

SENATE FINANCE COMMITTEE

March 27, 2020

11:47 a.m.

[11:47:55 AM](#)

CALL TO ORDER

Co-Chair von Imhof called the Senate Finance Committee meeting to order at 11:47 a.m.

MEMBERS PRESENT

Senator Natasha von Imhof, Co-Chair
Senator Bert Stedman, Co-Chair
Senator Click Bishop
Senator Lyman Hoffman
Senator Donny Olson
Senator Bill Wielechowski
Senator David Wilson

MEMBERS ABSENT

None

ALSO PRESENT

Senator Jesse Kiehl; Juli Lucky, Staff, Senator Natasha von Imhof; Miles Baker, Associate Vice-President, Government Relations, University of Alaska; Senator Jesse Kiehl; Senator Cathy Giessel.

PRESENT VIA TELECONFERENCE

Bryan Butcher, Chief Executive Officer and Executive Director, Alaska Housing Finance Corporation, Department Of Revenue; Dan Wayne, Legislative Counsel, Legislative Legal Services; Sara Chambers, Director, Division of Corporations, Business and Professional Licensing, Department of Commerce, Community and Economic Development; Shawnda O'Brien, Director, Division of Administrative Services, Department of Health and Social Services; Cori Mills, Special Assistant, Office of the Attorney General, Department of Law; Kevin Worley, Chief Financial Officer, Division of Retirement and Benefits, Department of Administration; Kathy Lea, Chief Pension Officer, Division of Retirement and Benefits, Department of Administration;

Nils Andreassen, Executive Director, Alaska Municipal League; Ryan Strong, Alaska Bankers Association.

SUMMARY

SB 242 COVID-19: RCA; UNEMPLOY; PUB ASSIST; LOAN

SB 242 was HEARD and HELD in committee for further consideration.

#sb242

SENATE BILL NO. 242

"An Act relating to tolling deadlines for actions by state agencies; relating to income determinations for purposes of determining eligibility for certain public assistance programs; relating to forbearance from action against borrowers who owe money on state loans; relating to a temporary moratorium on certain mortgage foreclosures, certain evictions from rental properties, and disconnection of residential utilities; and providing for an effective date."

[11:48:28 AM](#)

Co-Chair von Imhof read the title of the bill. She noted that the committee had first heard the bill on March 26. She relayed that the committee would be going through the amendment process. She discussed the amendment process.

Co-Chair von Imhof requested that members withdraw any amendments that might need further work rather than trying to fix amendments at the table without the benefit of the Legislative Legal Department.

Co-Chair von Imhof MOVED to ADOPT Conceptual Amendment 1:

This is a conceptual amendment. Legislative Legal is directed to make any changes or deletions to the suggested language, including technical, conforming, or bill title changes.

Delete sections 2, 5 and 6

Where appropriate, insert a new bill section to read:

"FINANCIAL ASSISTANCE TO ADDRESS HOMELESSNESS DURING NOVEL CORONOVIRUS DISEASE OUTBREAK. For the

duration of the state emergency and for 30 days thereafter, subject to appropriation, the Alaska Housing Finance Corporation under AS 18.56.090 shall provide financial assistance on a statewide, regional, or community basis as necessary to address or prevent homelessness caused by the disaster emergency."

Co-Chair von Imhof OBJECTED for discussion.

[11:49:46 AM](#)

JULI LUCKY, STAFF, SENATOR NATASHA VON IMHOF, informed that she had summarized a list of the proposed amendments for reference listed by topic (copy on file).

Ms. Lucky spoke to Conceptual Amendment 1. She noted that there had been movement in the other body, and since most of the language being considered was being put into uncodified law, there were unknown consequences to passing language that did not match provisions from the other side. She furthered that for legal clarity, the sections in question were being removed from the bill. She offered to provide a copy of the bill that passed the House, and provisions could be offered as floor amendments if changes were needed. She suggested discussing the matter with the Legislative Legal Department. She referenced a provision regarding storage units.

Ms. Lucky spoke to the amendment. The second section provided relief for the Alaska Housing Finance Corporation (AHFC) homelessness program. The proposed amendment would authorize AHFC to give out homelessness funds.

Ms. Lucky noted that there was an AHFC representative online to answer any questions the members might have. She assured the committee that she had worked closely with AHFC and the legal department to ensure the language met the committee's needs.

Co-Chair von Imhof asked if the committee had the language from HB 241 to compare to the language in the proposed amendment. She thought AHFC could speak to the matter.

Ms. Lucky stated the first part of the amendment took out the duplicative items from HB 241. She thought AHFC could address the second portion of the amendment.

11:54:29 AM

AT EASE

11:56:04 AM

RECONVENED

Co-Chair von Imhof stated that there were a couple of different issues with Conceptual Amendment 1. She asked Ms. Lucky to explain what had happened in the other body the previous day and why the action affected the amendment.

Ms. Lucky recalled provisions similar to sections of SB 242 were put into SB 241. If the bills were both to pass, it was unclear which similar (but slightly different) section of law would take precedent. The bill was currently in the possession of the House and she was unsure of how to proceed. Upon consultation with the legal department, there had been a recommendation to remove the sections in question from SB 242; after which the Senate could consider the provisions and accept or reject the amendments done in the House. She believed the language would be provided as part of the floor debate later in the afternoon when the Senate debated a concurrence vote on SB 241.

Ms. Lucky reiterated that the Senate could vet the information during the concurrence vote when SB 241 came back to the Senate. She noted that the intent of the amendment was to remove the duplicative provisions from SB 242 so that the Senate was not looking at the same sections in two different pieces of legislation that were in different stages of the legislative process.

Co-Chair von Imhof expressed understanding. She wanted to ensure that if the Senate language was deleted it would not be lost forever. She suggested looking at both pieces of legislation to compare. She suggested splitting the amendment in two parts.

Ms. Lucky specified that if the committee were to move any sections of the bill, it was unclear what would happen with the language, which was going into uncodified law and would take effect at the same time as the other language added in the House.

Co-Chair von Imhof asked if AHFC could speak to the amendment.

11:59:54 AM

BRYAN BUTCHER, CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR, ALASKA HOUSING FINANCE CORPORATION, DEPARTMENT OF REVENUE (via teleconference), stated that he had worked with staff and believed the language in the amendment would give AHFC the legal ability to respond to homelessness and homelessness prevention activities as a result of the crisis.

Co-Chair von Imhof wanted to bifurcate the amendment.

Ms. Lucky suggested deleting line 1 of the amendment.

Senator Wielechowski MOVED to AMEND Conceptual Amendment 1 to delete line 1. There being NO OBJECTION, it was so ordered.

Co-Chair von Imhof MOVED to ADOPT Conceptual Amendment 1 as amended. There being NO OBJECTION, it was so ordered.

12:01:59 PM

Co-Chair von Imhof MOVED to ADOPT Amendment 2, 31-LS1748\U.27 (Wayne, 3/27/20):

Page 4, line 31:
Delete "DEFINITION"
Insert "DEFINITIONS"

Page 5, line 1:
Delete "1 - 7"
Insert "1 - 8"

Page 5, line 1, following Act,":
Insert "(1) "financial hardship" means that a person's liquid assets from any source, including payments from the state or federal government because of a state emergency or a state or national disaster declaration relating to the novel coronavirus disease outbreak (COVID-19), when combined, would be insufficient to pay the reasonable cost of food, housing, health care, and other goods and services vital to the health and wellness of the person and the person's spouse and dependents; in this paragraph, "dependent" has the meaning given in AS 23.20.350(g);

Co-Chair von Imhof OBJECTED for discussion.

Ms. Lucky spoke to Amendment 2. She relayed that at the previous meeting, members had been concerned at the lack of definition for "financial hardship." Staff had since worked with legal counsel on a definition that would include consideration of funds that were available through Covid-19. She acknowledged that members had not had much time to consider Amendment 2. She read through of "financial hardship" as outlined in the amendment. She detailed that the bulk of the language came from what was outlined in regulation, as there had been no definition in statute. The only difference was that any aid given for Covid-19 would be included in the determination of income for the period in question.

Senator Wielechowski asked to discuss line 13 and the definition of "reasonable."

Ms. Lucky thought the drafter of the amendment was available to comment.

DAN WAYNE, LEGISLATIVE COUNSEL, LEGISLATIVE LEGAL SERVICES (via teleconference), explained that he had not defined the word "reasonable," which had a common understanding in the dictionary. He thought there would always be different interpretations of the word, and the word "reasonable" was difficult to define.

Co-Chair von Imhof WITHDREW her OBJECTION. There being NO further OBJECTION, Amendment 2 was ADOPTED.

[12:04:57 PM](#)

Co-Chair von Imhof MOVED to ADOPT Amendment 3, 31-LS1748\U.24 (Wallace/Wayne, 3/26/20):

Page 3, line 31, following "Alaska":

Insert", except for the

- (1) Alaska Permanent Fund Corporation;
- (2) Alaska Mental Health Trust Authority;
- (3) Alaska Municipal Bond Bank;
- (4) Alaska Retirement Management Board; or
- (5) Department of Revenue, treasury division"

Co-Chair von Imhof OBJECTED for discussion.

Ms. Lucky stated that Amendment 3 had been a request by the Department of Revenue and would affect state loans. There had been concern that leaving the entities listed in the amendment in the bill would adversely affect the ability to use the loans as investments. The intent of the committee had been to protect Alaskans with loans for things such as fishing boats and student loans.

Co-Chair von Imhof WITHDREW her OBJECTION. There being NO OBJECTION, Amendment 3 was ADOPTED.

12:06:16 PM

Co-Chair von Imhof MOVED to ADOPT Amendment 4, 31-LS1748\U.22 (Wallace/Wayne, 3/26/20):

Page 1, line 5, following "utilities;":

Insert "relating to state access to federal education stabilization funds;"

Page 4, following line 28:

Insert a new bill section to read:

"*Sec.8. The uncodified law of the State of Alaska is amended by adding a new section to read:

STATE ACCESS TO FEDERAL EDUCATION STABILIZATION FUNDS. The governor shall apply to the United States Department of Education for any emergency funding available to the state through the Education Stabilization Fund under the requirements outlined in the Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act, enacted into law by the Second Session of 116th Congress. The governor shall make any assurances that are required for the state to receive the maximum federal funding allocations allowable under the education stabilization provisions of the CARES Act."

Renumber the following bill sections accordingly.

Page 5, line 1:

Delete "1-7"

Insert "1-8"

Page 5, line 12:

Delete "1-8"

Insert "1-9"

Page 5, line 13:
Delete "sec.9"
Insert "sec. 10"

Page 5, line 16:
Delete "Sections 2-9"
Insert "Sections 2-10"

Senator Wilson OBJECTED for discussion.

Ms. Lucky explained that there was a conceptual amendment that would replace Amendment 4, and the newer version had not made it into the members' packets. The amendment was from a request from the University in order ensure that federal funds could come through. She explained that the Office of Management and Budget (OMB) had requested clarifying language which was not in Amendment 4 as proposed. She requested that Co-Chair von Imhof withdraw Amendment 4.

Co-Chair von Imhof MOVED to WITHDRAW Amendment 4. There being NO OBJECTION, it was so ordered.

[12:07:21 PM](#)

Senator Wilson MOVED to ADOPT Amendment 5, 31-LS1748\U.23 (Marx/Wayne, 3/26/20):

Page 1, line 5, following "utilities;":
Insert "relating to purchase of seafood for distribution;"

Page 4, following line 28:
Insert a new bill section to read:
"*Sec.8. The uncodified law of the State of Alaska is amended by adding a new section to read:
PURCHASE OF SEAFOOD FOR DISTRIBUTION DURING NOVEL CORONAVIRUS DISEASE OUTBREAK. The Department of Commerce, Community and Economic Development is encouraged to issue a request for proposal for the purchase of Alaska seafood from the seafood industry for distribution during the state emergency to food bank and soup kitchens in the state, Alaska Native regional corporations, and Alaska Native non-profit organizations for distribution throughout the state."

Renumber the following bill sections accordingly.

Page 5, line 1:
Delete "secs. 1-7"
Insert "secs. 1-8"

Page 5, line 12:
Delete "Sections 1-8"
Insert "Sections 1-9"

Page 5, line 13:
Delete "sec. 9"
Insert "sec. 10"

Page 5, line 16:
Delete "Sections 2-9"
Insert "Sections 2-10"

Co-Chair von Imhof OBJECTED for discussion.

Senator Wilson spoke to Amendment 5. The amendment would encourage the Department of Commerce, Community and Economic Development (DCCED) to put out a request for proposal (RFP) for purchase of seafood from the Alaska seafood industry for distribution to food banks, soup kitchens, Alaska Native regional corporations, and non-profits during the state emergency. He explained that there was canned salmon and frozen seafood available at any time and at any volume. He thought the process would be easy and would reassure the seafood industry that products would be utilized. The intent was to mitigate any potential shortage of food supply.

Co-Chair von Imhof noted that DCCED was available for comment. She asked if the department had seen the amendment.

Senator Wilson relayed that he had worked with the department and the Alaska Seafood Marketing Institute (ASMI) to determine what products were available and other details.

[12:09:20 PM](#)

SARA CHAMBERS, DIRECTOR, DIVISION OF CORPORATIONS, BUSINESS AND PROFESSIONAL LICENSING, DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT (via teleconference), thought the amendment fell outside of her purview.

Co-Chair von Imhof asked Senator Wilson to name the individuals in the department that he had worked with.

Senator Wilson relayed that DCCED had issued a similar RFP in January of 2014. He cited the purchase and the cost of pollack fish sticks.

Co-Chair von Imhof asked if Senator Wilson had vetted the amendment through various stakeholders that had not had an issue with the amendment.

Senator Wilson answered in the affirmative.

Co-Chair von Imhof WITHDREW her OBJECTION.

Senator Bishop added that the amendment would serve as "belt and suspenders" for food security.

There being NO further OBJECTION, Amendment 5 was ADOPTED.

[12:11:02 PM](#)

Senator Olson MOVED to ADOPT Amendment 6, 31-LS1748\U.7 (Wayne, 3/26/20) (copy on file).

Co-Chair von Imhof OBJECTED for discussion.

Senator Olson spoke to Amendment 6. He explained that the amendment would ensure that Alaskans would not be removed from the Alaska Temporary Assistance Program if timed-out during the middle of the public health emergency. The amendment would also suspend the work requirements because of the high unemployment that would result from loss of tourism and fish processing. Additionally, the amendment would suspend the summer reduction of benefits because of the difficulty in finding work as a result of the public health emergency.

Co-Chair von Imhof asked for comment from the Division of Public Assistance.

[12:12:05 PM](#)

SHAWNDA O'BRIEN, DIRECTOR, DIVISION OF ADMINISTRATIVE SERVICES, DEPARTMENT OF HEALTH AND SOCIAL SERVICES (via teleconference), had read the amendment and had the

opportunity to review the language earlier in the day. She stated that the department had already implemented the language in the amendment. She stated that the amendment was not necessary to put the provisions in place.

Senator Olson MOVED to WITHDRAW Amendment 6. There being NO OBJECTION, it was so ordered.

12:12:57 PM

Senator Wielechowski MOVED to ADOPT Amendment 7, 31-LS1748\U.13 (Nauman/Wayne, 3/26/20) (copy on file).

Co-Chair von Imhof OBJECTED for discussion.

Senator Wielechowski spoke to Amendment 7, which he described as a technical fix. He understood that under existing law there was Permanent Fund Dividend (PFD) "hold harmless" language. The amendment would extend the language so that people did not get kicked off of public assistance or Medicaid due to the PFD that was passed in the Senate version of the operating budget or any federal Covid-19 support.

Senator Hoffman asked if Senator Wielechowski was referring to the federal payments.

Senator Wielechowski explained that the amendment would extend hold harmless language to the additional revenue from checks from the federal government or from the state for a supplemental PFD.

Ms. O'Brien addressed Amendment 7. She had reviewed the amendment and commented that the existing PFD hold harmless statutes and provisions would be in effect for any additional PFDs that would be issued by the state, and the funds. The statutes would be used to accomplish what the amendment proposed to put in place. She noted that the department did not have clear guidance from its federal partners as to how stimulus money would be interpreted for programs that the Department of Health and Social Services administered. Additional guidance would be needed in order to know if the purpose of the amendment could be accomplished. She recalled that most of the communication with federal oversight agencies had indicated that there was an intent to keep as many people on programs as

possible and to relax regulations and rules to allow for increased eligibility during the emergency.

Co-Chair von Imhof asked Ms. O'Brien if the amendment could potentially put the state in conflict with federal guidelines.

Ms. O'Brien was concerned that the amendment might put the state in conflict with federal guidelines, depending upon how the language was crafted and what flexibility would be given by federal partners.

Senator Wielechowski MOVED to WITHEDRAW Amendment 7. There being NO OBJECTION, it was so ordered.

Senator Wielechowski relayed that he would continue to work with the department to craft language that met its concerns or to adopt a policy to ensure Alaskans would not lose their eligibility for other assistance.

[12:16:35 PM](#)

Senator Olson MOVED to ADOPT Amendment 8, 31-LS1748\U.14 (Wayne, 3/26/20):

Page 3, line 30:

Delete "agencies or programs"

Insert "agencies, programs, or public corporations"

Co-Chair von Imhof OBJECTED for discussion.

Senator Olson spoke to Amendment 8. He explained that the amendment would add language and clarified the section to prevent defaults on state loans during the public emergency. The language would also apply to public corporations like the Alaska Commission on Postsecondary Education (ACPE).

Co-Chair von Imhof stated that the Department of Law was available to answer questions. She referenced Amendment 3, in which the Alaska Mental Health Trust Authority (AMHTA), Alaska Permanent Fund Corporation (APFC), and the Municipal Bond Bank were exempted. She wanted to ensure that the proposed amendment would not inadvertently do anything.

[12:18:16 PM](#)

CORI MILLS, SPECIAL ASSISTANT, OFFICE OF THE ATTORNEY GENERAL, DEPARTMENT OF LAW (via teleconference), understood that if Amendment 3 and Amendment 8 passed, public corporations would be added to the definition of "state agency." She continued that Amendment 3 would still have a list of exempted entities including APFC, AMHTA, the Municipal Bond Bank, the Alaska Retirement Management Board, and the Department of Revenue Treasury Division. She added that Amendment 8 would include ACPE in the list that would receive loan forbearance.

Senator Olson asked if Ms. Mills was indicating that state public corporations such as ACPE did not interfere with the other exemptions.

Ms. Mills stated that if both Amendment 8 and Amendment 3 passed together, specific public corporations and the Treasury Division would be an exception from the definition of "state agency", but any other public corporation of the state would fall under the definition of "state agency" for the purposes of the section, which meant the loan forbearance provision would apply.

Senator Olson asked if Ms. Mills had a problem with the amendment.

Ms. Mills did not oppose the amendment.

Co-Chair von Imhof asked if Ms. Mills could think of any other corporation that would be inadvertently included and have operations affected.

Ms. Mills brought up the Alaska Industrial Development and Export Authority (AIDEA), which did certain types of loans; as well as AHFC. She was not aware of other corporations that would raise concerns. She knew the corporations on the list had raised concerns. She acknowledged that Department of Revenue had concerns, which she thought had been addressed.

Co-Chair von Imhof asked if the amendment sponsor was most concerned with student loans.

Senator Olson relayed that he had been a student and taken a loan from ACPE. He remembered the experience and thought of the institution particularly.

Co-Chair von Imhof asked if there was a way to amend the amendment to specifically identify student loans, so that there were not inadvertent consequences.

[12:22:03 PM](#)

AT EASE

[12:26:30 PM](#)

RECONVENED

Senator Olson MOVED to Amend Amendment 8 so that "public corporations" was changed to "Alaska Commission on Postsecondary Education and the Alaska Industrial Development and Export Authority."

There being NO OBJECTION, it was so ordered. The Amendment to Amendment 8 was ADOPTED.

Co-Chair von Imhof MOVED to ADOPT Amendment 8 as amended. There being NO OBJECTION, Amendment 8 was ADOPTED as AMENDED.

[12:27:34 PM](#)

Senator Wielechowski MOVED to ADOPT Amendment 9, 31-LS1748\U.3 (Wayne, 3/26/20) (copy on file).

Co-Chair von Imhof OBJECTED for discussion.

Senator Wielechowski spoke to Amendment 9. He explained that in current law, a teacher or public employee with a defined benefit plan could continue earning service credits for a period of longer than ten days of leave without pay if absent due to an on-the-job injury or an occupational illness. The employee would have to pay her or his contributions. The amendment would allow teachers or public employees with COVID-19 related absences of greater than ten days keep earning service credits on the same terms.

[12:28:27 PM](#)

KEVIN WORLEY, CHIEF FINANCIAL OFFICER, DIVISION OF RETIREMENT AND BENEFITS, DEPARTMENT OF ADMINISTRATION (via teleconference), addressed the amendment. He thought there would ultimately be a cost via the amendment which would be passed on to the state from the additional state

contribution. He mentioned a bill impacting the retirement system, and a provision of statute (AS 24.08.036) related to an analysis being performed. He asserted that the department would not be able to get the analysis done in time.

[12:29:17 PM](#)

AT EASE

[12:31:44 PM](#)

RECONVENED

Senator Wielechowski understood that under the proposed amendment, the employees would cover the costs. He had reached out to the department for clarification.

Senator Wielechowski MOVED to WITHDRAW Amendment 9. There being NO OBJECTION, it was so ordered.

[12:32:14 PM](#)

Senator Wielechowski MOVED to ADOPT Amendment 10, 31-LS1748\U.6 (Wayne, 2/26/20) (copy on file).

Co-Chair von Imhof OBJECTED for discussion.

Senator Wielechowski spoke to Amendment 10. He explained that the proposed amendment had been heard on the floor and it had passed, after which it was taken out in the other body. He had recently spoken to an out-of-state employee who had been told to shelter in place and could not return to Alaska without quarantining. He did not want people to be economically pressured to ignore public health guidance to travel home to receive Cost of Living Allowance (COLA) benefits. He mentioned retirees. He summarized that the amendment would give the Division of Retirement and Benefits clear authority to give retirees with extended Covid-related absences to keep their COLA allowance. He thought it was the division's responsibility to look at the totality of circumstances and ensure no one was gaming the system.

Co-Chair von Imhof noted there were staff from the division available to address the amendment.

[12:33:59 PM](#)

KATHY LEA, CHIEF PENSION OFFICER, DIVISION OF RETIREMENT AND BENEFITS, DEPARTMENT OF ADMINISTRATION (via teleconference), spoke to Amendment 10. She specified that the division already had a process in place in which it was waiving any potential overpayments of COLA for any retirees trapped outside of the state and could not return "timely." She stated the department's process was streamlined and would not force retirees into any kind of economic hardship.

Ms. Lea continued to address the amendment. She mentioned the waiver provision under AS 39.35.522 or AS 14.25.175, which authorized the commissioner of DOA to waive any overpayment. The provision would target only those individuals that met the basic COLA requirement of the intent to return to the state. She thought the amendment was broader and did not require anyone to establish any intent. She thought via the amendment, the state might continue to pay COLA to individuals that had never intended to return to the state within the 90-day period.

Senator Wielechowski stated that the intent of the amendment was to say that those retirees outside the state could retain the COLA allowance. He thought the department was looking at the totality of the circumstances and administering the law in the same way. He asked if the department intended to do so for the remainder of the emergency.

Ms. Lea answered in the affirmative. She stated that the division was looking at the totality of borrowers' circumstances, and it was asking for documentation that established the intent to return to the state within 90 days. She discussed the criteria under statute and specified that the division could waive any potential overpayment of COLA with a waiver after receiving a ticket stub or affidavit if the criteria were met.

Senator Wielechowski MOVED to WITHDRAW Amendment 10. There being NO OBJECTION, it was so ordered.

[12:37:00 PM](#)

Senator Olson MOVED to ADOPT Amendment 11, 31-LS1748\U.9 (Klein/Wayne, 3/26/20) (copy on file).

Co-Chair von Imhof OBJECTED for discussion.

Senator Olson spoke to Amendment 11, which pertained to the moratorium on municipal foreclosures. He detailed that the amendment would place a moratorium on municipal foreclosures for failure to pay property taxes. The amendment mirrored sections that banned foreclosures for failure to pay mortgages, but also included a longer grace period to extend after the emergency declaration period to pay back taxes and any fees.

[12:37:58 PM](#)

NILS ANDREASSEN, EXECUTIVE DIRECTOR, ALASKA MUNICIPAL LEAGUE (AML) (via teleconference), understood the intent behind the amendment. The AML had communicated with many members and thought that the decision to foreclose should be left at the local level. He explained that the process for foreclosure was messy and lengthy, and required governing bodies of municipalities to make a decision and control how staff initiated foreclosures. He asserted that often there were processes in place that had sometimes included a one-year waiting period. He described the well-established foreclosure process. He posited that local governments were already making decisions in response to the COVID-19 crisis, such as payment deferrals and utility support. He thought local decisions should be left with municipal leaders.

Senator Olson understood Mr. Andreassen's point. He stated that all that the amendment would do was pause evictions.

[12:40:34 PM](#)

Senator Wielechowski understood that the amendment would not stop a municipality from attaching a clerk's lien, but only from foreclosing and evicting a person from a house.

Mr. Andreassen understood that the amendment would not allow the municipality to enforce delinquent real property tax liens. He considered that local governments needed every tool in order to manage governing abilities including budgets. He asked that the committee not take tools away from local governments.

Co-Chair von Imhof thought it was generally in municipalities' best interest to keep homeowners in their homes, as eventually the homeowners would begin to pay

taxes again. If homes were vacant, the foreclosure process would take some time, during which there was no tax income received from homeowners. She understood Senator Olson's position, but she thought Mr. Andreassen made sense in his assertion that municipalities needed the tools.

Senator Olson agreed with Mr. Andreassen's position of municipalities having local control.

Senator Olson MOVED to WITHDRAW Amendment 11. There being NO OBJECTION, it was so ordered.

[12:42:42 PM](#)

Senator Wielechowski MOVED to ADOPT Amendment 12, 31-LS1748\U.19 (Wayne, 3/26/20) (copy on file).

Co-Chair von Imhof OBJECTED for discussion.

Senator Wielechowski spoke to Amendment 12. He explained that the amendment had previously passed the Senate floor but had been taken out on the House side. The proposed amendment had been done in 11 states. He described that under existing law in most cases, there had to be witnesses to sign in order to validate a will. He stated that the amendment was brought to the Senate Democrats by a person in the estate community. He thought it was a valid concern. He was concerned that there would be many people that would be faced with getting a will quickly within the next few months. He was concerned that contested wills could potentially clog the courts. He thought the proposed amendment was a reasonable attempt to solve the issue.

Ms. Mills had reviewed the amendment. She shared that the department had reached out to an estate attorney, and the language in the amendment was a result of the conversation. The department had no concerns with the amendment.

Co-Chair von Imhof WITHDREW her OBJECTION. There being NO further OBJECTION, Amendment 12 was ADOPTED.

[12:45:36 PM](#)

Senator Wielechowski MOVED to ADOPT Amendment 13, 31-LS1748\U.20 (Nauman/Wayne, 3/26/20) (copy on file).

Co-Chair von Imhof OBJECTED for discussion.

Senator Wielechowski spoke to Amendment 13. He explained that the amendment would change the unfair and deceptive trade practice law in the state to ban price gouging for certain items. The items were listed in the amendment and included food, medicine, medical equipment, fuel, sanitation products, hygiene products, essential household supplies, and other essential goods and services. He cited that 38 other states had a similar bill. He noted that the Governor of the State of Michigan had recently issued an executive order to the same effect.

Senator Wielechowski continued to speak to the amendment. He noted that price gouging was defined as being a price over 10 percent of the price charged in the state in the normal course of business before the declared state of emergency. He cited that other states such as Arkansas, California, Delaware, New Jersey, Utah, and the District of Columbia had the same 10 percent standard. He referenced stories about price gouging. He had heard that Amazon had shut down 5,000 sellers because of price gouging. He had not seen a serious incidence of price gouging in Alaska but was concerned about the limited supply chains and thought there was potential for a tremendous increase in cost. There was an exception in the amendment in the case that the increased cost was due to increased cost to the seller.

Co-Chair von Imhof noted that the Department of Law was available to comment. She pointed out that the body had contemplated a previous bill (HB 241, dealing with the disaster declaration extension) in which there was a price-gouging provision that was more stringent and used 5 percent as the threshold. She corrected herself to say that the previous provision only applied to healthcare. She thought there might be a little conflict with line 17 and line 18.

[12:48:53 PM](#)

Ms. Mills spoke to Amendment 13. The department had reviewed the amendment and had offered some language that had been incorporated. She thought as the consumer protection unit for the state, the department felt the amendment provided additional tools to make sure that bad actors did not take advantage during the COVID-19 crisis.

Co-Chair von Imhof asked to keep the threshold at 10 percent and perhaps address the number at a later time.

Co-Chair von Imhof WITHDREW her OBJECTION. There being NO further OBJECTION, Amendment 13 was ADOPTED.

[12:50:13 PM](#)

AT EASE

[12:52:55 PM](#)

RECONVENED

Senator Olson MOVED to ADOPT Conceptual Amendment 14:

This is a conceptual amendment. Legislative Legal is directed to make any changes or deletions to the suggested language, including technical, conforming, or bill title changes, in order to accomplish the intent.

INTENT OF THE AMENDMENT: Enact a moratorium on evicting a person experiencing a financial hardship from a storage unit for personal property during the state of emergency. This would have gone in section 6 of the previous bill but that section was repealed by conceptual amendment #1.

Co-Chair von Imhof OBJECTED for discussion.

Senator Olson spoke to Amendment 14, which would prevent a person from losing a storage unit for failing to pay during the public health emergency, particularly if under financial hardship. He discussed the potential for unprecedented levels of unemployment due to the public health emergency.

Co-Chair von Imhof WITHDREW her OBJECTION. There being NO further OBJECTION, Conceptual Amendment 14 was ADOPTED.

[12:54:09 PM](#)

Senator Wielechowski MOVED to ADOPT Amendment 15, 31-LS1748\U.21 (Wallace/Wayne, 3/26/20) (copy on file).

Co-Chair von Imhof OBJECTED for discussion.

Senator Wielechowski spoke to Amendment 15, which would suspend motor vehicle repossessions during the public health emergency. Some creditors had voluntarily stopped doing repossessions, while others had not. He discussed the negative effects of losing one's vehicle. He noted that the amendment would only be in effect during the health emergency, and would not hold any penalties, late fees, or interest.

[12:55:22 PM](#)

RYAN STRONG, ALASKA BANKERS ASSOCIATION (via teleconference), stated that the association had not had a chance to discuss the proposed amendment. He stated that as a matter of course, banks in Alaska were not actively repossessing any assets during the Covid-19 outbreak, and that in concept the prohibition did not necessarily concern him. He questioned the timeline in the amendment and did not know how long the state's emergency declaration would be in effect. He stated preference for a definitive end date with a possibility for extension.

Co-Chair von Imhof pondered whether an emergency declaration would continue to include social distancing and thereby closure of restaurants and public gatherings, which would affect the associated workers. She thought there was concern that the emergency declaration could continue until October, yet economic sanctions may not. She asked if there was a way to amend the amendment to identify the difference.

Senator Wielechowski thought there were good points made and was open to a change to the amendment in the way that Senator von Imhof suggested. He was happy to work with the Alaska Bankers Association and try to come up with a date. He thought September or November seemed reasonable. He agreed to reach out to committee members and find common ground.

Co-Chair von Imhof thought it was important not to repossess vehicles during the emergency, especially if a person had a personal hardship. She requested that Senator Wielechowski talk with the bankers about a definition of economic sanctions.

Senator Bishop wanted to work with the amendment sponsor to continue the conversation with the Alaska Bankers Association and share his ideas.

Senator Wielechowski MOVED to WITHDRAW Amendment 15. There being NO OBJECTION, it was so ordered.

12:59:06 PM

Senator Olson MOVED to ADOPT Amendment 16, 31-LS1748\U.10 (Nauman/Wayne, 3/26/20) (copy on file).

Co-Chair von Imhof OBJECTED for discussion.

Senator Olson spoke to Amendment 16. He explained that the amendment would prohibit the state from garnishing PFDs and stimulus checks during the period of the disaster declaration. The amendment would not affect child support payments and taxes. He spoke to the unemployment due to the statewide and local closures, and support for housing, food, medicine, and other essentials. He explained that the amendment would not affect any underlying debts or judgements subject to garnishment. The amendment would allow people to get the entirety of the PFD during the emergency. He reiterated that the prohibition of garnishment did not apply to child support or taxes.

Senator Wilson asked how the amendment would affect the PFDs of prisoners, the funds from which went to the Department of Corrections to offset incarceration fees.

Senator Bishop asked about the PFD's that were garnished for victims of violent crimes.

Co-Chair von Imhof asked Ms. Mills to comment on the amendment and address how the amendment might conflict with existing law.

1:01:26 PM

Ms. Mills was not extensively familiar with garnishment of PFDs. She mentioned the Violent Crimes Compensation Fund and the PFD Crime Fund. She suggested that prohibiting garnishments might lessen the amount of funds going to a state agency such as the Violent Crimes Compensation Board and others. She thought the committee might want to consult

with someone from the Permanent Fund Dividend Division or someone from OMB to discuss how the money was moved.

Co-Chair von Imhof was concerned about receivers of child support and the effect of the payer's funds being held harmless.

Senator Olson thought the questions were fair. He addressed how the garnishments related to incarcerates. He noted that inmates PFDs were automatically taken. He addressed Co-Chair von Imhof's question about child support, and thought the issue was already covered with the amendment's exception for child support.

Senator von Imhof noted that the exception was on line 15 of the amendment.

Co-Chair von Imhof pondered the will of the committee.

Senator Wilson had a hard time with the amendment. He understood the intent but thought the language would waive payouts from bad actors that had already gone through a court of law. He OBJECTED for discussion.

Senator Olson disagreed. He thought the amendment would do more good than the possible harm as perceived by other members.

[1:05:31 PM](#)

AT EASE

[1:06:21 PM](#)

RECONVENED

Senator Olson MOVED to WITHDRAW Amendment 16. There being NO OBJECTION, it was so ordered.

[1:06:41 PM](#)

Co-Chair von Imhof explained that upcoming Conceptual Amendment 17 was a replacement for Amendment 4. She asked her staff to address the amendment.

Ms. Lucky explained that Conceptual Amendment 17 was a corrected version of the provisions in Amendment 4. She understood that the uncodified language in the amendment

would be needed to ensure that the state could receive all the federal funds that were due from the CARES Act.

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MILES BAKER, ASSOCIATE VICE-PRESIDENT, GOVERNMENT RELATIONS, UNIVERSITY OF ALASKA, relayed that the University had been tracking a fast-moving federal stimulus bill that had been signed by the president in the previous couple of hours. He spoke to a provision that dealt with the Economic Stabilization Fund, which was approximately \$31 billion nationally. The portion of the funds that would come to Alaska was in three parts: a discretionary fund for the governor to use for education-related emergency grants, a primary and secondary education relief fund, and a higher education relief fund. The governor had to apply for the funds and make assurances about the state's funding of K-12 education and the University. The University wanted to maximize the federal dollars available to the state.

Co-Chair von Imhof MOVED to ADOPT Conceptual Amendment 17 (copy on file). There being NO OBJECTION, Conceptual Amendment 17 was ADOPTED.

Co-Chair von Imhof MOVED to ADOPT Conceptual Amendment 18:

This is a conceptual amendment because it was not drafted by legal services. Legislative Legal is directed to make any changes or deletions to the suggested language, including technical, conforming, or bill title changes.

Senator Bishop OBJECTED for discussion.

Co-Chair von Imhof spoke to Conceptual Amendment 18. She explained that the amendment had to do with removing Section 7 of the bill, which concerned foreclosures of property. She was concerned that most of the bank loans in the state were purchased by the government agencies Freddy Mac and Fanny Mae. The loans were purchased, bundled, and then sold into secondary national markets. The loans were then removed from banks balance sheets, which made space for making new loans. She was concerned that Fanny Mae and Freddie Mac could cease buying loans out of concern for the state's moratorium provisions. She spoke about the increase in refinancing due to low interest rates. She was worried about being in conflict with what the federal government

was doing, and thought there could be unintended consequences. She suggested working with banks to find some agreeable language.

[1:11:50 PM](#)

Senator Bishop acknowledged that members were all trying to do the best possible given the emergency. He thought mistakes might be inevitable. He had full intention that oversights would be corrected to maintain the wellbeing of the state.

Co-Chair von Imhof thought it was critical for banks to maintain functionality, and to continue with the ability to lend with all sectors as well as have liquidity. She understood that banks were pro-actively working with customers.

Mr. Strong thought Co-Chair von Imhof's remarks had put it well regarding uncertainty with how the provision might conflict with Fannie Mae and Freddy Mac. He relayed that both the Government-Sponsored Enterprises (GSEs) had already issued halts on foreclosures and could continue to do so for the length of the health crisis. At present there was a 60-day halt on foreclosures that he expected would be extended. He believed that the CARES Act had extended the forbearance period to work out mortgage payments with no adverse credit reporting. He thought 90 percent of mortgages in Alaska were owned by the GSEs. He was worried that if such a proposal was rushed through on a state level it would have unintended consequences. He mentioned an exemption for vacant and abandoned properties, which were a public nuisance.

[1:14:49 PM](#)

Senator Wilson had concerns about the entire bill, and was worried that the bill would set up a society that would not have responsibilities for months at a time. He had received an email from a constituent that was a property owner and landlord. He was concerned that landlords would not have protection or a guarantee on mortgage payments. He thought federal law would supersede state law. He was fine with the current language in the bill to have a fair playing field for all parties.

Co-Chair von Imhof asked if Senator Wilson did not agree with the amendment and wanted to keep language that was in the bill that prohibited foreclosure of large commercial and residential loans.

Senator Wilson answered "both." He thought businesses were in the same situation. He wanted to ensure there was a fair playing field for all stakeholders. He was concerned about property owners not being paid by renters. He was concerned about foreclosures on commercial properties. He did not think the amendment was equitable.

[1:17:15 PM](#)

Co-Chair von Imhof thought Section 7 was vague. She thought that the section needed to be defined. She pondered adding a section to talk about holding commercial properties harmless. She thought more clarification was needed.

Senator Wielechowski agreed that Section 7 needed to be tightened up. He mentioned a letter from Mr. Strong, on behalf of the Alaska Bankers Association, which contained three suggestions for amendments to SB 242 (copy on file). He thought the suggestions in the letter were reasonable. He pondered whether the bill defined a person as a natural person. He considered that the intent was to protect people from losing housing. He thought an exemption for vacant and abandoned property was reasonable. He did not have an objection to incorporating the items suggested by Mr. Strong.

Co-Chair von Imhof thought personal residences were defined differently than other commercial properties. She thought Section 7 needed to be modified.

Senator Bishop agreed with Co-Chair von Imhof. He reiterated that the federal government and state government would not leave people hanging. He suggested there would be four months of wage replacement coming.

[1:20:25 PM](#)

Co-Chair von Imhof discussed amending Conceptual Amendment 18 to modify Section 7 to incorporate the suggestions from the Alaska Bankers Association including: redefine "person" as a "natural person," exempt vacant and abandoned property, and further define commercial and multi-family

property. She affirmed that she would continue to work with the association. She asked Mr. Strong to comment on the proposed amendment to Conceptual Amendment 18.

1:21:14 PM

Mr. Strong thought it would be an improvement to include the changes mentioned by Senator von Imhof. He emphasized that the banks of Alaska were not looking to foreclose on homes or any property in the midst of the pandemic for a variety of reasons. He explained that the banks were working with many borrowers that were experiencing hardship. He understood the purpose of the bill and was willing to continue to work with the committee to develop changes and avoid unintended consequences.

Co-Chair von Imhof did not have specific language for the amendment beyond intent language of working with the banks to continue the process. She stated she could set the amendment aside for the time being.

Co-Chair Bishop discussed taking a recess.

Senator Wilson stated he was fine with the proposed amendment to Amendment 18 and thought the committee could consider the amendment when the bill was drafted for the floor. He discussed the timing of the provisions.

Co-Chair von Imhof MOVED to WITHDRAW Conceptual Amendment 18. There being NO OBJECTION, it was so ordered.

Senator von Imhof stated she had intent to bring forward another amendment that included the topics alluded to by Senator Wielechowski.

Senator Wielechowski addressed Section 10 and Section 11 of the bill, which was the repealer clause.

Senator von Imhof thought Ms. Lucky would be addressing the topic.

1:24:04 PM

Ms. Lucky noted that there had not been an amendment to address the effective date clause. The amendments had different effective dates, and the committee needed to come up with a date. She explained that because each section had

its own effective clause, there was no reason that there could not be the appeal and annulment date. The dates would only have to do with when the actual text would be repealed or annulled. She suggested the committee could set a date for February 2021. She had asked the legal team, which indicated that a date of February 2022 would be appropriate and possible. She reiterated that the date would not affect how long any programs were in effect, but would affect how long the words remained in statute. She suggested that Section 10 and Section 11 receive an effective date of February 1, 2022, which would allow any changes to happen during session and allow ample opportunity for the language to run out.

Co-Chair von Imhof MOVED to ADOPT Conceptual Amendment 19, which would extend the repeal and annulment dates of Section 10 to February 1, 2022; and extend repeal and annulment dates of Section 11 to February 1, 2022.

There being NO OBJECTION, Conceptual Amendment 19 was ADOPTED.

SB 242 was HEARD and HELD in committee for further consideration.

Co-Chair von Imhof stated she would set the bill aside and the committee would stand at recess.

[1:26:35 PM](#)

RECESSED

[Co-Chair von Imhof adjourned the meeting at 5:55 p.m.]

#

ADJOURNMENT

[5:55:52 PM](#)

The meeting was adjourned at 5:55 p.m.