

ALASKA LEGISLATURE

1675

HOUSE and SENATE FINANCE COMMITTEE FILES, 1997-1998

EXECUTIVE SUMMARY

The key findings of the 1988 Rural Housing Needs Assessment Study include:

● HOUSEHOLD SIZE AND OVERCROWDING.

The average number of members per household in rural Alaska was 3.70. The average household size ranged from a low of 2.6 in Ahtna region to a high of 5.3 in NANA region. *In comparison, Anchorage households have an average size of 2.72.*

The Arctic Slope region had the highest percentage, (18.7%), of households with three or more generations per house. Calista region was second with 16.4% and Bering Straits region had 15.4%. Cook Inlet had only 0.9% of households with three or more generations.

Overcrowding conditions appeared to be the worst in the Calista and NANA regions. **29% of households in these regions had 100 or less square feet per resident..**

The average house size ranged from 650 sq. ft. in Bering Straits region to 1,996 sq. ft. in Chugach region while the average was 1,162 sq.ft. *In comparison, Anchorage households have an average of 1,635 square feet per house.*

Nearly 87% of the houses in NANA region had less than 300 square feet. 81% of the houses in Calista region and 72% of the houses in Doyon region were less than 300 sq ft.

The average square footage per resident ranged from 616 sq.ft. per resident in the Cook Inlet region to 137 sq.ft. per resident in the Bering Straits region. The survey average was 333 sq.ft. per resident. *In comparison, Anchorage had an average of 600 sq.ft. per resident based on an average household size of 2.72 and 1,635 average sq.ft. per residence.*

● PHYSICAL CONDITION OF DWELLINGS

43% of the house foundations needed major repair in Bristol Bay region. 57% of the houses in Bristol Bay region and 43% of houses in Ahtna region needed major repair.

The highest percentage of houses rated in need of replacement by region was Ahtna with 21%, followed by Doyon region, 17%. Aleut region, 10% and NANA region, 10%.

The **total 6,740 new houses needed** was determined by consolidating the total number of homes needing immediate replacement with the total number of households with three or more generations. **Doyon region alone accounted for 3,169 of the new houses needed.**

Comments and observations from field interviewers included several inches of glaciation on walls and windows, snow-filled attics, badly damaged roofs and siding from high winds, and seriously heaved foundations. Without correction, foundation heaving negates most benefits from weatherization activities since windows and doors become warped or separated from the house frame.

● SIGNIFICANCE OF FINDINGS AND ESTIMATED COST OF CORRECTIVE ACTION

Although conditions vary widely, the inescapable conclusion apparent from the survey results is that housing in rural Alaska has dramatically poor housing conditions in terms of space per resident and state of repair. **Crowded multi-generational families occupying dwellings in run-down condition is far too prevalent.**

Based on the current costs for rural housing of \$116,000 per new house as described in this report, **\$781,813,000 will be needed to build the estimated 6,740 houses.**

If 6,740 houses were built to provide new housing for homes needing immediate replacement and new houses for the displaced third or fourth generations, **overcrowded conditions in rural Alaska would still be a problem.**

In order to address crowded conditions not due to multi-generational households three enhancement levels were examined:

- Replace/add to houses with 200 sq. ft. or less per resident
- Replace/add to houses with 250 sq. ft. or less per resident
- Replace/add to houses with 300 sq. ft. or less per resident

Two solutions were considered: a 320 sq.ft. addition at a cost of \$15,000 or, if the addition did not alleviate the conditions, a new house at a cost of \$116,000. This \$15,000 figure is based on the average cost of a BIA housing addition under the HIP program.

It was estimated that a total of approximately **19,188 houses had 200 sq. ft. or less per resident**; 15,088 of these would require an addition while 4,100 need new houses. Based on current costs and excluding homes needing replacement, \$491,717,000 would be required to alleviate overcrowding at the 200 sq.ft. level. At the 250 sq.ft. level, \$692,243,000 would be required, and at the 300 sq.ft. level, \$882,521,000 would be required.

The combined cost of providing new housing for homes needing replacement: third and fourth generations needing a home: and additions or new homes to alleviate overcrowding at 250 sq.ft. or less per resident was \$1,474,056,000.

● NEED FOR A COORDINATED, COMPUTERIZED HOUSING INFORMATION SYSTEM

In the course of acquiring data for this study, the foundation for an excellent statewide population and demographic computer database was laid. It was also determined that there is a definite need and interest to establish a central computer database with dial-in access for weatherization contractors.

Although the State of Alaska Weatherization Office collects summary data from all weatherization contractors, they do not maintain a computerized database. The result is that there is no way to analyze statewide data or to create reports as needed.

We are aware that there have been discussions with the Department of Energy to which the DCRA Weatherization program submits reports. It is important that any planning for a coordinated, computerized data collection and reporting system include the capture of essential community demographic and housing data. This information is valuable for planning and monitoring of key social and economic trends statewide. Coordination with the AK Department of Fish and Game's subsistence database must also be included.

Major benefits obtained from this will lower administration costs, improved reporting, forecasting support, improved coordination of information between agencies.

● POTENTIAL FOR SMALL-SCALE MANUFACTURING AND LOCAL JOBS

From the period of 1984 through to and including 1988, the weatherization program represents a significant ongoing residential construction program in Alaska, estimated to include over \$9.1 million in materials alone. When we consider this plus the added economic contribution of a major rural housing program which can be valued at approximately \$1.2 billion to add to the existing housing stock and remedy deficient dwellings, the potential exists to aid the development of Alaskan-based wood products, thermal window and insulation manufacturing. With adequate market planning, local industries could leverage off the in-state market for export.

We suggest that an economic feasibility study be commissioned to examine the various aspects of this.

RESULTS AND SUMMARIES TABLES

The following table shows a profile of housing regions addressed by this study. Specifically excluded were: the Municipality of Anchorage, the City of Fairbanks, the City of Juneau, the City of Sitka, the City of Ketchikan and all military bases. Population was divided by survey household size data to estimate the total number of households per region. The number of households is used in several of the following tables.

REGIONAL PROFILES

	1985 Population	Percent of Population	Number of Communities	Number of Households
Ahtna	3,034	1.4%	18	1,167
Aleut	3,783	1.8%	13	1,401
Arctic Slope	5,389	2.5%	9	1,225
Bering Sts	7,770	3.6%	19	1,646
Bristol Bay	7,033	3.3%	30	2,164
Calista	18,473	8.6%	49	4,078
Chugach	8,916	4.1%	8	2,630
Cook Inlet	73,142	34.0%	36	24,060
Doyon	47,849	22.3%	61	15,688
Koniag	11,221	5.2%	7	3,134
NANA	5,790	2.7%	11	1,129
Sealaska	22,479	10.5%	53	6,075
TOTAL	214,879	100.0%	314	64,397

The three most heavily populated regions are Cook Inlet, Doyon, and Sealaska. The three regions with the most communities, excluding the five above-mentioned cities, are Doyon, Sealaska, and Calista. Bristol Bay, Calista, and Sealaska regions have large numbers of communities with small percentages of the total population. This suggests a wider distribution of fewer homes per community which may have implications on fixed costs such as transportation.

LIVING SPACE

The following table illustrates the average amount of living space per resident. It was derived from the survey results. This information should be contrasted with Anchorage which has an average square footage of approximately 1,635 square feet for family residences. With an average household size of 2.72, Anchorage households have an average of 600 square feet per resident. (Source: MOA Property Appraisal Office)

AVERAGE SQUARE FEET PER RESIDENT

Region	Avg SqFt Per House	Avg # Res/HH	Average SqFt/Res
Bering Sts	650	4.7	137
NANA	731	5.3	138
Calista	661	4.5	146
Doyon	686	3.1	223
Koniag	982	3.6	271
Arctic Slope	1,229	4.4	281
Ahtna	808	2.6	312
Bristol Bay	1,303	3.3	401
Sealaska	1,509	3.7	408
Aleut	1,411	2.7	517
Chugach	1,996	3.4	589
Cook Inlet	1,885	3.1	616
TOTAL	1,162	3.7	333
Anchorage	1,635	2.72	600

The average square footage per resident was smallest for the Bering Straits, NANA, and Calista regions. In the Bering Straits region, the average resident lived in 137 square feet of space; in Calista, the average resident lived in 138 square feet of space; and in NANA, the average person lived in 146 square feet of space. Six regions of the twelve (Bering Straits, NANA, Calista, Doyon, Koniag, and Arctic Slope) have an average square footage per resident less than 300. Only Cook Inlet region had an average greater than Anchorage.

GENERATIONS PER HOUSEHOLD

The following table shows the estimated number of family generations per household by region. An example of a three generation family would be grandmother, mother, daughter. A household with mother, mother's sister, and daughter would be considered a two-generation and **not** a three-generation family. This is another important way of considering the available living space and housing needs and may have an effect on housing programs in terms of whether three or four generation households prefer new homes or additions to their homes. This report presents housing needs based on an assumption that 100% of these three and four generation households require additional housing for each added generation. This may or may not be the real world case. Any alternative proportion of need in this category can be readily calculated as the reader may require.

NUMBER OF GENERATIONS PER HOUSEHOLD

	Avg # Res/HH	Avg # Gener/HH	% HH with 3 or more Generations	# HH with * 3 or more Generations
Arctic Slope	4.4	2.1	18.7%	229
Calista	4.5	1.9	16.4%	669
NANA	5.3	1.9	15.4%	174
Bering Sts	4.7	1.9	10.6%	174
Ahtna	2.6	1.5	8.4%	98
Koniag	3.6	1.8	7.5%	235
Sealaska	3.7	1.8	6.5%	395
Bristol Bay	3.3	1.7	6.3%	136
Chugach	3.4	1.7	5.3%	139
Aleut	2.7	1.5	3.4%	48
Doyon	3.1	1.7	3.2%	502
Cook Inlet	3.1	1.7	.9%	217
TOTAL	3.7	1.8		3,016

The average number of generations per household was highest in Arctic Slope, Berings Straits, Calista, and NANA. Arctic Slope had the highest percent of households with three or more generations at 18.7%. Over 16% of Calista households had three or more generations followed by NANA at 15.4% and Bering Straits at 10.6%. The total number of households with three or more generations was over 3,000 or 5% of the total households.

*See Regional Profile for total number of households per region.

NEW HOUSING STOCK REQUIRED BASED ON OVERCROWDING

One key indication of housing need is the amount of living space available per household resident. The following table summarizes the average or mean square footage per house. This was calculated using community-level population data from the Alaska state demographer's office and survey data acquired for this study. Population was divided by survey household size data to estimate the total number of households per region. Likewise, survey square footage data was applied to estimate average square feet per house by each region.

Living space would have been preferred over total square footage, but square footage was the only obtainable number.

Household Size:

Region	1985 Total Population	Number of Households	Average Sq. Feet Per House	#Res/HH Rank 1-highest	Avg. No. Residents per Household
Bering Sts	7,770	1,646	650	2	4.73
Calista	18,473	4,078	661	3	4.53
Doyon	47,849	15,688	686	9	3.07
NANA	5,790	1,129	731	1	5.30
Ahtna	3,034	1,167	808	12	2.59
Koniag	11,221	3,134	982	6	3.62
Arctic Slope	5,389	1,225	1,229	4	4.37
Bristol Bay	7,033	2,164	1,303	8	3.25
Aleut	3,783	1,401	1,411	11	2.73
Sealaska	22,479	6,075	1,509	5	3.70
Cook Inlet	73,142	24,060	1,885	10	3.06
Chugach	8,916	2,630	1,996	7	3.39
TOTAL	214,879	64,397	1,162		3.73

In the areas covered by this study, the average square footage per house ranged from 650 to 1,996, and the average number of household residents ranged from 2.59 to 5.30. However, the regions differed in rank for average number of household residents and average square footage per house.

The Doyon region had the smallest square footage per house, yet ranked third in residents per household. Bering Straits, Calista, Doyon and NANA ranked the lowest four in average square footage per house, but Bering Straits, Calista, and NANA were the regions with the three highest residents per household. This would imply that Calista, Bering Straits, and NANA have large households living in small houses. For example, in NANA, the average house had 5.3 people occupying 731 square feet of space.

COMPARISON OF LIVING SPACE

The following tables provide a breakdown by square footage per resident in percent of households. In the table below, for example, Ahtna has an estimated 1,167 households; 11% of Ahtna households have less than 100 square feet per resident; 22% of Ahtna households have less than 150 square feet; etc.

SQUARE FOOTAGE PER RESIDENT COMPARISONS (Percent of Households)

Region	Estimated Total # House- holds	% HH less than -100 sf/res	% HH less than -150 sf/res	% HH less than -200 sf/res	% HH less than -250 sf/res	% HH less than -300 sf/res	% HH greater than -300 sf/res
		Ahtna	1,167	11%	22%	36%	36%
Aleut	1,401	5%	7%	14%	20%	26%	74%
Arctic Slope	1,225	8%	18%	38%	48%	58%	43%
Bering Sts	1,646	0%	67%	67%	67%	67%	33%
Bristol Bay	2,164	0%	5%	21%	39%	47%	53%
Calista	4,078	28%	49%	68%	80%	81%	20%
Chugach	2,630	0%	10%	23%	30%	45%	55%
Cook Inlet	24,060	1%	2%	5%	10%	12%	88%
Doyon	15,688	13%	32%	51%	60%	72%	28%
Koniag	3,134	2%	14%	34%	44%	59%	41%
NANA	1,129	29%	52%	75%	83%	87%	14%
Sealaska	6,075	5%	13%	26%	35%	41%	59%
TOTAL	64,397						

In Calista and NANA, about 30% of the households had 100 or fewer square feet per resident which is equivalent to a 10 x 10 foot room. More than one-third of the residents in seven regions (Ahtna, Arctic Slope, Bering Straits, Calista, Doyon, Koniag, and NANA) were living in 200 square feet or less, which is equivalent to a 10 x 20 foot room. 48% or more of the residents in five regions (Arctic Slope, Bering Straits, Calista, Doyon, and NANA) were living in 250 square feet or less, which is equivalent to a 10 x 25 foot room. 80% of the residents in the Calista and NANA regions, were living in 250 square feet or less.

NUMBER OF HOUSEHOLDS

This next table provides the same information as the previous one reported by the estimated number of households rather than percentages.

SQUARE FOOTAGE PER RESIDENT COMPARISONS (Number of Households)

Region	Estimated Total # House- holds	# HH	# HH	# HH	# HH	# HH	# HH
		less than -100 sf/res	less than -150 sf/res	less than -200 sf/res	less than -250 sf/res	less than -300 sf/res	greater than -300 sf/res
Ahtna	1,167	127	254	425	425	573	594
Aleut	1,401	67	94	189	283	364	1,037
Arctic Slope	1,225	100	218	470	587	704	521
Bering Sts	1,646	0	1,098	1,098	1,098	1,098	548
Bristol Bay	2,164	115	457	835	1,026	1,026	1,138
Calista	4,078	1,146	2,006	2,773	3,250	3,283	795
Chugach	2,630	5	263	605	789	1,184	1,447
Cook Inlet	24,060	192	553	1,275	2,358	2,887	21,173
Doyon	15,688	2,024	5,083	8,017	9,366	11,280	4,408
Koniag	3,134	53	426	1,062	1,382	1,858	1,276
NANA	1,129	330	589	847	940	977	152
Sealaska	6,075	298	796	1,592	2,138	2,491	3,584
TOTAL	64,397	4,458	11,838	19,188	23,642	27,724	36,673

The total number of households with 200 sq.ft. per resident or less was 19,188. Doyon alone accounted for over 8,000 of those households or 42%. Over 23,000 households had 250 sq.ft. per resident or less, which represents an increase of about 4,500 homes from 200 sq.ft. or less.

HOUSING PHYSICAL CONDITION BASED ON INSULATION

In the following table, percentages of houses with attics and walls of different R-values are listed by region. R-values refer to the level of insulation. One inch of batt insulation is approximately equal to R-3. For example, R-38 is equivalent to 12 inches of batt, and R-19 is equivalent to 6 inches of batting.

Insulation Levels in Percentages:

	-----Attic-----					---Walls---		Can't Maint 70 deg F
	R<R11	R<R19	R<R22	R<R30	R<R38	R<R11	R<R19	
Ahtna	15%	51%	78%	80%	96%	22%	69%	56%
Aleut	23%	36%	50%	65%	76%	23%	45%	16%
Arctic Slope	0%	6%	19%	36%	56%	1%	18%	37%
Bering Sts	14%	29%	89%	94%	97%	11%	41%	67%
Bristol Bay	14%	39%	76%	78%	90%	19%	52%	22%
Calista	3%	34%	68%	77%	77%	11%	78%	41%
Chugach	16%	26%	47%	56%	71%	20%	52%	15%
Cook Inlet	7%	22%	52%	71%	77%	10%	62%	12%
Doyon	4%	18%	47%	74%	79%	11%	65%	40%
Koniag	2%	11%	17%	18%	20%	3%	63%	27%
NANA	25%	25%	50%	50%	50%	1%	26%	72%
Sealaska	12%	55%	93%	95%	97%	15%	81%	41%
TOTAL	9%	29%	58%	69%	76%	12%	57%	36%

According to the 1986 Energy Conservation Standard For New Residential Buildings published by the State DCRA Office of Energy Programs, the minimum prescribed insulation requirement for ceilings is R-38, except in Arctic Slope where the ceiling requirement is R-52. The minimum prescribed insulation requirements for walls are R-21 in Sealaska; R-18 in Aleut, Chugach, Cook Inlet, and Koniag; R-25 in Ahtna, Bristol Bay, Calista, and Doyon; R-30 in Bering Straits and NANA; and R-35 in Arctic Slope.

Houses with attic R-values less than R-38 range from 71% to 97% in nine of the regions, and more than half of the houses in two more regions. Houses with wall R-values less than R-19 range from 41% to 81% in all but two region.

(The heating sources per region do not sum to 100% because many households used more than one heating source.)

Heating Sources in Percents:

	Wood Stove	Oil Pct	Oil Furnace	Propane	Natural Gas	Electric	Other
Ahtna	77%	17%	41%	1%	0%	1%	1%
Aleut	33%	8%	59%	2%	0%	15%	26%
Arctic Slope	27%	12%	55%	1%	0%*	0%	33%
Bering Sts	83%	40%	19%	50%	0%	12%	2%
Bristol Bay	21%	54%	41%	10%	0%	8%	11%
Calista	56%	72%	15%	13%	0%	9%	1%
Chugach	69%	26%	43%	0%	0%	5%	1%
Cook Inlet	54%	0%	16%	5%	25%	32%	3%
Doyon	92%	8%	10%	0%	0%	0%	0%
Koniag	66%	36%	42%	1%	0%	0%	15%
NANA	70%	30%	32%	0%	0%	0%	22%
Sealaska	65%	23%	47%	1%	0%	1%	1%

* Note: Arctic Slope region includes Barrow/Browerville which primarily uses natural gas as a heating source. This is not reflected in the table because Barrow was not surveyed.

The primary heating source in Ahtna, Chugach, Cook Inlet, Doyon, Koniag, NANA, and Sealaska was wood stoves. The primary heating source in Aleut and Arctic Slope was oil furnaces, and oil pot burners in Bristol Bay and Calista regions.

The following table indicates condition based on current survey assessment. For example, in Ahtna, 65% of the windows were like new; 12% of the plumbing required major repairs; and 35% of the windows required replacement.

Physical Condition of Housing Structures in Percentages:

	Like New/Minor Repair					Major Repair			Replace				
	Win	Dor	Plb	Fnd	Hm	Plb	Fnd	Hm	Win	Dor	Plb	Fnd	Hm
Ahtna	65%	62%	32%	57%	37%	12%	10%	43%	35%	38%	57%	33%	21%
Aleut	72%	72%	79%	79%	76%	12%	14%	14%	28%	28%	9%	7%	10%
Arctic Slope	53%	58%	78%	66%	59%	6%	20%	36%	47%	42%	16%	14%	5%
Bering Sts	45%	59%	28%	90%	100%	0%	0%	0%	55%	42%	72%	10%	0%
Bristol Bay	54%	56%	54%	51%	37%	22%	43%	57%	46%	44%	24%	7%	7%
Calista	67%	74%	5%	59%	71%	0%	27%	26%	33%	26%	95%	15%	3%
Chugach	80%	84%	89%	89%	79%	9%	9%	16%	20%	16%	3%	2%	5%
Cook Inlet	91%	94%	95%	99%	94%	1%	1%	6%	9%	6%	3%	0%	0%
Doyon	54%	58%	29%	60%	54%	3%	13%	30%	46%	42%	69%	27%	17%
Koniag	85%	87%	90%	93%	91%	8%	5%	8%	15%	13%	3%	2%	1%
NANA	53%	53%	52%	53%	53%	37%	37%	37%	47%	47%	12%	10%	10%
Sealaska	91%	88%	91%	84%	75%	8%	16%	24%	9%	12%	1%	1%	1%
TOTAL	70%	74%	61%	77%	73%	7%	14%	21%	30%	26%	32%	10%	6%

Trained interviewers rated the windows (Win), doors (Dor), plumbing (Plb), foundation (Fnd), and overall home condition (Hm) for every house as needing minor repair, major repair, or replacement.

Since weatherization contractors normally repair windows first, the window conditions of houses was an important factor. 33% to 55% of the windows in Ahtna, Arctic Slope, Berings Straits, Bristol Bay, Calista, Doyon, and NANA needed to be replaced. 38% to 47% of the doors needed to be replaced in Ahtna, Arctic Slope, Bering Straits, Bristol Bay, Doyon, and NANA. 95% of the plumbing in houses in Calista needed to be replaced. 72% in Bering Straits. 69% in Doyon, and 57% in Ahtna. 40% to 50% of the foundations needed major repair or replacement in Ahtna, Bristol Bay, Calista, Doyon, and NANA. 21% of Ahtna's houses were rated as needing replacement and 17% of Doyon's houses. 57% of houses in Bristol Bay needed major repair, 43% in Ahtna, 37% in NANA, and 36% in Arctic Slope.

HEALTH AND SAFETY RESULTS FROM STUDY SURVEY

Homes Meeting Selected Fire Codes:

	% Without Egress Window	% Without Smoke Detector
Ahtna	62%	64%
Aleut	53%	9%
Arctic Slope	35%	18%
Bering Sts	52%	28%
Bristol Bay	38%	10%
Calista	41%	51%
Chugach	14%	18%
Cook Inlet	31%	19%
Doyon	53%	32%
Koniag	6%	20%
NANA	49%	25%
Sealaska	26%	31%
 SURVEY-WIDE TOTAL	 38%	 28%

(An egress window is defined as a sufficiently large enough window for residents to crawl through in case of fire or other emergencies according the Uniform Fire Code.)

50% or more of the homes in Ahtna, Aleut, Bering Straits, Doyon, and NANA (49%) did **not** have an egress window. A common problem with egress windows was that they freeze shut during the winter months.

Smoke detectors were **not** present in half of the homes in Calista and 54% of the homes in Ahtna. One-third or fewer of the homes in other regions did **not** have smoke detectors. Although a home may have a smoke detector, it is common practice for residents to remove the batteries to operate other equipment.

Utility Status:

	Without Running Water	Without Sewer System
Ahtna	61%	56%
Aleut	4%	5%
Arctic Slope	22%	98%
Bering Sts	78%	78%
Bristol Bay	30%	25%
Calista	98%	97%
Chugach	3%	3%
Cook Inlet	6%	6%
Doyon	70%	70%
Koniag	4%	3%
NANA	72%	73%
Sealaska	3%	4%
SURVEY-WIDE TOTAL	39%	44%

For the purposes of this study, "sewer system" was defined as flushable toilets, and "running water" was defined as suitable drinking water piped, hauled or pumped into the house. It is important to note that some communities have sewer systems, and no running water because the water is not drinkable.

REGIONAL HOUSING STOCK SUMMARY

Home Owner:

	% Self	% Relative	% Other
Ahtna	97%	3%	0%
Aleut	42%	4%	54%
Arctic Slope	77%	13%	10%
Bering Sts	77%	5%	18%
Bristol Bay	86%	7%	8%
Calista	87%	6%	6%
Chugach	82%	2%	17%
Cook Inlet	83%	1%	16%
Doyon	87%	1%	12%
Koniag	63%	36%	1%
NANA	80%	16%	4%
Sealaska	76%	5%	19%
TOTAL	78%	5%	17%

Other home owners include HUD, various state agencies, etc. 54% of the houses in Aleut were not owned by the resident or a relative. 63% to 97% of the houses in all regions were built by the resident. A relative of the resident built 36% of the houses in Koniag, 16% in NANA, and 13% in Arctic Slope.

Home Builder:

	% Self	% HUD	% BIA	% Contractor	% Other
Ahtna	39%	14%	19%	0%	29%
Aleut	26%	23%	0%	3%	47%
Arctic Slope	10%	3%	1%	7%	79%
Bering Sts	27%	10%	23%	0%	39%
Bristol Bay	32%	32%	0%	13%	22%
Calista	45%	9%	4%	1%	41%
Chugach	12%	30%	9%	8%	41%
Cook Inlet	32%	1%	0%	37%	30%
Doyon	46%	15%	17%	2%	20%
Koniag	25%	56%	13%	0%	5%
NANA	15%	49%	1%	11%	21%
Sealaska	29%	13%	6%	1%	51%
TOTAL	30%	19%	8%	8%	36%

Other possible builders are different state agencies and contractors outside of Alaska. 25% to 46% of the houses were built by the home owner in nine of the regions (Ahtna, Aleut, Bering Straits, Bristol Bay, Calista, Cook Inlet, Doyon, Koniag, and Sealaska). About 45% of the houses in Calista and Doyon were built by the home owner.

Power Source in Percent of Households:

	Electric Utility	Home Generator	Other	None
Ahtna	80%	3%	3%	14%
Aleut	96%	4%	0%	0%
Arctic Slope	100%	0%	0%	0%
Bering Sts	97%	2%	1%	1%
Bristol Bay	75%	24%	2%	0%
Calista	99%	1%	0%	1%
Chugach	100%	0%	0%	0%
Cook Inlet	98%	2%	0%	1%
Doyon	93%	1%	1%	6%
Koniag	99%	0%	0%	1%
NANA	100%	0%	0%	0%
Sealaska	95%	5%	0%	0%

14% of households in Ahtna and 6% in Doyon do not have a power source. 100% of the homes surveyed in Arctic Slope, Chugach, and NANA had an electric utility hookup. Almost one-fourth of the homes in Bristol Bay region used a home generator.

NEED BASED ON HOUSING STOCK CONDITION AND AGE

The following table shows the approximate age of existing housing stock based on project survey data broken down by region. For example, in the Ahtna region, approximately 16.9% of the houses were under 6 years old, while 41.5% were 11 to 20 years.

Age of Housing Stock:

	% Houses 0-5 Yrs	% Houses 6-10 Yrs	% Houses 11-20 Yrs	% Houses 21-30 Yrs	% Houses 31 or More
Ahtna	16.9%	4.6%	41.5%	6.2%	30.8%
Aleut	12.9%	38.8%	23.5%	15.3%	9.4%
Arctic Slope	23.9%	54.4%	14.1%	5.4%	1.1%
Bering Sts	9.2%	19.2%	53.3%	9.2%	9.2%
Bristol Bay	13.6%	18.6%	30.5%	10.2%	27.1%
Calista	19.4%	18.9%	38.3%	17.9%	5.6%
Chugach	19.8%	30.6%	20.7%	15.3%	13.5%
Cook Inlet	25.7%	22.8%	21.4%	19.4%	10.7%
Doyon	19.5%	20.8%	34.9%	8.7%	16.1%
Koniag	14.7%	23.2%	41.1%	16.8%	4.2%
NANA	10.1%	33.7%	42.7%	6.7%	6.7%
Sealaska	8.7%	12.7%	31.0%	14.3%	33.3%

The older houses tended to be found in Ahtna, Bristol Bay, and Sealaska: 27% to 33% of the houses were 31 years old or more. 47.6% of the houses in Sealaska were 21 years or older. More than half of the houses in the Aleut, Arctic Slope, and Chugach regions were newer houses, only 10 years old or less.

The following table shows the size of houses by square footage category and broken down by region. For example, 11% of Ahnta houses are 300 square feet or less and 68% (11+13+44=68%) are 750 square feet or less.

Square Footage of Houses in Percentages:

	300 or less	301 to 500	501 to 750	751 to 1000	1001 to 2000	2001 or more
Ahtna	11%	13%	44%	7%	18%	7%
Aleut	5%	14%	4%	14%	42%	21%
Arctic Slope	1%	10%	8%	26%	45%	10%
Bering Sts	0%	0%	0%	33%	33%	33%
Bristol Bay	2%	7%	14%	35%	23%	19%
Calista	9%	32%	27%	16%	15%	2%
Chugach	2%	6%	16%	27%	24%	26%
Cook Inlet	1%	4%	2%	8%	40%	45%
Doyon	13%	32%	17%	27%	7%	4%
Koniag	0%	3%	5%	56%	31%	5%
NANA	3%	17%	15%	63%	2%	1%
Sealaska	3%	6%	8%	21%	41%	21%
TOTAL	5%	14%	14%	26%	26%	16%

Ahtna and Doyon have the highest percent of houses only 300 sq.ft. or less. Almost half of Ahtna houses are 501 to 750 sq.ft., and over half of Koniag houses are 751 to 1000 square feet. 40% to 45% of Aleut, Arctic Slope, Cook Inlet, and Sealaska houses are 1001 to 2000 sq.ft.

NEW HOUSING STOCK NEEDED - SUMMARY

The following table consolidates major study findings by number of houses needing replacement, number with 3 or more generations per households, total estimated new housing needed, and approximate cost based on an average of \$116,000 to build a new house in non-urban Alaska.

**NEW HOUSING STOCK NEEDED TO REPLACE HOMES IN POOR CONDITION
AND
TO PROVIDE HOMES FOR THIRD AND FOURTH GENERATIONS**

	Estimated Total # HH	# HH Rated Replace	# HH w/ 3+ Gener	TOTAL NEW HOUSING NEEDED	COST @ \$116k per New House (000's)
Ahtna	1,167	245	98	343	\$39,799
Aleut	1,401	140	48	188	\$21,777
Arctic Slope	1,225	61	229	290	\$33,678
Bering Sts	1,646	0	174	174	\$20,239
Bristol Bay	2,164	151	136	288	\$33,386
Calista	4,078	122	669	791	\$91,771
Chugach	2,630	132	139	271	\$31,423
Cook Inlet	24,060	0	217	217	\$25,119
Doyon	15,688	2,667	502	3,169	\$367,601
Koniag	3,134	31	235	266	\$30,901
NANA	1,129	113	174	287	\$33,265
Sealaska	6,075	61	395	456	\$52,853
TOTAL	64,397	3,724	3,016	6,740	\$781,813

The column headed "# HH Rated Replace" refers to the number of houses that were rated on the survey as needing replacement. "# HH w/3+ Gener" refers to the number of households with three or more generations. And "Total New Housing Needed" represents the sum of the previous two columns.

The 6,740 total new houses needed represents all of those existing houses which must be replaced plus the number of houses needed to provide a third (or fourth) generation with their own house.

The total cost to build the 6,740 houses would be \$781,813,000. The \$116,000 cost per house was derived from the current average cost to build the average 1200 sq.ft. new house in rural Alaska:

\$92,200	HUD current contribution
\$18,440	State of Alaska current contribution
\$ 5,000	Cost to achieve new Thermal and Lighting Standards

\$115,640	Total Cost under current practices *

* Note: Additional costs can be incurred for water and sewer system hookups. PHS will currently cover these costs up to \$25,000 (within and up to certain amounts authorized by Congress for Alaska).

These costs were based on a project of new homes being built, not a single house built in a single community.

There were households who had a home but were not living in it during the winter either because the home was not in suitable living condition or they could not afford to heat it. In the forty-four communities surveyed, there were 88 people (or 49 households) who were living with other households for these reasons. This represents 3.2% of the total households surveyed.

INTRODUCTION TO OVERCROWDING CONDITIONS AND ISSUES

According to the 1985 edition of Dwelling Construction Under The Uniform Building Code.

The UBC model codes for residential occupancies states a minimum residential room size of 120 sq.ft. per living room, 150 sq.ft. per living and sleeping room, 90 sq. ft. per bedroom, and 220 sq.ft. (plus 100 sq.ft. for each occupant over 2) per efficiency or bachelor apartment.

The codes states for room dimensions that "...one room shall have not less than 120 square feet of floor area. Other inhabitable rooms...shall have an area of not less than 70 square feet."

For the purposes of comparison, no assumptions were made about any one standard square footage per resident. Instead, three scenarios are presented to most accurately describe the current housing situation: 200 sq. ft. or less per resident; 250 sq. ft. or less per resident; and 300 sq. ft. or less per resident. Each of the following three tables portray one of these scenarios.

**NEW HOUSING STOCK NEEDED TO REMEDY OVERCROWDING
FOR HOUSEHOLDS WITH 200 OR FEWER SQ. FT. PER RESIDENT**

	1	2	3	4	5	6	7
	Estimated Total # HH	# HH <200 sf/res	# HH add-on 320sf	COST @ \$15k per Household (000'S)	# HH New Hm Needed	COST @ \$116k per New House (000'S)	TOTAL COST (000'S)
Ahtna	1,167	425	376	\$5,636	49	\$5,719	\$11,354
Aleut	1,401	189	182	\$2,730	7	\$811	\$3,541
Arctic Slope	1,225	470	407	\$6,098	63	\$7,360	\$13,458
Bering Sts	1,646	1,098	553	\$8,301	545	\$63,175	\$71,475
Bristol Bay	2,164	835	808	\$12,124	27	\$3,100	\$15,224
Calista	4,078	2,773	1,570	\$23,543	1,203	\$139,604	\$163,147
Chugach	2,630	605	553	\$8,295	52	\$6,035	\$14,330
Cook Inlet	24,060	1,275	1,215	\$18,226	60	\$6,951	\$25,177
Doyon	15,688	8,017	6,606	\$99,090	1,411	\$163,675	\$262,765
Koniag	3,134	1,062	957	\$14,353	105	\$12,196	\$26,549
NANA	1,129	847	440	\$6,594	407	\$47,259	\$53,853
Sealaska	6,075	1,592	1,422	\$21,325	170	\$19,760	\$41,085
TOTAL	64,397	19,188	15,088	\$226,314	4,100	\$475,645	\$701,959
						(LESS HOMES ALREADY REPLACED)....	\$210,243
						TOTAL COST TO REMEDY OVERCROWDING....	\$491,717

Column 1 shows the same housing estimates used in all tables. Column 2 represents the number of households with 200 sq.ft. or less per resident. Column 3 shows the number of households that would no longer have less than 200 sq.ft. per resident if a 320 sq.ft. addition were built onto the existing house. Column 4 is the total cost of building the additions at \$15,000 per addition. The \$15,000 cost is the current cost to build a 320 sq.ft. addition in rural Alaska based on the BIA Housing Improvement Program. Column 5 shows the number of houses that would still have less than 200 sq.ft. per resident if 320 square feet were added. Since, in this case, the addition would not resolve the overcrowding for these households, a new house would be required.

Column 6 shows what the cost would be based on \$116,000 per new house to accommodate the households identified in column 5. Column 7 shows the total cost to remedy overcrowding in the 200 or less square footage per resident scenario: total cost combines the cost of additions (column 4) and the cost of new houses needed (column 6).

The table shows a total cost for all regions equals \$701,959,000.

New houses already accounted for by virtue of being rated "replace" were subtracted, leaving a net cost of \$491,717,000.

Building a new house for the third (or fourth) generation may alleviate overcrowded conditions, depending on the number of people in a generation. In the best case scenario, 3,016 homes (from the generation table) would no longer have overcrowded conditions if one generation moved out, and the total cost would decrease by \$349,856,000. This would have the greatest impact on the Arctic Slope, Calista, NANA, and Bering Straits regions.

The assumption was made that if adding 320 square feet to a house did not solve the overcrowded conditions, building a new and larger home for the household would solve the problem. Again, there is a possibility that large families will still have 200 sq.ft. or less per resident even if part of the family stays in the original house and part of the family moves into the new house. This overlap may cause the total cost to be understated.

**NEW HOUSING STOCK NEEDED TO REMEDY OVERCROWDING
FOR HOUSEHOLDS WITH 250 OR FEWER SQFT PER RESIDENT**

	Estimated Total # HH	# HH <250 sf/res	# HH add-on 320sf	COST @ \$15k per Household (000'S)	# HH New Hm Needed	COST @ \$116k per New House (000'S)
Ahtna	1,167	425	333	\$4,992	92	\$10,698
Aleut	1,401	283	265	\$3,969	18	\$2,134
Arctic Slope	1,225	587	397	\$5,952	190	\$22,062
Bering Sts	1,646	1,098	422	\$6,324	676	\$78,459
Bristol Bay	2,164	1,026	943	\$14,143	83	\$9,640
Calista	4,078	3,250	1,300	\$19,500	1,950	\$226,200
Chugach	2,630	789	661	\$9,918	128	\$14,827
Cook Inlet	24,060	2,358	2,193	\$32,894	165	\$19,147
Doyon	15,688	9,366	6,425	\$96,376	2,941	\$341,147
Koniag	3,134	1,382	1,078	\$16,169	304	\$35,269
NANA	1,129	940	310	\$4,653	630	\$73,057
Sealaska	6,075	2,138	1,747	\$26,201	391	\$45,385
TOTAL	64,397	23,642	16,073	\$241,092	7,569	\$878,025
						\$1,119,117
						(LESS HOMES ALREADY REPLACED)... \$426,874

						TOTAL COST TO REMEDY OVERCROWDING \$692,243

**NEW HOUSING STOCK NEEDED TO REMEDY OVERCROWDING
FOR HOUSEHOLDS WITH 300 OR FEWER SQFT PER RESIDENT**

	Estimated Total # HH	# HH <300 sf/res	# HH add-on 320sf	COST @ \$15k per Household (000'S)	" HH New Hm Needed	COST @ \$116k per New House (000'S)	
Ahtna	1,167	573	415	\$6,231	158	\$18,279	\$24,510
Aleut	1,401	364	327	\$4,903	37	\$4,307	\$9,210
Arctic Slope	1,225	704	390	\$5,850	314	\$36,422	\$42,272
Bering Sts	1,646	1,098	307	\$4,612	791	\$91,705	\$96,317
Bristol Bay	2,164	1,026	844	\$12,666	182	\$21,066	\$33,732
Calista	4,078	3,283	1,008	\$15,118	2,275	\$263,914	\$279,032
Chugach	2,630	1,184	868	\$13,018	316	\$36,671	\$49,689
Cook Inlet	24,060	2,887	2,520	\$37,805	367	\$42,531	\$80,337
Doyon	15,688	11,280	5,674	\$85,108	5,606	\$650,315	\$735,422
Koniag	3,134	1,858	1,163	\$17,447	695	\$80,607	\$98,054
NANA	1,129	977	231	\$3,459	746	\$86,586	\$90,044
Sealaska	6,075	2,491	1,731	\$25,969	760	\$88,132	\$114,100
TOTAL	64,397	27,725	15,479	\$232,185	12,246	\$1,420,534	\$1,652,719
						(LESS HOMES ALREADY REPLACED)...	\$770,198
						TOTAL COST TO REMEDY OVERCROWDING	\$882,521

MAJOR REPAIRS NEEDED

In addition to the need for new housing, there are houses in rural Alaska which require major repair. The following discussion describes the rehabilitation standards and costs involved for major repairs on a home in rural Alaska. The discussion is followed by a table which described the general need for major housing repairs.

REHABILITATION STANDARDS

MAJOR REPAIRS NOT INCLUDING FOUNDATION WORK \$15,000*:

Replace all exterior doors with Metal Insulated R-16 pre-hung doors.

Insulate attic spaces, when possible, to a minimum of R-38.

Replace all windows with Alaska Window Vinyl Cased double pane Heat Mirror or Low e windows.

Insulate all exterior wall to a minimum of R-19.

Insulate all floors to a minimum of R-38 whenever possible.

Replace existing heating system with a high-efficiency outside air source, thermostatically controlled oil stove, or a high efficiency wood stove where appropriate.

Conduct a before and after computerized blower door test and an infrared thermography test.

Upgrade all interior wiring to National Electrical Code standards.

Insure the integrity of the ceiling and wall vapor barriers by installing new interior vapor barriers and ceiling and wall material.

Cover exterior of the house with Tyvek wrap and reside with appropriate siding to reduce wind driven air and moisture infiltration.

Repair flooring and recover with tile or carpet as necessary.

Replace all appliances with high energy efficient appliances.

Repair all interior doors, window sills, cabinets, and plumbing, as appropriate.

Repair and replace roof as necessary.

MAJOR REPAIRS INCLUDING FOUNDATION WORK \$25,000*:

All of the above plus foundation work.

Raise the house off the existing pad and rebuild the foundation pad with gravel and insulation to cure permafrost problems.

Repair and/or replace existing deck framing to cure center sag and edge sag of floor joists.

Install new longitudinal beams for house support.

Install new foundation pads and new vertical foundation support posts.

Level house and brace foundation.

* These are all inclusive costs based upon current material bid costs, current barge and air freight rates, and the known costs associated with the Alaska Legal Services v. HUD rehabilitation settlement cost of the "HUD 500" homes presently being rehabilitated.

HOUSES NEEDING MAJOR REPAIR

	Estimated Number of Households	# HH • Rated Maj Rep	# HH w/ attic R<R38	# HH w/ walls R<R19	# HH Can't Maintain 70 deg F
Ahtna	1,167	502	1,125	799	657
Aleut	1,401	196	1,062	626	226
Arctic Slope	1,225	441	690	224	453
Bering Sts	1,646	0	1,588	667	1.101
Bristol Bay	2,174	1,233	1,943	1,123	480
Calista	4,078	1,060	3,136	3,177	1,680
Chugach	2,630	421	1,875	1,375	402
Cook Inlet	24,060	1,444	18,454	14,941	2,887
Doyon	15,688	4,706	12,409	10,150	6,322
Koniag	3,134	251	627	1,962	831
NANA	1,129	418	565	288	814
Sealaska	6,075	1,458	5,887	4,890	2,491
TOTAL	64,397	12,130	49,361	40,223	18,345

The second column shows the number of households rated as needing major repair; the third column indicates the number of households with an attic R-value less than R-38, which is equivalent to 12 inches of fiberglass insulation; the fourth column indicates the number of households with less than R-19 walls, which is equivalent to 3.5 inches of fiberglass insulation; and the fifth column shows the number of households that indicated inability to maintain 70 degrees Fahrenheit in the coldest weather.

Since the households in each column could overlap with one another, the columns can not be totaled. The total number of households that are listed in one or more of these columns represent 66.4% of the total number of households, or 42,737 houses. The average cost to complete major repairs on a house is \$25,000 (as described under rehabilitation standards). which would make the total cost of repairing houses, \$1,068,433,000.

POPULATION AND HOUSING PROJECTIONS

The population projections over the next five years are included in the following table. However, housing needs can not simply be determined from population projection totals. For example, the percentage of people in different age groups play an important role. Since the population was relatively young in the areas included in this study, it is likely that their population will increase at a rapid rate.

Other important factors are the housing characteristics and economies of the communities included in the study. Although major population centers were excluded from the study, the Kenai Peninsula and Matanuska-Susitna Borough were included. It is important to note however, these two areas are atypical of the remainder of rural Alaska. This is due to recent high out-migration cause by the current economic recession. Inclusion of the Kenai Peninsula Borough and the Matanuska-Susitna Borough make it appear that out-migration is the rule in rural Alaska when, in fact, it may be confined to the two above areas.

Although a detailed analysis of changes among age component groups could not be included in this study, it is recommended that such an examination be conducted to determine better which communities and areas have new generations growing up and those which may have teenagers, for example, who will be needing new housing soon.

POPULATION FORECASTS FOR ALASKA BY REGION

Population Forecasts by Region:

	POP80	POP85	POP86	POP87	POP88	POP89	POP90	POP91	POP92	POP93
Ahtna	3,211	3,034	2,980	3,093	3,141	3,127	3,121	3,137	3,160	3,206
Aleut	3,853	3,783	3,715	3,857	3,916	3,899	3,891	3,912	3,940	3,997
Arctic Slope	4,149	5,389	5,293	5,494	5,578	5,555	5,543	5,573	5,613	5,694
Bering Sts	6,504	7,770	7,631	7,922	8,043	8,009	7,992	8,035	8,093	8,209
Bristol Bay	5,710	7,033	6,907	7,170	7,280	7,249	7,234	7,272	7,326	7,431
Calista	15,638	18,473	18,143	18,834	19,122	19,041	19,000	19,102	19,242	19,518
Chugach	7,454	8,916	8,757	9,090	9,229	9,190	9,170	9,220	9,287	9,420
Cook Inlet	40,870	73,142	71,836	74,570	75,712	75,390	75,229	75,633	76,165	77,278
Doyon	33,888	47,849	46,995	48,783	49,530	49,320	49,214	49,478	49,840	50,555
Koniag	9,939	11,221	11,021	11,440	11,615	11,566	11,541	11,603	11,688	11,856
NANA	4,831	5,790	5,687	5,903	5,993	5,968	5,955	5,987	6,031	6,117
Sealaska	17,895	22,479	22,078	22,918	23,269	23,170	23,120	23,244	23,414	23,750
TOTAL	153,942	214,879	211,043	219,073	222,429	221,484	221,010	222,196	223,820	227,031
SURVEY TOTAL										
INCLUDED	153,942	214,879	211,043	219,073	222,429	221,484	221,010	222,196	223,820	227,031
EXCLUDED	247,909	324,721	336,557	318,727	312,571	315,516	318,490	322,804	327,130	332,969
STATEWIDE	401,851	539,600	547,600	537,800	535,000	537,000	539,500	545,000	551,000	560,000

DEMOGRAPHIC SUMMARY FROM STUDY SURVEY

Population by Age and Sex:

	1985 Popul	% Women	% Men	Total Women	Total Men	Med Age Women	Med Age Men
Ahtna	3,034	47%	53%	1,440	1,594	28.0	17.9
Aleut	3,783	48%	52%	1,801	1,982	27.2	24.0
Arctic Slope	5,389	50%	50%	2,668	2,721	21.9	20.7
Bering Sts	7,770	49%	51%	3,784	3,986	15.1	20.1
Bristol Bay	7,033	42%	58%	2,922	4,111	26.5	26.2
Calista	18,473	46%	54%	8,553	9,920	18.6	21.0
Chugach	8,916	52%	48%	4,649	4,267	21.4	29.1
Cook Inlet	73,142	50%	50%	36,403	36,739	26.9	28.6
Doyon	47,849	49%	51%	23,494	24,355	27.4	28.9
Koniag	11,221	48%	52%	5,396	5,825	17.5	20.1
NANA	5,790	42%	58%	2,446	3,344	27.1	22.1
Sealaska	22,479	50%	50%	11,240	11,240	23.4	25.3
TOTAL	214,879			104,795	110,084		

The total 1985 population was provided by the Alaska State Demographer's Office. The other data in this table was obtained through this survey. Columns 2 and 3 show the breakdown in percent of women and men. Columns 4 and 5 show the total women and men per region. And columns 6 and 7 show the median age for women and men in the region.

The percent of women and men per region was fairly evenly split. The largest difference was found in Bristol Bay and NANA regions where women constituted 42% of the population and men 58%. There were about 5,300 more men than women in the included population.

The median age for women ranged between 15 and 28 years. The lowest three median ages for women were 15.1, 17.5 and 18.6 years in the Bering Straits, Koniag, and Calista regions, respectively. The median age for men ranged from 18 to 29 years. The lowest four median ages for men were 17.9 in Ahtna, 20.1 in Bering Straits and Koniag, and 20.7 in Arctic Slope.

Demographic summary (cont'd.)

Alaska Native Population:

Calista	98.6%
Bering Sts	98.4%
Ahtna	90.1%
Arctic Slope	89.0%
Bristol Bay	88.9%
NANA	84.1%
Doyon	83.2%
Koniag	74.6%
Sealaska	58.2%
Chugach	50.8%
Aleut	50.0%
Cook Inlet	18.6%
TOTAL	70.4%

The two regions with the highest percent of Alaska Native population were Calista and Bering Straits with over 98%. Seven regions (Calista, Bering Straits, Ahtna, Arctic Slope, Bristol Bay, NANA, and Doyon) all had over 83% Alaska Native populations. Koniag was nearly three-quarters Alaska Native. Cook Inlet had the lowest percent of Alaska Natives with 18.6%.

Sec. 18.55.600. Bonds as legal investment.

(a) The following persons may legally invest sinking funds, money, and other funds belonging to them or within their control in the investments listed in (b) of this section:

(1) all public officers, municipal corporations, political subdivisions, and public bodies;

(2) all banks, trust companies, bankers, savings banks and institutions, building and loan associations, savings and loan associations, investment companies, and other persons carrying on a banking business;

(3) all insurance companies, insurance associations, and other persons carrying on an insurance business; and

(4) all executors, administrators, curators, trustees, and other fiduciaries.

(b) The following investments are proper investments under (a) of this section: any bonds or other obligations issued by the corporation under AS 18.55.480 - 18.55.960 or by any public housing or redevelopment authority or commission, or agency or any other public body in the United States for redevelopment purposes, when the bonds and other obligations are secured by an agreement between the issuing agency and the federal government in which the issuing agency agrees to borrow from the federal government and the federal government agrees to lend to the issuing agency, before the maturity of the bonds or other obligations, money in an amount that, together with any other money irrevocably committed to the payment of interest on the bonds or other obligations, is sufficient to pay the principal of the bonds or other obligations with interest to maturity, if, under the terms of the agreement, the money is required to be used for the purpose of paying the principal and interest on the bonds or other obligations at their maturity. The bonds and other obligations shall be authorized security for all public deposits.

(c) It is the purpose of this section to authorize any persons, political subdivisions, and officers, public or private, to use any funds owned or controlled by them for the purchase of any of the bonds or other obligations. However, nothing contained in this section with regard to legal investments shall be construed as relieving any person of any duty of exercising reasonable care in selecting securities.

History -

(sec. 13 ch 105 SLA 1951; am sec. 65 ch 4 FSSLA 1992)

Amendment Notes -

The 1992 amendment, effective July 1, 1992, in subsection (b), substituted "corporation" for "authority" and made stylistic changes.

Sec. 18.55.996. Creation of authorities.

(a) The following associations are given the authority specified in (b) of this section:

- (1) Arctic Slope Native Association (Barrow and Point Hope);
- (2) Bering Straits Association (Seward Peninsula, Unalakleet, St. Lawrence Island);
- (3) Northwest Alaska Native Association (Kotzebue);
- (4) Association of Village Council Presidents (southwest coast of Alaska including all villages in the Bethel area and all villages on the Lower Yukon River and Lower Kuskokwim River);
- (5) Tanana Chiefs Conference (Koyukuk, the middle and upper Yukon River villages and the upper Kuskokwim and Tanana River villages);
- (6) Cook Inlet Tribal Council (Kenai, Tyonek, Eklutna and Seldovia);
- (7) Bristol Bay Native Association (Dillingham, Upper Alaska Peninsula);
- (8) Aleut League (Aleutian Islands, Pribilof Islands and that part of the Alaska Peninsula that is in the Aleut League);
- (9) North Pacific Rim Native Corp. (Cordova, Tatitlek, Port Graham, English Bay, Valdez, Seward, Eyak and Chenega);
- (10) Tlingit-Haida Central Council or Alaska Native Brotherhood (Southeastern Alaska);
- (11) Kodiak Area Native Association (all villages on and around Kodiak Island);
- (12) Copper River Native Association (Copper Center, Glennallen, Chitina and Mentasta);
- (13) Alaska Federation of Natives, Inc.;
- (14) Sitka Community Association (Baranof and Japonski Island);
- (15) Metlakatla Indian Community (Metlakatla).

(b) There is created with respect to each of the associations named in (a) of this section a public body corporate and politic to function in the operating area of the individual associations to be known as the regional housing authority of the associations possessing all powers, rights, and functions now or subsequently specified under AS 18.55.100 - 18.55.290, except those specified with respect to the construction and acquisition of public buildings for lease to the state or any authority that is inconsistent with AS 18.55.995. A regional housing authority may enter into agreements with local government, other political subdivisions of the state, the state or the federal government for the exercise of a function or power relating to construction, operation, and maintenance of public facilities or public utilities. Upon execution of an agreement and for the period of the agreement the regional housing authority shall have the same powers and functions relating to the subject matter of the agreement as those that may legally be exercised by the governmental unit with whom the agreement is made including the authority to separately or together with the other unit borrow money and issue notes, bonds, or other evidence of indebtedness to finance a project within the scope of the agreement subject to the express limitations, if any, contained in the agreement. All obligations or liabilities of the regional housing authority shall remain their own and are not obligations or liabilities of the state.

(c) A housing authority created by this section may not transact business or exercise powers granted to it until the governing body of the named association has, by proper resolution, declared that there is a need for the authority to function, gives it the authority to function and has named its commissioners as provided under (d) of this section.

(d) The governing body of the association in question shall, after determining that it

wishes to have a regional native housing authority, appoint five persons to serve as the board of commissioners of the authority. The term of office of each member is for three years except that, of the commissioners first appointed, one shall serve for a term of one year and two shall serve for a term of two years. Vacancies shall be filled by the governing body of the association in question.

(e) Questions arising as to jurisdiction and boundary disputes as a result of the jurisdictional lines set out by (a) of this section shall be resolved by the governing board of the Alaska Federation of Natives.

(f) The authority shall have the power to acquire, construct, operate, and maintain group homes, multipurpose community centers, child care centers, and other community facilities.

(g) If an activity associated with the planning, financing, construction, or operation of a project by a regional housing authority established in this section and authorized under AS 18.55.100 - 18.55.290 conflicts with an activity of the Alaska Housing Finance Corporation, the governing body of the municipality in which the project is located shall resolve the conflict.

(h) Before a contract for the construction, alteration, or repair of a housing unit constructed under a federal or state funded housing program is awarded, the regional housing authority shall require the contractors to comply with the bond provisions specified in AS 36.25.010 (a) and (b).

(i) A housing authority created under this section shall have its financial records audited annually by an independent certified public accountant. The legislative auditor may prescribe the form and content of the financial records of the housing authority and shall have access to these records at any time.

History -

(sec. 1 ch 123 SLA 1971; am sec. 3, 6 ch 151 SLA 1975; am sec. 1 ch 274 SLA 1976; am sec. 1 ch 12 SLA 1977; sec. 6 ch 86 SLA 1981; am sec. 1 ch 102 SLA 1983; am sec. 1 ch 128 SLA 1984; am sec. 1 ch 100 SLA 1985; am sec. 1 ch 51 SLA 1986; am sec. 75, 76 ch 4 FSSLA 1992)
Amendment Notes -

The 1992 amendment, effective July 1, 1992, in subsection (b), rewrote the first sentence and, in the second and third sentences, inserted "regional housing"; and, in subsection (g), inserted "and authorized under AS 18.55.100 - 18.55.290" and substituted "Alaska Housing Finance Corporation" for "Alaska State Housing Authority."

AG Opinions -

Regional housing authorities created under this section are neither political subdivisions of the state nor state agencies. June 8, 1982 Op. Att'y Gen.

While various specified Native associations are given authority to establish regional housing authorities under this section, and may receive donations of land from municipalities, the programs administered by those associations must be racially neutral. May 6, 1981 Op. Att'y Gen.

It seems clear that the Department of Community and Regional Affairs is not charged with enforcing the audit requirement of subsection (i); and it is not clear who, if anyone, is so charged. August 2, 1982 Op. Att'y Gen.

The Department of Community and Regional Affairs can, under AS 18.55.998, condition its grants to the regional authorities on the authorities' compliance with subsection (i). August 2, 1982 Op. Att'y Gen.

It is quite clear that the annual audits of regional housing authorities mandated by subsection (i) cannot be funded by the Department of Community and Regional Affairs with the

housing supplemental development fund moneys; and it must be concluded that department fund should not be used for post-project cost certification. August 2, 1982 Op. Att'y Gen.

The Pacific Rim Housing Authority appropriately may be considered a political subdivision of the state or other "related public entity" for purposes of Subpart F (15 CFR sec. 930.90) for the limited purpose of its receipt of federal grants for housing projects; and, thus, Pacific Rim is subject to the coastal management consistency review required by Subpart F for federal assistance programs to the extent that grants are used to fund housing and related programs which affect the coastal zone. April 30, 1981 Op. Att'y Gen.

Sec. 18.55.997. Residential loans.

(a) In addition to the powers authorized to a regional housing authority under AS 18.55.996, a regional housing authority may, in accordance with procedures and policies adopted and approved by the Alaska Housing Finance Corporation, make loans for the purchase or development of residential housing in rural areas of the state, other than in an area where the corporation has a loan office. A loan shall be secured by collateral in an amount acceptable to the corporation. The rate of interest on a loan authorized by this section may not exceed the interest rate on a loan originated or purchased under AS 18.56.400 - 18.56.600.

(b) In this section,

(1) "development" means the construction of a new residence or the repair, remodeling, rehabilitation, or expansion of an existing home;

(2) "rural" has the meaning given the term "small community" in AS 18.56.600.

History -

(sec. 11 ch 167 SLA 1978; am sec. 14 ch 113 SLA 1982; am E.O. No. 69 sec. 2 (1988); am sec. 77, 78 ch 4 FSSLA 1992)

Amendment Notes -

The 1992 amendment, effective July 1, 1992, rewrote subsection (a) and paragraph (b)(2).

Sec. 18.55.998. Supplemental housing development grants.

(a) There is created in the Alaska Housing Finance Corporation a supplemental housing development grant fund. Using corporate earnings or other available funds, the corporation shall make grants to regional housing authorities established under AS 18.55.996 for the cost of on-site sewer and water facilities, road construction to project sites, energy efficient design features in homes, and extension of electrical distribution facilities to individual residences.

(b) A grant may be made only for residential housing for which federal loan or grant approval has been obtained from the United States Department of Housing and Urban Development and which will be made available to the public on a nondiscriminatory basis. A grant may not be used to retire or repay obligations or debts of the grant recipient. A grant may only be for the difference between the maximum amount available under federal law or regulation for construction of the residential housing for which the grant is made and the actual costs of the construction. A grant may not exceed 20 percent of the United States Department of Housing and Urban Development total development cost per unit in effect at the time the grant is made.

(c) Grant money may be used only for the purposes specified in (a) of this section. No part of the grant money may be used for administrative or other costs of a regional housing authority whether the costs are directly associated with the construction or general costs of the authority.

(d) The Alaska Housing Finance Corporation shall adopt regulations to carry out the purposes of this section. The provisions of AS 18.56.088(a) and (b) apply to regulations adopted under this section.

(e) In order to make grants authorized by (a) of this section in its administration of the supplemental housing development grant fund established by this section, the board of directors of the corporation shall identify in the corporation's proposed operating budget the money available to the corporation, including the corporation's own assets, to supplement available federal development money.

History -

(sec. 7 ch 86 SLA 1981; am sec. 2 ch 97 SLA 1988; am sec. 79 - 81 ch 4 FSSLA 1992)

Cross References -

For legislative findings and policy in connection with the 1988 amendment to (a) of this section, see sec. 1, ch. 97, SLA 1988 in the Temporary and Special Acts.

For further limitations on the use of corporate earnings or other available funds of the Alaska Housing Finance Corporation to make supplemental housing development grants, see AS 18.56.089.

Amendment Notes -

The 1992 amendment, effective July 1, 1992, substituted references to the Alaska Housing Finance Corporation for references to the department in subsections (a) and (d); substituted "Using corporate earnings or other available funds" for "Subject to the availability of appropriations for the purpose" at the beginning of the second sentence in subsection (a); made a section reference substitution in subsection (d); and added subsection (e).

History Reports -

For House letter of intent in connection with ch. 97, SLA 1988 (CSSB 308(C&RA)), see 1988 House Journal 3601.

AG Opinions -

It seems clear that the Department of Community and Regional Affairs is not charged with enforcing the audit requirement of AS 18.55.996(i); and it is not clear who, if anyone, is so

charged. August 2, 1982 Op. Att'y Gen.

It is quite clear that the annual audits of regional housing authorities mandated by AS 18.55.996(i) cannot be funded by the Department of Community and Regional Affairs with housing supplemental development fund moneys; and it must be concluded that department fund should not be used for post-project cost certification. August 2, 1982 Op. Att'y Gen.

The Department of Community and Regional Affairs can, under this section, condition its grants to the regional authorities on the authorities' compliance with AS 18.55.996(i). August 2, 1982 Op. Att'y Gen.

The Department of Community and Regional Affairs is not compelled to limit its grants to those regional housing authorities showing compliance with the auditing requirement of AS 18.55.996(i), though the department may in its discretion, and probably should as a matter of policy, so limit its grants. It follows that the department may and should refuse to make grants to authorities whose audits reveal problems. August 2, 1982 Op. Att'y Gen.

Grant administrators may authorize the use of grant proceeds to reimburse a grant recipient for allowable expenses incurred before grant approval. March 24, 1986, Op. Att'y Gen.

Expenses incurred before the enactment of an appropriation to fund the grant program may be authorized if, in the grant administrator's discretion, expenditure approval substantially promotes the fundamental program objectives. March 24, 1986, Op. Att'y Gen.

The limitations stated in subsections (b) and (c) on use of grant proceeds do not reflect a specific legislative intent to prohibit the use of grant funds for the reimbursement of eligible, pre-award costs. March 24, 1986, Op. Att'y Gen.

Sec. 18.56.088. Administrative procedure.

(a) Except for AS 44.62.310 and 44.62.312, regarding public meetings, and AS 44.62.320(a) regarding legislative review of regulations, AS 44.62 (Administrative Procedure Act) does not apply to this chapter. The corporation shall make available to members of the public copies of the regulations adopted under (b) - (e) of this section. Within 45 days after adoption, the chairman of the board shall submit a regulation adopted under (b) - (e) of this section to the chairman of the Administrative Regulation Review Committee under AS 24.20.400 - 24.20.460. The provisions of AS 44.62.320(a) apply to regulations adopted under (b) - (e) of this section.

(b) The board may adopt regulations by motion or by resolution or in any other manner permitted by its bylaws.

(c) The board may adopt regulations to carry out the purposes of this chapter, and shall adopt regulations necessary for the following purposes:

(1) determination of borrower eligibility including, but not limited to, income limitations and the determination of remote, underdeveloped, or blighted areas of the state;

(2) loan guidelines and terms including but not limited to maximum loan amounts and required loan-to-value ratios, but excluding mortgage loan interest rates;

(3) characteristics of housing eligible for loans or purchase of loans, including compliance with the requirements of AS 18.56.300;

(4) the qualifications of loan originators and servicers and the method of allocating amounts available for the purchase of loans;

(5) establishment of a procedure, including a fee schedule, for the commitment for one year or less of money for the purchase of an individual mortgage loan at a specific interest rate; and

(6) establishment of the program of housing assistance authorized by AS 18.56.090(b) including program regulations that, at minimum,

(A) establish priorities and criteria for providing money and other forms of authorized assistance in response to housing assistance proposals;

(B) define the forms of housing assistance authorized under AS 18.56.090(b);

(C) set out procedures to evaluate housing assistance proposals;

(D) set out procedures to approve the award of housing assistance; and

(E) prescribe methods of monitoring the use of money paid out under AS 18.56.090(b) and the progress of activity under the approved housing assistance program.

(d) Except as provided in (e) of this section, at least 15 days before the adoption, amendment, or repeal of a regulation on a subject specified in (c) (1) - (4) of this section, the board shall give public notice of the proposed action by publishing the notice in at least three newspapers of general circulation in the state and by mailing a copy of the notice to every person who has filed a request for notice of proposed regulations with the board or the corporation. The public notice must include a statement of the time, place, and nature of the proceedings for the adoption, amendment, or repeal of the regulation and must include an informative summary of the proposed subject of the regulation. On the date and at the time and place designated in the notice, the board shall give each interested person or an authorized representative, or both, the opportunity to present statements, arguments, or contentions in writing, and shall give members of the public an opportunity to present oral statements, arguments, or contentions for a total period of at least one hour. The board shall consider all relevant matter presented to it before adopting, amending, or repealing a regulation. At a hearing under this subsection, the board may

continue or postpone the hearing to a time and place that it determines. A regulation that is adopted, or its amendment or repeal, may vary in content from the informative summary specified in this subsection if the subject matter of the regulation, or its amendment or repeal, remains the same and the original notice was written so as to assure that members of the public are reasonably notified of the proposed subject of the board's action in order for them to determine whether their interests could be affected by the board's action on that subject.

(e) A regulation or order of repeal on a subject specified in (c) of this section may be adopted as an emergency regulation or order of repeal if the board makes a finding in its order of adoption or repeal, including a statement of the facts that constitute the emergency, that the adoption of the regulation or order of repeal is necessary for the immediate preservation of the orderly operation of the corporation's loan and bonding programs. The requirements of (d) of this section do not apply to the initial adoption of an emergency regulation covering a subject specified in (c) (1) - (4) of this section; however, upon adoption of an emergency regulation, the board shall, within 10 days after adoption, give notice of the adoption in accordance with (d) of this section. An emergency regulation adopted under this subsection does not remain in effect more than 120 days unless the board complies with (d) of this section during the 120-day period.

(f) A regulation adopted under (b) - (e) of this section becomes effective immediately upon its adoption by the board, unless otherwise specifically provided by the order of adoption.

(g) The provisions of (b) - (e) of this section do not apply to regulations governing interest rates on the corporation's mortgage loan programs.

(h) The board shall adopt regulations in accordance with (a) - (f) of this section that establish a procedure by which a seller of mortgage loans may appeal a decision of the corporation not to purchase mortgage loans offered by the seller.

(i) The board may adopt regulations under (a) - (f) of this section that establish conditions and terms for mobile home loans that are not in accordance with the provisions of this chapter, including conditions and terms relating to owner-occupancy, the number of loans that may be made to a single borrower, and borrower eligibility requirements, if the board first determines that the regulations are necessary to ensure the continued security of the mobile home loan portfolio.

History -

(sec. 5 ch 167 SLA 1978; am sec. 19 ch 106 SLA 1980; am sec. 17 ch 113 SLA 1982; am sec. 2 ch 128 SLA 1984; am sec. 1 ch 85 SLA 1990; am sec. 88 ch 4 FSSLA 1992)

Amendment Notes -

The 1990 amendment added "including compliance with the requirements of AS 18.56.300" at the end of paragraph (c)(3) and made two minor stylistic changes in paragraphs (3) and (4).

The 1992 amendment, effective July 1, 1992, added paragraph (c)(6) and made related stylistic changes.

History Reports -

For legislative letter of intent as to mobile home financing, see 1984 Senate Journal at p. 3357.

Decisions -

Applied in *Horowitz v. Alaska Bar Ass'n*, 609 P.2d 39 (Alaska 1980).

Sec. 18.56.096. Limitation on power to make or purchase mortgage loans.

(a) The corporation may not make, participate in the making of, purchase, or participate in the purchase of

(1) a first mortgage loan under this chapter for a duplex, triplex, or four-plex that exceeds the limitations on first mortgage loans for similar housing purchased by the Federal National Mortgage Association as to principal amount and loan-to-value ratio;

(2) a second mortgage loan for a duplex, triplex, or four-plex the amount of which, when combined with the principal balance of a first mortgage loan on the property, exceeds the limitation on the amount set out in (1) of this subsection or that has a loan-to-value ratio, when considered with the principal balance of the first mortgage loan, that exceeds 90 percent;

(3) a mortgage loan to finance the purchase of new housing or for the improvement or rehabilitation of existing housing, unless the construction, improvement, or rehabilitation work has been performed by a contractor who is registered to work as a contractor under AS 08.18; this paragraph does not apply if the construction, improvement, or rehabilitation work

(A) has been totally or substantially performed by the borrower;

(B) has been performed by a borrower who acts as the contractor for the construction, improvement, or rehabilitation work; or

(C) has been performed in an area designated by the corporation as exempt from the requirements of this paragraph because of the unavailability of registered contractors in that area;

(4) a first mortgage loan for a single-family residence that exceeds the limitations on first mortgage loans for similar housing purchased by the Federal National Mortgage Association as to principal amount by more than 10 percent, or has a loan-to-value ratio that exceeds 95 percent, or a second mortgage loan for a single-family residence, the amount of which, when combined with the principal balance of a first mortgage loan on the property, exceeds the limitations on loans for similar housing purchased by the Federal National Mortgage Association as to principal amount by more than 10 percent, or has a loan-to-value ratio, when considered with the principal balance of the first mortgage loan, that exceeds 90 percent;

(5) a first or second mortgage loan for rental housing unless the borrower agrees not to discriminate against tenants or prospective tenants because of sex, marital status, changes in marital status, pregnancy, parenthood, race, religion, color, national origin, or status as a student;

(6) a first mortgage loan if the borrower has an outstanding first mortgage housing loan under this chapter or an outstanding first mortgage loan for owner-occupied housing under former provisions of AS 44.47; or

(7) a loan to a person who has a past due child support obligation established by court order or by the child support enforcement division under AS 25.27.160 - 25.27.220 at the time of application.

(b) The loan-to-value limitation established in (a)(4) of this section does not apply to a mortgage loan that is federally insured or guaranteed. The loan-to-value limitations established in (a)(1) and (4) of this section do not apply to a mortgage loan that is a refinancing mortgage loan under AS 18.56.108.

(c) The corporation may not make, participate in the making of, purchase, or participate in the purchase of a loan for a residential building if construction of the building began after

December 31, 1991, unless the building complies with the thermal and lighting energy standards required by AS 46.11.040. The corporation

(1) may adopt regulations to implement this subsection; and

(2) shall, by regulation, establish

(A) procedures by which the person responsible for the construction of the building may demonstrate that the building complies with the thermal and lighting energy standards, including

(i) self-certification, if the contractor responsible for the building construction provides satisfactory evidence that the contractor has completed a training program of the Alaska Craftsman Home Program or equivalent training program and the training program is satisfactory to the corporation;

(ii) submission of the certificate of a registered architect, registered engineer, or a building inspector, and the architect, engineer, or building inspector has completed a training program of the Alaska Craftsman Home Program or equivalent training program and the training program is satisfactory to the corporation;

(iii) submission of the certificate of occupancy issued by the municipality in which the building is located, if the certificate is issued by a municipality in which the municipal building code meets or exceeds the thermal and lighting energy standards, as determined by the corporation;

(iv) another method approved by the corporation in regulations adopted by the corporation; and

(B) criteria by which the energy conservation standards may be met; for purposes of this subparagraph, the residential building complies with the energy standards if the residence has received a rating under the rating system developed by Energy Rated Homes of Alaska if, in the judgment of the corporation, the rating meets or exceeds the thermal energy standards required by AS 46.11.040.

History -

(sec. 27 ch 106 SLA 1980; am sec. 3 ch 115 SLA 1981; am sec. 18 ch 113 SLA 1982; am sec. 4 - 6 ch 112 SLA 1983; am sec. 4 ch 128 SLA 1984; am sec. 5 ch 116 SLA 1986; am sec. 2 ch 41 SLA 1987; am sec. 1 ch 106 SLA 1989; am sec. 2 ch 94 SLA 1990; am sec. 93 ch 4 FSSLA 1992; am sec. 31 ch 30 SLA 1996)

Amendment Notes -

The 1990 amendment added subsection (c).

The 1992 amendment, effective July 1, 1992, in subsection (c), substituted "corporation" for "commissioner of community and regional affairs" throughout subparagraph (2)(A) and deleted "commissioner after consultation with the executive director of the" following "adopted by the" in item (2)(A)(iv).

The 1996 amendment, effective May 16, 1996, inserted "former provisions of" near the end of paragraph (a)(6).

Sec. 18.56.300. Construction standards for housing eligible for purchase of loans.

(a) The corporation may not make or purchase a housing loan for residential housing the construction of which begins after June 30, 1992, unless the seller of the mortgage loan complies with the provisions of this section and unless

(1) the unit is in compliance with the construction codes of the municipality, if the unit is located within a municipality that has adopted and enforces construction codes and each of those codes meets or exceeds the comparable standards for similar housing established by the state building code; or

(2) the unit is in compliance with the comparable standards for similar housing established by the state building code

(A) if the unit is located

(i) within a municipality whose construction codes do not meet the standards for similar housing established by the state building code;

(ii) within a municipality that does not enforce construction codes;

or

(iii) outside a municipality; or

(B) as to each specific code within the construction codes of the municipality that has adopted and enforces construction codes if the specific code does not meet or exceed the comparable standard for similar housing established by the state building code.

(b) As a condition of a commitment to purchase or approve a loan under this section for residential housing the construction of which begins after June 30, 1992, the corporation shall require inspection of the unit of residential housing that is the subject of the loan. The inspection must be performed by a municipal building inspector, by a person who is approved or certified to perform residential inspections by the International Conference of Building Officials or the International Association of Electrical Inspectors, or, when the unit of residential housing is located in a rural area, by an architect licensed under AS 08.48, by an engineer licensed under AS 08.48, or by another person approved by the corporation. When the unit of residential housing is located in a rural area, the person who makes the inspection may use methods other than a personal physical inspection to make the inspection if the method is approved by the corporation, and variations from the applicable code may be accepted at the corporation's discretion, if the person authorized to inspect the unit under this subsection satisfies the corporation that the variation does not adversely affect the structural integrity of the unit or the health and safety of the residents. The person who makes the inspection shall determine whether the construction conforms to relevant provisions of the construction codes of the municipality or of the state building code, as applicable, at each of the following stages of construction:

(1) plan approval;

(2) completion of footings and foundations;

(3) completion of electrical installation, plumbing, and framing;

(4) completion of installation of insulation;

(5) final approval.

(c) A person may not bring an action for damages based on a duty imposed by (b) of this section to inspect a residential unit unless the action is for damages caused by gross negligence or intentional misconduct.

(d) This section does not apply to a nonconforming housing loan made or purchased by the corporation.

(e) In this section,

(1) "construction codes" means, with reference to a municipality, the building, mechanical, plumbing, and electrical codes, or any of them that have been adopted and are enforced by the municipality;

(2) "rural area" means a community with a population of 5,500 or less that is not connected by road or rail to Anchorage or Fairbanks;

(3) "state building code" means

(A) for building standards, the standards set out in the version of the Uniform Building Code adopted by the Department of Public Safety under AS 18.70.080, including the provisions of that code applicable to buildings used for residential purposes containing fewer than four dwelling units, notwithstanding the exclusion of those buildings from the Department of Public Safety's jurisdiction made by AS 18.70.080(a)(2);

(B) for mechanical standards, the standards set out in the version of the Uniform Mechanical Code adopted by the Department of Public Safety under AS 18.70.080, including the provisions of that code applicable to buildings used for residential purposes containing fewer than four dwelling units, notwithstanding the exclusion of those buildings from the Department of Public Safety's jurisdiction made by AS 18.70.080(a)(2);

(C) for plumbing standards, the minimum plumbing code adopted for the state under AS 18.60.705; and

(D) for electrical standards, the minimum electrical standards prescribed by AS 18.60.580.

History -

(sec. 2 ch 85 SLA 1990; am sec. 1 ch 29 SLA 1991; am sec. 1, 2 ch 52 SLA 1991; am sec. 99 ch 4 FSSLA 1992; am sec. 1, 2 ch 81 SLA 1994; am sec. 1 ch 2 SLA 1996)

Revisors Notes -

Paragraph (e)(2) was enacted as (e)(3). Renumbered in 1994, at which time former (e)(2) was renumbered as (e)(3).

Amendment Notes -

The first 1991 amendment, effective June 12, 1991, in former subparagraph (e)(2)(C) (now (e)(3)(C)), substituted "the publications identified as the minimum plumbing code" for "the minimum plumbing code adopted by the Department of Labor."

The second 1991 amendment, effective June 16, 1991, in the first sentences of subsections (a) and (b), substituted "June 30, 1992" for "June 30, 1991."

The 1992 amendment, effective July 1, 1992, in subsection (d), inserted "nonconforming" and "or purchased" and deleted "under AS 18.56.106" from the end.

The 1994 amendment, effective September 4, 1994, rewrote the second sentence in subsection (b) and added present paragraph (e)(2).

The 1996 amendment, effective May 30, 1996, in subparagraph (e)(3)(C), deleted "publications identified as the" following "plumbing standards, the" and inserted "adopted for the state."

Editors Notes -

Section 3, ch. 85, SLA 1990, as amended by sec. 4, ch. 52, SLA 1991, provides that former AS 18.56.300(e)(2)(A) and (B) (now (e)(3)(A) and (B)) "are intended to assure that, for purposes of determining whether housing the construction of which begins after June 30, 1992,

meets the building and mechanical standards under AS 18.56.300(a) and (b), enacted by sec. 2 of this Act, the standards set out in each of the following fully apply to residences containing fewer than four dwelling units, even though those residences are excepted from regulation by AS 18.70.080(a)(2):

- "(1) the Uniform Building Code, adopted for the state by 13 AAC 50.020(a);
- "(2) the Uniform Mechanical Code, adopted for the state by 13 AAC 50.020(b)."

Sec. 18.56.400. Powers of corporation related to housing assistance.

The board may

- (1) adopt regulations in accordance with AS 18.56.088 to implement AS 18.56.400 - 18.56.600;
- (2) make and execute agreements, contracts, and other instruments necessary or convenient in the exercise of the powers and functions granted under AS 18.56.400 - 18.56.600;
- (3) purchase or participate in the purchase of small community housing mortgage loans under AS 18.56.400 - 18.56.600;
- (4) purchase or participate in the purchase of loans for building materials for small community housing under AS 18.56.400 - 18.56.600;
- (5) procure insurance against loss in connection with the corporation's functions under AS 18.56.400 - 18.56.600;
- (6) acquire real or personal property, or an interest in real or personal property, by purchase, transfer, or foreclosure, when the acquisition is necessary or appropriate to protect a loan in which the corporation has an interest; sell, transfer and convey that property to a buyer; and, if the sale, transfer or conveyance cannot be effected with reasonable promptness or at a reasonable price, rent or lease the property to a tenant pending the sale, transfer or conveyance;
- (7) do all acts necessary, convenient, or desirable to carry out the powers expressly granted or necessarily implied in AS 18.56.400 - 18.56.600;
- (8) originate and service direct loans made to qualified buyers under AS 18.56.400 - 18.56.600.

History -

(sec. 100 ch 4 FSSLA 1992)

Article Notes -

Revisors Notes. The provisions of AS 18.56.400 - 18.56.600 are derived in part from former AS 44.47.370 - 44.47.560. Under sec. 1-14, ch. 36, SLA 1992, effective May 27, 1992, and retroactive to January 1, 1992, references to "rural" in former AS 44.47.370 - 44.47.560 were changed to "small community", AS 44.47.410(a) was repealed, and some of the definitions in AS 44.47.560 were amended. The same changes were made in sec. 120-132 and sec. 139, ch. 4, FSSLA 1992, effective June 26, 1992, and retroactive to January 1, 1992. AS 44.47.370 - 44.47.560 were then repealed under sec. 140, ch. 4, FSSLA 1992, effective July 1, 1992. For the law in effect from January 1, 1992 through June 30, 1992, see ch. 36, SLA 1992, in the Temporary and Special Acts.

Cross References. For transitional provisions relating to the transfer of the former housing programs of the Department of Community and Regional Affairs to the Alaska Housing Finance Corporation, see sec. 142, ch. 4, FSSLA 1992 in the Temporary and Special Acts.

Sec. 18.56.420. Housing assistance loan fund.

(a) There is created in the corporation, as a revolving loan fund, the housing assistance loan fund consisting of money appropriated to it by the legislature and deposited in it by the corporation, and repayments of principal and interest on loans made or purchased from the assets of the fund. The corporation shall

(1) adopt regulations to administer the housing assistance loan fund under AS 18.56.400 - 18.56.600; and

(2) subject to appropriation, provide money for a rural assistance loan program to originate, purchase, or participate in the purchase of

(A) small community housing mortgage loans;

(B) loans made for building materials for small community housing;

(C) loans made for renovations or improvements to small community

housing;

(D) loans made for the construction of owner-occupied small community housing other than loans to builders or contractors or loans that compensate an owner for the owner's labor or services in constructing the owner's own housing.

(b) Money in the fund may be used by the legislature to make appropriations for costs of administering the housing assistance program.

History -

(sec. 100 ch 4 FSSLA 1992)

Sec. 18.56.440. Limitations on use of housing assistance loan fund.

The corporation may not use the money in the housing assistance loan fund to

- (1) originate a direct loan or purchase or participate in the purchase of a small community housing mortgage loan that exceeds the limitations on mortgage loans purchased by the Federal National Mortgage Association as to principal amount or loan-to-value ratio;
- (2) originate a direct loan or purchase or participate in the purchase of a loan made for building materials for small community housing
 - (A) that exceeds \$45,000 or exceeds
 - (i) 80 percent of the appraised value of the work completed on the small community housing for which the loan is made if the small community housing is pledged as collateral for the loan; or
 - (ii) 90 percent of the value of other property that is pledged as security for the loan and that is satisfactory to the corporation as collateral;
 - (B) unless the terms of the loan agreement require inspections and certifications, as required by regulations of the corporation, at the expense of the borrower; and
 - (C) unless the period of time allowed for repayment of the loan is equal to or less than 15 years;
- (3) originate direct loans or purchase or participate in the purchase of a small community housing mortgage loan that is secured by real property the marketable title to which is shown under AS 18.56.480(b)(2) if the total amount of outstanding small community housing mortgage loans held by the corporation exceeds 10 times the amount of money in the restricted title loss reserve account established by AS 18.56.490;
- (4) originate a direct loan for small community housing or purchase or participate in the purchase of a small community housing mortgage loan, other than a loan for the repair, remodeling, rehabilitation, or expansion of an existing owner-occupied residence, if the borrower has an outstanding housing loan made under a state loan program, other than a loan for nonowner-occupied housing under AS 18.56.580 or under former AS 44.47.520, that bears interest at a rate that was less than the prevailing market interest rate for similar housing loans at the time the loan was made;
- (5) originate a direct mortgage loan or purchase or participate in the purchase of a mortgage loan for rental housing unless the borrower agrees not to discriminate against tenants or prospective tenants because of sex, marital status, changes in marital status, pregnancy, parenthood, race, religion, color, national origin, or status as a student;
- (6) originate, purchase, or participate in a loan to a person who has a past due child support obligation established by court order or by the child support enforcement division under AS 25.27.160 - 25.27.220 at the time of application.

History -

(sec. 100 ch 4 FSSLA 1992)

Sec. 18.56.460. Security for loans.

(a) The corporation shall adopt regulations in accordance with AS 18.56.088 establishing acceptable security for loans originated or purchased in whole or in part under AS 18.56.420.

(b) A person may pledge as security for the repayment of a loan originated or purchased in whole or in part under AS 18.56.420 a preference right that person holds to receive title to land the person occupies as a primary place of residence, primary place of business, subsistence campsite, or as headquarters for reindeer husbandry. The preference right must be conveyed to the person by the Native corporation to which the land was granted under 43 U.S.C. 1613 (Alaska Native Claims Settlement Act) before it may be pledged as security under this subsection. The corporation shall prescribe procedures and standard forms for establishing, pledging, and appraising the value of a preference right held by a person to secure the repayment of a loan originated or purchased in whole or in part under AS 18.56.420.

History -

Sec. 18.56.480. Title.

(a) Before the corporation originates or purchases a small community housing mortgage loan in whole or in part, the corporation may require a borrower to show marketable title to real property offered as security for the loan to be purchased.

(b) A borrower may show marketable title to real property for the purposes of (a) of this section

(1) by purchasing title insurance from a title insurance company authorized to do business in the state; or

(2) by delivering to the corporation a copy of a letter of intent signed by an authorized representative of the United States Department of the Interior that shows the transfer of title to the property from the United States government to the borrower if

(A) the borrower is an Alaska Native; and

(B) title to the property was originally transferred from the United States government, directly or indirectly, to the borrower under federal law.

(c) For the purposes of this section, a deed which federal law prohibits or limits the power to transfer or encumber and which would otherwise constitute marketable title to real property is considered marketable title to real property if the United States Bureau of Indian Affairs or another appropriate federal agency waives immunity under the federal law from foreclosure or other alienation of the real property.

History -

(sec. 100 ch 4 FSSLA 1992)

Sec. 18.56.580. Loans for nonowner occupied housing.

(a) In addition to the powers authorized by AS 18.56.400, the corporation may adopt regulations under AS 18.56.088 allowing the use of money in the housing assistance loan fund to make loans for the purchase or development of nonowner occupied housing in small communities.

(b) The rate of interest on a loan authorized by this section may not exceed 10-1/2 percent a year.

(c) The principal amount of loans made for nonowner occupied housing under this section may not exceed 20 percent of the total principal amount of loans made for small community housing under AS 18.56.400 - 18.56.600.

(d) In this section

(1) "development" means the construction of a new residence or the repair, remodeling, rehabilitation, or expansion of an existing residence;

(2) "nonowner occupied housing" means a single-family residence or a multi-family residence having up to eight dwelling units and that is not occupied by the owner; the corporation may modify this definition if it determines that there is a special need for nonowner occupied housing and that a change in the definition is necessary to enable the corporation to meet that need.

History -

(sec. 100 ch 4 FSSLA 1992)

Sec. 18.56.600. Definitions.

In AS 18.56.400 - 18.56.600,

(1) "housing" means owner-occupied, single-family housing and owner-occupied duplexes in which not more than 25 percent of the gross floor area is or will be devoted to commercial use;

(2) "small community" means a community with a population of 5,500 or less that is not connected by road or rail to Anchorage or Fairbanks, or with a population of 1,400 or less that is connected by road or rail to Anchorage or Fairbanks; in this paragraph, "connected by road" does not include a connection by the Alaska marine highway system.

History -

(sec. 100 ch 4 FSSLA 1992)

HB

231

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: February 6, 1998

FURTHER REFERRALS:

Date of Committee Action: 2/23/98

The FINANCE Committee considered:

HB 231

HOUSE BILL NO. 231

REGULATION OF SNOWMOBILES

"An Act relating to regulation of snowmobiles."

recommends it be replaced with the following committee substitute CS HB 231 (Fin) the same title a new title

additional referral to _____ Committee
 attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____ APPROVES PREVIOUS: (Dept/Date)

fiscal note(s) _____ fiscal note(s) DOR 2/6/98

zero fiscal note(s) _____ zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>Gene Theriault</i>	Theriault			X	
<i>Mark Hanley</i>	Hanley			X	
<i>Alton Mulder</i>	Mulder			X	
<i>Terry Martin</i>	Martin		X		
<i>Neil Kohring</i>	Kohring				X
<i>John Davis</i>	Davis	X			
<i>Bas...</i>	Gussard	X			
<i>Moses</i>	Moses	X			
<i>John Davis</i>	DAVIS			X	
<i>Bob Foster</i>	Foster		X		

CHAIR'S SIGNATURE

Gene Theriault *Mark Hanley*

FISCAL NOTE

No: 1

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO: Bill Version: CSHB 231 (JUD)
(H) Publish Date: 2/6/98

Revision Date: 2/2/98 Dept. Affected: Administration
 Title: "An Act relating to the regulation of
Snowmachines..." BRU: Motor Vehicles
 Sponsor: Representative Masek Component: Administration
 Requestor: H. JUD COMPONENT SERIAL NO. 2149

EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)

OPERATING	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
PERSONAL SERVICES	43.0	43.0	43.0	43.0	43.0	43.0
TRAVEL	5.0	2.5	2.5	2.5	2.5	2.5
CONTRACTUAL	18.0	3.0	7.7	7.7	10.9	10.9
SUPPLIES	5	5	5	5	5	5
EQUIPMENT	10.0					
LAND & STRUCTURES						
GRANTS CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	76.5	49.0	53.7	53.7	56.9	56.9

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES (1005)						
Revenue Code	100.0	100.0	200.0	200.0	300.0	300.0

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	76.5	49.0	53.7	53.7	56.9	56.9
1006 GF/MHTIA						
Other						
TOTAL						

Estimate of current year (FY 98) impact: \$ _____

POSITIONS:

FULL-TIME	1	1	1	1	1	1
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

SEE ATTACHED

Prepared By: Juanita M. Hensley Phone: 465-5648
 Division: Motor Vehicles Date: 2/3/98
 Approved by Commissioner: Mark Boyer Date: 2/5/98
 Agency: Department of Administration

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STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO: CSHB 231(JUD)

Revision Date: 02/3/98

Dept. Affected: Administration

ANALYSIS CONTINUED:

This bill moves the registration requirement for snowmachines from Title 5 to Title 28 and requires dealers to have purchases complete applications prior to leaving the dealership with the snowmachine. The bill also authorizes the dealers to act as agents for DMV and issue the registrations and decals for snowmachines.

Snowmachines are currently required to be registered if they are operated on public land. There are 14,642 snowmachines registered but the estimates from dealers and snowmachine organizations indicate there are 70,000 snowmachines in the state. Not all of these machines will be registered under this bill even if the law requires it and the primary reason is a lack of effective enforcement.

For the purpose of this fiscal note the following projection will be used:

FY99	FY00	FY01	FY02	FY03	FY04
10,000	10,000	20,000	20,000	30,000	30,000

The increase of 10,000 registrations every two years is based on the number of machines estimated to be registered a year and those that must renew the registration on a biennial basis. Mail-in renewal of registrations will increase 10,000 to 20,000 a year. A Motor Vehicle Customer Service Representative III will be required to manage the contracts negotiated with the snowmobile dealers; train the dealer personnel, audit the program and maintain the security of the forms and decals.

COST SUMMARY FY 99

PERSONAL SERVICES
1 PFT MVCSR III, Rage 14 \$43.0

TRAVEL to train and audit dealer work \$ 5.0

CONTRACTUAL
Forms and tabs \$3.0
Computer Programming \$15.0

EQUIPMENT
1 computer workstation -one time cost \$10.0
(this includes PC, desk, chair, file cabinet)

TOTAL \$76.5

REVENUE

It is estimated 10,000 registrations at \$10 for the biennial period. Assuming even distribution with 10,000 in each year after the startup, there will be an increase of revenue from registration fees.

FY99	FY00	FY01	FY02	FY03	FY04
\$100.0	\$100.0	\$200.0	\$200.0	\$300.0	\$300.0

*Adopted
2/23/98*

0-LS0501NL
Ford
2/23/98

CS FOR HOUSE BILL NO. 231(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

**Offered:
Referred:**

Sponsor(s): REPRESENTATIVE MASEK

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to regulation of snowmobiles."**

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

3 *** Section 1.** AS 28 is amended by adding a new chapter to read:

4 **Chapter 39. Snowmobiles.**

5 **Sec. 28.39.010. Snowmobile registration.** Except as provided in this section,
6 a person may not operate a snowmobile within the state unless the snowmobile has
7 been registered and numbered as required by this chapter. Registration under this
8 section is not required for a snowmobile owned by the United States.

9 **Sec. 28.39.020. Authority of department; registration agents; registration**
10 **applications.** (a) The department is authorized to assign identification numbers and
11 register snowmobiles.

12 (b) The department shall authorize agents, including snowmobile dealers, to
13 register snowmobiles. The department may authorize a snowmobile dealer authorized
14 as an agent for snowmobile registration to issue temporary and permanent registrations,
15 and to renew registrations.

1 (c) A snowmobile dealer shall require a purchaser of a new or used
2 snowmobile sold at retail to complete a registration application and pay the registration
3 fee before the snowmobile leaves the dealer's premises unless the snowmobile is
4 exempt from registration or a registration fee under this chapter.

5 (d) In a manner set out in this chapter and as may be prescribed by the
6 department, an authorized agent shall accept a registration application and registration
7 fee, issue a registration, and forward the application and registration fee to the
8 department.

9 (e) The original and each renewal registration fee for a snowmobile is as
10 provided under AS 28.10.421.

11 **Sec. 28.39.030. Proof of ownership for registration purposes.** The
12 department shall require proof of ownership of the snowmobile before registering a
13 snowmobile under this chapter.

14 **Sec. 28.39.040. Issuance of a certificate of registration and decals;
15 inspection of registration; expiration of registration.** (a) Upon receipt of a
16 completed application for registration of a snowmobile, the department shall record the
17 registration of the snowmobile under a number assigned to the snowmobile by the
18 department. A number assigned to a snowmobile at the time of the original
19 registration must remain with the snowmobile until the snowmobile is destroyed,
20 abandoned, or permanently removed from the state or until the registration number is
21 changed or terminated by the department.

22 (b) The department shall issue a registration without the payment of a fee if
23 the snowmobile is owned by a state agency, a political subdivision of the state, or
24 another state. The department may, upon request, issue a registration without the
25 payment of a fee if the snowmobile is owned by the United States.

26 (c) The department shall, upon assignment of a registration number, issue and
27 deliver to the owner a certificate of registration in a form prescribed by the
28 department. A certificate of registration is not valid unless it is signed by the person
29 who signed the application for registration.

30 (d) At the issuance of the original certificate of registration and upon biennial
31 renewal, the department shall issue to the registrant a validation decal indicating the

1 validity of the current registration and the expiration date. A validation decal must be
2 affixed to the snowmobile in the manner prescribed by the department. A snowmobile
3 is not validly registered under this chapter unless a validation decal and current
4 registration have been issued as required by this section.

5 (e) A snowmobile shall display the registration number assigned to it at all
6 times in the manner prescribed by the department.

7 (f) While operating a snowmobile that is required to be registered under this
8 chapter, a person shall have in possession or carry in the snowmobile a valid
9 registration. Upon demand by a peace officer authorized to enforce this chapter, a
10 person operating a snowmobile shall produce for inspection the certificate of
11 registration for the snowmobile and furnish to the peace officer any information
12 necessary for the identification of the snowmobile and its owner.

13 (g) A snowmobile owner holding a certificate of registration shall notify the
14 department in writing of a change of residence within 15 days after the change occurs.

15 (h) A snowmobile registration expires at the end of the second season for
16 which it is issued. An application for renewal of registration for the succeeding years
17 must be made at a time and in a form prescribed by the department.

18 (i) The department may issue a replacement certificate of registration if the
19 owner demonstrates to the department that the original certificate has been lost,
20 mutilated, or destroyed.

21 **Sec. 28.39.050. Termination of ownership; used snowmobiles held for**
22 **resale; termination of use.** (a) If there is a change of ownership of a snowmobile,
23 the seller and buyer shall fill out the transfer of ownership section of the registration,
24 and the seller shall sign over the registration to the new owner. The seller shall
25 promptly submit the transfer of ownership section to the department, and the
26 department shall issue a new certificate of registration to the new owner.

27 (b) This chapter does not require a snowmobile dealer to renew the registration
28 of a used snowmobile held solely for purposes of resale until the snowmobile is resold.

29 (c) An owner of a snowmobile registered under this chapter shall notify the
30 department in writing of the termination of use, destruction, or permanent removal of
31 the snowmobile from the state within 15 days after the termination of use, destruction,

1 or removal.

2 **Sec. 28.39.060. Regulations authorized.** The commissioner shall adopt
3 regulations governing the registration of snowmobiles and display of registration
4 numbers on snowmobiles as may be necessary to carry out this chapter.

5 **Sec. 28.39.250. Definitions.** In this chapter,

6 (1) "commissioner" means the commissioner of administration;

7 (2) "dealer" means a person engaged in the business of selling
8 snowmobiles predominantly for purposes other than resale;

9 (3) "department" means the Department of Administration;

10 (4) "operate" means to ride in or on and control the operation of a
11 snowmobile;

12 (5) "operator" means a person who operates or is in actual physical
13 control of a snowmobile;

14 (6) "owner" means a person, other than a lienholder, having title to a
15 snowmobile and who is entitled to the use or possession of the snowmobile;

16 (7) "possession" means physical custody of a snowmobile by an owner
17 of a snowmobile or by an owner of a motor vehicle or trailer on or in which a
18 snowmobile is placed for the purpose of transport;

19 (8) "retail" means the sale of a snowmobile for any purpose other than
20 resale;

21 (9) "season" means one calendar year beginning October 1 and ending
22 September 30;

23 (10) "snowmobile" means a self-propelled vehicle primarily designed
24 or altered for travel on snow or ice when supported in part by skis, belts, or cleats;
25 "snowmobile" does not include machinery used strictly for the grooming of
26 snowmobile trails or ski slopes.

27 * Sec. 2. AS 05.30 is repealed.

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Representative Beverly Masek

Eddie Grassler

Sponsor Statement HB 231

HB 231 was the result of work done by the Alaska State Snowmobile Association and the Division of Parks. I view this legislation as an important tool in promoting a genuinely Alaskan activity, as well as creating greater opportunities for winter recreation in many areas of the State.

There has been a statutory requirement for registering snowmobiles since 1968; however few Alaskans participated in registration of their snowmobiles. This is primarily due to the problems that exist in the registration process. Currently when somebody purchase a new snowmobile they have to take the title to the Division of Motor Vehicles and wait in line to get the five dollar registration. Also, since the Division has not been able to implement a mail in system for registration renewal, individuals have to repeat that performance every year.

By allowing dealers to handle registrations at time of purchase, HB 231 will create a better process for people to comply with current statutes. This legislation will also allow dealers and other agents to handle renewal of registrations.

It is important to snowmobile enthusiasts to have a good system in place for the purpose of providing a good accounting of the number of machines in Alaska. This information is an integral part of the formula for acquiring trail moneys that are available from the National Trails Fund. The National Trails Fund was established to provid needed funding for trail construction, trail heads, trail signing, and grooming equipment. The importance of being able to acquire funds through this system cannot be stressed enough. The establishment and maintenance of good trail systems throughout Alaska will provide Alaskans a place to ride, and more importantly provide us with an opportunity to expand winter recreation and tourism.

I believe HB 231 is a good first step toward developing an important facet of winter tourism. It will quite likely need input and work from the public and the Legislature. I look forward to developing a good system to provide for snowmobile registration and the resultant benefits to the state's economy and am hopeful HB 231 will receive the timely support of this Legislature.



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Representative Beverly Masek

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MEMORANDUM

TO: Rep. Gene Therriault

FROM: Eddie Grasser, Staff

RE: HB 231 (Snowmobile Point of Sale Registration)

DATE: Jan. 16, 1998

Representative Masek asked that I address a couple of concerns you may have on HB 231 pertaining to support in the Fairbanks area and dealing with registration of machines in current ownership.

According to the information I have been provided by the Anchorage Economic Development Corporation, there are over fifty businesses or associations statewide representing a large number of Alaskans who support HB 231. The Alaska Snowmobile Representatives Alliance and the Alaska State Snowmobile Association both support this legislation and both have member businesses or associate clubs in Fairbanks. Also on the list provided to me by Ted Carlson while he was in Juneau a couple of weeks ago with the Alaska Municipal League, it notes that the major manufacturers and their dealers are in support this would include Compeau's (Ski-Doo), Persinger's Marine, Northern Power Sports (Arctic Cat), and the Alaska Fun Center (Yamaha).

There are at least two snowmobile clubs in the Fairbanks area in full support of HB 231. They are the Fairbanks Snow Travelers and the Happy Wanderers.

Also, at the annual AOC Legislative workshop all of the Fairbanks area affiliates in attendance voted to support the point of sale registration when the bill was presented for consideration.

The attendees from Fairbanks present were the Tanana Valley Sportsmen, the Chitina Dipnetters, and the Tanana Valley Rifle and Pistol club.

As to the question about people who have not registered their machines, current law which has been in existence for 30 years requires registration. Failure to do so is a misdemeanor; however only state parks has been enforcing this statute. From the information we have there is one major problem with registration that has caused this situation. Up until now DMV did not mail out renewal notices for snowmobile registration. That created a situation where most people had to remember to do it on their own, and then they had to go to DMV and stand in line. Both situations created a disincentive.

By having a point of sale registration in place, and with the new capabilities at DMV most machines should be registered within five to six years. That does not mean there won't be individuals out there who continue to ignore the law.

If you have any other questions, we would be happy to address those.



From the desk of the President:

Mr. Carlson,

It has come to my attention that you are in Juneau this week in order to help with the initialization of the legislation concerning Point of Sale Registration of snowmobiles in Alaska.

As the elected representative of thousands of snowmobilers statewide, I would like to offer our wholehearted support of this legislation and extend to you any and all means of assistance at our disposal. It is time that the organized sportspersons of Alaska spoke in unison on a critical crossroad of our recreational choice.

Any information that we can provide that has bearing on this subject will be made readily available to yourself or any other interested persons upon request. The Anchorage Snowmobile Club can be reached at (907) 566-0272. The Alaska State Snowmobile Association can be reached at (907) 566-0212.

**Kevin E. Hite
kevin_hite@fmc.com**

FAX

To: Ted Carlson
Of: Municipal League
Pages: 3, including this cover sheet.
Date: January 27, 1998

The following are the supporters thus far of the statewide trail system. They know in order to accomplish the establishment of a statewide trail system that Point of sale legislation is the critical funding component for success. As the future unfolds, it also may become necessary to implement a user pay system as well. All other snowbelt states with organized snowmobile trail systems have implemented both. Alaska is the last state that does not have mandatory point of sale registration for recreational vehicles, specifically snowmobiles. Without accurate registration or recorded snowmobile sales numbers Alaska loses out on hundreds of thousands of dollars every year in federal funds for trail development and maintenance. We do know there were 15817 new snowmobiles sold just in the last two winters and yet the most accurate data the Dept. Of Motor Vehicles can supply is that there are approximately only 11000 registered machines in the state. This is aggregate over the course of time since registration is strictly voluntary although state law requires registration. Point of Sale registration is the only solution to this mounting problem. Also, point of sale may help to alleviate another serious problem of snowmobile theft which is running rampant across Alaska. This legislation is a strong deterrent and protects dealers from servicing and selling used stolen snowmobiles. The most accurate estimate comes from Alaska State Parks indicating there may be as many as 70,000 unregistered snowmobiles in Alaska. The following is a partial list of supporters and does not reflect the growing list of support from private enterprise through out the state.

Alaska Snowmobile Representatives Alliance (ASRA) — *includes members in FBKS*
 Alaska State Snowmobile Association (ASSA) — " " " "
 Anchorage Snowmobile Club (ASC)
 Anchorage Economic Development Corporation (AEDC)
 Mayor Rick Mystrom, Municipality of Anchorage
 Mayor Sarah Palin, City of Wasilla
 State of Alaska, Division of Parks and Outdoor Recreation
 International Snowmobile Manufacturers Association (ISMA)
 Bombardier Motor Corporation (Includes 16 statewide dealers)
 Polaris Industries Inc. (Includes 62 statewide dealers)
 Yamaha Motor Corporation (Includes 23 statewide dealers)
 Artic Recreational Distributors Inc. (Includes 40 statewide dealers)
 Iron Dog Gold Rush Classic /
 Muldoon Community Council
 Eagle River Community Council

- Eagle River Chamber of Commerce
- Wasilla Chamber of Commerce
- Big Lake Chamber of Commerce
- Anchorage Convention and Visitors Bureau (ACVB)
- Alaska Visitors Association (AVA)
- Governor Tony Knowles, State of Alaska
- Anchorage Trails and Greenways Coalition (ATCG)
- Alyeska Resort
- Anchorage Hilton Hotel
- Regal Alaskan Hotel
- Chilkoot Charlies
- Days Inn Anchorage
- Klondike Mikes Adventures
- Alaska Sales and Service
- Anchorage Hotel/Rumrunners Bar & Grill
- Bovey Trophies
- Alaska Regional Hospital
- E&A Enterprises
- Golden North Van Lines
- Grizzley's Inc.
- Linford of Alaska
- Almost Home Accomodations
- Anchorage Daily News
- Best Western Barratt Inn
- Comfort Inn
- Food Services of America
- Holland America
- MACtel Inc
- Mat-Su Resort
- Sheraton Anchorage Hotel
- Windy Creek
- National Bank of Alaska
- Ship Creek Hotel
- The Rusty Harpoon
- PIP Printing
- Thrifty Car Rental of Alaska
- Westmark Anchorage Hotel
- Mat-Su Motor Musers
- Caribou Hills Cabin Hoppers
- Alaska Motor Musers

Ted, if you need anything further please do not hesitate to call. While in Juneau see if you can find out where the registration money over the years has gone and why motorized recreational users have never recieved any benefits from all the fuel taxes they have paid.

Thanks,
Tim

Bozic



DENALI STATE BANK

"Your Community Bank"

Member FDIC

February 11, 1998

Representative Beverly Masek
Alaska State Capitol
Juneau, AK 99801

RE: House Bill 231

Dear Representative Theriault,

I am writing in support of point of sale registration for snowmobiles. As a major area lender, I find that my customers do not have the necessary time to spend in a Department of Motor Vehicles line to register their snowmachines.

Registration will deter thefts and assist in the recovery of stolen machines by providing easily visible registration numbers. It will also identify snowmachiners' economic impact and their contribution to the gas tax. Trail development should follow with an appropriate allocation of those tax dollars. Registration has been a law for nearly thirty years and registration (user) fees should be utilized for the user group they are extracted from. I would appreciate your support from both a business and personal perspective, as I am also an avid snowmachine user.

Sincerely,

Brent LeValley
Assistant Vice President

MAIN BRANCH
P.O. BOX 74568
119 N. CUSHMAN
FAIRBANKS, AK 99707
(907) 456-1400
FAX (907) 458-4240

GOLDEN HEART BRANCH
P.O. BOX 74568
1989 AIRPORT WAY
FAIRBANKS, AK 99707
(907) 458-4260
FAX (907) 458-4270

TOK BRANCH
P.O. BOX 579
MILE 1314 ALASKA HWY
TOK, AK 99780
(907) 863-2265
FAX (907) 863-2268



ANCHORAGE
Convention &
Visitors Bureau

April 30, 1997

The Honorable Beverly Masek
Alaska House of Representatives
State Capital
Juneau AK 99801-1182

Dear Representative Masek:

The Anchorage Convention & Visitors Bureau (ACVB) representing more than 1,300 business members remains in support of HB 231. We view this legislation as an important tool in promoting a genuinely Alaskan activity, as well as creating greater opportunities for winter recreation in many areas of the state.

There has been a statutory requirement for registering snowmobiles since 1968; however few Alaskans participated in registration of their snowmobiles. This is primarily due to the problems that exist in the registration process. Currently when somebody purchases a new snowmobile, they have to take the title to the Division of Motor Vehicles and wait in line to get the five dollar registration. Also, since the Division has not been able to implement a mail-in system for registration renewal, individuals have to repeat that performance every year.

By allowing dealers to handle registrations at time of purchase, HB 231 will create a better process for people to comply with current statutes. This legislation will also allow dealers and other agents to handle renewal of registrations.

It is important to snowmobile enthusiasts to have a good system in place for the purpose of providing a good accounting of the number of machines in Alaska. This information is an integral part of the formula for acquiring trail moneys that are available from the National Trails Fund. The National Trails Fund was established to provide needed funding for trail construction, trail heads, trail signing, and grooming equipment. The importance of being able to acquire funds through this system cannot be stressed enough. The establishment and maintenance of good trail systems throughout Alaska will provide Alaskans a place to ride, and more importantly provide us with an opportunity to expand winter recreation and tourism.

524 W. South Avenue
Anchorage, Alaska
99501-2212

907-276-4113
Fax 907-276-5559
Email: acvb@alaska.net

Page 2

Representative Beverly Masek
April 30, 1997

We believe HB 231 is a good first step toward developing an important facet of winter tourism. It will quite likely need input and work from the public and the Legislature. I look forward to developing a good system to provide for snowmobile registration and the resultant benefits to the state's economy and am hopeful HB 231 will receive the timely support of this Legislature.

Sincerely,



Bill Elander
President & CEO

February 11, 1998

Alaska State Capitol
Juneau AK 99801

Dear Representative Therriault, Chair, House Finance Committee

I would like you to know that I fully support HB 231 and that many of the snowmobilers I meet with across the state fully support it. I currently represent trail users as a member of the following organizations. Alaska State Parks Citizens Advisory Board, Fairbanks Snow Travelers Inc., Fairbanks North Star Borough Trails Advisory Commission, past member of the Governors TRAAK CAB and I am currently working on two winter trail projects for Alaska State Parks. For the past ten years I have studied the winter trail programs of many snowbelt states and focused this attention on what parts of their programs were successful and what programs were less successful. This research has taught me several things but one of the most important is that all successful snowmobile programs started with registration fees and gas tax funds being spent on the people that pay them. HB 231 is a great start for Alaska and I hope we can see past the usual complaints and view the long range potential for this the first step in statewide snowmobile trail program development.

What follows are a few thoughts on the positive attributes of HB 231. The current statute does not provide for the same conveniences of initial registration and renewal that currently apply to my snowmobile trailer. This new statute will keep me from taking time off work to wait in lines at DMV and that will make me very happy.

As for the registration fee, I think the current level of \$5.00 is more than adequate to fund the fiscal note associated with point of sale requirements. If however, funds are left over after processing I would encourage the legislature to make those funds available to an agency for snowmobile trail programming. As a matter of fact most snowmobilers I know would gladly pay \$40.00 every two years just to have groomed trails with good signing. Any funding in support of snowmobiling will help preserve existing access and promote additional access which according to the recent SCORP survey is exactly what snowmobilers wanted.

Point of sale registration will also help all interested parties quantify the numbers of snowmobiles used statewide which in turn enhances our understanding of the extent of snowmobiling's social and economic impacts. Also, by quantifying the number of snowmobiles we begin to address the formula for determining snowmobiling's gas tax contribution. To determine the value of this tax account two issues require defining. These are the number of snowmobiles that gas is being bought for and the number of gallons being bought. For our immediate purpose current registration stands at approximately 13,000. Snowmobile sales figures for the 1995-1996 and 1996-1997 seasons are 15,700 unit sold and data is probably available for the three seasons prior to

that. In other words data is available to show that approximately 35,000 snowmobiles were sold in this state over the past five seasons and I'm confident this is conservative.

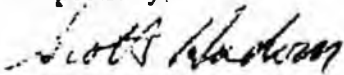
The second question is how much fuel are snowmobilers using. Over the years states publish information on user characteristics and I've noticed that east and west coast riders each travel about 1100 miles per year. I have done some informal surveys and found that Alaskans also ride on the average 1100 mile per year. The average gas mileage on today's machines is probably 11 mpg. This shows that the average Alaskan snowmobiler purchases 100 gallons of gas per season of which \$8.00 goes for a tax. If 35,000 snowmobilers are contributing \$8.00 each then the general fund receives \$280,000 each year from this user group. The boater and aircraft owners are being taxed similarly but I am not aware if they are benefiting from the tax. Let me know if you need some actual figures from other states or I can at least supply you with contact in other states to verify their program procedures. This tax should be used to develop a snowmobile program that maintains trails and promotes snowmobile safety education and conservation awareness.

In addition to removing the hassle of waiting in line and the benefits of quantifying the social and economic impacts of snowmobiling this legislation will also act as a theft deterrent. Right now no method of tracking a machine exists and HB 231 will require notification of transfer of ownership which will keep the Department of Public Safety's records updated with current owner names.

This is important legislation to the future of snowmobiling and I respectfully request your committee's support in assuring that the future remains a bright one. If you are interested in lighting the way with a 280,000 candle power headlight I am confident you would garner considerable interest and support from the paying customers. The gas tax is an entirely different issue but no better time than the present to be proactive toward snowmobiling.

Thank you for your time and consideration.

Respectfully,



Scott Heidorn
PO Box 757380
Fairbanks AK 99775-7380
474-5558

cc Representative Beverly Masek



Fairbanks Area Alaska State Parks Citizen Advisory Board

3700 Airport Way Fairbanks, Alaska 99709-4613 (907) 451-2695

February 12, 1998

Representative Gene Therriault
Co-Chair, House Finance Committee
Alaska State Legislature
State Capitol, Room 511
Juneau, AK 99801-1182

Dear Representative Therriault,

The Fairbanks Area State Parks Citizens Advisory Board fully supports House Bill 231, the point of sale snowmobile registration legislation. The bill will streamline the registration process for snowmobiling and may eventually provide better trails for a variety of trail users.

Trail use is an important concern of the Citizen Advisory Board. The trail systems within our park units and our community need to be improved to better serve the recreating public. More and better trails lead to more trail use. More trail use contributes to healthier communities – physically, mentally, economically, and environmentally.

We applaud your efforts to provide point of sale registration and mail-out renewals. Additionally, House Bill 231 will give public land managers and local government a means to better quantify the numbers of snowmobilers, which should result in improved trail program development. We would like to see any additional funds collected through this legislation be applied to develop and manage a shared-use trail program.

Thank you for your consideration.

Sincerely,

Jack L. Jefferies
Chair

cc: Representative Beverly Masek

Feb. 18, 1998

Representative Beverly Masek

Dear Beverly,

I would like to take this opportunity to support HB 231, snowmobile registration. We further would like to see the revenues collected put into an account to be dedicated to improving trails, education and access for snowmobilers.

As a dealer, this will put an additional workload on us, however we feel strongly that this is a step in the right direction to help control theft, provide for better tracking of machines and eventually provide funds for improvement of the sport.

Thank you for your support of this bill

Sincerely,



Bill O'Hara
Bill's Car House
Big Lake, AK



ALASKA OUTDOOR COUNCIL

211 4th St. #302A

Juneau, AK. 99801

(907) 463-3830

Feb. 1, 1998

The Honorable Joe Green, Chair
House Judiciary Committee
Alaska State Capitol
Juneau, Ak. 99801

Dear Representative Green:

The Alaska Outdoor Council and its member organizations strongly support SB 231 and would appreciate your assistance in moving this piece of legislation this session.

HB 231 "An act relating to the registration of snowmobiles" was discussed at our legislative workshop held in Anchorage this past November. At that time, the many delegates from around Alaska voted unanimously to endorse this legislation. As you may be aware, the AOC is an umbrella organization of outdoor user groups covering a broad spectrum of uses.

Currently there are four snowmobile clubs affiliated with the AOC and this is their number one priority. Also, trails and access is one of the AOC's primary areas of concern. We would like to thank you for your past support of our issues and hope you will once again give us your assistance on this important piece of legislation. If there is something further we can do to assist you in this effort, please feel free to contact us.

Sincerely,

Rod Arno
President

cc: Rep. Beverly Masek
Senator Drue Pearce



House Finance Committee

DATE: February 17, 98

PLACE: Capital 517

SUBJECT OF MEETING:
HB 231
HB 245

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?		WHAT SUBJECT/ WHICH BILL?
Jim Stratton	State Parks	3621 C St. Anch. Anch.	99503		268-8700	Y	<input checked="" type="radio"/> N	HB 231
A. Casper	Law	Room 717 Ct Bldg	99511		465-3424	Y	<input type="radio"/> N	HB 245
						Y	<input type="radio"/> N	
						Y	<input type="radio"/> N	
						Y	<input type="radio"/> N	
						Y	<input type="radio"/> N	
						Y	<input type="radio"/> N	
						Y	<input type="radio"/> N	
						Y	<input type="radio"/> N	
						Y	<input type="radio"/> N	
						Y	<input type="radio"/> N	

HB

231

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 4/1/98

FURTHER:

DATE TURNED
IN TO OFFICE: 4/22/98

Finance Committee considered CS FOR HOUSE BILL NO. 231(FIN)

"An Act relating to regulation of snowmobiles."

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous S CS CS HB 231 (LHC)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical title
 - new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Bill, E. Hley</i>	<input checked="" type="checkbox"/>	<i>Lee Carter</i>	X		
<i>Karl R. Powell</i>	<input checked="" type="checkbox"/>	<i>James Bradley</i>	X		
Co-Chair:		Co-Chair: <i>Deane</i>	✓		
Co-Chair:		Co-Chair: <i>Tom King</i>	✓		

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

Department	Date	Zero	Fiscal
Admin; Motor Vehicles	4/3/98		70.5

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

REPORTED OUT OF
SFC 4/22/98

No: 1

STATE OF ALASKA 1998 LEGISLATIVE SESSION

BILL NO:

Bill Version: CSHB 231 (JUD)

(H) Publish Date: 2/6/98

Revision Date: 2/2/98
Title: "An Act relating to the regulation of
Snowmachines..."
Sponsor: Representative Masek
Requestor: H. JUD

Dept. Affected: Administration
BRU: Motor Vehicles
Component: Administration
COMPONENT SERIAL NO. 2149

EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)

OPERATING	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
PERSONAL SERVICES	43.0	43.0	43.0	43.0	43.0	43.0
TRAVEL	5.0	2.5	2.5	2.5	2.5	2.5
CONTRACTUAL	18.0	3.0	7.7	7.7	10.9	10.9
SUPPLIES	5	5	5	5	5	5
EQUIPMENT	10.0					
LAND & STRUCTURES						
GRANTS CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	76.5	49.0	53.7	53.7	56.9	56.9

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES (1005)						
Revenue Code	100.0	100.0	200.0	200.0	300.0	300.0

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	76.5	49.0	53.7	53.7	56.9	56.9
1006 GF/MHTIA						
Other						
TOTAL						

Estimate of current year (FY 98) impact: \$ _____

POSITIONS:

FULL-TIME	1	1	1	1	1	1
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

SEE ATTACHED

Prepared By: Juanita M. Hensley Phcne: 465-5648
Division: Motor Vehicles Date: 2/3/98
Approved by Commissioner: Mark Boyer Date: 2/5/98
Agency: Department of Administration

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COMMITTEE COPY

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO: CSHB 231(JUD)

Revision Date: 02/3/98

Dept. Affected: Administration

ANALYSIS CONTINUED:

This bill moves the registration requirement for snowmachines from Title 5 to Title 28 and requires dealers to have purchases complete applications prior to leaving the dealership with the snowmachine. The bill also authorizes the dealers to act as agents for DMV and issue the registrations and decals for snowmachines.

Snowmachines are currently required to be registered if they are operated on public land. There are 14,642 snowmachines registered but the estimates from dealers and snowmachine organizations indicate there are 70,000 snowmachines in the state. Not all of these machines will be registered under this bill even if the law requires it and the primary reason is a lack of effective enforcement.

For the purpose of this fiscal note the following projection will be used:

FY99	FY00	FY01	FY02	FY03	FY04
10,000	10,000	20,000	20,000	30,000	30,000

The increase of 10,000 registrations every two years is based on the number of machines estimated to be registered a year and those that must renew the registration on a biennial basis. Mail-in renewal of registrations will increase 10,000 to 20,000 a year. A Motor Vehicle Customer Service Representative III will be required to manage the contracts negotiated with the snowmobile dealers; train the dealer personnel, audit the program and maintain the security of the forms and decals.

COST SUMMARY	FY 99
PERSONAL SERVICES	
1 PFT MVCSR III, Page 14	\$43.0
TRAVEL to train and audit dealer work	\$ 5.0
CONTRACTUAL	
Forms and tabs	\$3.0
Computer Programming	\$15.0
EQUIPMENT	
1 computer workstation --one time cost (this includes PC, desk, chair, file cabinet)	\$10.0
TOTAL	\$76.5

REVENUE

It is estimated 10,000 registrations at \$10 for the biennial period. Assuming even distribution with 10,000 in each year after the startup, there will be an increase of revenue from registration fees.

FY99	FY00	FY01	FY02	FY03	FY04
\$100.0	\$100.0	\$200.0	\$200.0	\$300.0	\$300.0