

ALASKA STATE LEGISLATURE
SENATE LABOR AND COMMERCE STANDING COMMITTEE

May 13, 2019

5:26 p.m.

MEMBERS PRESENT

Senator Lora Reinbold, Chair
Senator Mia Costello, Vice Chair
Senator Click Bishop
Senator Chris Birch
Senator Elvi Gray-Jackson

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 104(L&C) AM

"An Act relating to exemptions from mortgage lender, mortgage broker, and mortgage loan originator licensing requirements; and providing for an effective date."

- MOVED CSHB 104(L&C) AM OUT OF COMMITTEE

HOUSE BILL NO. 44

"An Act relating to fees for using an automated teller machine; and providing for an effective date."

- MOVED HB 44 OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HB 104

SHORT TITLE: MORTGAGE LOAN ORIGINATOR LICENSING

SPONSOR(S): REPRESENTATIVE(S) WILSON

03/25/19	(H)	READ THE FIRST TIME - REFERRALS
03/25/19	(H)	L&C
04/10/19	(H)	L&C AT 3:15 PM BARNES 124
04/10/19	(H)	-- MEETING CANCELED --
04/17/19	(H)	L&C AT 3:15 PM BARNES 124
04/17/19	(H)	-- MEETING CANCELED --
04/26/19	(H)	L&C AT 3:15 PM BARNES 124
04/26/19	(H)	Heard & Held

04/26/19 (H) MINUTE (L&C)
 04/29/19 (H) L&C AT 3:15 PM BARNES 124
 04/29/19 (H) Moved CSHB 104 (L&C) Out of Committee
 04/29/19 (H) MINUTE (L&C)
 05/01/19 (H) L&C RPT CS (L&C) NT 2DP 5NR
 05/01/19 (H) DP: HANNAN, LEDOUX
 05/01/19 (H) NR: REVAK, STUTES, TALERICO, FIELDS,
 WOOL
 05/10/19 (H) TRANSMITTED TO (S)
 05/10/19 (H) VERSION: CSHB 104 (L&C) AM
 05/10/19 (S) READ THE FIRST TIME - REFERRALS
 05/10/19 (S) L&C
 05/10/19 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)
 05/10/19 (S) Heard & Held
 05/10/19 (S) MINUTE (L&C)
 05/13/19 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

BILL: HB 44

SHORT TITLE: AUTOMATED TELLER MACHINES: FEES

SPONSOR (S): REPRESENTATIVE (S) ORTIZ

02/20/19 (H) READ THE FIRST TIME - REFERRALS
 02/20/19 (H) L&C
 03/18/19 (H) L&C AT 3:15 PM BARNES 124
 03/18/19 (H) Heard & Held
 03/18/19 (H) MINUTE (L&C)
 03/20/19 (H) L&C AT 3:15 PM BARNES 124
 03/20/19 (H) Moved HB 44 Out of Committee
 03/20/19 (H) MINUTE (L&C)
 03/22/19 (H) L&C RPT 5DP 1NR
 03/22/19 (H) DP: REVAK, HANNAN, FIELDS, LEDOUX, WOOL
 03/22/19 (H) NR: TALERICO
 03/22/19 (H) L&C AT 3:15 PM BARNES 124
 03/22/19 (H) <Bill Hearing Canceled>
 04/05/19 (H) TRANSMITTED TO (S)
 04/05/19 (H) VERSION: HB 44
 04/08/19 (S) READ THE FIRST TIME - REFERRALS
 04/08/19 (S) L&C
 05/13/19 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

WITNESS REGISTER

REPRESENTATIVE TAMMIE WILSON

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Sponsor of HB 104, provided an overview of the bill.

REPRESENTATIVE DAN ORTIZ
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified as sponsor of HB 44.

ACTION NARRATIVE

[5:26:27 PM](#)

CHAIR LORA REINBOLD called the Senate Labor and Commerce Standing Committee meeting to order at 5:26 p.m. Present at the call to order were Senators Costello, Birch, Gray-Jackson, and Chair Reinbold. Senator Bishop arrived shortly thereafter.

HB 104-MORTGAGE LOAN ORIGINATOR LICENSING

[5:27:28 PM](#)

CHAIR REINBOLD announced the consideration of HB 104, CS FOR HOUSE BILL NO. 104(L&C) am, "An Act relating to exemptions from mortgage lender, mortgage broker, and mortgage loan originator licensing requirements; and providing for an effective date."

[5:27:55 PM](#)

REPRESENTATIVE TAMMIE WILSON, Alaska State Legislature, Juneau, paraphrased from the sponsor statement for CSHB 104(L&C)AM:

The current Alaska SAFE Act allows a seller to finance his or her residence. If a person had more than one residence (a second home for example) they could sell and finance it themselves without a license under AS 06.60.015(b)(3). If the second home had been rented it would be considered an income property and the seller would be required to have a mortgage loan originator license in order to seller-finance it.

CSHB104(L&C) would allow a person to seller-finance up to 5 of their own properties which are secured by a dwelling, whether they are an income property or not.

Interior and more rural community property owners have parcels with trailers or cabins on them; some with water and electric, some without. These types of properties are historically difficult to finance through the traditional mortgage process and many times lenders require more money down, shorter loan

terms, higher interest rates, and in some cases, will not finance them at all.

Those wishing to take on the responsibility of home ownership and establish roots in the community may find, for many reasons, that they do not qualify for a traditional mortgage. Seller financing is another tool that can be utilized to make it affordable for one to realize their dream of having a place they can finally call their home.

Seller financing is a reasonable and practical option for both sellers and buyers of these type properties.

CSHB 104 would give more opportunity for the dream of home ownership to those who might not otherwise realize it and would relieve the financial burden of bona fide non-profit organizations assisting Alaskans in making their dream come true.

[5:29:02 PM](#)

SENATOR COSTELLO asked if there were any issues with the retroactivity clause. She asked for further clarification on whether there was a timeframe and if this allowed for financing up to five homes per year.

[5:29:26 PM](#)

REPRESENTATIVE WILSON agreed the program allowed a person to seller-finance up to five homes per year under the bill. She stated that an amendment was adopted on the House floor to make it retroactive. She clarified that many people in Alaska thought it was possible for sellers to finance properties.

[5:30:08 PM](#)

SENATOR BISHOP reviewed the fiscal note from the Department of Commerce, Community and Economic Development (DCCED), Banking and Securities for HB 104.

[5:30:36 PM](#)

At ease.

[5:31:07 PM](#)

CHAIR REINBOLD called the committee back to order.

SENATOR BISHOP continued. The Office of Management and Budget component number 2808. He read the bill analysis:

This bill will allow a natural person, estate, trust, corporation, or another entity to self-finance a mortgage loan on five or fewer residential properties owned by the seller during a 12-month period. The mortgage loan must have an interest rate that is fixed, payments that do not result in negative amortization, and cannot impose a prepayment penalty. The seller determines that the purchaser has a reasonable ability to repay the loan. The seller cannot have constructed the dwelling or acted as a contractor for the construction of the dwelling that secures the loan. The bill does not require a change to regulations. The Division of Banking and Securities does not anticipate any fiscal impacts from this legislation.

SENATOR BISHOP said the fiscal note was a zero-fiscal note.

[5:32:21 PM](#)

CHAIR REINBOLD removed her objection. She reaffirmed that public testimony was closed on HB 104. She remarked that she previously held the bill to allow Senator Bishop to participate in the hearing since Fairbanks residents expressed significant interest in the bill.

[5:33:16 PM](#)

SENATOR COSTELLO moved to report CSHB 104(L&C) AM, version 31-LS0257\S.A. from committee with individual recommendations and attached fiscal note.

There being no objection, the motion carried.

[5:33:32 PM](#)

At ease.

HB 44-AUTOMATED TELLER MACHINES: FEES

[5:34:51 PM](#)

CHAIR REINBOLD reconvened the meeting. She announced the consideration of HB 44. HOUSE BILL NO. 44, "An Act relating to fees for using an automated teller machine; and providing for an effective date."

[5:35:08 PM](#)

REPRESENTATIVE DAN ORTIZ, Alaska State Legislature, Juneau, paraphrased from the sponsor's statement.

The intent of this bill is to allow retail automatic teller machines (ATMs) to charge a withdraw fee on transactions made by international bank card holders.

Currently, independently owned ATMs are not able to charge a fee on transactions made by international card holders. Our current law only pertains to ATMs owned by state-sponsored banks or credit unions, and does not include retail and individually owned ATMs. Because of this gap, retail ATMs cannot charge a withdraw fee on transactions from bank cards outside of the United States.

Alaska welcomes millions of visitors each year, with a large percentage of those visitors from out of the country. In the summer of 2016 alone, nearly 300,000 international visitors came to Alaska. Retail ATM owners cannot charge fees on these tourists' transactions.

Multiple other states have already passed laws to close this gap and allow retail ATM owners to charge a transaction fee to international card holders

[5:36:48 PM](#)

SENATOR COSTELLO asked if she has seen the bill previously.

REPRESENTATIVE ORTIZ answered yes. He said that the bill did not quite make it through the process during the last legislature.

[5:37:08 PM](#)

SENATOR BIRCH recalled the bill. He characterized the bill as a good bill. He thanked Representative Ortiz for bringing the bill forward.

He remarked on a mid-air crash that happened in Ketchikan that resulted in loss of life. He offered condolences to Representative Ortiz and members of the family and community.

REPRESENTATIVE ORTIZ replied that he appreciated the support and condolences.

[5:37:56 PM](#)

CHAIR REINBOLD opened public testimony and after first determining no one wished to testify, closed public testimony on HB 44.

[5:39:36 PM](#)

SENATOR BISHOP reviewed the fiscal note for HB 44 as follows:

The Department of Commerce, Community and Economic Development (DCCED), Banking and Securities prepared the fiscal note. The Office of Management and Budget component number was 2808.

[5:40:04 PM](#)

At ease.

[5:40:12 PM](#)

CHAIR REINBOLD called the committee back to order.

SENATOR BISHOP continued to review the fiscal note from the Department of Commerce, Community and Economic Development (DCCED), Banking and Securities for HB 44 as follows:

He read the zero fiscal note bill analysis, as follows:

The bill will allow an individual or entity who owns an automated teller machine (ATM) to charge a fee to conduct a transaction accessing an account from an international financial institution. The division does not currently regulate ATM fees. The bill does not require a change to regulations.

The Division of Banking and Securities does not anticipate fiscal impact from this legislation.

SENATOR BISHOP reiterated that this is a zero fiscal note.

[5:41:19 PM](#)

SENATOR COSTELLO moved to report HB 44, version 31-LS0223\A from committee with individual recommendations and attached fiscal note.

There being no objection, HB 44 was reported from the Senate Labor and Commerce Standing Committee.

[5:42:11 PM](#)

There being no further business to come before the committee, Chair Reinbold adjourned the Senate Labor and Commerce Standing Committee meeting at 5:42 p.m.