

**ALASKA STATE LEGISLATURE**  
**SENATE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE**

February 15, 2024

2:10 p.m.

**MEMBERS PRESENT**

Senator Forrest Dunbar, Chair  
Senator Elvi Gray-Jackson  
Senator Jesse Bjorkman  
Senator Cathy Giessel

**MEMBERS ABSENT**

Senator Donald Olson, Vice Chair

**COMMITTEE CALENDAR**

SENATE BILL NO. 207

"An Act creating the military and veteran family help desk in the Department of Military and Veterans' Affairs; and providing for an effective date."

- MOVED SB 207 OUT OF COMMITTEE

SENATE BILL NO. 179

"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."

- HEARD & HELD

SENATE BILL NO. 161

"An Act relating to municipal taxation of farm use land; and providing for an effective date."

- <ABOVE ITEM REMOVED FROM AGENDA>

**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)

BILL: SB 207

SHORT TITLE: MILITARY AND VETERAN FAMILY HELP DESK  
SPONSOR(s): SENATOR(s) KAWASAKI

01/26/24 (S) READ THE FIRST TIME - REFERRALS  
01/26/24 (S) CRA, FIN  
02/08/24 (S) CRA AT 1:30 PM BELTZ 105 (TSBldg)  
02/08/24 (S) Heard & Held  
02/08/24 (S) MINUTE(CRA)  
02/15/24 (S) CRA AT 1:30 PM BELTZ 105 (TSBldg)

**WITNESS REGISTER**

RILEY VON BORSTEL, Staff  
Senator Scott Kawasaki  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Available to answer questions on SB 207.

KONRAD JACKSON, Staff  
Senator Jesse Bjorkman  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Presented the sectional analysis for SB 179 on behalf of the sponsor.

ANN SPARKS, Past President  
Southeast Alaska Board of Realtors  
Juneau, Alaska

**POSITION STATEMENT:** Gave invited testimony in support of SB 179.

MARK MASLEY, Director  
Alaska Realtors  
Anchorage, Alaska

**POSITION STATEMENT:** Gave invited testimony in support of SB 179.

ANDREW DUNMIRE, Legislative Counsel  
Legal Services  
Legislative Affairs Agency  
Juneau, Alaska

**POSITION STATEMENT:** Answered questions during the discussion of SB 179.

KAITLYN ESPADA, President-Elect  
Mat-Su Valley Board of Realtors  
Wasilla, Alaska

**POSITION STATEMENT:** Gave invited testimony in support of SB 179.

TERRY BRYAN, Strategic Program Manager  
Steward Title Insurance Company  
Anchorage, Alaska

**POSITION STATEMENT:** Gave invited testimony in support of SB 179.

JOE LOGAN, Secretary-Treasurer  
Board of Realtors - Anchorage and Alaska  
Anchorage, Alaska

**POSITION STATEMENT:** Gave invited testimony in support of SB 179.

ELISE BUCHHOLZ, President-Elect  
Alaska Realtor Association  
Wasilla, Alaska

**POSITION STATEMENT:** Gave invited testimony in support of SB 179.

#### **ACTION NARRATIVE**

[2:10:41 PM](#)

**CHAIR FORREST DUNBAR** called the Senate Community and Regional Affairs Standing Committee meeting to order at [2:10 p.m.] Present at the call to order were Senators Gray-Jackson, Giessel, Bjorkman, and Chair Dunbar.

#### **SB 207-MILITARY AND VETERAN FAMILY HELP DESK**

[2:11:59 PM](#)

CHAIR DUNBAR announced the consideration of SENATE BILL NO. 207 "An Act creating the military and veteran family help desk in the Department of Military and Veterans' Affairs; and providing for an effective date."

He said that this is the second hearing of SB 207 in the Senate Community and Regional Affairs Committee. The intention is to look to will of the committee and take action on SB 207. He invited Ms. von Borstel to offer comments.

[2:12:31 PM](#)

RILEY VON BORSTEL, Staff, Senator Scott Kawasaki, Alaska State Legislature, Juneau, Alaska, stated that she was available to answer questions and indicated she had no further comments to offer on SB 207.

[2:12:40 PM](#)

CHAIR DUNBAR gave committee members an opportunity to ask final questions. Finding none, he solicited a motion.

[2:12:57 PM](#)

SENATOR GIESSEL moved to report SB 207, work order 33-LS1234\A, from committee with individual recommendations and attached fiscal note(s).

[2:13:10 PM](#)

CHAIR DUNBAR found no objection and SB 207 was reported from the Senate Community and Regional Affairs Standing Committee.

[2:13:17 PM](#)

At ease.

**SB 179-PROPERTY TRANSFER TAX; MUNI TELECOMM TAX**

[2:15:05 PM](#)

CHAIR DUNBAR reconvened the meeting and announced consideration of SENATE BILL NO. 179 "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."

He said that this is the introductory hearing of this bill. The intent is to hear an introduction of SB 179, review the sectional analysis, have committee discussion, and hear public testimony. He invited the bill sponsor to introduce his bill.

[2:16:20 PM](#)

SENATOR BJORKMAN, speaking as sponsor, introduced SB 179, as paraphrased below:

This straightforward bill would disallow municipalities and home rule cities from taxing the sale of real property. The impetus of this bill is to ensure local tax authority groups are not able to levy taxes on property and, by levying those taxes, discourage the sale of property. Especially the sale of property that could be used for building homes and residences during this housing shortage and crisis in much of Alaska.

[2:17:42 PM](#)

KONRAD JACKSON, Staff, Senator Jesse Bjorkman, Alaska State Legislature, Juneau, Alaska, presented the following sectional analysis for SB 179 on behalf of the sponsor:

[Original punctuation provided.]

This is a summary only. Note that this sectional analysis should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents.

Section 1. Amends AS 29.10.200(56) conforming to Section 4, to add reference to new subsection (l).

Section 2. Amends AS 29.10.200(57) conforming to Section 6, to add reference to new subsection (h).

Section 3. Amend AS 29.45.650(a) adding reference to subsection (k) and (l).

Section 4. Amends AS 29.45.650 to add new subsection (l) to provide that a borough may not levy or collect a sales tax on the transfer of real property if the borough is a home rule or general law municipality.

Section 5. Amends AS 29.45.700(a) to add reference to (g) and (h).

Section 6. Amends AS 29.45.700 to add new subsection (h) providing that a city may not levy or collect a sales of use tax on the transfer of real property if the city is a home rule or general law municipality.

Section 7. Amends AS 43.98 by adding new section to article 3, AS 43.98.035 provides that the state may not levy or collect a sales or use tax on the transfer of real property.

Section 8. Repealer section relating to municipal taxation of mobile telecommunication devices.

[2:20:13 PM](#)

SENATOR GRAY-JACKSON asked about the repealer language in Section 8.

[2:20:42 PM](#)

MR. JACKSON replied that Legislative Legal occasionally finds inconsistencies in statute. The passage of SB 207 would create some inconsistency. So, the drafters added Section 8 to clean up

that language, removing the inconsistency from AS 29.45.650(a). He deferred the question to Mr. Dunmire for further explanation.

[2:21:34 PM](#)

CHAIR DUNBAR asked for a more detailed description of the repealer in Section 8.

[2:22:07 PM](#)

MR. JACKSON offered to get Mr. Dunmire from Legislative Legal on the phone to answer questions about the repealer while the chair took up invited testimony.

[2:22:25 PM](#)

CHAIR DUNBAR asked whether any municipalities currently levy this kind of tax.

SENATOR BJORKMAN expressed his belief that two municipalities have this kind of tax. According to the Alaska Municipal League (AML), the City of Bethel and North Pole levy a type of transfer tax that would fall under this prohibition.

CHAIR DUNBAR commented that this was good to know, as he thought there were none.

[2:23:26 PM](#)

SENATOR GRAY-JACKSON asked if the two municipalities could be grandfathered in. She explained that the tax collected by these municipalities supports their operating costs and budgets in some form.

[2:24:01 PM](#)

CHAIR DUNBAR announced invited testimony on SB 179.

[2:24:31 PM](#)

ANN SPARKS, Past President, Southeast Alaska Board of Realtors, Juneau, Alaska, gave invited testimony in support of SB 179, mainly representing realtors. She is a 22-year veteran of the U.S. Coast Guard (USCG) and has lived in Alaska 12 years. She has been a homeowner since 2016 and owns a small business in Southeast Alaska. She emphasized that homeownership is a conduit to wealth and stability; everyone needs a home. She described reasons price disclosure and transfer taxes contribute to housing market instability:

#### **Sales Price Disclosure**

She highlighted that the Juneau Assembly passed a price disclosure ordinance on real property during COVID in 2020,

which inflated the housing market during the pandemic. This ordinance mandated the collection of sales price data on real property transactions. She noted that during the pandemic, Juneau experienced a limited supply of homes, leading buyers to pay above the appraised value in cash, thereby significantly driving up home prices. The city used collected price data in the calculation of property assessments, resulting in increased assessed real estate values and, consequently, higher property taxes. She pointed out that the mill rate is not the sole determinant of property taxes; higher assessments also contribute to higher property taxes.

[2:26:28 PM](#)

MS. SPARKS explained that the sale of a property is a contract involving many negotiated costs. So, a home's sales price may not reflect the home's true value because the negotiated costs are undisclosed. Nonetheless, the city used these skewed values to determine property taxes. She illustrated this point with a "cookie-cutter" example involving the sale of a condo, which affected the property taxes of the entire condo complex:

- A buyer pays \$100,000 over appraised value in a competitive multiple-offer situation.
- The sale price is disclosed.
- The city uses the sale price to calculate the new assessed value for every condo in the complex.
- Property taxes increase accordingly, affecting first-time home buyers, families, single parents, and seniors on fixed incomes.

MS. SPARKS said that 39 states with disclosure laws have adopted transfer taxes as high as three percent at the city, county, or state level.

[2:27:58 PM](#)

#### **Transfer Tax**

MS. SPARKS asserted that transfer taxes increase housing prices. Alaska Statutes allow municipalities to levy property taxes. She emphasized the importance of keeping housing prices lower for seniors on fixed incomes and young adults in their 20s who cannot afford a home. As a realtor who works with military veterans and the U.S. Coast Guard community, she explained that transfer taxes burden military personnel who are typically in a home for only three or four years. These individuals often have

their nest egg and retirement tied up in their homes. When they sell the house, they need to recoup the transfer tax cost, which contributes to the high cost of housing.

MS. SPARKS urged prohibiting transfer taxes and keeping Alaska a nondisclosure state to promote stability in home prices and related impacts, such as property taxes, interest rates, inflation, and insurance costs.

[2:30:39 PM](#)

MS. SPARKS mentioned that Juneau voted for Proposition 4, which repealed the sales price disclosure ordinance. The repeal demonstrated that financial privacy and nondisclosure are important to Juneau residents. She explained that disclosure ordinances affect multiple aspects of real property ownership, not just homeownership but also rental prices for residential and commercial properties. Landlords had to increase rents to recoup costs. She highlighted the interconnected nature of these issues and advised following the trail to understand how a transfer tax could impact the housing market.

[2:31:47 PM](#)

SENATOR GIESSEL sought confirmation that Alaska is a nondisclosure state and wondered how the City and Borough of Juneau (CBJ) implemented a sales price disclosure ordinance.

MS. SPARKS replied that while Alaska is generally known as a nondisclosure state, this status is not explicitly stated in the Alaska State Constitution nor codified in statute. Alaska Statutes have a provision for financial privacy but lack a detailed definition. This allows municipalities to decide whether to require sale price disclosure for their communities. The disclosure ordinance was unpopular in Juneau. Even though the ordinance was in effect, people were not disclosing sales prices, believing it conflicted with the Alaska State Constitution. The City of Juneau imposed a 30-day window for compliance, after which a \$50 per day fee was instituted for noncompliance. She appreciated that the voters overturned the ordinance but observed that two years of mandatory sales price disclosure damaged the housing market. Assessment values in Juneau became unmanageable, with some commercial properties experiencing a 50 percent increase in land value, followed by another 50 percent increase the next year. These commercial properties are now stagnant and unable to sell at their assessed value.

MS. SPARKS acknowledged that while SB 179 does not address disclosure, the issues are interconnected. She reiterated that preventing a transfer tax would help with these issues.

[2:33:40 PM](#)

CHAIR DUNBAR expressed appreciation for the distinction made between disclosure and transfer tax because they are separate issues. He said Anchorage faces a different set of issues, where relatively few people are willing to sell property at the assessed value, which tends to be lower than the sale prices. He opined that a transfer tax decreases the ability of property to change hands and would potentially increase the expense of housing, among other implications.

[2:34:25 PM](#)

SENATOR GRAY-JACKSON thanked the testifier. She expressed support for SB 179, stating she is a cosponsor. She asked her to comment on grandfathering in communities that already collect this tax.

MS. SPARKS replied that CBJ taxes real estate commissions in Juneau, real estate transactions are taxed. The city considers the commission a service and taxes it at five percent. There is a cap for high-priced sales, so the tax on commissions is capped at \$675. The City and Borough of Juneau collects this tax on the sale of a home, and it is directly related to the commission services that are provided. She said she could not speak to the specifics of sales taxes in other municipalities, as this was the first time she heard of that. She expressed an understanding that smaller communities need taxes and revenue streams to support cities. She acknowledged the necessity for a grandfather period to allow communities time to look for other revenue stream opportunities.

[2:36:30 PM](#)

MARK MASLEY, Director, Alaska Realtors, Anchorage, Alaska, gave invited testimony in support of SB 179 on behalf of Alaska Realtors. Alaska Realtors represents 1,900 plus realtors from Southeast Alaska to Nome. The organization's purpose is to create a positive real estate business environment by promoting and protecting its members, real property ownership, and private property rights. He is a realtor serving Anchorage and the Mat-Su Borough. He lives in a home he has owned for 18 years in Senate District H. He spoke as an Alaska Realtors representative, concerned citizen, and homeowner.

[2:37:21 PM](#)

MR. MASLEY provided a brief history of reasons realtors are involved with the issue of SB 179. It harkens back to Juneau's disclosure ordinance, which mandated the disclosure of real property sale prices to the city's assessor. Alaska has traditionally maintained a nondisclosure policy regarding real estate prices, valuing financial privacy. He pointed out that in 39 other states, the disclosure of real estate prices has often preceded the implementation of a transfer tax. The transfer tax in Washington is as high as three percent of the sales price, meaning a \$90,000 tax on a \$3,000,000 home. Despite the repeal of the disclosure ordinance by voters, the threat of future changes in disclosure rules could lead to implementing a transfer tax.

MR. MASLEY argued that imposing such a tax would increase the overall cost of homeownership. The average price of a single-family home in Anchorage exceeds \$480,000. With the critically low supply of homes and 30-year fixed mortgage rates of around 7 percent, homeownership dreams are slipping away for many home buyers.

[2:39:14 PM](#)

MR. MASLEY said that in addition to increasing the cost for buyers, transfer taxes also increase the cost of selling. During COVID, some homeowners were fortunate to secure refinanced mortgage rates as low as 2 1/2 percent. Consequently, many of these individuals are choosing to hold onto their properties. Realtors call this a "rate lock;" instead of selling, owners are investing in upgrades and staying put because of the disparity between the 2 1/2 percent mortgage they have and the 7 percent market mortgage that is available. The shortage of available homes is also a significant factor in the decision not to sell. If homeowners are unsatisfied or unable to find a home that meets their needs, they will remain in their current home rather than sell. This leads to a self-perpetuating cycle of low inventory, resulting in fewer homes for prospective buyers and higher home costs. He emphasized that adding a transfer tax would provide another reason for homeowners to hang onto their houses instead of putting them on the market.

[2:40:27 PM](#)

MR. MASLEY said SB 179 represents critical steps for safeguarding Alaska's economic health and ensuring homeownership remains attainable. By prohibiting the levy of a transfer tax on real property, this bill would alleviate some of the financial pressures faced by buyers and sellers, thereby creating a more accessible market overall. He said that as a realtor, he

constantly witnesses the struggles prospective buyers experience in this housing market. Now more than ever, it is clear that the state needs to adopt measures that support the stability and growth of this sector of the economy. He pointed out that real estate transactions and the resulting ancillary transactions represent about 16 to 17 percent of the state's economy.

MR. MASLEY urged the committee to consider the long-term benefits of this bill for the economic health and well-being of Alaska's communities. He emphasized that SB 179 proposes a significant step towards a more resilient and inclusive housing market where Alaskans still maintain the dream of homeownership.

[2:42:20 PM](#)

CHAIR DUNBAR asked Mr. Dunmire to explain the repealer provision in Section 8.

[2:42:37 PM](#)

ANDREW DUNMIRE, Legislative Counsel, Legal Services, Legislative Affairs Agency, Juneau, Alaska, answered the repealer is a conforming change. It deals with a session law that is still on the books with a contingency. He explained the repealer provision as follows:

- The legislature enacted AS 29.45.750, [the Mobile Telecommunication Sourcing Act], which deals with mobile telecommunications and taxing under a federal law.
- The Act included a contingent effect.
- This meant that the specific statute section would be repealed if a court of competent jurisdiction, whose decisions are binding in the state, enters a final judgment that substantially limits or impairs the underlying elements of that Act.
- Section 3 of the bill amends AS 29.45.650(a), and the first sentence of subsection (a) references AS 29.45.750.
- If the legislature does not address the existing session law and the contingency goes into effect, it will:
  - delete AS 29.45.750,
  - replace it with different language, and
  - omit the references to subsections (a) and (l) that were added to this bill.

MR. DUNMIRE said that this would create an inconsistency in the law.

[2:44:05 PM](#)

CHAIR DUNBAR sought clarification about what would change in Alaska law with that repealer if anything, or if it was simply to prevent the inconsistency described.

MR. DUNMIRE replied that the change would eliminate the contingency, so AS 29.45.750 would not be repealed if successfully challenged in federal court.

[2:44:53 PM](#)

CHAIR DUNBAR sought clarification on what he meant by "contingency."

MR. DUNMIRE replied that the legislature often includes contingent effects in bills for specific sections or provisions. In this case, the contingency was that if a federal law, now over twenty years old, was ruled unconstitutional by a federal court, the corresponding state law would be repealed.

[2:45:45 PM](#)

SENATOR GRAY-JACKSON appreciated the chair's request for further explanation, stating she would have asked the same questions.

[2:46:01 PM](#)

SENATOR GIESSEL said that she has the Alaska Statutes opened and is looking at AS 29.46.650 and AS 29.45.750. These statutes reference U.S. Codes related to mobile telecommunications and the food stamp program, which she noted is confusing.

MR. DUNMIRE drew attention to AS 29 45 750(a) and referenced the provision that reads, "The provisions of 4 U.S.C. 116 - 126 (Mobile Telecommunications Sourcing Act) are incorporated in this chapter by reference...". He explained that federal law was the basis for this section when the Alaska State Legislature enacted it. He presumed that, at the time, the legislature thought there was a chance the federal law would be successfully challenged in court and ruled unconstitutional. So, the legislature included contingency language, stating that if that happens, then AS 29.45.750 would be repealed. However, it has been several decades, and that has not happened.

[2:47:41 PM](#)

SENATOR GIESSEL asked why that is relevant to SB 179.

MR. DUNMIRE answered that it is relevant because the first sentence of AS 29.45.650(a) explicitly cites AS 29.45.750. The session law with the contingency says that if AS 29.45.750 gets repealed, AS 29.45.650 must have new language to avoid citing a

repealed section of law. He explained that SB 179 includes subsections (k) and (l), but the replacement language would not.

[2:48:48 PM](#)

CHAIR DUNBAR commented that he needs to review the statutes.

CHAIR DUNBAR sought confirmation that:

- the bill sponsor did not intend to touch that piece of law,
- this is unrelated to a transfer tax and is entirely separate, and
- Legislative Legal included it in SB 179 for purely drafting reasons.

MR. DUNMIRE replied if the repealer is removed from the bill, the sponsor will have to amend the bill and change the session law to keep everything consistent. He confirmed that repealing that section has nothing to do with property tax or transfer taxes; it is included for cleanup. If the repealer is removed from the bill, a different provision would need to be added to address the contingency if it ever happens.

[2:50:04 PM](#)

CHAIR DUNBAR asked for a written description of what he had just explained to the committee and whether the bill makes a substantive change to Alaska Statutes by repealing this section.

Mr. DUNMIRE replied that he could provide that.

CHAIR DUNBAR expressed his appreciation and looked forward to receiving the written description.

[2:50:58 PM](#)

CHAIR DUNBAR continued with invited testimony on SB 179.

[2:51:13 PM](#)

KAITLYN ESPADA, President-Elect, Mat-Su Valley Board of Realtors, Wasilla, Alaska, gave invited testimony in support of SB 179, stating she is a realtor in the Mat-Su Valley and has been in the industry since 2013.

MS. ESPADA said that she had a data-driven approach to explain her viewpoint on the damaging effects of transfer taxes. She pulled up today's multiple listing service (MLS) data and delineated the damaging impact on the costs included in a

downpayment to buy an average-priced home in Palmer. She noted that this time last year, the average-priced home in Palmer was \$426,000. This year, the average-priced home in Palmer is five percent more. At \$443,000, this increases the mortgage by \$3,500 more than last year. She explained that a transfer tax would exclude a whole segment of the market from being able to purchase homes. She explained that buyers with a regular Federal Housing Administration (FHA) loan have to come up with \$10,000 for their closing costs, a downpayment of \$15,500 at 3.5 percent, and a transfer tax of \$4,873 on the average sales price in Palmer today, which is \$443,000. Therefore, buying a house in Palmer today with an FHA loan requires over \$30,000 in the bank.

[2:53:04 PM](#)

MS. ESPADA said the lack of inventory is driving up prices, and they are not coming down. The Mat-Su Borough is the fastest-growing home market for the working class in the state. She said Alaskans need to ensure that transfer taxes are prohibited because they will harm the housing market.

[2:53:51 PM](#)

TERRY BRYAN, Strategic Program Manager, Steward Title Insurance Company, Anchorage, Alaska, gave invited testimony in support of SB 179, stating that he has been an Alaska resident for 46 years. He has lived in District E since 1989. With 27 years in the title insurance business, he has had daily contact with over 500,000 consumers, both buyers and sellers. He mentioned that he has never heard a positive comment about a transfer tax. It is not unusual to hear clients from other states say, "I just moved from an area where I was penalized with a transfer tax." He said that the public has traditionally been concerned about this issue. People often scrimp and save or leverage other assets to purchase a home, and increasing costs will negatively affect affordable housing and homeownership.

MR. BRYAN noted that he hears about affordable housing concerns weekly and is certain that committee members hear about it statewide. Homeownership will be negatively impacted by any increase in the cost of entry, particularly during these inflationary times. Increased interest rates are not expected to return, in our lifetime, to the low levels seen recently. He stressed that this period of high inflation and higher interest rates will persist for a while, and any cost increase will have a negative impact. He said that he promotes the passage of SB 179.

[2:56:07 PM](#)

JOE LOGAN, Secretary-Treasurer, Board of Realtors - Anchorage and Alaska, Anchorage, Alaska, gave invited testimony in support of SB 179, stating he is a realtor who has been in business for 22 years. He started in Washington, a state that currently has a transfer tax. He said that Washington's real estate market experienced tough times, with many foreclosures, and the state's transfer tax significantly impacted homeowners trying to recover from the downturn. Though the market is doing well and homeowners have equity in their homes, he emphasized the importance of considering the long-term for every type of market.

MR. LOGAN said that when he first moved to Anchorage, he was amazed that there was 36 months' worth of inventory at nearly a \$1,000,000 price point. Currently, there is only 3/4 of a month's worth of inventory for the entire Municipality of Anchorage. If all the current listings were to sell, it would take buyers about 3/4 of a month to deplete the available inventory. He stressed that with low housing inventory, it is crucial to consider the overall picture of the market and the potential impacts on sellers. He said that the National Association of Realtors did a study titled "The Unintended Consequences of Excessive Transfer Taxes" conducted by Sage Policy Group in June 2022. The study explored several markets and explained in detail the historical consequences of this type of tax.

[2:59:21 PM](#)

ELISE BUCHHOLZ, President-Elect, Alaska Realtor Association, Wasilla, Alaska, gave invited testimony in support of SB 179, stating that she is an associate broker in the Mat-Su Valley. She explained that in the Mat-Su Borough, homeowners receive a notice with an application asking what they sold their house for. Realtors advise consumers to refrain from filling it out to keep Alaska a nondisclosure state. She noted that assessments have increased in the Mat-Su Valley since COVID, with home values getting closer to Anchorage prices. The median home price for the entire Valley, not just Palmer, is \$407,000, compared to Anchorage's \$480,000. The price difference, which used to be about \$150,000 to \$200,000, is narrowing. Wasilla, according to economists, is the fastest-growing area in Alaska.

MS. BUCHHOLZ mentioned that the Valley's popularity and events like the Arctic Winter Games have further limited the supply of rentals or short-term rental properties. The Mat-Su needs apartment buildings and new construction. Transfer taxes would cause prices to rise more. She emphasized that she cannot say

enough about the borough's low inventory. She has renters who want to buy homes but find renting cheaper than a mortgage due to high interest rates and additional closing costs.

[3:02:01 PM](#)

CHAIR DUNBAR concluded invited testimony on SB 179.

CHAIR DUNBAR held SB 179 in committee.

[3:02:22 PM](#)

There being no further business to come before the committee, Chair Dunbar adjourned the Senate Community and Regional Affairs Standing Committee meeting at 3:02 p.m.