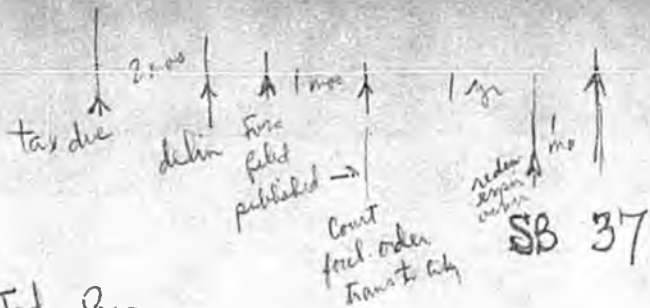


S B

3 7



Ted Berns

notice of for; more for fore; fore; 1/2 redemp.

Sec 1 - adds considerable cost due to title search ($\frac{1}{50}$ - $\frac{1}{60}$)

3000 funds/yr in Anch go thru foreclosure; request may be made for notice on the particular parcel

Possible soln - require request for notice be sent to when a person registers a lien - information provided about request

Sec 3 - problems as stated - no time limit as to when person can take back property. Put on time limit (puts it in limbo); or require ordinance, public notice, etc.

Sec 2 - just one more notice, not that big a deal

Sec 4 - time limit problem - how long should muni hold money? (bank foreclosure now ~ 2 yrs) - what if can't locate former owner how should muni inform former owner

Lee Sharp

Sec 1 - record search may not show address of security owner
notice @ foreclosure; notice @ end of redemption

Sec 2 - time problem on period for which held in public use - could be 20 yrs or more

Sec 3 - time problem again; Fed funds for prop. improvement requires clear title by muni. Formal use dedic. should end owner's rights

Sec 4 - 6 mos time limit would be good
require recorder to give notice to assessor's office of lien holders (AS 34.10)

CS 37

Page 2, beginning at line 2 --

Add a new section 2 (renumber sections accordingly):

* Sec. 2. AS 29.53.350 is amended by adding a new subsection to read:

(b) Costs incurred in the determination of holders of mortgages and other liens of record and costs of publication of notice incurred by a municipality under (a) of this section are a lien on the property and may be recovered by the municipality from the record owner at the time of redemption.

Page 2, line 15 --

... that a public need does not exist [NO LONGER EXISTS].

Sec. 1

"procedural defect" of notice not actually need

Dept CRA - supports Secs 2 → 5

opposes Sec 1 - much of property is "junk property" - not worth much (more than cost of search)

May have to have title insurance to cover cases of lack of notification
loss of security interest → injury → suit for damages

alt: Put a \$10K or \$20K min prop value for notice

Put notices up in recorders office or title co. about right of notification

Sec 310 needs commensurate charging for

Sec 380 put ~~50~~ 10 yr limit on requirement to pay difference

Anchorage

Ted BERNS said last

year approx 300 parcels

of land would have

been affected by ^{AS} 29,533,50

Juneau

275 foreclosure procedure (don't pay taxes)

95,100 into judgement

25,300 unredeemed @ end of year.

RE: SSSB 37

TO: Senator Orsini
FROM: Paul

DATE: March 3, 1977
RE: SSSB37

The following correspondence was received regarding SSSB37. Matanuska-Susitna Borough and the City of Wrangell both are opposed to above referenced bill because of the title search requirement that will be imposed upon the local government.

PC/js

I feel you may be interested in the attached newspaper clippings which tell of people losing land to municipal tax foreclosures without adequate notice or protection.

Lands were taken and dedicated for park purposes. We are told that this action ends any chance we might have to redeem the land. Dedication action was taken without notice and without hearings. We are told that state law requires the municipality to pay only any state and federal liens. No provision is made for payment to other lien holders. I feel that all government agencies should be treated the same as anyone else, receiving the same percentage of proceeds as the rest of the lienholders. If value of land taken by municipalities for their own use exceed the liens, the owner of record should receive this amount, not the municipality.

Laws should require that all interested parties be notified 60 days after taxes become delinquent in order that they may take action to protect themselves. It would be reasonable that the interested parties stand the cost of these notices.

I would appreciate your help in seeing that something of this nature cannot happen again. Thank you.

RUSSELL OBERG
SR Box 8090 Oberg Road
Chugiak, Alaska 99567

2



Matanuska-Susitna Borough, Inc.

BOX B, PALMER, ALASKA 99645 • PHONE 745-3246

DEPARTMENT OF ADMINISTRATION

January 27, 1977

The Honorable Joseph L. Orsini, Chairman
Community and Regional Affairs Committee
The Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

Subject: Senate Bill 37

We appreciate your inviting comments on the subject bill. The proposed law would require the Borough to have a title search on each piece of property to be foreclosed to make sure that we became aware of all holders of mortgages or other liens of record. This would be an additional administrative expense which would be added to the foreclosure cost for each parcel and added on to the redemption cost to the property owner.

We question whether the additional red tape is necessary since all parties of interest are now notified by legal publications.

As a matter of practice, we already notify holders of liens of which we have been informed.

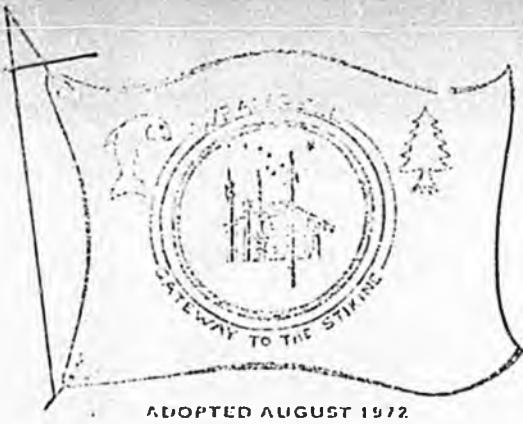
Very truly yours,

Wesley M. Howe
Borough Manager

WMH:er

cc: Senator Jalmar Kerttula

Mr. Donald E. Berry, Alaska Municipal League



CITY of WRANGELL, ALASKA

INCORPORATED JUNE 15, 1963

BOX 531, 99929 (907) 874-2381

February 1, 1977

Senator Joe Orsini, Chairman
Senate Community & Regional Affairs
Committee
Pouch V
Juneau, Alaska 99811

Re: SENATE BILL NO. 37, SPONSOR SUBSTITUTE

Dear Sir:

The City of Wrangell wishes to go on record in opposition to SS for Senate Bill No. 37.

Sec. 29.53.350 of the proposed bill provides for notice of foreclosure to be mailed to each record owner of property against which a judgment of foreclosure has been taken and to all holders of mortgages or other liens of record on the property. The amendment would necessitate the taxing authority to determine all liens of record on property. In order to insure accuracy, it would be necessary to obtain a title search on each parcel of foreclosed property. The costs for a title search would be a minimum of \$50.00 per parcel, increasing the costs considerably on foreclosure procedures.

We request that the amendments to Sec. 29.53.350 be revised to: and to all holders of mortgages or other liens who have provided notice of same to the taxing authority.

Your consideration will be appreciated.

Very truly yours,

James R. Eide
City Manager

- cc: Edward C. Willis, Senator
- John Huber, Senator
- H. D. "Pete" Meland, Senator
- Robert H. Ziegler, Sr., Senator
- E. J. Haugen, Representative
- Don Berry, Alaska Municipal League

March 1, 1977

Dear Sir:

The enclosed materials, pertaining to property which my wife and I feel we have a right to, are somewhat explanatory of the existing situation.

To say the least, we are extremely frustrated over the entire matter.

Apparently, final disposition of the property in question will be decided in the court of Judge Douglas William on March 14th.

We realize that, due to technicalities put forth by the Anchorage Municipality, we may lose this property, we do feel that we are morally correct and justified in thinking that it should be returned to us. We both worked awfully hard to get this land and feel that we should be able to enjoy whatever the land might produce for us.

I have listed my attorney's name and address and also the Judge that will be handling this. Anything that you might possibly do in our behalf will be greatly appreciated.

Sincerely Yours,

Russell D. Oberg

Our Attorney is: Mr. William D. Artus, 805 W. 3rd Ave. Anchorage
(274-4626)

The Honorable Douglas William 11
Bankruptcy Court - 610 W. 2nd Ave., Anchorage, Alaska
(272-3111)



THE CITY AND BOROUGH OF JUNEAU

CAPITAL OF ALASKA

155 SOUTH SEWARD ST. JUNEAU, ALASKA 99801

DATE: March 3, 1977

FILE NO.

SUBJECT: SSSB 37

The Honorable Joseph L. Orsini
Chairman
Senate Community and Regional
Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

The City and Borough of Juneau is opposed to SSSB 37 in its present form. The amendments which would be effected by section 1 would require that the municipality conduct an expensive and time consuming title search on all tax foreclosed property which it intends to sell in order to recover the taxes which the owner and security holders have, for at least two years, refused to pay or have not paid. The title search would be for the purpose of discovering persons holding security interests in the real property. The present law provides that a lien holder may request the clerk to send, by certified mail, a notice of the foreclosure list which contains any property specified by the lien holder. Thus, any person who takes a security interest in real property and has a concern with protecting their security interest from foreclosure for nonpayment of taxes may protect themselves by merely requesting they be notified of impending foreclosures. Presuming they have taken this simple step of requesting notification, it seems unnecessary to require the municipality to engage in an expensive and time consuming title search in order to determine whether there are security holders who would lose their security interest in a sale of foreclosed properties. Foreclosure notices are also published in local newspapers. Thus even the security holder who has not requested personal notice is given the opportunity to make himself aware of whether or not property in which he holds a security interest is being foreclosed by merely checking the foreclosure list which is published at least four times over a period of four weeks upon the filing of a foreclosure action. There is a second published notice at the end of the one year redemption period. It seems that when you weigh the burden on the security holder of simply writing a letter to the municipality requesting that he be notified or of merely checking the published foreclosure list against the burden placed on the municipality of running a title search on every property

The Honorable Joseph L. Orsini
March 3, 1977
Page Two

which it intends to sell, the scale clearly tips in favor of the system as it stands at present. Section 1 should be deleted from the bill.

Section 2 requires the municipality to give notice to the former record owner of any tax foreclosed parcel which is being held for public purpose and which the municipality is considering selling. The law currently bends over backwards to accommodate the interests of the real property owner who refuses to pay his taxes on property which he owns. He is given notice of a foreclosure, he is given an opportunity to challenge the foreclosure in court, he is given one full year subsequent to the foreclosure to redeem the property, and after the redemption period he is given the right to repurchase the property if it is not held for a public purpose. This section would require that for property which the municipality has devoted to or reserved for a public purpose which it now wishes to abandon, the property owner be given specific notice of the municipal proceedings which are aimed at changing the public reservation. Please bear in mind that municipalities have devoted to public use much property which was acquired by tax foreclosure fifty or more years ago. To ask the municipality to search out and notify former record owners of such property which it now wishes to sell is not only placing an excessive burden upon the municipality but is also asking it to do an act which is probably useless. Considering the time and the number of occasions given the person who refuses to pay his tax, it would appear that section 2 is unnecessary. If it is felt that section 2 is absolutely essential, some limitations should be placed on it so that the municipality is not required to search out owners for property which it foreclosed on more than two or three years prior to the sale.

Section 3 would allow the former owner of tax foreclosed property to come in and repurchase such property even if it is held for a public purpose. Thus, if the municipality forecloses on property and, subsequent to the expiration of the redemption period, builds a public improvement on the property, the property would still be subject to repurchase for taxes and interest by the former record owner. Even if improvements had not been placed on the property, if the property has been reserved for a future public use, it has been placed into the capital improvements planning process and the municipality may very well be relying on its ownership of such property for future projects which would suffer a severe setback if the former owner exercises his right to come in at any time and repurchase the property. In addition,

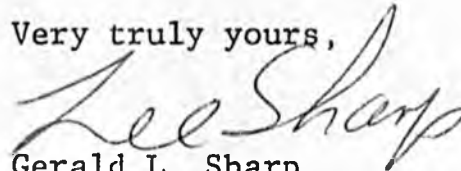
The Honorable Joseph L. Orsini
March 3, 1977
Page Three

this section would probably make it impossible for municipalities to use federal funds for the improvement of tax foreclosed property. Almost every federal program for assistance in capital improvements requires a satisfactory opinion on title. With this section on the books, all tax foreclosed property will have a sufficient cloud on it that a satisfactory title opinion cannot be given. Thus, the municipalities will no longer be able to use federal funds for the improvement of tax foreclosed properties. Section 3 of the bill should be deleted.

While section 4 of the bill may express a fair and appropriate public policy relating to the disposition of the excess the municipality realizes in the sale of tax foreclosed property, the right of the former owner to this excess should not go on in perpetuity as it would under the proposed section 4. If such a right is to exist, it should be limited in time. Senate Bill 127 deals with this particular problem and would place a limit of six months upon the right of the former owner to recover the excess. If the committee feels that section 4 is necessary, we strongly recommend that a six months' limitation be placed on the time during which the former record owner may claim the excess.

Thank you for your consideration of the foregoing.

Very truly yours,



Gerald L. Sharp
City/Borough Attorney

cc: Senators Ferguson, Hackney, Huber,
Sumner and Willis
GLSmmb

Municipality
of
Anchorage



POUCH 6 650
ANCHORAGE, ALASKA 99502
(907) 274-2525

GEORGE M. SULLIVAN,
MAYOR

OFFICE OF THE MAYOR

To: Anchorage and Fairbanks Legislators
From: Sam Coxson, Legislative Liaison
Subject: Joint Fairbanks-Anchorage Meeting, Feb. 18, 1977

Enclosed is a list of elected officials which attended the meeting and the Action they took on certain legislative proposals.

City of Fairbanks

Mayor Harold Gillam
Bob Parsons
Jim Rolle
Ralph Migliaccio
Earnest Carter

Fairbanks-North Star Borough

Mayor John Carlson
Bill Stringer
Phil Younker
Andy Karella
Mike Cornelius

Anchorage Municipality

Chairman Dave Rose
Bill Besser
Ben Marsh
Arliss Sturgulewski
Dave Walsh
Don Smith



FAIRBANKS-ANCHORAGE MEETING
ACTION ON LEGISLATIVE PROPOSALS

<u>Bill</u>	<u>SHORT TITLE</u>	<u>ACTION</u>
SB 35	Tax in the Unorganized Borough	No concensus; each body would act on its own
HB 101	Deductions for Telephone Nonservice	General concensus for opposition
HB 102	Prohibition of Surcharge	General concensus for opposition
HB 87	Grants to Service Areas	No position by joint group
SSSB 37	Proceedures tax-foreclosed Prop.	No concensus; no action recommended
HB 75	Municipal Net Income Tax	No concensus; each body would act on its own
SB 50	Utilities and States Right-of-way	Unanimous support
	Municipal Tort Liability	Unanimous support
HB 34	Workmen's Compensation	General Support
	Offset Provisions	General concensus for support
HB 89	State Aid--School Construction	Unanimous support
HB 70	Municipal Revenue Sharing	General support
	Joint Resolution on All-Alaska Gas Line	Unanimous Support