is going on and what needs to be done to fix it. In this case it's the Native village corporation that is associated with Bill Moore's Slough.

SENATOR HOFFMAN asked why the timeframe for reinstatement is for such a short time.

MR. LABOLLE answered that he was contacted by the Department of Commerce, Community and Economic Development (DCCED) with a potential fix that would be permanent and that would have been to just remove the date entirely. However, the sponsors felt uncomfortable rushing through the 24-hour rule to make a permanent change on such short notice. But it is something that Representative Edgmon's office and he will work on over the interim.

SENATOR STEDMAN asked how many corporations they are dealing with.

[3:40:44 PM](#)

MR. LABOLLE replied that 19 organizations would qualify under this; the one he mentioned was simply the one that had contacted the sponsor about their need to reinstate. In terms of the number that have been historically reincorporated under legislation like this, he would have to reach out to the Department of Commerce, Community and Economic Development (DCCED) for that answer.

SENATOR MACKINNON asked if there is a status benefit to Native corporations in calling out for these changes.

MR. LABOLLE answered this specifically relates to the rights and assets granted to the corporation under ANCSA. A corporation has to have continuity in order to maintain those rights and assets.

SENATOR MACKINNON asked Mr. LaBolle how the administration determines that new folks who are applying on behalf of the corporation are part of the previous identified action.

SARA CHAMBERS, Deputy Director, Division of Corporations, Business, and Professional Licensing, Department of Commerce, Community and Economic Development (DCCED), Juneau, Alaska, said that 19 different corporations have formed under this statute since 2011. Some of them are the same small corporations being involuntarily dissolved for the reasons that were mentioned earlier. She explained that the department does quite a bit of communication with all corporations of all kinds to let them know, but if no one is there to receive the message, the involuntary dissolution happens. Quite a few corporations would qualify and could reinstate within that window, and HB 410 would allow a temporary fix for the few who would fall within that window to be able to reinstate while the sponsor is working on a longer-term solution.

Redoing this every couple of years would be a policy call for the legislature to make. Other corporations that are not Native corporations are able to reinstate within two years.

CHAIR BISHOP noted that is under another section of law. Section 10 is specifically for Native corporations.

MS. CHAMBERS said that was correct and added that this section refers back to the other section that refers to corporations in general. If the bill were to pass, they would get a little bit longer time to reinstate.

[3:45:55 PM](#)

SENATOR MACKINNON asked how the department knows who is part of these village corporations if contact has been lost.

[3:46:30 PM](#)

KATHY FAGERSTROM, Supervisor, Division of Corporations, Business and Professional Licensing Section, Department of Commerce, Community and Economic Development (DCCED), Juneau, Alaska, answered the filings they would submit, depending on the issue causing the involuntary dissolution, would require a specific signature, and it would be based on who is on record or who is coming on record. If the reason for the dissolution was for a lack of a biannual report, then the new biannual report would identify the new officer and that would be the signature they would look for on the document.

SENATOR MACKINNON asked how they know that the people who are applying to continue to receive the assets were part of the original settlement, because those assets are what they are trying to retain.

MS. CHAMBERS answered that ANCSA is governed under a different section of statute. Their division is basically the filing entity for corporations and doesn't have a fiduciary responsibility to ANCSA or the information available to make that determination, other than to state which entities have decided to incorporate under state law.

CHAIR BISHOP said in this particular corporation it would be between the Bureau of Land Management (BLM) and the corporation, because this has to do with a land transfer.

SENATOR HOFFMAN added that these instances happen in very small communities with only 100 shareholders or something close to that, and the administrator isn't proficient in following up

with the paperwork requirements. This happens with other corporations that forget to recertify; he has actually forgotten to recertify. He explained that the Native village corporations have to hold annual shareholder meetings, and, in many cases, they have a minimum of seven people and many of them are on the boards for two to three decades.

[3:50:20 PM](#)

SENATOR MACKINNON said the shareholders have all the rights; so, her question is does the department know who the shareholders who are filing paperwork are?

MS. FAGERSTROM responded only if they report the names of the shareholders. Statute requires that they only report the shareholders who own 5 percent or more.

[3:51:08 PM](#)

CHAIR BISHOP opened public testimony, and finding none, closed it. He mentioned the zero fiscal note.

[3:51:39 PM](#)

At ease

[3:51:47 PM](#)

CHAIR BISHOP called the meeting back to order.

SENATOR STEDMAN moved to report HB 410, version 30-LS1556\D, from committee with individual recommendations and attached zero fiscal note. There were no objections and it was so ordered.

[3:52:11 PM](#)

CHAIR BISHOP adjourned the Senate Community and Regional Affairs Committee meeting at 3:52 p.m.