

HB

81

—

# HOUSE COMMITTEE REPORT

(7)  
Date Referred: January 30, 1991

FURTHER REFERRALS:

Finance

Date of Committee Action: 4-3-91

The COMMUNITY AND REGIONAL AFFAIRS Committee considered:

HB 81

HOUSE BILL NO. 81

PUBLICATION OF MUNICIPAL FORECLOSURE LIST

"An Act relating to publication of municipal foreclosure lists."

**RECOMMENDATIONS:**

be replaced with CS HB81  the same title  
 a new title

have attached amendment(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) \_\_\_\_\_

APPROVES PREVIOUS: (Dept/Date) \_\_\_\_\_

fiscal impact \_\_\_\_\_

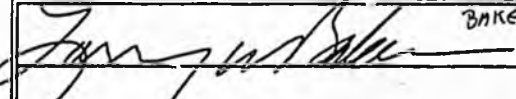
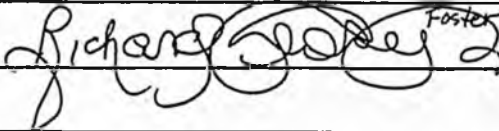

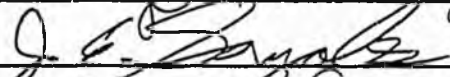
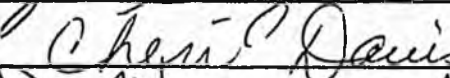

fiscal note(s) \_\_\_\_\_

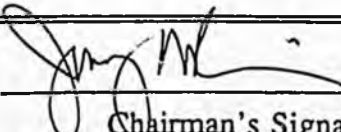
zero fiscal note DCRA

zero fiscal note(s) \_\_\_\_\_

**SIGNING DO PASS:**

**SIGNING OTHER RECOMMENDATIONS:**

	Check appropriate column:	Do Not Pass	No Rec	Amend
 Baker				
 Richard Foster			(X)	
 Betty Davis				
 G. E. Gonzales				
 Cheryl Davis				
 Mackie				

  
 \_\_\_\_\_  
 Chairman's Signature

# Alaska State Legislature

REPRESENTATIVE  
**BERT SHARP**

DISTRICT 20

MEMBER  
FINANCE COMMITTEE

FINANCE SUBCOMMITTEES:  
GOVERNOR  
FISH AND GAME  
LABOR



FAIRBANKS

119 N CUSHMAN  
FAIRBANKS, ALASKA 99701  
(907) 452-7885 / 7886

WHILE IN JUNEAU

PO BOX V  
STATE CAPITOL  
JUNEAU, ALASKA 99811  
(907) 465-3004 / 3018

## House of Representatives

### M E M O R A N D U M

TO: Representative Jerry Mackie, Chairman  
Community & Regional Affairs Committee

FROM: Representative Bert Sharp *Bert Sharp*

DATE: March 18, 1991

SUBJ: CS HB 81

Enclosed for committee consideration is a draft committee substitute for HB81. The new CS incorporates the language proposed by the Alaska Newspaper Association as stated in the letter from Tera Williams dated March 6, 1991.



REPRESENTING  
GOLDEN HEART  
OF ALASKA

CS FOR HOUSE BILL NO. 81 ( )  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY

Offered:  
Referred:

Sponsor(s): REPRESENTATIVES SHARP, M.W.Miller, Zawacki

A BILL  
FOR AN ACT ENTITLED

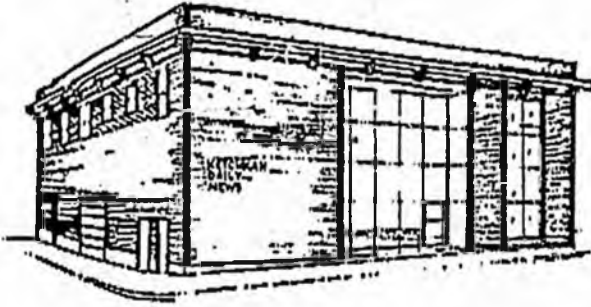
1 "An Act relating to publication of municipal foreclosure lists."

2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

3 \* Section 1. AS 29.45.330 is amended by adding a new subsection to read:

4 (d) To satisfy the publication requirement under (a)(2) of this section, a municipality shall  
5 publish the foreclosure list in a newspaper with a second-class mail permit issued in the  
6 municipality by the United States Postal Service. If there is more than one newspaper with a  
7 second-class permit issued in the municipality, the list shall be published in the one with the  
8 largest circulation in the municipality. However, if there is more than one newspaper with a  
9 second-class permit and if at least one of them has a circulation that is equal to or greater than  
10 60 percent of the circulation in the municipality of the newspaper with the largest circulation in  
11 that municipality, the municipality shall publish the list based on competitive bids that reflect the  
12 cost per paper delivered. Only those newspapers with a circulation in the municipality that is  
13 equal to or greater than 60 percent of the circulation in the municipality of the newspaper with  
14 the largest circulation in that municipality may bid. In addition to the newspaper selected under

- 1 this subsection, a municipality may publish the foreclosure list in any other newspaper or
- 2 periodical.



**PIONEER PRINTING CO.  
KETCHIKAN DAILY NEWS  
SOUTHEASTERN LOG**

March 6, 1991

Rep. Bert Sharp  
House of Representatives  
Pouch V  
Juneau, AK 99811

Dear Rep. Sharp:

The Alaska Newspaper Association has come up with a consensus on rewording in section two in House Bill 81. It is as follows:

" .. at three public places for at least 30 days; for purposes of this paragraph, "newspaper" means a newspaper eligible for a second-class mail permit issued by the U.S. Postal Service in the municipality, except in instances where there is more than one second-class permit holder in a municipality and the circulation of those newspapers is within 40 percent of each other, in which case the municipality shall seek competitive bids from those newspapers. Competitive bids will reflect the cost per paper delivered. In instances where there is more than one second-class permit holder in a municipality but the circulation of those newspapers is not within 40 percent of each other, the newspaper with the largest circulation will be used as the vehicle of publication. It is the intent of this section to set forth minimum publication requirements, and nothing will be interpreted here prohibiting municipalities from wider publication to ensure the widest public notice in the public interest."

This will be fair to the newspapers, but most of all to the public.

Thank you for your time and interest in the issue.

Sincerely,

Tena Williams  
Co-Publisher

cc: Rep. Jerry Mackie/Ricardo Wohl

FISCAL NOTE

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

BILL NO. CS HB 81

Revision Date: \_\_\_\_\_ Department Affected: Community & Regional Affairs  
 Title: "An Act relating to publication of municipal foreclosure lists." BRU: \_\_\_\_\_  
 Component: \_\_\_\_\_  
 Sponsor: Rep Sharp, M.W. Miller, Zawacki  
 Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. 

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

Estimate of current year impact: \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Remond Henderson, Director Phone: 465-4708  
 Division: Administrative Services Date: 3/26/91  
 Approved by Commissioner: Edgar Blatchford, Commissioner  
 Agency: Community & Regional Affairs Date: 3/26/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

# Alaska State Legislature

REPRESENTATIVE  
**BERT SHARP**

DISTRICT 20

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## House of Representatives

### M E M O R A N D U M

TO: Representative Jerry Mackie, Chairman  
Community & Regional Affairs Committee

FROM: Representative Bert Sharp

DATE: February 12, 1991

SUBJ: HB81, An Act Relating to Publication of Municipal  
Foreclosure Lists

I respectfully request that a hearing be scheduled as soon as possible on HB81.

The thrust of this legislation is to assure a more effective public notice procedure of foreclosure lists to accommodate requirements of A.S. 29.45.330.

Presently there is no requirement specifying the minimum level of publication exposure required in communities that have multiple options. There have been past instances where required publications were placed in newspapers with small local subscriber levels, thereby thwarting the intent of adequate public notice to the general populous.

The minimum subscriber level of "one-third of the audited paid circulation in the municipality of the newspaper with the greatest circulation in that municipality" is sufficient to assure a



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OF ALASKA

reasonable level of public notice and still allow for competitiveness and options within the proposed parameters.

The Department of Community & Regional Affairs has indicated support of the principles to be accomplished in the bill and has stated that there will be no fiscal impact.

A zero fiscal note is attached.

**FISCAL NOTE**

**STATE OF ALASKA**  
**1991 LEGISLATIVE SESSION**

BILL NO. HB 81

Revision Date: \_\_\_\_\_ Department Affected: Community & Regional Affairs

Title: An Act Relating to Publication of Municipal Foreclosure Lists BRU: \_\_\_\_\_

Sponsor: Rep. Bert Sharp Component: \_\_\_\_\_

Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. 

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	-0-	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL OPERATING</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: -0-

**ANALYSIS: (Attach a separate page if necessary.)**

This bill would have no fiscal impact on the Housing Loan Program of the Department of Community and Regional Affairs. (See attached)

Prepared By: Gloria Hartzmann/Rep. Bert Sharp Phone: 465-3004

Division: \_\_\_\_\_ Date: February 12, 1991

Approved by Commissioner: \_\_\_\_\_

Agency: \_\_\_\_\_ Date: \_\_\_\_\_

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

# STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

WALTER J. HICKEL, GOVERNOR

- P.O. BOX B  
JUNEAU, ALASKA 99811-2100  
PHONE: (907) 465-4700
- 949 E. 36TH AVENUE, SUITE 400  
ANCHORAGE, ALASKA 99508-4302  
PHONE: (907) 563-1073

February 20, 1991

## POSITION PAPER

RE: House Bill No. 81

SPONSER: Representatives Sharp, M.W. Miller

### Program Effects of Bill

This bill would have no fiscal impact on the Housing Loan Program of the Department of Community and Regional Affairs.

### Comments

AS 29.45.330 (a) (2)

It would assist Rural lenders if this section were expanded to include a major newspaper published in Anchorage. Most major lenders are located in urban areas, and if they do not subscribe to the newspaper of every municipality, they would not be aware of the pending foreclosure.

As more rural communities are becoming developed and municipalities being formed, it makes sense to be aware of tax foreclosures in order to cut down on legal fees which are charged during the foreclosure process. It would greatly benefit the lienholder or lender if the municipalities would notify in advance of any pending tax liens which would result in foreclosure.

DCRA's position regarding its process of housing foreclosure and publishing the foreclosure notice is to first publish the notice with the local or closest newspaper to the property being foreclosed and if needed advertize in the Anchorage Times, Anchorage News and the Fairbanks Daily News Miner to receive fill coverage of the region.

*Ed. Blatchford*

Edgar Blatchford, Commissioner



February 12, 1991

Representative Bert Sharp  
House of Representatives  
P.O. Box V  
Juneau, AK. 99811

Dear Representative Sharp,

This letter is written in wholehearted support of the Bill you have introduced as "An Act relating to publication of municipal foreclosure lists." The Bill would amend Statute AS 29.45.330 (a) by deleting the vague terminology of GENERAL CIRCULATION, and adding a guideline to aid in choosing a distribution vehicle.

We agree with you that some clarification is required to avoid the original intent of the Statute being compromised. It seems clear to us that the original intent of the Statute was to insure that the public within a municipality were assured prior knowledge of tax foreclosures, be they the individuals being foreclosed upon or creditors of the individuals.

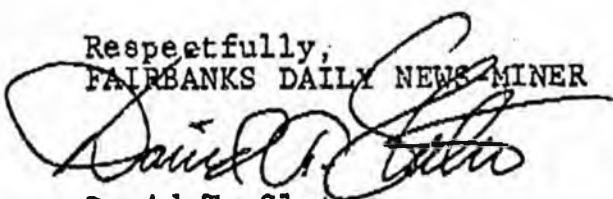
By going to a bid process that makes no reference to total quantities to be distributed, the newspaper with the largest circulation in a municipality and most able to fulfill the original intent of the Statute, is automatically placed in a disadvantaged position at winning the bid, and as a matter of fact may as well not bid.

The changes you have indicated in your Bill to amend AS 29.45.330(a) do not guarantee that the largest newspaper in the municipality will receive the bid, but they do assure that any newspaper bidding on publication of the tax foreclosure list:

- a. prove through audit their paid circulation claims
- b. be of sufficient size to not thwart the intent of the original Statute.

Your Bill will go a long ways toward clarification of a confusing situation and to assure that the public is better served by their respective municipal governments.

Respectfully,  
FAIRBANKS DAILY NEWS-MINER

  
David T. Slater  
Advertising Director

February 19, 1991

Hon. Rep. Jerry Mackie  
Alaska House of Representatives  
Juneau, AK 99801

Dear Representative Mackie:

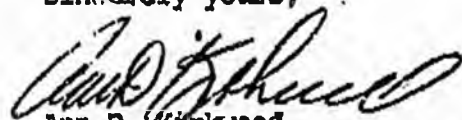
I understand your Community and Regional Affairs Committee is scheduled to consider House Bill 81 during your session tomorrow. Please be advised that the Wrangell Sentinel opposes this legislation. As we read the measure, it would pull publication of municipal foreclosure lists from all newspapers in Alaska except the Anchorage Daily News, Anchorage Times and Fairbanks News-Miner. Accordingly, every other newspaper in the state will find House Bill 81 a bitter pill to swallow.

Municipal foreclosure lists should be published in paid circulation newspapers within the communities served by the municipality in question. Publication of these lists is for the benefit of the public of the specific municipality. In Wrangell, the list should be published in the Wrangell Sentinel for taxpayers delinquent on their Wrangell city taxes. In Sitka, the list should be published in the Daily Sitka Sentinel and in Haines the list should appear in the Chilkat Valley News. These people of these communities are not well served by publication of lists in Anchorage or Fairbanks.

Please also note that the term "audited paid circulation" is a very specific term in our business. This means a newspaper must be audited by the ABC. Only the Anchorage and Fairbanks newspapers are audited by ABC in Alaska. The rest of us swear to our circulation figures in statements to the Postal Service, and our records are verified yearly by the Postal Service to ensure accuracy.

Please urge your committee to kill House Bill 81 before it goes further in the legislative process. If that is not possible, we would request a statewide teleconference hearing to allow every community in Alaska access to testify before your committee. We are extremely concerned about this type of legislation and would appreciate the opportunity to discuss it with you or your staff.

Sincerely yours,



Ann D. Kirkwood  
Alvin G. Bunch  
Co-Publishers

**Alaska**



**Newspaper Association**

Feb. 19, 1991

To: All Members  
House Community and Regional Affairs Committee

Re: Testimony concerning HB 81, "An Act relating to publication of municipal foreclosure lists."

Dear Committee Members:

On behalf of the Alaska Newspaper Association, of which I am secretary/treasurer, and as publisher of the Frontiersman and Valley Sun newspapers in the Matanuska-Susitna Borough, I wish to offer my strenuous objections to the language contained in and the overall goals of House Bill 81, which is scheduled for hearing at 1:30 p.m. Wednesday, Feb. 20, 1991.

Specifically, I object to the proposed definition of "newspaper" included in the legislation that reads "... a newspaper with an audited paid circulation in the municipality equal to or greater than one-third of the audited paid circulation in the municipality of the newspaper with the greatest circulation in that municipality;"

**ONLY THREE NEWSPAPERS QUALIFY**

According to my best estimates, a maximum of three newspapers in Alaska would qualify under this proposed definition: Anchorage Daily News, Anchorage Times, and Fairbanks Daily News-Miner. These are the only Alaskan newspapers that can claim "audited paid circulation" by virtue of their subscription to the services provided by the Audit Bureau of Circulation.

The ABC does a fine job (for a healthy fee) of auditing a newspaper's circulation claims. However, the vast majority of Alaskan newspapers do not subscribe to ABC's service, primarily because of the expense and the relatively small circulation of most Alaskan newspapers.

As worded, HB 81 would open the door for Alaska's three ABC-audited newspapers to dominate the publication of municipal foreclosure lists across Alaska. Publication of these lists is important income for all small, community-based newspapers in Alaska, and the proposed legislation would do serious damage to the economic health of those newspapers. As the community closest to Anchorage and its on-going newspaper war, the Frontiersman and Valley Sun are especially vulnerable.

**COMMUNITY INFORMATION BELONGS IN THE COMMUNITY**

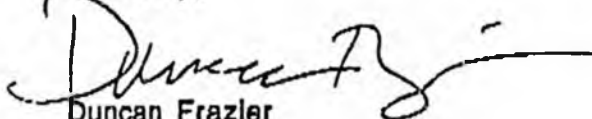
Beyond the narrow economic interest in this legislation by newspapers such as mine, I want to point out the basic reason why such foreclosure lists are published in the first place. I believe that these lists are published locally primarily to inform the citizens of the municipality of the status of foreclosure proceedings going on in their community. This is important information for everyone involved, including property owners, neighbors, real estate managers, and creditors that include in part the mortgage lenders.

HB 81, however, lifts the foreclosure notification process away from the community affected and toward the mortgage lenders who reside in Anchorage and Fairbanks. While I can sympathize with the the lenders' plight as they try to keep track of hundreds of foreclosures scattered across Alaska, I don't think stripping away the local newspaper's

role in keeping its community informed of such foreclosures serves the more general public interest in any way.

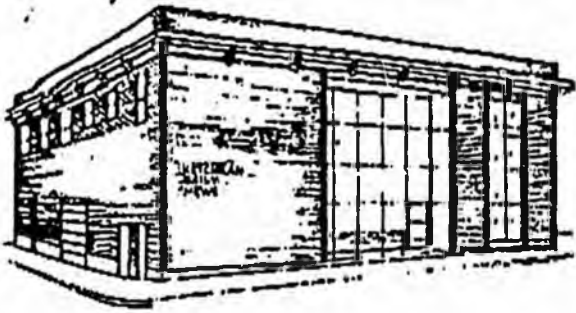
I urge your committee to abandon its pursuit of this unnecessary legislation. If you wish to assist Alaska's urban mortgage lenders in keeping track of municipal foreclosures, please tell them the Alaska Newspaper Association is more than willing to work with them to keep them informed.

Sincerely,



Duncan Frazier  
Secretary/treasurer, ANA  
Publisher, Frontiersman/Valley Sun newspapers

cc: Commissioner Edgar Blatchford, DCRA



**PIONEER PRINTING CO.  
KETCHIKAN DAILY NEWS  
SOUTHEASTERN LOG**

Feb. 19, 1991

Rep. Jerry Mackie  
Chairman  
House of Representatives  
Community and Regional Affairs Committee  
P.O. Box V  
Juneau, AK 99811

Dear Rep. Mackie:

A bill in your committee would financially hurt the Ketchikan Daily News, The Island News and every other newspaper in the state except for the two Anchorage dailies and the Fairbanks daily.

House Bill No. 81, which is scheduled for hearing this week, would take away all small newspapers' foreclosure advertising and give it to the Anchorage and Fairbanks dailies.

The bill states that foreclosure lists would have to be printed in an audited paid circulation newspaper. The only audited paid circulation papers are the Anchorage and Fairbanks dailies. Only a couple companies in the country offer that auditing service. That service is very expensive. To a certain degree, all newspapers are audited by the U.S. Postal Service.

Supporters of the bill argue that the legislation would make life easier for big city lenders to keep tabs on foreclosures. They would not have to subscribe to every newspaper in every community in which they do business.

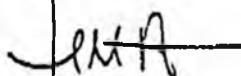
Foreclosures should be printed for the benefit of the community in which they occur and for the citizens there. I believe it makes more sense and is more of a service to Alaskans that they can find foreclosure information in their local newspapers instead of the Anchorage and Fairbanks newspapers. This bill unfairly would increase circulation of large dailies into small towns and cities.

Additionally, if lenders want to do business in small towns and cities, then they should be willing to bear the costs of doing business there. If they want to take our interest payments, then they should put money back into the communities by buying the local papers and using other local services when appropriate.

I would not support this proposed bill even if the Ketchikan Daily News were an audited paid circulation newspaper that could infringe on Wrangell or Petersburg weekly newspapers' rightful advertisements.

The bottom line is this bill would take money from every small newspaper and community in Alaska to benefit Anchorage and Fairbanks, and rob local residents of easy access to foreclosure information.

Sincerely,



Tena Williams  
Publisher

**THE DAILY SITKA SENTINEL**

112 Barracks Street  
P.O. Box 799  
Sitka, Alaska 99835  
(907) 747-3219

To: Community and Regional Affairs Committee  
State Capitol  
Juneau, Alaska

Feb. 19, 1981

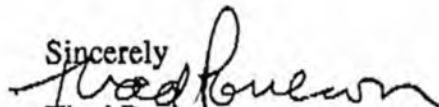
Gentlemen:

I have just obtained a copy of HB81, which I understand your committee will be considering on Wednesday.

Before you take any action on this extraordinary proposal, may I have the opportunity to explain to you why, in my opinion, this measure potentially could have a destructive effect on Alaska's community newspapers, with no corresponding benefit to the public?

I have just learned that you plan a telconference on this measure tomorrow. Please include Sitka as a participating point. Sorry for the late request, but I have only just learned of the existence of this bill — not, I must add, by way of your committee or the sponsors.

Sincerely



Thad Poulson  
Editor and Publisher

Reply to FAX (907) 747-8898  
or call 747-3219 (voice)