

ALASKA STATE LEGISLATURE
HOUSE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE

April 23, 2024

8:03 a.m.

MEMBERS PRESENT

Representative CJ McCormick, Chair
Representative Kevin McCabe, Vice Chair
Representative Tom McKay
Representative Thomas Baker
Representative Justin Ruffridge
Representative Rebecca Himschoot
Representative Donna Mears

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

CS FOR SENATE BILL NO. 179(CRA)

"An Act prohibiting municipalities from levying a tax on the transfer of real property; prohibiting the state from levying a tax on the transfer of real property; and relating to municipal taxation of mobile telecommunications services."

- MOVED HCS CSSB 179(CRA) OUT OF COMMITTEE

HOUSE BILL NO. 134

"An Act prohibiting municipalities from levying a tax on the transfer of real property; prohibiting the state from levying a tax on the transfer of real property; and relating to municipal taxation of mobile telecommunications services."

- SCHEDULED BUT NOT HEARD

PREVIOUS COMMITTEE ACTION

BILL: SB 179

SHORT TITLE: PROPERTY TRANSFER TAX; MUNI TELECOMM TAX

SPONSOR(S): SENATOR(S) BJORKMAN

01/16/24	(S)	PREFILE RELEASED 1/12/24
01/16/24	(S)	READ THE FIRST TIME - REFERRALS
01/16/24	(S)	CRA
02/15/24	(S)	CRA AT 1:30 PM BELTZ 105 (TSBldg)

02/15/24	(S)	Heard & Held
02/15/24	(S)	MINUTE(CRA)
02/22/24	(S)	CRA AT 1:30 PM BELTZ 105 (TSBldg)
02/22/24	(S)	Moved CSSB 179(CRA) Out of Committee
02/22/24	(S)	MINUTE(CRA)
03/04/24	(S)	CRA RPT CS 4DP SAME TITLE
03/04/24	(S)	DP: DUNBAR, GRAY-JACKSON, GIESSEL, BJORKMAN
04/03/24	(S)	TRANSMITTED TO (H)
04/03/24	(S)	VERSION: CSSB 179(CRA)
04/05/24	(H)	READ THE FIRST TIME - REFERRALS
04/05/24	(H)	CRA
04/23/24	(H)	CRA AT 8:00 AM BARNES 124

WITNESS REGISTER

No witnesses to record

ACTION NARRATIVE

[8:03:06 AM](#)

CHAIR MCCORMICK called the House Community and Regional Affairs Standing Committee meeting to order at 8:03 a.m. Representatives McKay, Baker, Ruffridge, Himschoot, Mears, and McCormick were present at the call to order. Representative McCabe arrived as the meeting was in progress.

SB 179-PROPERTY TRANSFER TAX; MUNI TELECOMM TAX

[8:03:56 AM](#)

CHAIR MCCORMICK announced that the only order of business would be CS FOR SENATE BILL NO. 179(CRA), "An Act prohibiting municipalities from levying a tax on the transfer of real property; prohibiting the state from levying a tax on the transfer of real property; and relating to municipal taxation of mobile telecommunications services."

[8:04:30 AM](#)

The committee took an at-ease from 8:04 a.m. to 8:10 a.m.

[8:10:16 AM](#)

CHAIR MCCORMICK gave opening remarks for SB 179 and introduced invited testifiers to the committee.

8:10:59 AM

}SENATOR JESSE BJORKMAN* Alaska State Legislature* Juneau, Alaska* As prime sponsor, presented CSSB 179(CRA).{ as prime sponsor, presented CSSB 179(CRA). He paraphrased the sponsor statement [included in the committee packet], which read as follows [original punctuation provided]:

Senate Bill 179 is the result of numerous conversations with realtors from around the state as well as representatives of municipalities. The legislation proposes to prohibit municipalities and the state from imposing a transfer tax, fees or other assessments on sales, grants assignments or transfer of real property.

Imposing these taxes increases the cost of purchasing a home, the largest investment most Alaskans will make in their lifetime. Increasing the cost of purchasing a home through implementing transfer fees or taxes simply increases the upfront cost to those purchases.

Increasing the overall cost to home sellers and buyers will dampen all home and property sales. The additional burden of these type of taxes have a negative impact on young, first time home buyers as they begin to raise their families. Seniors, on fixed incomes, lose retirement income as the equity in their homes are reduced.

We've all been there, struggling to purchase our first home. With a new spouse and maybe a child or two. Some of us are moving to larger homes as our family grows. Others of us are nearing retirement or have retired. We will all be affected by these taxes.

SB 179 provides relief by ensuring additional charges to real estate property purchases are not forced on owners and purchasers.

I respectfully ask for your support of this legislation for the benefit of home and property buyers and sellers all across our state.

8:13:13 AM

CHAIR MCCORMICK opened public testimony on CSSB 179(CRA). After ascertaining that no one wished to testify, he closed public testimony.

[8:13:53 AM](#)

REPRESENTATIVE HIMSCHOOT asked how many states have a similar tax ban to the one proposed in CSSB 179(CRA).

SENATOR BJORKMAN said he did not know.

REPRESENTATIVE HIMSCHOOT asked whether Alaska Marine Lines (AML) had taken a position on the proposed legislation.

SENATOR BJORKMAN explained that AML is not in favor of the bill and pointed out that no transfer tax is currently being collected.

REPRESENTATIVE HIMSCHOOT commented that transfer taxes in other states are comparatively small and asked which municipalities were consulted in regard to CSSB 179(CRA).

SENATOR BJORKMAN answered that his office spoke with the Kenai Peninsula Borough and said that he couldn't recall anything further.

[8:15:30 AM](#)

REPRESENTATIVE MCCABE asked whether the proposed bill is a response to a policy in Juneau involving sales prices and transfer taxes.

SENATOR BJORKMAN said that his understanding is correct.

[8:16:21 AM](#)

CHAIR MCCORMICK moved to adopt Amendment 1 to CSSB 19(CRA), labeled 33-LS1093\B.1, Dunmire, 4/22/24, which read:

Page 2, following line 22:

Insert a new bill section to read:

"* **Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to read:
APPLICABILITY. AS 29.45.650(1), enacted by sec. 4 of this Act, and AS 29.45.700(h), enacted by sec. 6 of this Act, do not apply to an ordinance that establishes a sales or use tax on the transfer of real

property adopted by a municipality before the effective date of this Act."

REPRESENTATIVE MCCABE objected.

[8:16:36 AM](#)

CHAIR MCCORMICK explained Amendment 1, saying it would create an exemption for communities that already have a transfer tax in place.

REPRESENTATIVE MCCABE removed his objection. There being no further objection, Amendment 1 was adopted.

[8:18:00 AM](#)

The committee took a brief at-ease.

[8:18:12 AM](#)

REPRESENTATIVE MCCABE moved to report CSSB 179(CRA), as amended, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HCS CSSB 179(CRA) was reported from the House Community and Regional Affairs Standing Committee.

[8:18:51 AM](#)

The committee took an at-ease from 8:18 a.m. to 8:21 a.m.

[8:21:33 AM](#)

CHAIR MCCORMICK gave closing remarks on future committee business.

[8:21:57 AM](#)

ADJOURNMENT

There being no further business before the committee, the House Community and Regional Affairs Standing Committee meeting was adjourned at 8:21 a.m.