

ALASKA LEGISLATURE COMMITTEE FILES 1903-1900 00/2

3298 HJUD HB 155 - HB 157 79



Specific Area of Concern

AS.34.07.

SB 44

distinction to be drawn between owner responsibility and association responsibility. Owners will know that they are responsible for certain maintenance items and can plan accordingly. Arguments about such maintenance items should be limited.

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|---|---------------|--|
| 6. Transfer of reserves rights by declarant | Not addressed | AS 34.08.350 allows declarant to transfer rights reserved by declarant to third parties, generally builders or other developers. |
|---|---------------|--|

This section allows the developer to transfer specific declarant rights to another developer. In this manner a project can proceed even though the initial developer may choose not to do further work.

- |   |               |  |
|---|---------------|--|
| 7. Termination of Contracts entered into by developer | Not addressed | AS 34.08.360 allows the association to terminate contracts entered into by declarant and avoids unfair contracts |
|---|---------------|--|

This section avoids situations where a developer may have entered into a contract on behalf of the association on terms that are unfavorable. The association has the right to cancel. This avoids the situation where snow removal is being done by the developer's wife's company at exorbitant rates.

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<u>Specific Area of Concern</u>	<u>AS.34.07.</u>	<u>SB 44</u>
8. Assessments for Common Expenses	AS.34.07.380 and .450(7)	AS 34.08.460 more clearly spells out assessment re- quirements.

What is, or is not a common expense, is sometimes a problem. In the case of a P.U.D. there is no statutory definition to aid the association. This section solves those problems.

9. Borrowing by Association	Not addressed	AS 34.08.320(a) (14) specifically allows asso- ciations to assign future in- come
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Associations presently have no ability to borrow funds by assigning future income. As potential borrowers the association needs to have statutory authority to assign future income to secure borrowing for repairs.

10. Disclosure to Purchasers	Not addressed	AS 34.08.530 sets forth speci- fic information which must be contained in the Public Offering Statement clearly spelled out in AS 34.08.460
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Numerous complaints by unit owners involve nondisclosure of future plans by the developer. The Public Offering statement

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tells potential purchasers and realtors exactly what the project entails and should reduce misleading information being given to buyers. AS 34.08.680 requires the declarant to mark promotional literature with "must be built" or "need not be built" to avoid confusion. Buyers will have available information which will advise them of the developers intentions and plans. Such information will substantially reduce complaints by purchasers.

11. Liability for Assess- ments for Common Expenses	Addressed but confusing	Clearly spelled out in AS 34.08 .460
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Developers often believe they do not have the same liability as unit owners to pay for common expense assessments. This statute clearly sets forth those responsibilities.

12. Access to Records	AS.34.07.290 allows access to financial expen- diture records	AS 34.08.490 allows access to all records
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Some developers and managers refuse to allow associations to have access to corporate records prior to transition. This statute clearly sets forth the unit owners right to access all records.

13. Resale Disclosure	Not addressed	AS 34.08.590
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Many complaints have involved nondisclosure of material facts by unit owners upon resale. The problem can be substantially resolved by requiring the unit owner to give the required information to a purchaser. To do this the associations will be required to keep all the records current. Unit owners, buyers realtors and managers will benefit from up to date informaton.

<u>Specific Area of Concern</u>	<u>AS.34.07.</u>	<u>SB 44</u>
14. Express Warranties of Quality	Not addressed	AS 34.08.630 sets forth how express warranties are created and what they are.

Numerous difficulties are involved in warranty disputes. These statutes clearly set forth what a warranty is.

15. Implied Warranties	Not addressed	AS 34.08.640 sets forth implied warranties. AS 34.08.650 discusses how warranties can be modified or excluded. AS 34.08.660 establishes a statute of limitations for implied warranties.
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Under present Alaska law an implied warranty goes on until the court decides the time period is too long. This statute sets up specific implied warranty periods and avoids much confusion that exists in the area of implied warranty liability.

16. Organization of Unit Owners	Not addressed	Requires association corporations to be formed no later than the date of first conveyance of unit.
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Senator Pat Rodey  
January 31, 1985  
Page --7-


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Numerous disputes involve situations where the association was not created until time of transition. Thus owners were paying assessments to a nonexistent association prior to transition. This section requires the declarant to have the association in place prior to the conveyance of the first unit so the unit purchaser will be a member of an existing association.

There are numerous other differences between the present act and Senate Bill 44. The purpose of this summary is to highlight specific areas that have caused difficulties in the past and reflect the fact that these areas are covered in Senate Bill 44.

Sincerely yours,

LAW OFFICES OF VINCENT VITALE  
A Professional Corporation

By:   
\_\_\_\_\_  
WILLIAM L. McNALL

WLM:ail

\* DELIVER TO: TCJNU

\* ORIGINAL

\* SENT: 04/03/85 TIME: 14:32  
\* FROM: DAVID JENSEN  
\* SUBJECT: (H) JUDICIARY STATS (4-3-85)  
\* PRINT DATE: 04/03/85 TIME: 14:32

\*\*\* FINAL T/C STATS \*\*\*

DATE: \_\_\_\_\_ APRIL 3, 1985 - WEDNESDAY \_\_\_\_\_  
SITE: \_\_\_\_\_ ANCHORAGE - MAIN MEETING ROOM 2-WIRE \_\_\_\_\_  
SPONSOR: \_\_\_\_\_ HOUSE JUDICIARY COMMITTEE \_\_\_\_\_  
SUBJECT: \_\_\_\_\_ HB155 - MOBILE HOME REGIMES \_\_\_\_\_  
LOCAL MODERATOR: \_\_\_\_\_ DAVID J \_\_\_\_\_

\*\*\*\*\*

TESTIFIED:

NAME/REPRESENTING	ADDRESS	PHONE
DENNA L CLINE - AHFC	ANCHORAGE OFFICE	276-5599
SHEILA MARTIN	200 WEST 34TH STE 550	275-0491

\*\*\*\*\*

OBSERVED:

NAME/REPRESENTING	ADDRESS	PHONE
LAURA STRALEY	650 W INTERNATIONAL ANCH 99502	563-8096
DAN ELLIOT	ALASKA HOUSING FINANCE CORP	276-5599
GAIL REUBERT-AKFERG	P O BOX 1093 ANCH 99510	273-3800
DIXIE LEE HUDISH	6620 WEIMER ANCH	243-3973
BOB ARREZON	AK ASSOC OF REALTORS ANCH	272-2080

\*\*\*\*\*

TESTIFIED: _____ 02 _____	TIME START _____ 1:30 _____
OBSERVED: _____ 05 _____	TIME END: _____ 3:15PM _____
TOTAL: _____ 07 _____	

INTRODUCTION OF BILLS (House)(cont'd)

HB 154 (cont'd)

--state department or agency that is hiring would be required to notify non-profit organizations that offer employment agency services, as well as postmaster, village council or city government of existing job vacancies;

--the state department hiring would be required to publicize the vacancy on local radio or TV station and in local newspapers serving the area. The department shall provide vacancy notices to the legislative information office serving the region." (underlined language added);

--if, by the time the department is prepared to make its hiring decision, neither the department or the division of personnel had determined that the applicant meets the minimum qualifications, the department shall presume that the applicant meets those qualifications (Senate version stated that unless the department had determined that the applicant did not meet the qualifications, the department would be required to consider the applicant for employment).

Does not provide for an effective date (takes effect 90 days after Governor signs bill).

Introduced January 30 and referred to Community & Regional Affairs, then Finance. On Feb. 1 the Speaker added a State Affairs referral. To C&RA, State Affairs, then Finance.

Manufactured Housing  
(condo-izing)

HOUSE BILL NO. 155, by Reps. Ringstad, Duncan, Sund, Marrou, Jenkins and Uehling. Seeks to allow conversion of mobile home or modular-type home parks to a "condominium" arrangement, whereby all residents would hold an undivided interest in the real estate on which the home is located, with each resident owning his own "space", and holding an interest in common areas. Provides Act takes effect immediately.

Introduced January 30 and referred to Labor & Commerce, then Judiciary.

Legislative Ethics Comm.  
(composition)

HOUSE BILL NO. 156, by Rep. Thompson. Changes the make-up of the Select Committee on Legislative Ethics. Under Rep. Thompson's version, the committee would be made up of a senate subcommittee of two members of the senate, appointed by the president with concurrence by roll call vote of 2/3 of the full membership of the senate; and a house subcommittee, of two members appointed in the same fashion by the speaker. The committee would also have three public members to be selected by 2/3 of each subcommittee (this may be a drafting error, as 2/3 of a two member subcommittee means it would take 1 1/3 vote) and ratified by 2/3 of the full membership of the house and senate. Would not allow legislative subcommittee members to be from the same political party or the same organizational caucus. Does not provide for an effective date (takes effect 90 days after Governor signs bill).

Introduced February 1 and referred to State Affairs, then

Offered: 5/23/84  
Referred: Rules

Original sponsor: Halford

1 IN THE SENATE BY THE FINANCE COMMITTEE  
2 CS FOR SENATE BILL NO. 464 (Finance)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 THIRTEENTH LEGISLATURE - SECOND SESSION  
5 A BILL  
6 For an Act entitled: "An Act permitting the establishment of horizontal  
7 property regimes for mobile homes."  
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:  
9 \* Section 1. AS 34.07 is amended by adding a new section to read:  
10 ARTICLE 8. MOBILE HOMES HORIZONTAL PROPERTY REGIME.  
11 Sec. 34.07.500. MOBILE HOME HORIZONTAL PROPERTY REGIME. (a)  
12 Notwithstanding the provisions of AS 34.07.010 - 34.07.460, a horizon-  
13 tal property regime for mobile homes may be established as an estate  
14 in real property consisting of an undivided interest in common in a  
15 portion of the real property together with a separate interest in  
16 space, the boundaries of which are described in a declaration filed by  
17 the sole owner or all of the owners of the property and which applies  
18 to the extent applicable with AS 34.07.020.  
19 (b) The portion of the parcel of real property held in undivided  
20 interest may be all of the real property of an existing parcel except  
21 for the separate interests in space without regard to any three-  
22 dimensional aspects of the real property if the purpose of the hori-  
23 zontal property regime is the establishment of a horizontal property  
24 regime for mobile homes.  
25 (c) Except to the extent that AS 34.07.010 - 34.07.460 is in-  
26 applicable to a horizontal property regime for mobile homes, the  
27 provisions of AS 34.07.010 - 34.07.460 apply to a horizontal property  
28 regime established for mobile homes.

- 2/13/84 Introduced in the Senate by Senator Rick Halford  
Referred to Senate Labor & Commerce and Judiciary.
- 3/15/84 Labor & Commerce Meeting, Senator Eliason Chairman (R,Sitka)  
Witnesses:  
Senator Halford, prime sponsor, favored the bill  
Fred Ferrara, Society of Real Estate Appraisers, In Favor  
Michael Lynch, Exec. Dir AHFC, felt other vehicles were  
available to served to purpose of the prime sponsor  
Michael Cohern, S.H.A.F.T Corporation, In Favor
- 3/16/84 Senate Labor & Commerce Report:  
Replaced with a committee substitute  
DO PASS - Eliason  
NO RECOMMENDATION - Pettyjohn, Mulcahy, Rodey, Sackett  
Request by Senator Sackett for a Senate Finance Committee  
Referral./AHFC Impact.
- 4/2/84 Senate Judiciary Report:  
After a discussion among committee members, the bill was waive  
from to committee to the Senate Finance Committee with the  
Labor & Commerce Substitute by unanimous consent.
- 5/25/84 Senate Finance Committee Report:  
Labor & Commerce Substitute replaced with a Senate Finance  
Committee Substitute:  
DO PASS - Bennett, Mulcahy, Faiks, Fischer  
NO RECOMMENDATION - Ferguson
- 5/29/84 Placed on Senate Supplemental Calendar  
PASSED the Senate, 20-0.
- 5/29/84 First Reading in the House of Representatives  
Referred to the House Labor & Commerce Committee, where it  
died.

SB 458

SENATE BILL NO. 458 by Senators Vic Fischer and Pettyjohn, entitled:

"An Act terminating the Alaska Transportation Commission and repealing transportation laws administered by the commission; and requiring persons who carry persons or freight interstate for compensation to have insurance or other security."

was read the first time and referred to the Labor and Commerce Committee and the Finance Committee.

SB 459

SENATE BILL NO. 459 by Senator Fahrenkamp, entitled:

"An Act relating to oil and gas unitization agreements."

was read the first time and referred to the Resources Committee and the Finance Committee.

SB 460

SENATE BILL NO. 460 by Senators Vic Fischer and Kerttula, entitled:

"An Act renaming and expanding the functions of the Medicaid Rate Commission and providing for the regulation of rates charged for services provided by health facilities."

was read the first time and referred to the Health, Education and Social Services Committee and the Finance Committee.

SB 461

SENATE BILL NO. 461 by Senator Fahrenkamp, entitled:

"An Act relating to the management and use of water in mining; and providing for an effective date."

was read the first time and referred to the Resources Committee,

SB 462

SENATE BILL NO. 462 by Senator Fahrenkamp, entitled:

"An Act making a special appropriation to the Mining Water Use Board for loans and grants concerned with the management and use of water in mining; and providing for an effective date."

was read the first time and referred to the Resources Committee and the Finance Committee.

SB 463

SENATE BILL NO. 463 by Senators Vic Fischer, Moss, Eliason, Rodey, Josephson, Halford, Gilman, Sturgulewski, Kerttula, Fahrenkamp, Kelly and Paul Fischer, entitled:

"An Act relating to veterans exposed to radiation from above-ground nuclear weapons testing or to a biological or chemical agent, including Agent Orange."

was read the first time and referred to the State Affairs Committee and the Health, Education and Social Services Committee.

SB 464

SENATE BILL NO. 464 by Senator Halford, entitled:

"An Act permitting the establishment of horizontal property regimes for mobile homes."

was read the first time and referred to the Labor and Commerce Committee and the Judiciary Committee.

SB 465

SENATE BILL NO. 465 by Senators Halford, Sturgulewski, Josephson, Vic Fischer, Eliason, Fahrenkamp, Finks, Kelly and Paul Fischer, entitled:

"An Act establishing an annuity program; amending the longevity bonus program and the permanent fund dividend distribution program; and providing for an effective date."

was read the first time and referred to the Judiciary Committee and the Finance Committee.

Senator Ray moved that the journal for the sixty-seventh legislative day be approved as certified. Without objection, it was so ordered.

#### MESSAGES FROM THE GOVERNOR

##### SB 348

Message of March 14 was read, stating the Governor signed and transmitted the engrossed and enrolled copies of the following bill to the Lieutenant Governor's Office for permanent filing:

##### HOUSE CS FOR CS FOR SENATE BILL NO. 348 (FIB)

An Act making a supplemental appropriation for the operation of the legislature; and providing for an effective date.

Chapter 17, SLA 1984

#### STANDING COMMITTEE REPORTS

##### SB 301

The Resources Committee considered SENATE BILL NO. 301 (furbearer management fund; efd) and recommended it be replaced with

##### CS FOR SENATE BILL NO. 301 (RES), entitled:

"An Act relating to furbearer management and increasing related license fees; and providing for an effective date."

with a majority do pass. The report was signed by Senator Fahrenkamp, Chairman and concurred in by Senators Sturgulewski, Vic Fischer, Eliason and Ziegler.

SENATE BILL NO. 301 was referred to the Finance Committee.

##### SB 315

The Finance Committee considered SENATE BILL NO. 315 (Road Improvement Districts) and recommended it be replaced with

##### CS FOR SENATE BILL NO. 315 (FIN), entitled:

##### SB 315 cont'd

"An Act relating to road maintenance service areas; and providing for an effective date."

Senator Bennett, Co-Chairman and Senator Fiske signed "do pass". Senators Mulcahy and Josephson signed "no recommendation".

Fiscal Note appears in Senate Supplement No. 61.

SENATE BILL NO. 315 was referred to the Rules Committee.

##### SB 432

The Labor and Commerce Committee considered SENATE BILL NO. 432 (Alaska Securities Act) and a majority of the committee recommended do pass. The report was signed by Senator Eliason, Chairman and concurred in by Senators Mulcahy, Rodey and Sackett. Senator Pettyjohn signed "do not pass".

SENATE BILL NO. 432 was referred to the Judiciary Committee.

##### SB 464

The Labor and Commerce Committee considered SENATE BILL NO. 464 (establishment of horizontal property regimes for mobile homes) and recommended it be replaced with

##### CS FOR SENATE BILL NO. 464 (L&C), entitled:

"An Act revising the laws relating to horizontal property regimes and permitting the establishment of condominiums for mobile homes."

Senator Eliason signed "do pass". Senators Pettyjohn, Mulcahy and Rodey signed "no recommendation". Senator Sackett signed "(no recommendation) - send to Finance Committee because of AHFC impact".

SENATE BILL NO. 464 was referred to the Judiciary Committee.

## COMMUNICATIONS

The Secretary announced receipt of the 1983 ANNUAL REPORT OF THE ALASKA LAND USE COUNCIL, IN A SPIRIT OF COOPERATION dated March 7 from Governor Sheffield, State Co-Chairman and Vernon Wiggins, Federal Co-Chairman implemented by the Alaska National Interest Lands Conservation Act (P.L. 96-487). The report is on file in the Office of the Secretary of the Senate.

## STANDING COMMITTEE REPORTS

SCR 42

The Resources Committee considered SENATE CONCURRENT RESOLUTION NO. 42 (sport fishing of anadromous and underutilized species) and a majority of the committee recommended do pass. The report was signed by Senator Fahrenkamp, Chairman and concurred in by Senators Ziegler, Paul Fischer and Mulcahy.

SENATE CONCURRENT RESOLUTION NO. 42 was referred to the Rules Committee.

SB 45

The Resources Committee considered 2d SPONSOR SUBSTITUTE FOR SENATE BILL NO. 45 (establishing an agricultural land sale payment moratorium; afd) and a majority of the committee recommended do pass. The report was signed by Senator Fahrenkamp, Chairman and concurred in by Senators Ziegler, Paul Fischer and Kerttula. Senator Mulcahy signed "no recommendation".

2d SPONSOR SUBSTITUTE FOR SENATE BILL NO. 45 was referred to the Finance Committee.

SB 369

The Resources Committee considered SENATE BILL NO. 369 (planning, designing and construction of agriculture and forestry facilities by the Department of Natural Resources) and a majority of the committee recommended do pass. The report was signed by Senator Fahrenkamp, Chairman and concurred in by Senators Ziegler, Paul Fischer and Mulcahy.

SENATE BILL NO. 369 was referred to the Transportation Committee.

SB 432

The Judiciary Committee considered SENATE BILL NO. 432 (amending the Alaska Securities Act). Senator Ray, Chairman and Senator Josephson signed "do pass". Senator Ziegler signed "no recommendation". Senator Pettyjohn signed "do not pass".

SENATE BILL NO. 432 was referred to the Finance Committee.

SB 448

The State Affairs Committee considered SENATE BILL NO. 448 (state personnel rules for open competitive examinations; afd) and recommended it be replaced with

CS FOR SENATE BILL NO. 448 (SA)

with a majority do pass. The report was signed by Senator Vic Fischer, Chairman and concurred in by Senators Kelly, Sturgulevski and Ray.

Fiscal note appears in Senate Supplement No. 69.

SENATE BILL NO. 448 was referred to the Finance Committee.

SB 464

The Judiciary Committee discussed SENATE BILL NO. 464 (permitting the establishment of horizontal property regimes for mobile homes) and decided to waive it with a further referral to the Finance Committee. However, the following amendment to the Labor and Commerce Committee Substitute was suggested for the Finance Committee's consideration:

Page 4, line 27: after "chapter" delete all language through "common" on line 28

Senator Ray moved and asked unanimous consent that the Judiciary Committee referral be waived on SENATE BILL NO. 464. Without objection, it was so ordered. Senator Ray recommended SENATE BILL NO. 464 be referred to the Finance Committee.

President Kerttula stated that SENATE BILL NO. 464 would have an additional referral to the Finance Committee.

SENATE BILL NO. 464 was referred to the Finance Committee.

May 25, 1984

The presence of Senator Josephson was noted.

Senator Bay moved that the journal for the one hundred thirty-seventh legislative day and Supplement No. 90 be approved as certified. Without objection, it was so ordered.

## STANDING COMMITTEE REPORTS

SB 409

The Finance Committee considered SENATE BILL NO. 409 (miscellaneous supplemental appropriations and transfers among appropriations; efd) and recommended it be replaced with

CS FOR SENATE BILL NO. 409 (2d FIN), entitled:

"An Act making miscellaneous appropriations and transfers among appropriations and amending the lapse dates or purposes of certain appropriations; and providing for an effective date."

with a majority do pass. The report was signed by Senator Bennett, Co-Chairman and concurred in by Senators Sackett, Ferguson, Vic Fischer, Mulcahy and Josephson. Senator Falke signed "no recommendation".

SENATE BILL NO. 409 was referred to the Rules Committee.

SB 464

The Finance Committee considered SENATE BILL NO. 464 (revising the laws to horizontal property regimes and permitting the establishment of condominiums for mobile homes) and recommended it be replaced with

CS FOR SENATE BILL NO. 464 (FIN), entitled:

"An Act permitting the establishment of horizontal property regimes for mobile homes."

with a majority do pass. The report was signed by Senator Bennett, Co-Chairman and concurred in by Senators Mulcahy, Falke and Vic Fischer. Senator Ferguson signed "no recommendation".

SENATE BILL NO. 464 was referred to the Rules Committee.

May 25, 1984

HR 56

The Finance Committee considered HOUSE CONCURRENT RESOLUTION NO. 56 (appropriations for program receipts) and recommended do pass. The report was signed by Senator Bennett, Co-Chairman and concurred in by Senators Falke, Ferguson, Sackett, Mulcahy, Josephson and Vic Fischer.

HOUSE CONCURRENT RESOLUTION NO. 56 was referred to the Rules Committee.

HR 198

The Finance Committee considered HOUSE BILL NO. 198 as (membership of the Legislative Budget and Audit Committee, the Alaska Legislative Council and to records of the legislative audit division; efd) and a majority of the committee recommended do pass. The report was signed by Senator Bennett, Co-Chairman and concurred in by Senators Falke, Sackett, Vic Fischer, Mulcahy and Josephson.

HOUSE BILL NO. 198 as was referred to the Rules Committee.

HR 663

The Finance Committee considered CS FOR HOUSE BILL NO. 663 (FIN) as (certain state housing loan programs; efd) and recommended it be replaced with

SENATE CS FOR CS FOR HOUSE BILL NO. 663 (FIN)

with a majority do pass. The report was signed by Senator Bennett, Co-Chairman and concurred in by Senators Ferguson, Mulcahy, Josephson and Vic Fischer. Senator Falke signed "no recommendation".

LETTER OF INTENT  
SCS CSMB 663 (FIN)

In effecting Sec. 7 of the subject bill, the committee acknowledges that neighborhood groups have suggested the possibility of low-income, owner-occupied housing on the former R & S Apartment site within the Municipality of Anchorage.

It is the intent of the committee that insofar as prior statutory language would appear to prohibit grants for an owner-occupied program, the prohibition is to be removed as to this site so that owner-occupied housing will be eligible, if otherwise feasible. (Nothing in this amendment shall prohibit the use of appropriated moneys for low-rent housing on the site).

HB 705 cont'd

Senator Vic Fischer moved and asked unanimous consent for the adoption of Amendment No. 1. Senators Kerttula and Fahrenkamp objected, then withdrew their objections. There being no further objection, Amendment No. 1 was adopted.

Senator Pettyjohn offered Amendment No. 2:

Page 1, line 18: After "agreement" insert  
"with the commission"

Senator Pettyjohn moved and asked unanimous consent for the adoption of Amendment No. 2. Without objection, Amendment No. 2 was adopted.

Senator Ray moved and asked unanimous consent that SENATE CS FOR CS FOR HOUSE BILL NO. 705 (L&C) am S be considered engrossed, advanced to third reading and placed on final passage. Without objection, it was so ordered.

SENATE CS FOR CS FOR HOUSE BILL NO. 705 (L&C) am S was read the third time.

The question being: "Shall SENATE CS FOR CS FOR HOUSE BILL NO. 705 (L&C) am S (real estate surety fund) pass the Senate?" The roll was taken with the following result:

SCB CSMB 705 LC AM S 3RD

Yeas: 20 Bennett, Elison, Fahrenkamp,  
Falks, Ferguson, Fischer Paul,  
Fischer Vic, Gilman, Halford,  
Josephson, Kelly, Kerttula, Moen,  
Mulcahy, Pettyjohn, Ray, Rodey,  
Sackett, Sturgulewski, Ziegler

Nays: 0

and so, SENATE CS FOR CS FOR HOUSE BILL NO. 705 (L&C) am S passed the Senate.

SENATE CS FOR CS FOR HOUSE BILL NO. 705 (L&C) am S was engrossed, signed by the President and Secretary and returned to the House for consideration.

## CITATIONS

Senator Ray moved that the following citations be approved:

Honoring - The Frontiersman  
by Senator Kerttula

Honoring - Frances Bryner  
by Senators Gilman, Paul Fischer and  
Sturgulewski  
Representatives Malona and Fritz

In Memoriam - Roger Culp; Larry McVey; Dale  
Hajeste; Albert Hagan; Lyman,  
Joyce and Marshall Klein; and  
Fred Burk

by Representatives Davis, Hurlbert,  
Bettsworth, Linka, Szymski, Vaara,  
Koponen, Ringstad, Shultz, M.W. Miller  
and All Other Members of the House  
Senators Halford, Fahrenkamp and  
All Other Members of the Senate

Honoring - Taiwan Trade Delegation  
by Senators Vic Fischer, Ziegler,  
Kerttula, Paul Fischer and  
Sturgulewski

Honoring - Korean Trade Delegation  
by Senators Vic Fischer, Ziegler,  
Sturgulewski, Paul Fischer and  
Kerttula

Without objection, the citations were approved and referred to the Secretary for transmittal.

## SUPPLEMENTAL CALENDAR

## SECOND READING OF SENATE BILLS

SB 464

SENATE BILL NO. 464 (permitting the establishment of horizontal property regimes for mobile homes) was read the second time.

Senator Sackett moved and asked unanimous consent for the adoption of the Finance Committee Substitute offered on page 326B. Without objection, CS FOR SENATE BILL NO. 464 (FIN), was adopted.

SB 46A cont'd

CS FOR SENATE BILL NO. 464 (FIN) was read the second time.

Senator Ray moved and asked unanimous consent that CS FOR SENATE BILL NO. 464 (FIN) be considered engrossed, advanced to third reading and placed on final passage. Without objection, it was so ordered.

CS FOR SENATE BILL NO. 464 (FIN) was read the third time.

The question being: "Shall CS FOR SENATE BILL NO. 464 (FIN) (establishment of horizontal property regimes for mobile homes) pass the Senate?" The roll was taken with the following result:

CS SB 464 FIN JRD

Yeas: 20 Bennett, Elison, Fabrenkamp,  
Fiske, Ferguson, Fischer Paul,  
Fischer Vic, Gilman, Halford,  
Josephson, Kelly, Kertrula, Moss,  
Mulcahy, Pettyjohn, Ray, Rodey,  
Sackett, Sturgulewski, Ziegler

Nays: 0

and so, CS FOR SENATE BILL NO. 464 (FIN) passed the Senate.

CS FOR SENATE BILL NO. 464 (FIN) was engrossed, signed by the President and Secretary and transmitted to the House for consideration.

## SECOND READING OF HOUSE BILLS

HB 571

CS FOR HOUSE BILL NO. 571 (FIN) (venue of actions in superior court and the number of superior and district court judges; efd) was read the second time.

Senator Ray moved and asked unanimous consent for the adoption of the Judiciary Senate Committee Substitute offered on page 3128. Without objection, SENATE CS FOR CS FOR HOUSE BILL NO. 571 (JUD) was adopted.

HB 571 cont'd

SENATE CS FOR CS FOR HOUSE BILL NO. 571 (JUD) was read the second time.

Senator Ray moved and asked unanimous consent that SENATE CS FOR CS FOR HOUSE BILL NO. 571 (JUD) be considered engrossed, advanced to third reading and placed on final passage. Without objection, it was so ordered.

SENATE CS FOR CS FOR HOUSE BILL NO. 571 (JUD) was read the third time.

The question being: "Shall SENATE CS FOR CS FOR HOUSE BILL NO. 571 (JUD) (venue of actions in superior court and the number of superior and district court judges; efd) pass the Senate?" The roll was taken with the following result:

SCS CS HB 571 JUD 3RD

Yeas: 19 Elison, Fabrenkamp, Fiske,  
Ferguson, Fischer Paul, Fischer Vic,  
Gilman, Halford, Josephson, Kelly,  
Kertrula, Moss, Mulcahy, Pettyjohn,  
Ray, Rodey, Sackett, Sturgulewski,  
Ziegler

Nays: 0

Absent: 1 Bennett

and so, SENATE CS FOR CS FOR HOUSE BILL NO. 571 (JUD) passed the Senate.

Senator Ray moved and asked unanimous consent that the roll call on the passage of the bill be considered the roll call on the effective date clause. Without objection, it was so ordered.

SENATE CS FOR CS FOR HOUSE BILL NO. 571 (JUD) was engrossed, signed by the President and Secretary and returned to the House for consideration.

FIRST READING AND REFERENCE OF SENATE BILLSCSSE 464(Fin)

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 464 (Finance) by the Finance Committee, entitled:

"An Act permitting the establishment of horizontal property regimes for mobile homes."

was read the first time and referred to the Labor & Commerce Committee.

REPORTS OF STANDING COMMITTEESCSSCR 19(Res)

The Resources Committee has had COMMITTEE SUBSTITUTE FOR SENATE CONCURRENT RESOLUTION NO. 19 (Resources) (relating to a statewide system of trails) under consideration, recommends it be replaced with HOUSE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR SENATE CONCURRENT RESOLUTION NO. 19 (Resources) (same title), and reports it back as follows: Larson, Liaka and Cowdery recommend do pass; Ringstad (Co-Chairman) and Shultz have no recommendation.

CSSCR 19(Res) was referred to the Rules Committee for placement on the calendar.

CSSB 411(Res)

The Resources Committee has had COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 411 (Resources) (relating to preferential use of Alaska agricultural products) under consideration and reports it back as follows: Ringstad (Co-Chairman), Shultz, Larson, Liaka and Cowdery recommend do pass.

CSSB 411(Res) was referred to the Finance Committee.

REPORTS OF SPECIAL COMMITTEES

A report dated May 28, 1984, was read stating that the Select Committee on Legislative Ethics has selected Cheri Jacobus as the public member of the Select Committee on Legislative Ethics and recommends that her selection be ratified. The report was signed by Representatives Barnes (Chairman) and concurred in by Representatives Furnace and M. K. Miller.

INTRODUCTION OF CITATIONS

The following citations were received and referred to the Rules Committee for placement on the calendar:

Honoring - Mrs. Elizabeth Gaines  
by Representative Fuller and Senator Ferguson

Honoring - Bernard L. Warren  
by Representatives Furnace and Barnes

Honoring - Hugh Malone  
by Representatives M. K. Miller, Mayes  
and All Other Members of the House

ENGROSSMENTHCS CSSB 289(Res)amH

HCS CSSB 289(Res)amH was engrossed, signed by the Speaker and the Chief Clerk and transmitted to the Senate for consideration.

HCS CSSB 504(Jud)

HCS CSSB 504(Jud) was engrossed, signed by the Speaker and the Chief Clerk and transmitted to the Senate for consideration.

HCS CSSB 525(Fin)

HCS CSSB 525(Fin) was engrossed, signed by the Speaker and the Chief Clerk and transmitted to the Senate for consideration.

ENROLLMENTSCS CSB 298(Fin)

The following was enrolled, signed by the Speaker and the Chief Clerk, the President and Secretary of the Senate and the engrossed and enrolled copies were transmitted to the Office of the Governor at 2:25 p.m., May 29, 1984:

either phase but of it, or that they are going to take the risks. Senator Sackett suggested that the committee look at Section 1 of the proposed committee substitute where they do have a board and suggested, if necessary, to get Mr. Lynch down here again. Commissioner Heath said they had discussed this with Mr. Lynch and his view of this was as if he were a banker. He said he feels like he is charged with the responsibility for safe-guarding the state's assets. He said from Mr. Lynch's standpoint, he should not be the one making that kind of a decision.

Senator Sackett said the language being discussed on the second page came from the Alaska Housing Finance Corporation and part (b) was taken from a letter from Mr. Lynch, dated May 27.

Senator Halford said it appeared to him that the biggest problem in the proposed letter of intent was the interpretation of "new mobile home loans" and if it were understood that that interpretation were to mean "new collateral, new risks, new entire package" and not refinancing, readjustment, reworking existing risks of AHFC, then the significance of the letter to the existing program is substantially less.

Senator Faiks said as she sees it the problem is in the

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interpretation of what is a "new loan" and what is not a new loan. Senator Sackett suggested that by 8:30 in the morning, that he and Senator Mulcahy sit down and work this out and he also informed the committee there were a number of amendments that would be proposed. Senator Bennett reminded the members to be sure the secretary received all copies of amendments, etc.

#### ADJOURNMENT

There being nothing further to come before committee at this time, the meeting was adjourned at approximately 2:50 p.m.

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the entire area and there could be defaults in all of the other part that are still open. He felt the same thing would happen if we suddenly stopped financing mobile homes. He recalled previous testimony indicating a rapid turnover and resale rate and suddenly there was no financing and the price of the mobile homes went down and people all over the state walked away from their mobile homes. He said this is what happened in the late 1970 after the pipeline. The banks ate millions and millions of dollars and several native

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corporations lost a fortune because of the collapse of mobile home values as a result of the initial non-availability of financing and/or customers. He stressed the need to be very careful that such a collapse is not triggered. He asked Mr. Lynch to respond to the following question: "If we really have \$8.6 billion out which means we are probably in total paying over a billion dollars in interest, if we had a collapse in any area, in your professional opinion, how many basis points increase would that give us generally on our debt?" Mr. Lynch replied by making a comparison to what happened to the home mortgage bonds that were sold in the State of Washington after the WHOOPS collapse. He said he believed they paid a premium of about 10 basis points. He further pointed out that the mobile home problem, the dislocation in parks, is a result of a healthy economy, not a weak economy. He said although it could spread to other mobile home parks, it is not going to spread to housing, AIDA loans, or the like because the economy is so healthy. He said it was important to understand that the bank loans financed during this period were done on extremely short terms, generally not more than 10 and generally 18-year terms. They were done at very high interest rates, 16 or 17 percent and were not assumable. He said with all the conditions and

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the flat economy at that time, people were better off renting and that's why there were no sales and there was no place to place the financing. He said AHFC's mobile homes do compete with rentals, there is a benefit to owning mobile homes as opposed to renting, the loans are assumable and they do allow assumptions so they have some insulation and obviously they could continue to allow assumptions. He said the question is whether they should go on financing homes they don't have or refinancing homes they do have financed at higher and higher dollars.

Representative Lindauer said he did a rough calculation as to the amount of interest we are paying and the state is presently paying over \$1 million per basis point.

Senator Sackett reminded the committee of how this came about as a result of the legislature's involvement into the mobile homes. He said, "We've created a problem and now we've got to find a way to solve it."

Representative Duncan said he supported the veteran's program but was concerned with Mr. Lynch's statement regarding special elections and that the people should have the choice of continuing or discontinuing that program on a yearly basis. Representative Duncan said his

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opinion was that for a special election you get a special interest group which is really not the people making the choice, it's one special interest group making the decision. He said the turnout for special elections is very low and he was concerned as to whether or not this would be the best way to approach this program. He believed a bond election could be held in the primary election of 1986 which would be August. He asked Mr. Lynch if he couldn't adopt a policy that would make the \$700 million stretch for that extra 2 months so there would not be the requirement for further authorization of the veteran's bonds. He said this would reduce the amount they put out on a monthly basis by \$6 million. He asked what impact this would have if that \$700 million was made to stretch.

Mr. Lynch replied they would be doing a couple of things that AHFC has tried not to do in the past. (1) They would be tampering with the normal flow of the market since they would be rationing credit, rationing veteran's loans and people would be having to wait and it would affect the normal flow in the market. He said they have tried to avoid this. He feels the market over-reacts in this type of situation. (2) As far as their legislation is drawn, they are instructed to set up a program and take everyone on a first come

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first serve basis, and if, within their budget constraints, they can meet all of the demand on a timely basis, they are expected to do that. He said the legislature was asking them to change this. (3) Probably some of the veteran's loans that didn't get made would end up going over under the taxable programs since at least on the first \$90 thousand a veteran pays exactly the same rate under the taxable program as he does under the veteran's program which raises the state's cost substantially since the subsidy dollars are about 60 percent higher on a taxable bond than on a veteran's bond. He said this would create additional costs for no additional benefits. The same number of loans would be made, but they would spend more money doing it. He said a lot of discussion took place before the \$700 million number was arrived at and it wasn't very certain then that

Co-chairman Sackett moved that CS for SB 464 (Finance) pass from committee with individual recommendations. No objection having been raised, CS for SB 464 (Finance) was reported out of committee. Senators Mulcahy, Faiks, Vic Fischer, and Bennett signed "do pass." Senator Ferguson signed "no recommendation."

CS HB 604 (Fin)am

Co-chairman Bennett announced that committee action on CS HB 684 (Finance)am (SPECIAL APPROPRIATION TO THE ALASKA POWER AUTHORITY) would be deferred until a later time.

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CS HB 664 (Finance)

Co-chairman Sackett moved that CS for HB 664 (Finance) (ACT MAKING APPROPRIATIONS TO THE ALASKA HOUSING FINANCE CORPORATION) be brought on for discussion. He advised that the bill is almost identical to legislation passed last year in response to concern expressed by the Dept. of Law that retention of revenues and receipts by the corporation may be in conflict with "dedicated fund" provisions of the state constitution. The bill removes any questions in this area. Section 2 of the bill transfers all assets of the co-ownership fund to the revolving fund established by the legislature in 1983 to alleviate dedicated fund questions and provide certainty to the corporation's mobile home program.

Co-chairman Sackett advised that the fiscal note is zero and called for questions from committee members.

Co-chairman Sackett moved that CS HB 664 (Fin) pass from committee with individual recommendations. No objection having been raised, for HB 664 (Fin) was reported out of committee with a unanimous "do pass" recommendation.

HB 665

Co-chairman Sackett moved that HB 665 (ACT RELATING TO THE ISSUANCE

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OF TAX-EXEMPT, STATE-GUARANTEED REVENUE BONDS BY THE ALASKA HOUSING FINANCE CORPORATION TO FINANCE MORTGAGES FOR QUALIFYING VETERANS UNDER AS 19.56) be brought on for discussion. He advised that the bill authorizes placement of a \$700 million bond proposition for veterans mortgages on the November 1984 ballot.

Senator Faiks asked if the contemplated bond offering would affect the state's AA rating. Commissioner of Revenue, Robert Heath advised that the Department has asked Standard & Poors that question. The answer is that they will consider the contemplated bonds in the state's rating at some point in time. At this point, it does not affect the rating, and it is the cheapest money available.

Commissioner Heath noted a "feeling" that the bond issuance will eventually influence the rating. As the program progresses, the Department will keep a close watch on Standard & Poors evaluation of Alaska's position.

Senator Mulcahy raised questions concerning issuance of the bonds. Commissioner Heath explained that the bonds are state general obligation bonds guaranteed with the full faith and credit of the State of Alaska. Because they are secured by housing, however, rating agencies are not now considering them part of the state's

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bonded indebtedness.

Co-chairman Sackett moved that HB 665 pass from committee with individual recommendations. No objection having been raised, HB 665 was reported out of Senate Finance. Senators Josephson, Mulcahy, Faiks, Vic Fischer, and Bennett signed "do pass." Senator Ferguson signed "no recommendation."

HCR 56

Co-chairman Bennett moved that HCR 56 (RELATING TO APPROPRIATIONS FOR PROGRAM RECEIPTS) be brought on for discussion.

Co-chairman Sackett advised that the resolution relates to general

Senator Mulcahy said if we are talking in terms of new loans, or loans that the corporation or entity doesn't have on its books at this time, this would be one thing, but if we are talking about a loan that is in effect right now and the person wants to sell it to somebody else, if that would be considered a new loan and asked how they would handle all the loans they have on the books right now and what they would do in the other situation.

Commissioner Heath replied that every mobile home loan that had been made by AHFC is fully assumable.

Senator Mulcahy then asked if the intent would be that any loans that are out there now would be handled under assumptions and not under new loans, and those would not require having title to the ground or lease on the ground, and could go on as is.

Senator Faiks asked Commissioner Heath how the equity part was handled. She asked if AHFC would give them downpayment money or would the people have to have cash. Commissioner Heath replied the way it was set up now they would need cash or a reduction in equity. Senator Mulcahy said he could see why they wouldn't want to take on any new loans, and if loans were made they would want to be sure

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There is property leased or owned underneath it. He said it would seem to him that the people who have a lot of equity are going to be hurt, that they are going to be put in a "box." Commissioner Heath agreed that the way it is proposed, this would be the result, that there would be a second note or if a person could come up with enough cash to make the equity requirements of the seller.

Senator Halford then asked if AHFC allows a second mortgage. He said he was told they did not. Commissioner Heath did not know the answer.

Senator Mulcahy felt Alaska Housing would have to go into a work-around situation with those mobile homes that they have until the problem is resolved.

Senator Sackett said all of these problems came up when they were having their 3 meetings and he said they came up with the idea that many of these things cannot be done immediately, that they don't know the answer and that was why they wanted time to get a committee together to work on this with AHFC, with the real estate agent, and with the consumers to come up with some program. He said he wished he had better language to present to the committee.

Senator Mulcahy said he thought their intent language is a little

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strong and isn't getting at it. That they should have Alaska Housing do this with all truly new loans. But he said existing collateral would have to be treated a little differently, but he wasn't sure how.

Senator Sackett agreed and said he was willing to hold this for another 24-hours but reminded the committee that AHFC did not want this program to begin with, that the legislature had created it and they would be the ones responsible for finding a solution.

Senator Mulcahy suggested that maybe the mechanics could go forward and work on the letter of intent a little bit more.

Commissioner Heath suggested having the committee empowered so that if new facts came to light, they could change the objectionable second paragraph within that group.

Senator Bennett suggested that they try to resolve it before 8:30 next morning when it could be taken up again.

Senator Josephson said it seemed to him they want to have a mobile home program but to only have it under conditions which are not economic in industry, where they put the mobile homes on property, where the owner will tie-up the property for a long period of years. He said it sounded to him like they would have to make a judgment to

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1) Senator Halford said the bill started as a 1 1/2 page bill. The Commerce Committee amended it to a 22 page bill, at his request upon information he had received from the drafters. He said the intent of the bill is to allow one more option in mobile home development and operation, that being a condominium style of ownership. He said that current laws do not allow that. The Commerce Committee went through the entire Horizontal Property Regimes Act, and rewrote it to be consistent with the model law and added the provisions dealing with the condominium. He said that had raised several questions by members of the legislature as well as the Consumer Protection Division and because of this, it was his recommendation to go back to the simplest form of the bill which was the bill originally introduced. He said the CS basically does that. He said instead of amending the Horizontal Regimes Act, the CS simply states that "notwithstanding the other provisions of the Horizontal Property Regimes Act for the purposes of developing mobile home parks, the Act can be utilized in its current status." He felt this was one part of a solution to the massive amounts of money out on mobile homes

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without any security for where they are sitting, and in the long term, he felt everyone would like to see land underlying mobile homes on which the state has substantial mortgages through AHFC be secure either through ownership or long-term lease or a condominium form of ownership.

HB 663

Senator Sackett asked that the committee move on to HB 663. He called attention to the proposed finance committee substitute and a letter of intent. He said the intent here was to come up with some solution for the situation that presently exists. He said there is \$130 million out in mobile homes as loans. As of April, \$16 million of those are in jeopardy and the total potential in jeopardy was \$60 million. The intent he had with the other members of the working group is not to take immediate action to hurt anybody, but what they were attempting to do here, through a variety of processes, was to take care of the situation. He said the other part before the committee would be the issuance of the bond which would be HB 664. Senator Bennett called a brief at ease.

After Senator Bennett called the meeting back to order, Senator Sackett called attention to the proposed committee substitute and

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attached letter of intent for CS HB 663 and the analysis which had been passed out to the members showing what the new committee substitute would do. He said this had been worked out with the Department of Revenue and the Alaska Housing Finance Corporation. He read the letter of intent to the committee.

COMMISSIONER HEATH

Senator Sackett then asked Commissioner Heath from the Department of Revenue to come forward to comment on the discussions that had been held with the Alaska Housing Finance Corporation and the Department of Revenue regarding what is being attempted to be done here. Commissioner Heath said they had worked together with Senator Sackett and Representative Adams, Representative Uehling, AHFC, and that they represents the collective thoughts of the group working over a period of the last 30 days. He said he felt they all thought this would be a partial solution and certainly not a permanent solution. He said the intent was to work as little hardship on mobile home owners, sellers and the lot owners as possible. The 75% requirement was designed to allow the loan to be paid down to about 40% of its original principal. He said AHFC felt that even if the park is closed out from under it, they would be able to move the mobile home

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... reach the end of FY 86 anyway. He said it would be very easy the legislature to deny AHFC the special election if they asked for one.

Representative Duncan asked if he saw any problem in holding a bond election on a primary ballot instead of on a general election ballot. He said he didn't think this was prohibited so actually what they

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were talking about was a shortfall of about \$125 million between J of FY 86 and the primary of FY 86.

Representative Adams said that earlier Mr. Lynch had made a statement that if federal legislation passed, it might affect the veteran's loans on a tax exemption and asked if this was correct. Mr. Lynch replied it was. He said a bill was passed in Congress three years ago which restricted home mortgage bonds but did not address veteran's bonding for mortgages at all except to say that it was allowed. It did create the \$200 million cap on the normal home own bonds. He said the bill sunsetted in December of 1983 and is now part of the tax legislation moving through to lift the sunset. He said in the U.S. Senate there was no intention to change veteran's bonds or the allowance on veteran's bonds. In the Rowstenkowski bill in the House, they wish to put veteran's bonds under the \$200 million cap they now have which would eliminate the program. Since they se

\$200 million of home mortgage bonds anyway, there would be no reason to sell veteran's bonds and replace them. Although they aren't counted against the state's credit, they are general obligation bonds and if there is no gain to putting them out, there is no reason to have them out there. He said the present authorization they have

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... supply the committee with a list of mobile home parks they thought might close so he could not comment on where the number came from or what it really means. Approximately 60 or 62 percent of the mobile home loans they make are in Anchorage, 25-28 percent are in Southeast, the balance are in the other parts of the Railbelt. The risk exists only in certain areas where there is a shortage of trailer park spaces.

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Representative Furnace said he would like to request more detailed information as to the number of loans, which cities, the breakdown by city, and what the agency is doing now towards counselling those potentially delinquent mobile home owners and what is being done towards a work-out arrangement in getting them paid off, refinancing or assisting them in identifying new locations.

Mr. Lynch replied they had talked to the homeowners about their problems and various solutions and thus far have not had a mobile home abandoned. He said the parks that have closed so far have had a very low percentage of AHFC mobile homes in them. As yet, alternate financing has not been offered but they do have a program that has been in existence for more than a year for financing a lot if they do find one to move their mobile home and it is expected that some will solve the problem that way. He said they felt this was a vehicle that would also allow them to finance the lots if people do not qualify for a condominium. He said they would like to see some condominiums that would also allow them to finance the lots if people do not qualify for a condominium.

Representative Furnace asked if this was covered in SB 464. Mr. Lynch said it was not that it was part of their regulations.

Senator Sackett again reminded Mr. Lynch the committee wanted a plan from the agency as to what they intend to do. He said for the

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committee's information, the figure of \$16.5 million came from AHFC dated April 17.

Senator Josephson asked if, with the regulators and the legislature before the legislature, one solution might be to use a condominium regime and give financing to occupants so that they could buy the property on which their trailer sits, assuming that the owner of the park thinks that is the best deal for him.

Mr. Lynch said if it were a qualifying park and the utilities were in proper condition. However, the first two parks to close in Juneau, and the ones that have closed in Anchorage have been closed for commercial use so this would not have any effect on that problem.

Senator Ferguson asked Mr. Barker, with reference to SB 547 and the amount of bonds sold for \$307 million, if he could give the committee a brief rundown on whether that will hurt the state's ability to sell bonds in the future or whether this amount is available.

Mr. Barker said the amounts proposed have debt service costs that have been identified in a series of fiscal notes from the Department of Administration. Those fiscal notes begin with debt service payments in FY 88 of approximately \$25 million and then \$50 million in FY 89 and continue at this level. He said they have been

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calculating quarterly as the quarterly revenue estimates come out, estimate of the state's debt capacity based on the advice of the financial advisor and the government finance officer's association. Their advice was that if they stay within 5 percent of their unrestricted revenues for debt service, the state could maintain its AA rating. These current estimates indicated in FY 88 the capacity for additional debt service of \$50 million and \$20 million in FY 89. SB 547 would be within those amounts and should not affect the state's credit rating.

Representative Lindauer commented on the fact that if a major park closed and 100 mobile homes are thrown out of the market, it will break the market not only for those 100, but for the entire market.

... have to be a short-term task force. He thought the task force would accomplish the job of making the public and the industries involved aware of the problem. Senator Josephson said the memo urged adoption of SB 464 and SB 524 and opposes HB 666. He asked Mr. Lynch what his comments were to those recommendations. Mr. Lynch felt HB 464 might provide some relief in areas where a

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mobile home park owner wishes to sell his park to the residents. He said, "It may or may not be viable, depending on the quality of utilities in the park since if they were financing condominiums they would want new utilities, they wouldn't want to be financing 25-year old utilities that are expected to break down." He said it also requires that there be land to be condemned. Senator Sackett said he would like AHFC to come up with some recommendations for the legislature. He said the memorandum in question was put together by the staff because there was no plan as there is a definite problem. He said this was just a beginning because there was a desperate need for something to be done. Senator Josephson said he felt the staff work was excellent to get them in a dialogue. He asked if it would be better for the state and/or the agency, rather than risk a \$20 or \$25 million loss on mobile homes, to somehow utilize eminent domain powers to acquire land to assure that the land can be utilized and then convert it into condominium space, or alternately sold for development when the mortgages on the mobile homes are paid. He asked Mr. Lynch if this should be considered. Mr. Lynch said the ultimate solution to the problem would be a way

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guarantee the agency that the park will be around longer. The eminent domain solution is a viable one but he could not respond to the economics. He felt it would be a social issue because if the park doesn't make good sense to maintain it as a park, then it should be converted to something else in the private sector and as an eminent domain purchase the economics would not be good. Senator Faiks asked Mr. Barker for an explanation of the ASHA bonding, particular SB 547. She asked what kinds of bonds, and how expensive they are in relationship to other kinds of bonds. She asked him to explain the ASHA problem with regard to moral obligations of the state, how much it costs, the kinds of bonds in reference to general obligation. Mr. Barker told Senator Faiks the bonds were revenue bonds. However the rating agencies would look at them the same as G.O. bonds. The source of revenues in this case are lease payments by the state. Those lease payments would be subject to annual appropriation which is what prevents those types of obligations from being considered state debt for purposes of requiring voter approval under the constitution. The cost would be probably at least a percentage point higher than G.O. bonds because the state's full faith and credit is

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not behind them. The only security for the bonds are the lease payments. Senator Faiks then asked if the state would get a couple of bonus point deductions on those kinds of bonds since the state would be backing up the lease payments. Mr. Barker replied that the interest rate would reflect the state's general obligation rate. Representative Furnace told Mr. Lynch he was concerned with the \$10 million as identified in the memorandum towards default in mobile homes and asked him how many loans this constituted and if he could break it down as to how many of those are by cities. Mr. Lynch replied he had just seen the report for the first time but

potential liability at \$16 million but he said he assumed that number came out of the list of parks that they supplied to the House committee of ones they know are going to close.) He felt it would be necessary to assume a 50 percent loss on every mobile home loan they have in a park in Anchorage and in Juneau the number is probably a lot higher than 16. He estimated a possible \$25 or \$30 million. Representative Martin said he would like to elaborate on several

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points. One that was brought up earlier -- the old interest rates that are being paid and why they cannot be renewed. He said it was mentioned that it may be considered "bad faith" on behalf of the state but he said it could be looked at another way and that was "stupidity" of the state getting into such a deal in the first place. He said the consumers in the Anchorage area are getting out of the high interest rates. He wondered if the consumer had been deceived into thinking just because they get a 3 percent decrease on the first \$90 thousand, once they see the costs for maintenance, etc., they really aren't ahead.

Mr. Lynch said when they underwrite loans, they look at the amount condominium dues, utilities, etc., in determining whether a person can make the payments on his house and they apply a national standard of 28 percent of his income. He said if a person sells his house and pays off his high rate mortgage, AHFC pays down the same portion of the bond issue so that if he gets out of his high rate loan, AHFC reduces their high rate bond costs. As to the third question, they would not have been able to do a variable rate ten year deal at the time they sold the bonds and it is very important in the mortgage business to give a homeowner a fixed rate over the life of his

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mortgage so that he will know what his costs are. He said they must be in a fixed-rate market to be in a ten year fixed-rate market and to get somebody to give you ten year fixed-rate dollars they have to know that they are going to have them out for ten years. Any of the bond issues can be paid off some time prior to maturity at various premiums. The homeowners thought they were getting a good deal at the time and they do have the option of refinancing through some other financing agency and getting out of the high rate if they no longer feel it's a good deal, or selling their house, paying off their AHFC loan and buying another house and getting the current lower rate. He felt the program was fair. He said particularly with the federal requirements for disclosure, they know exactly what they are getting into, they know what their rates are and what their costs are of getting into the mortgage.

Representative Martin wondered if the time has come for the state to reconsider getting out of the business all together, since the interest rates have dropped to a point where private industry should be allowed to do it on their own. He felt the state was making the banking institutions extremely happy because we were giving the money to them in the first place and forcing the consumer to pick up the

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Mr. Lynch if he could advise the committee whether he or his agency believed that the other recommendations should be adopted by the Legislature.

Mr. Lynch replied by saying he thought the idea that additional mobile home space could be provided by the municipalities is probably a good one and would solve the question of spaces for dislocated mobile homes. He said he was not sure how broad that question was because it is both a question of where you get the land and who is going to fund the utilities, etc., who is going to own the park and a lot of other questions, but it might be a solution. He said as to the suggestion of an industry task force, he wasn't sure what result it would have but thought if enough people looked at it there might

state. This way they have the choice of continuing the program or turning it off each year.

With regard to HB 666, and the desire to issue \$100 million in bond to replace existing funds which were appropriated monies for mobile home programs, Representative Lindauer asked Mr. Lynch to clarify his statement, "It would free up the monies that were appropriated to be used as subsidies." He asked if he was referring to the income tax

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the money that is freed up or was AHFC proposing to take the \$100 plus millions that have been appropriated as a state investment in the sense of financing for which there are receivables and then applying that \$100 million which was appropriated for one purpose as making that a subsidy expenditure.

Mr. Lynch replied that not all of the money would be freed up for subsidy purposes. Some of it was given to AHFC to be invested. So of the funds that were in mobile homes were given to AHFC to be used in the mortgage loan purchase program of which mobile homes are a part. This was given to them to either make mobile home loans or used as subsidy dollars. He said these would be the dollars that come back to the "sand fund" or the "revolving fund" of Alaska Housing and as they were originally intended to be used, as subsidy dollars.

Representative Lindauer said right now we have assets which are receivables. If they pay that out to individuals as subsidies, we will be out the assets which we now have under the current program. Representative Lindauer asked about the implications if they do use the \$100 million. He said there seems to be a move in certain communities to give up mobile home spaces to the extent that if a

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large parks close in a community, it could conceivably throw a lot mobile homes on the market, break the market in terms of much lower prices being set by supply and demand, drive the value of these mobile homes below the amount we have as loans against them. If we should suddenly have massive defaults in any one of these programs, veterans, mobile homes, or any other program, will that adversely impact the state's expenditures for interest, would it spread across the board and substantially increase our expenditures for interest. Senator Sackett called attention to "a suggested changes memorandum" in their packets with regard to the problem that is currently going on with the mobile home situations.

Senator Sackett declared a two-minute at ease to read this memo. After the short recess, Senator Sackett called the meeting back to order. He asked Mr. Lynch to briefly describe the problem and the situation as it exists.

Mr. Lynch informed the committee the problem is that mobile home loans are made as close to a single family home loan as they can be made. They are made with the same downpayment requirements, same insurance requirements and are made for a 20-year term. The difference is that the home owner owns the ground under his house a

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is sure his house will remain there. The mobile home owner usually does not own the land his mobile home sits on, his investment is in the mobile home itself, and he has no assurance the park will last for 20 years so he runs the risk that the park will close and there will be no place to move his mobile home. He has lost his cost of setting up, and it suffers a depreciation in value. The closing of parks in areas where there is not additional park space is creating the potential for default on mobile home loans which is probably higher than if they were other types of loans because the economic level of the borrower in a mobile home is lower than that of the normal single family house borrower.

In answer to Senator Sackett's question about the potential

some bonds and found in reading their legislation there was no way to set the rate. This would do that. Section 4 clarifies the definition of a general obligation to the corporation. Section 5 changed the definition of "rural" as used by the Division of Housing Assistance of C & RA. Section 6 increases the bonding limit of AHFC from \$980 million a

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year to a billion and a half. He said based on current levels in FY 84, they will fully utilize the \$980 million and will need more than that although they will only issue \$980 million in bonds. One and half billion is probably slightly more than they need in 1985. The figure is based on the current budget and the current projection is about a billion three. The billion five was a number arrived at earlier in the year when they expected a higher volume. He recommended the billion and a half be left in. HB 664 gets back to the question of dedicated funds. Last year the Attorney General's office raised several questions about the dedicated funds and those questions have never been answered. HB 665, he said, is a request for authorization to go to the voters for issuance of additional veteran's bonds for their approval for \$700 million. They have already issued \$605 million of veterans' bonds. They have authorization for \$295 million left which would carry them to around election time or possibly the end of the year. With the \$700 million it would carry them through fiscal 86. He said there was legislation at a federal level to restrict the issuance of veterans' bonds. It was hoped for a speedy passage since they felt if the federal legislation comes down as proposed, they will

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grandfather in any authorizations that have been approved at a legislative level prior to the bill coming down. The federal bill expected to be approved sometime between Memorial Day and the 4th of July.

HB 666 is to provide an extra \$100 million of bonding in FY 84 for mobile home issue. He said they do have \$100 million in bonding left in 1984 and they do not need HB 666. He said the purpose of the bonding was not to expand the mobile home program but to put the mobile home loans on a financing basis tied to bonds so that the present 100 percent financing they are doing with their own money could be used for future subsidy dollars.

Representative Duncan asked about the veterans' bonds for \$700 million. He asked if 1982 was the first election where bonds were approved. Mr. Lynch replied the first election was in 1982 and it was \$400 million, all of which was utilized in about a 7 or 8 month period. The second election was in November 1983. Of the \$500 million, \$205 million has been used and the balance will be used before the end of this calendar year based on present volumes and expectations.

Representative Duncan asked Mr. Lynch if he felt the \$700 million a

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proposed in HB 665 would be sufficient so that another special election would not be necessary in 1985. Mr. Lynch replied it was possible another special election would be necessary. He said it should take them through the end of fiscal 86 as near as they can tell now.

Representative Duncan asked what figure was needed so it would not be necessary to have a special election. Mr. Lynch replied it runs about \$125 million a quarter in demands and he estimated about another \$250 million.

Representative Duncan asked why they weren't recommending a higher level so they would not need the special election. Mr. Lynch said it was the agency's feeling the voters should have the chance of

# **CORRECTION**

**THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY**

... would have to be a short-term task force. He thought the task force would accomplish the job of making the public and the industries involved aware of the problem.

Senator Josephson said the memo urged adoption of SD 464 and SD 524 and opposes HB 666. He asked Mr. Lynch what his comments were to those recommendations.

Mr. Lynch felt HB 464 might provide some relief in areas where a

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mobile home park owner wishes to sell his park to the residents. He said, "It may or may not be viable, depending on the quality of utilities in the park since if they were financing condominiums they would want new utilities, they wouldn't want to be financing 25-year old utilities that are expected to break down." He said it also requires that there be land to be condominimized.

Senator Sackett said he would like AHFC to come up with some recommendations for the legislature. He said the memorandum in question was put together by the staff because there was no plan as there is a definite problem. He said this was just a beginning because there was a desperate need for something to be done.

Senator Josephson said he felt the staff work was excellent to get them in a dialogue. He asked if it would be better for the state and/or the agency, rather than risk a \$20 or \$25 million loss on mobile homes, to somehow utilize eminent domain powers to acquire land to assure that the land can be utilized and then convert it into condominium space, or alternately sold for development when the mortgages on the mobile homes are paid. He asked Mr. Lynch if this should be considered.

Mr. Lynch said the ultimate solution to the problem would be a way

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guarantee the agency that the park will be around longer. The eminent domain solution is a viable one but he could not respond to the economics. He felt it would be a social issue because if the park doesn't make good sense to maintain it as a park, then it should be converted to something else in the private sector and as an eminent domain purchase the economics would not be good.

Senator Faiks asked Mr. Barker for an explanation of the ASHA bonding, particular SB 547. She asked what kinds of bonds, and how expensive they are in relationship to other kinds of bonds. She asked him to explain the ASHA problem with regard to moral obligations of the state, how much it costs, the kinds of bonds in reference to general obligation.

Mr. Barker told Senator Faiks the bonds were revenue bonds. However the rating agencies would look at them the same as G.O. bonds. The source of revenues in this case are lease payments by the state. Those lease payments would be subject to annual appropriation which is what prevents those types of obligations from being considered state debt for purposes of requiring voter approval under the constitution. The cost would be probably at least a percentage point higher than G.O. bonds because the state's full faith and credit is

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not behind them. The only security for the bonds are the lease payments.

Senator Faiks then asked if the state would get a couple of bonus point deductions on those kinds of bonds since the state would be backing up the lease payments.

Mr. Barker replied that the interest rate would reflect the state's general obligation rate.

Representative Furnace told Mr. Lynch he was concerned with the \$10 million as identified in the memorandum towards default in mobile homes and asked him how many loans this constituted and if he could break it down as to how many of those are by cities.

Mr. Lynch replied he had just seen the report for the first time but

potential liability at \$13 million but he said he assumed that number came out of the list of parks that they supplied to the House committee of ones they know are going to close.) He felt it would be necessary to assume a 50 percent loss on every mobile home loan that have in a park in Anchorage and in Juneau the number is probably a lot higher than 13. He estimated a possible \$25 or \$30 million. Representative Martin said he would like to elaborate on several

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points. One that was brought up earlier -- the old interest rates that are being paid and why they cannot be renewed. He said it was mentioned that it may be considered "bad faith" on behalf of the state but he said it could be looked at another way and that was "stupidity" of the state getting into such a deal in the first place. He said the consumers in the Anchorage area are getting out of the high interest rates. He wondered if the consumer had been deceived into thinking just because they get a 3 percent decrease on the first \$20 thousand, once they see the costs for maintenance, etc., they really aren't ahead.

Mr. Lynch said when they underwrite loans, they look at the amount condominium dues, utilities, etc., in determining whether a person can make the payments on his house and they apply a national standard of 28 percent of his income. He said if a person sells his house and pays off his high rate mortgage, AHFC pays down the same portion of the bond issue so that if he gets out of his high rate loan, AHFC reduces their high rate bond costs. As to the third question, they would not have been able to do a variable rate ten year deal at the time they sold the bonds and it is very important in the mortgage business to give a homeowner a fixed rate over the life of his

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mortgage so that he will know what his costs are. He said they must be in a fixed-rate market to be in a ten year fixed-rate market and to get somebody to give you ten year fixed-rate dollars they have to know that they are going to have them out for ten years. Any of the bond issues can be paid off some time prior to maturity at various premiums. The homeowners thought they were getting a good deal at the time and they do have the option of refinancing through some other financing agency and getting out of the high rate if they no longer feel it's a good deal, or selling their house, paying off their AHFC loan and buying another house and getting the current lower rate. He felt the program was fair. He said particularly with the federal requirements for disclosure, they know exactly what they are getting into, they know what their rates are and what their costs are of getting into the mortgage.

Representative Martin wondered if the time has come for the state to reconsider getting out of the business all together since the interest rates have dropped to a point where private industry should be allowed to do it on their own. He felt the state was making the banking institutions extremely happy because we were giving the money to them in the first place and forcing the consumer to pick up the

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Mr. Lynch if he could advise the committee whether he or his agency believed that the other recommendations should be adopted by the legislature.

Mr. Lynch replied by saying he thought the idea that additional mobile home space could be provided by the municipalities is probably a good one and would solve the question of spaces for dislocated mobile homes. He said he was not sure how broad that question was because it is both a question of where you get the land and who is going to fund the utilities, etc., who is going to own the park and a lot of other questions, but it might be a solution. He said as to the suggestion of an industry task force, he wasn't sure what result it would have but thought if enough people looked at it there might

state. This way they have the choice of continuing the program or turning it off each year.

With regard to HB 666, and the desire to issue \$100 million in bond to replace existing funds which were appropriated monies for mobile home programs, Representative Lindauer asked Mr. Lynch to clarify his statement, "It would free up the monies that were appropriated to be used as subsidies." He asked if he was referring to the income tax

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the money that is freed up or was AHFC proposing to take the \$100 plus millions that have been appropriated as a state investment in the sense of financing for which there are receivables and then applying that \$100 million which was appropriated for one purpose as making that a subsidy expenditure.

Mr. Lynch replied that not all of the money would be freed up for subsidy purposes. Some of it was given to AHFC to be invested. So of the funds that were in mobile homes were given to AHFC to be used in the mortgage loan purchase program of which mobile homes are a part. This was given to them to either make mobile home loans or used as subsidy dollars. He said these would be the dollars that come back to the "sand fund" or the "revolving fund" of Alaska Housing and as they were originally intended to be used, as subsidy dollars.

Representative Lindauer said right now we have assets which are receivables. If they pay that out to individuals as subsidies, we will be out the assets which we now have under the current program. Representative Lindauer asked about the implications if they do issue the \$100 million. He said there seems to be a move in certain communities to give up mobile home spaces to the extent that if a

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large parks close in a community, it could conceivably throw a lot of mobile homes on the market, break the market in terms of much lower prices being set by supply and demand, drive the value of these mobile homes below the amount we have as loans against them. If we should suddenly have massive defaults in any one of these programs, veterans, mobile homes, or any other program, will that adversely impact the state's expenditures for interest, would it spread across the board and substantially increase our expenditures for interest. Senator Sackett called attention to "a suggested changes memorandum" in their packets with regard to the problem that is currently going on with the mobile home situations.

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Representative Duncan asked why they weren't recommending a higher level so they would not need the special election. Mr. Lynch said it was the agency's feeling the voters should have the chances of

... of the past administration. He asked if we were still paying high interest rates or if there has been an effort to renegotiate and rebond and pay them off. If this has not already been addressed, I wondered if it should be.

Mr. Lynch, replied they had not tried to renegotiate those for several reasons. The bonds are in the hands of the public and it would be difficult to negotiate with them since hundreds of people

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would have to be dealt with on each issue. He stated a move such as this would be looked upon as 'bad faith' since a deal had originally been made to pay an interest rate based on a cash flow for a fixed period of time and would affect the ability to sell future bonds. The bonds are structured as cash flow bonds and within the indenture is the requirement that the bonds cannot be prepaid for 7 years from outside sources but they do commit all of the cash flow from the collateral to the bonds which is accelerating the payment of the bonds. He felt most of the high rate bonds would be retired in about 6 years, although they had original schedules of anywhere from 10 to 20 years. The reason being that even though bonds have high rates, although they were subsidized to the home owners, the mortgages also have high rates. The people want out of the high rate mortgages and are selling their houses and the bond payments are being accelerated. Senator Bennett asked if there was some way state government should be addressing this, such as a cash pay-off. Mr. Lynch said he believed the policy of the state has been, and continues to be, to provide a fixed amount of subsidy, thereby nailing down the cost of the bond issue the day it is made and the determination has been made that the fixed amount of subsidy is a reasonable cost. The extra

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interest is paid by the homeowner himself. He said AHFC subsidizes 6 percent on the first \$90 thousand and that is all. He felt the state would have better things to do with its money than to liquidate loans that are set up on a self-liquidating basis.

Senator Bennett reminded Mr. Lynch that the people are the state and the people are the homeowners.

Senator Sackett asked Mr. Lynch if he had any statement he wished to make prior to opening the meeting up to discussion.

Mr. Lynch asked to go quickly through the bills and explain why the various sections are there. He said HR 663 in its present form has three sections. Section 1 clarifies the status of the HOF Fund. The Attorney General's office requested the section and it ties into the dedicated fund question. The HOF Fund is the fund which allows AHFC to make 6 percent mortgages for people who cannot afford to pay the going subsidized rate and is a technical amendment to see that the HOF Fund is correct in its legal existence.

Section 2 does two things: The Agency has operated on the basis that they make 1 loan per person but that is not clear in the statute. This would clear that up. The second thing is last year the legislature decided to have AHFC make loans for single family houses

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at a level of 10 percent above the Fanny May rate. When the bill was written, it was assumed that all of their loans were 5 percent down.

They do make veteran's loans which are 100 percent guaranteed and are not 5 percent down and this puts back in the statute the ability for AHFC to do those 100 percent loans.

Section 3 ties the rate of mortgage subsidy tax act bonds to the taxable bond rates. The legislature's policy has been that they wish to subsidize 3 percent on the first \$90 thousand based on the going taxable rate. They have tied the VA loans and the mobile home loans in this way. The home mortgage bonds were not, so AHFC was providing extra subsidy. This eliminates the extra subsidy and puts those loans on the same basis as all the others. The section

...have to come to the rescue of those obligations. He felt the risk the state has would not be that great. He felt it would take quite an economic crisis before the state would be in trouble. He said with regard to the Bond Bank, they are not general obligations of the state, they are revenue bonds backed up by the subsidiary loans that the bond bank makes to the municipalities and are ultimately backed up by the full faith and credit of the

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municipalities that have borrowed from the bond bank. He said the state provides some security features such as reserve funds, it's moral obligation to the bond bank, but they are not general obligation bonds of the state.

Senator Bennett asked Mr. Barker, with regard to the municipal bond if he would elaborate as to what responsibility the state would have should the municipality default. Mr. Barker said there was no legal obligation for the state to make good on any obligations of municipalities that might go into default. But, as a practical matter, the State might find itself under pressure to do so. He recalled an incident in the mid 70's when a situation occurred in New York City and the State of New York had to bail it out. The state has a close association with its municipalities in that the school debt is paid to a large extent by the state, there is quite an amount of revenue sharing that goes to the municipalities, a number of municipal functions are mostly run, maintained and financed by the state in a number of communities so there is a close association which might bring the state in.

Representative Adams asked Mr. Barker what number and types of bonds there were and what the debt service was for all of them, starting

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with the state general obligation bonds, the airports and bonds to state agencies so that the people may know how much the state is presently in debt.

Mr. Barker replied the general obligation bonds in the state currently total approximately \$950 million principal and probably another \$600 million for interest totaling approximately \$1 billion and a half. Airport bonds currently outstanding would be about \$44 million with interest about 2/3 more. He said the largest agency debt was AHFC. Representative Adams replied that according to Mr. Barker's figures and AHFC's \$7 billion debt, the state was in debt approximately \$8.4 billion.

Representative Adams then asked about loan guarantees and policies. He said there were a couple of bills regarding timber and lumber loan guarantees. He said he would like to know if the Department of Revenue has a position or policy plan to date or direction on loan guarantees such as the one that is presently before the House and Senate.

Commissioner Heath said they do support that particular program for several reasons. It retains jobs within the State of Alaska, it's a one-half guarantee -- a lending institution would have to make the

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loan and the state would step forward under that particular legislation and guarantee half of it. He said it was similar to what was done with the fish pack loans some years ago and does require an appropriation on the part of the legislature.

Representative Adams asked if the municipal bond bank bill which increases the appropriation passes, if there would be a need for more money for the capital reserve account. Mr. Heath replied there would be no need since there was some left over from last year, there is \$1.8 million this year, and there is \$4 million in the FY 85 budget which would give a total of \$51.8 million and would put them above the current limit.

Senator Bennett asked Mr. Lynch if he had any suggestions for

... said would go over the details of each of the bills in order to give an over-view.

Mr. Milt Barker spoke to the committee regarding the bond bills that are before the committee and what these bills may do to the State's debt capacity, whether or not they use the state's debt capacity, what is the state's debt capacity and will these bills affect the state's bond rate.

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He said there were a number of revenue bonds before the legislature as well as some state general obligation bonds and some state guaranteed bonds which are technically general obligation bonds of the state, however, they are revenue bonds also which are issued by AHFC and backed up by mortgages which they purchase with the bond proceeds and are not in a practical sense state guaranteed bonds. stated revenue bonds are supported by the revenues generated from a project or use of the bond proceeds and are not going to directly utilize the state's debt capacity. He said there is always a potential in the event of default of any agency that is issuing revenue bonds, that the state might be required to come in and support or make good those bonds. He said this is not the way the rating agencies look at them. They are analyzed based on their own credit and everyone proceeds on the assumption that it's not going to impact the state's credit or place a call upon the state.

Mr. Barker said with respect to toll facilities, there are revenue bonds, which are not going to affect the state's debt capacity, He said the use of revenue bonds for toll facilities to a certain extent, frees up debt capacity for non-transportation uses. Revenue bonding, in general, is somewhat more costly than G.O. bonding. It

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will cost at least a percent more than G.O. bonds because the state full faith in credit is not behind the bonds.

With regard to various state office buildings that have been proposed for financing through bonding, he spoke to four possibilities: (1), General Obligation bonds of the state, (2), ASHA bonds (revenue bond backed up by a lease with the state government). He said these are looked upon by the rating agencies the same as G.O. bonds.

Technically and legally they are not a G.O. debt of the state. They do not require voter approval and bond counsel is very comfortable with them. They will utilize the state's debt capacity the same as if they were G.O. bonds. They would be somewhat higher in cost because the state's full faith and credit is not behind them. (3) Private financing has been discussed. This is called a "True Lease

The state would not be providing any formal security for the financing of those buildings. (4) Cash is another option.

Mr. Barker said with regard to the AHFC bonds, some of these are general obligation bonds, including vets state guaranteed bonds. However, he said the rating agencies do not count those against the state's debt totals, they add them in and then subtract them out to let us know they are watching, but as long as the payment history of

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the mortgages that support the bonds are good, there won't be a problem with those being a general obligation debt by the rating agencies. Other types of bonds AHFC issues are taxable bonds and their qualified tax exempt bonds are not in any way going to affect the state's debt capacity. He said some do have a moral obligation attached to them as do other bonds issued by state agencies but that this does not place a legal requirement on the state to make good those bonds. Mr. Barker said with regard to the large amount of AHFC debt outstanding, this is something that should be watched and monitored. He said this debt was secured to a large extent by insurance features which means that the properties on which the mortgages exist would have to draw more than

that it has been true throughout the years. He stated specific bills have been introduced for a particular year without really knowing the past history or what the future implications might be. He said he felt strongly that as legislators representing the people, that they not only have the responsibility but they have the obligation to plan, appropriate, and to protect the assets of the people they represent which is the State of Alaska. In doing so, he said they

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need to discuss and look at all of the implications of things that are done in terms of specific bills and specific areas of direction the state is going.

Representative Al Adams commented on the importance of looking at the total picture of the long-range planning for the State of Alaska. He felt that all of the bills should be looked at, not individually, but as a total package. He gave a brief summary of significant bonds and AHFC bills that need to be looked at this Session. He said there are three General Obligation Bonds this year -- (1) 100 M for the Juneau Legislative Hall, (2) 100 M for the Anchorage Legislative Hall and (3) ASHA leases for Public Facilities--Anchorage Court Building, State Office Buildings in Anchorage and Juneau, schools in various parts of the State, and a mental health facility in Fairbanks amounting to 309.31 M.

He said there were a total of three bills with regard to Toll Facilities. Knik Arm Crossing being one of the main ones, and one of the Municipal Bond Bank that needs to be looked at. Under the State Bond Committee, he said there is one bill and under AHFC a total of six bills. With regard to the second half of the meeting, he said they needed to look at AHFC's loan package and the public needs to

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know what is happening with the Eurobond finance question. As far as loans are concerned, they need to look at federal tax regulations. He said there was a large question regarding the Mobile Home Loan Program.

Co-chairman Don Bennett addressed the committee stating that this is a very significant subject both to the legislature as well as the Government, and to all of the constituents. He said a good bit of the economy is predicated on the construction industry and their successes. Every year, there are from 3 to 20 bills dealing in the aurora. He felt some of the things that need to be done is to tie them into a "long-term philosophy" and a "long-term direction." Hopefully by continuing these hearings, they will be able to get into some of the areas they should be addressing. He said there is "something close to \$1.5 billion available this year and probably many of the years in the future for capital appropriations and for getting into projects." He felt consideration should be given to spending some of our own money for some of these programs as well as a balance with the bonds. He was concerned about placing large amounts of money into the permanent fund for future generations and for earnings for the government in future years. He said he

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supported these, but got "nervous" when he saw heavy bonded indebtedness going in a parallel because he felt the two would cancel each other out. He hoped that the long-term philosophies that are developed through these meetings would address this.

Co-chairman John Sackett announced the first item on the agenda to be taken up would be the bonding question and the implication of it. He asked Commissioner Robert Heath of the Department of Revenue and Milt Barker, Deputy Commissioner of the Division of Treasury along with Michael Lynch, Executive Director of the Alaska Housing Finance Corporation, to speak to the committee.

Commissioner Robert Heath thanked the three chairmen for the privilege of their attendance and congratulated them for their work.

Co-chairman Sackett introduced Representative Adams, Chairman of the House Finance Committee and Senator Don Bennett, Co-chairman of the

Senate Finance Committee.  
Senator Bennett said the joint meeting had been called primarily because of the concern about the direction of where they are going. He said this is not the first meeting that has been held on this matter and hopefully it won't be the last one. He expressed concern that the state doesn't seem to have a long-range policy and very little knowledge over a long-range period due to the fact that everything is done on a "piece meal" basis.

LAW OFFICES OF WILLIAM McNALL

3333 DENALI ST., SUITE 120  
ANCHORAGE, ALASKA 99503  
(907) 276-2535

March 18, 1985

Rep. Mike NaVarr, Chairman  
House Labor & Commerce Committee  
Pouch V  
Juneau, Alaska 99811

Re: HB 155

Dear Representative NaVarr,

Representative Boucher specifically requested additional information concerning problems with House Bill 155, Manufactured Housing under Horizontal Property Regimes Act, during the February 25, 1985 teleconference testimony.

There are several areas which must be addressed to aid mobile home park development as common interest communities. Some of these areas are as follows:

- a.) express and implied warrants,
- b.) disclosure requirements to purchase,
- c.) association reserve, budget and accounting requirements,
- d.) association insurance coverage,
- e.) association management guidelines.

HB 155 essentially allows development of a mobile home park condominium but does not provide much needed assistance to the project after the initial development process has been started. I believe that developers, realtors, and sellers of mobile homes will be poorly served by this statute. I predict that there will be litigation which could have been avoided if HB 155 is passed into law.

Mobile home parks must have specific statutory authority to regulate through the Mobile Home Park Unit owners Association such matters as outside storage, removal of nuisance items, built-on additions such as garages, carport, wannigans, storage buildings, attachment to the foundation, sewer and electrical hookups, parking, playground facilities and insurance coverage for liability issues related to these items.

Finally, the replacement of old or delapidated units must be addressed. At what point may the association require a unit owner to upgrade to a newer mobile home? Alaska Housing Finance will not finance sales of used homes with less than a twelve year life expectancy. If a unit owner conveys a delapidated unit to a purchaser can the association prevent the sale or require an upgrade?

All of these issues must be carefully thought out. Senate Bill 44 provides the flexibility to address all of these issues. HB 155 and the present Horizontal Property Regime Act do not.

Sincerely yours,



William L. McNall

Article 8. Horizontal Property Regime for Mobile Homes.

(c) The owner(s) of property proposed to be converted into a horizontal property regime for mobile homes shall give each residential tenant and each residential subtenant notice of the conversion and provide each person with an offer of sale no later than 120 days before the tenant or subtenant is required to vacate.

The failure to give notice as required by this section is a defense to an action for possession.

(d) For 60 days after delivery or notice described in (c) of this section, the person required to give notice shall offer to convey each unit of space or proposed unit occupied for residential use to the tenant who leases the unit. If a tenant fails to purchase the unit during the 60-day period, the owner(s) may not offer to dispose of an interest in the unit during the following 180 days at a price or terms more favorable to the offeree than the price or terms offered to the tenant.

Change (c) to (e).

2/7/85

Good afternoon, my name is Maureen Kennedy; I am the Director of the Alaska Public Interest Research Group. We have 650 members throughout the state, and have been working on housing issues since our beginning in 1974. Mobile home issues have been of concern to us over the years--in the late '70s, we exposed a kickback arrangement between mobile home dealers and park owners which considerably restricted competition and increased costs to citizens back in those days of particularly tight markets. Last year, we worked with AHFC in reworking the mobile home financing and insurance programs.

Like it or not, mobile homes are an important source of low cost housing for many Alaskans. Though the business page articles attest to the fact that vacancy rates are increasing, those improved vacancy rates do not mean that low and moderate income Alaskans are finding housing that is reasonably priced. A state study last year found that 70% of low and moderate income Alaskans are paying more than the now-traditional 35% of income on housing. For many people, especially those with larger families, mobile homes on lots are their only alternative.

The two bills under consideration today ease the pressure on mobile home dwellers. We support HB 148--it promises to save the state time and money by removing the "state as middleman" and allow mobile home owners to more quickly and efficiently protect their interests. It makes sense for the Dept. of Law to oversee this activity.

HB 155 also will help keep mobile homes a viable housing option in many parts of the state. We would support it, however, only if it is amended to include protections for people renting spaces at the time of conversion.

HB 155 is analogous to the condo conversion laws that most other states in the country have passed. Housing that was used for rental units becomes less profitable as it depreciates, and often the owner can do better by selling the units as condos. Fair enough. Housing is being preserved; ownership is just changing. Yet most states recognize that such transfers can impose unreasonable hardships on previous renters--the stereotypical example is the 70 year old widow who has lived in the same apartment for 20 years, has no savings and is on Social Security. She cannot afford the downpayment, or perhaps the mortgage on a unit whose value has increased substantially as a result of the sale. If you exchange the widow for a young, lower income family with no savings and a 5 year old trailer, we're in the same situation.

State laws on condo conversions vary substantially, but nearly all incorporate some advance notice provisions, a first right of refusal to previous tenants (if they can afford the lot, they should be entitled to stay where they are), and special provisions for the elderly and low income to continue renting their apartments. I would suggest that park tenants be entitled to 6 months' notice of eviction, and that they have

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first right of refusal. I'm sorry I could not prepare more extensively for this hearing; we'd be happy to do some analysis of laws on condo conversions in other states to give you some perspective.

Finally, to give you some perspective right now, let me give you some statistics on mobile home park residents. Though we are a statewide organization, I was only able to track down information for Anchorage this morning.

As you may know, Mayor Knowles has been working out voluntary agreements with mobile home parks to find new housing for displaced residents after conversion. The Community Planning Dept. has identified the displacement problem as a high priority.

There are roughly 6,100 mobile homes in parks, according to Muni. figures. More than 1,500 of these are in district 10 and nearly 3,000 are in district 14. Mobile home park residents tend to have 50% more people per unit than other rental units in the city. People live in mobile homes because they can't afford more expensive housing. If HB passes without this amendment, over the next few years, many of those 6,100 families will be faced with eviction with little notice and no other available space in the area. Then we'll have a real housing problem.

Thanks very much for hearing by testimony, and please let me know if I can be of help in working out an equitable solution to this problem.

HB 155 Supplemental File Contents

From Subcommittee Report

March 13, 1985

- 1) Cover Memo from Subcommittee -- Boucher & Collins -- March 11, 85
- 2) Proposed CS for HB 155 (L & C)
- 3) Sectional Analysis of CS HB 155 (L & C)
- 4) SB 44
- 5) Summary -- The Uniform Common Interest Ownership Act
- 6) Landlord Tenant Act
- 7) Comments on the Common Interest Ownership Act -- January 31, 85  
Memo from William L. McNall to Senator Rodey

# Alaska State Legislature

POUCH V  
JUNEAU, ALASKA 99811  
(907) 465-4931

DISTRICT 10  
BOX 111038  
ANCHORAGE, ALASKA 99511  
(907) 349-2192



CHAIRMAN  
Special Committee on  
Telecommunications

MEMBER  
Labor and Commerce  
State Affairs  
Finance—Subcommittee Administration

Representative H. A. "Red" Boucher

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

DATE: March 11, 1985

TO: House Labor & Commerce Committee Members

FROM: Representative Boucher  
Representative Collins

SUBJECT: Subcommittee Report on HB 155.

In the last several years the problem of relocation of mobile homes in and around the urban areas of the state has become overwhelming. Anchorage has been especially hard hit by this problem due to an unprecedented amount of growth in the area. It was our concern that the mobile home owners of our District, and the State receive adequate protection under the legislation proposed in HB 155.

In reviewing this bill, however, we also looked at SB 44 which would adopt a national model law called the Common Interest Ownership Act. This Act appears to fill the many holes in existing state law concerning Condominiums, Planned Unit Developments (PUD's), and Cooperatives. It also appears to allow the same type of "condominiumizing" of mobile home parks as is provided for in HB 155 but is far more comprehensive. In addition, SB 44 would supercede the now out-dated Horizontal Property Regimes Act.

While it seems to be generally agreed that there is a need for the Common Interest Ownership Act, the bill is very lengthy and will likely move slowly through the committee process. In the event that SB 44 does not pass both houses this session, we feel that it will be beneficial to have at least the minimal provisions in place for mobile home owners in the existing Horizontal Property Regimes Act.

Attached is a copy of the proposed Committee Substitute for HB 155 along with a copy of a sectional analysis of the bill. Briefly, the changes we propose would require a 180 day eviction notification for any change in land use, and would ensure a first right of refusal for the mobile home owners in a park when a Horizontal Property Regime is established.

We also suggest that the Labor & Commerce Committee consider introducing a version of the Common Interest Ownership Act in the House to help speed the adoption of this much needed legislation.

*House*

BY THE LABOR AND  
COMMERCE COMMITTEE

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 155 (L&C)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to notice requirements on the clo-  
7 sure of mobile home parks and permitting the estab-  
8 lishment of horizontal property regimes for mobile  
9 homes; and providing for an effective date."

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

11 \* Section 1. AS 34.03.225 is amended to read:

12 Sec. 34.03.225. LIMITATIONS ON MOBILE HOME PARK OPERATOR'S  
13 RIGHT TO TERMINATE. A mobile home park operator may evict a mobile  
14 home or a mobile home park dweller or tenant only for one of the  
15 following reasons:

16 (1) the mobile home dweller or tenant has defaulted in the  
17 payment of rent owed;

18 (2) the mobile home dweller or tenant has been convicted of  
19 violating a federal or state law or local ordinance, and that viola-  
20 tion is continuing and is detrimental to the health, safety or welfare  
21 of other dwellers or tenants in the mobile home park;

22 (3) the mobile home dweller or tenant has violated a pro-  
23 vision, enforceable under AS 34.03.130, of the rental agreement or  
24 lease signed by both parties and not prohibited by law including rent  
25 and the terms of agreement; and

26 (4) a change in the use of the land comprising the mobile  
27 home park or the portion of it on which the mobile home to be evicted  
28 is located; however, all dwellers or tenants so affected by a change  
29 in land use shall be given at least 180 days' [90 DAYS] notice, or

1 longer if a longer notice period is provided in a valid lease.

2 \* Sec. 2. AS 34.07 is amended by adding a new section to read:

3 ARTICLE 8. HORIZONTAL PROPERTY REGIME FOR MOBILE HOMES.

4 Sec. 34.07.500. HORIZONTAL PROPERTY REGIME FOR MOBILE HOMES

5 (a) Notwithstanding the provisions of AS 34.07.010 - 34.07.460,  
6 horizontal property regime for mobile homes may be established as an  
7 estate in real property consisting of an undivided interest in common  
8 in a portion of the real property together with a separate interest in  
9 space, the boundaries of which are described in a declaration filed by  
10 the sole owner or all of the owners of the property and which complies  
11 to the extent applicable with AS 34.07.020.

12 (b) The portion of the parcel of real property held in undivided  
13 interest may be all of the real property of an existing parcel except  
14 for the separate interests in space without regard to any three-dimen-  
15 sional aspects of the real property if the purpose of the horizontal  
16 property regime is the establishment of a horizontal property regime  
17 for mobile homes.

18 (c) A person who intends to convert a mobile home park into a  
19 horizontal property regime for mobile homes under this section shall  
20 give each tenant and each subtenant in possession of a portion of the  
21 conversion land notice of the conversion no later than 180 days before  
22 the tenant and any subtenant in possession is required to vacate. The  
23 notice must set out generally the rights of tenants and subtenants  
24 under this section and must be hand delivered to the tenant or sub-  
25 tenant in possession or mailed by prepaid United States mail to the  
26 tenant and subtenant at the address of the unit or any other mailing  
27 address provided by a tenant. A tenant or subtenant may not be re-  
28 quired to vacate upon less than 180 days' notice except by reason of  
29 nonpayment of rent, waste, or conduct that constitutes a continuing

SECTIONAL ANALYSIS CSIB 155 (PROPOSED)

A title change has been made over HB 155 to include the changes made to the Landlord Tenant Act on notification requirements.

SECTION 1 - The section amends A.S. 34.03.225(4) of the Landlord Tenant Act to provide 180 days eviction notice for mobile home owners when any change in land use is to be made. This provision is designed to provide the same level of protection to the mobile home owner during conversion to a non-horizontal property regime as is provided for in conversion to a horizontal property regime.

SECTION 2 - This section has been expanded from the original bill by changing "manufactured housing" to "mobile homes" and deleting the old subsection (c) and adding new sections (c) and (d). The new subsection (c) requires that 180 days notice be given prior to the eviction date and that the notice include the rights of the tenant under this section. The new subsection (d) gives the tenant or subtenant of a mobile home first right of refusal on the land and states that if the offer is not accepted then the offeror may not offer the land at a better price or terms for 180 days following.

SECTION 3 - Immediate effective date.

Introduced: 1/30/85  
Referred: Labor & Commerce  
and Judiciary

BY RINGSTAD, DUNCAN, SUND,  
JENKINS, JEHLING AND MARROU

1 IN THE HOUSE

2 HOUSE BILL NO. 155

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act permitting the establishment of horizontal  
7 property regimes for manufactured housing; and pro-  
8 viding for an effective date."

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

10 \* Section 1. AS 34.07 is amended by adding a new section to read:

11 ARTICLE 8. HORIZONTAL PROPERTY REGIME FOR MANUFACTURED HOUSING.

12 Sec. 34.07.500. HORIZONTAL PROPERTY REGIME FOR MANUFACTURED  
13 HOUSING. (a) Notwithstanding the provisions of AS 34.07.010 -  
14 34.07.460, a horizontal property regime for manufactured housing may  
15 be established as an estate in real property consisting of an  
16 undivided interest in common in a portion of the real property  
17 together with a separate interest in space, the boundaries of which  
18 are described in a declaration filed by the sole owner or all of the  
19 owners of the property and which complies to the extent applicable  
20 with AS 34.07.020.

21 (b) The portion of the parcel of real property held in undivided  
22 interest may be all of the real property of an existing parcel except  
23 for the separate interests in space without regard to any three-  
24 dimensional aspects of the real property if the purpose of the hori-  
25 zontal property regime is the establishment of a horizontal property  
26 regime for manufactured housing.

27 (c) Except to the extent that AS 34.07.010 - 34.07.460 is in-  
28 applicable to a horizontal property regime for manufactured housing,  
29 the provisions of AS 34.07.010 - 34.07.460 apply to a horizontal

1 property regime established for manufactured housing.

2 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.-

3 10.070(c).

STATE OF ALASKA 1985 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: \_\_\_\_\_

REQUEST

Bill/Resolution No.: HB 155  
 Title: "An Act permitting...horizontal property regimes...manufactured housing..."  
 Sponsor: Repr. Ringstad  
 Requestor: House Labor & Commerce  
 Date of Request: 2/1/85

FISCAL DETAIL

Agency Affected: Department of Law  
 Program Category Affected: Public Protection  
 BRU, Program or Subprogram(s) Affected: Consumer Protection

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
<b>OPERATING</b>						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
<b>TOTAL OPERATING</b>	-0-	-0-	-0-	-0-	-0-	-0-

<b>CAPITAL</b>						
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<b>REVENUE</b>						
----------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

This bill would amend AS 34.07 to permit condominium mobile homes. The Department of Law would only be involved to the extent that sales of some condominiums might result in complaints of Mobile Home Warranty Act. Such complaints are not expected to exceed the complaint rate for the mobile home industry as a whole and they do not warrant fiscal note costs.

Prepared By: Richard I. Pegues, Director Phone: 465-3672  
 Division: Administrative Services Date: 2/4/85  
 Approved by Commissioner: Richard I. Pegues / FOR  
Norman C. Gorsuch Date: 2/4/85  
 Agency: Department of Law

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

7/1/84

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y STATE CAPITOL  
JUNEAU, ALASKA 99811  
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 6, 1985

SUBJECT: Manufactured housing condominiums  
(HB 155)

TO: Representative John Ringstad  
Chairman, House

FROM: Richard A. Bradley  
Legislative Counsel **B**

You have requested a brief analysis of HB 155.

As a preliminary matter, note that any analysis or summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

The predecessor to HB 155 in the Thirteenth Legislature was a sequel to the rather long bill that was drafted to permit the establishment of the "horizontal property regime," (i.e., condominiums) for mobile home parks. The problem was that the typical word used throughout AS 34.07, the chapter dealing with condominiums, to describe what is owned in a condominium by the individual owner is "apartment" and it was thought that that word did not quite accurately describe the condominium estate that would result in a condominium for mobile homes. I assume that a condominium for mobile homes would consist of land improved by utility connections for the individual mobile homes-- but not much more is required.

The phrase "manufactured housing" seems to describe "mobile homes" generically.

The provisions of sec. 500(a) describe the condominium estate ("an estate in real property consisting of an undivided interest in common in a portion of real property

Representative John Ringstad  
February 6, 1985  
Page 2

together with a separate interest in space") with reference to the needs of a condominium for manufactured housing.

Sec. 500(b) acknowledges the fact that a condominium regime for manufactured housing will not have any "three-dimensional aspects" to the real property owned.

And sec. 500(c) states the intent of the legislature that unless the provisions of AS 34.07.010 - 34.07.460 are "inapplicable" to a condominium regime for manufactured housing, the provisions of that chapter apply.

If I may be of further assistance, please advise.

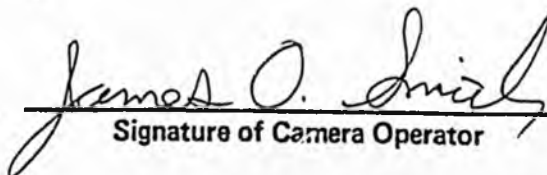
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J11/062

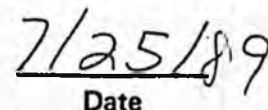


# RECORDS CERTIFICATION



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Signature of Camera Operator

  
Date

HPB

157

STATE OF ALASKA  
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

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JUNEAU, ALASKA 99811  
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May, 1986

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS date base CM 14. In order to save space copies of minutes have not been left in the files.

Jeanie Henry

*House Judiciary*

*2/18/85*

*1pm*

COMMITTEE REPORT  
HOUSE

2/20

*Revised*

( 7 )

FURTHER:

2/1/85

Date: 2-18-85

The Committee on JUDICIARY has had HB 157

"An Act making corrective amendments to the Alaska Statutes as recommended by the revisor of statutes; and providing for an effective date."

under consideration and recommends:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for HB 157 (Am)  same title  
 new title
- and recommends CS 11811 DU P. 111
- AND attaches a "Letter of Intent"  New Fiscal Note  
 Zero Fiscal Note Attached
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

*Mr. [Signature]*  
*Mr. [Signature]*  
*Robert J. [Signature]*  
*L. [Signature]*  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
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\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

*Mr. [Signature]*  
CHAIRMAN

STATE OF ALASKA 1985 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: \_\_\_\_\_

REQUEST

Bill/Resolution No.: HB 157  
 Title: Corrective amendments to AK Statutes (Revisor's Bill)  
 Sponsor: Rules by request of Leg. Council  
 Requestor: Judiciary Committee  
 Date of Request: 2-18-85

FISCAL DETAIL

Agency Affected: \_\_\_\_\_  
 Program Category Affected: \_\_\_\_\_  
 Program or Subprogram(s) Affected: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
<b>OPERATING</b>						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

<b>CAPITAL</b>						
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<b>REVENUE</b>						
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FUNDING: (Thousands of Dollars)

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

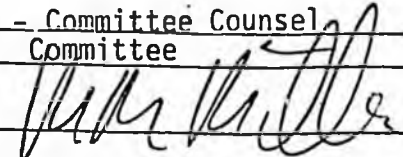
POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

This Bill has no fiscal impact.

Prepared By: Hayden Kaden - Committee Counsel Phone: 465-4990  
 Division: House Judiciary Committee Date: 2-18-85

Approved by Commissioner:  Date: 2-18-85  
 Agency: \_\_\_\_\_

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

7/1/84

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y STATE CAPITOL  
JUNEAU, ALASKA 99811  
907 465 3800

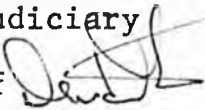
LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M

April 30, 1985

SUBJECT: Revisor's Bill

TO: Representative M. Mike Miller  
Chairman, House Judiciary

FROM: David R. Dierdorff   
Revisor of Statutes

I want to thank you, the members of your committee, and your staff for the cooperation and assistance that resulted in the passage this session of HB 157 (the revisor's bill). As I said in January, by making this an annual, rather than biennial, event, we can keep the bill shorter and spend more time on revision projects that have been sitting on the back burner for many years. We should also be able to make more timely corrections to the statutes.

Thank you again for your courtesies and cooperation.

DRD:ojb  
J14/061

STATE OF ALASKA  
THE LEGISLATURE

POURHY STATE CAPITOL  
JUNEAU, ALASKA 99811  
907 465 3800


LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 19, 1985

SUBJECT: CSHB 157 (Judiciary)  
(1985 Revisor's Bill)

TO: Representative M. Mike Miller  
Chairman,  
House Judiciary Committee

FROM: David R. Dierdorff   
Revisor of Statutes

This bill was prepared by the revisor of statutes under AS 01.05.036, which provides, in part, that the revisor of statutes shall

. . . prepare for submission to the legislature legislation for the correction or removal of . . . deficiencies, conflicts, or obsolete provisions, or to otherwise improve the form or substance of . . . the statute law of this state.

This memorandum discusses the House Judiciary Committee substitute for the bill.

Sectional Analysis

Section 1. The section proposed for repeal contains a penalty provision for violations of AS 03.40.160, made obsolete by the repeal of that section by ch. 81, SLA 1984.

Sec. 2. Reflects the organizational changes made by E.O. 58, 1984. A simple substitution of "department" for "division" could not be made, as both departments require access to these records from time to time.

Sec. 3. In the recent case of Valdez v. 18.99 acres, 686 P2d 682 (June 22, 1984), the Alaska supreme court held AS 09.55.440(a) unconstitutional in that it provided a different rate of interest for judgments in condemnation actions using declaration of taking procedures. The

amendment proposed by this section cures that problem and provides for the same interest rate paid on all other judgments, including all other condemnation actions.

Sec. 4. The repeal and reenactment of AS 12.30.020 in 1966 created a problem that has never been addressed. That section no longer relates to arrest, although it does provide for the issuance of an arrest warrant upon violation of a condition of release. The proposed language also eliminates an ambiguity in the use of "therein" with three possible referents, but does not substitute a specific reference for the manner of exoneration, as neither AS 12.30 or the Court Rules expressly provide for exoneration. Exoneraton, however, is clearly contemplated under law and the Criminal Forms include a form for a motion for exoneraton of bail, citing Cr.R. 41.

Sec. 5. Updates an obsolete departmental reference.

Secs. 6 and 7. Both sections merely correct an incomplete spanned reference.

Sec. 8. Adds reference to correct an omission when AS 44.81.210 was amended by sec. 6, ch. 109, SLA 1981.

Sec. 9. Deletes references to the Alaska Council on Science and Technology and the Alaska Renewable Resources Corporation. The former expired in 1983 and the latter is being phased out and will be finally dissolved in 1989.

Sec. 10. Repeals a provision made obsolete by the approval of initiative 83-02, which included the repeal of AS 42.10.

Sec. 11. Repeals an obsolete provision that had no application after July 1, 1977.

Sec. 12. Repeals the definition for a chapter of a term, "director," that is defined for the title in AS 21.90.

Sec. 13. This section repeals two sections in AS 21.33 that should have been repealed as a part of ch. 117, SLA 1984, which made substantial revisions to the insurance code and set up a new chapter (AS 21.34) to cover surplus lines. The matters dealt with in both sections are covered in AS 21.34, so these sections are redurdant and confusing.

Sec. 14. Corrects obsolete reference to a repealed section by substituting a reference to present similar provisions enacted at the same time the other was repealed.

Sec. 15. Rewrites a sentence to reflect current style and deletes a sentence made meaningless by the enactment of ch. 245, SLA 1970. AS 21.42.080 no longer sets out the rights of minors.

Sec. 16. This corrects an error in the 1982 Act and clarifies the language.

Sec. 17. This section contains a definition of a term for AS 21. The definition is included in new AS 21.90.900, proposed for enactment in sec. 24 of this bill, to place it with the other definitions for AS 21.

Sec. 18. Repeals the definition for a chapter of a term, "director," that is defined for the title in AS 21.90.

Sec. 19. Deletes obsolete material.

Sec. 20. Repeals definition for a chapter of a term, "commissioner," that is defined for the title in AS 21.90.

Sec. 21. Conforms the provision to the current age of majority and makes other changes to conform the language to current style.

Sec. 22. Conforms the provision to the current age of majority.

Sec. 23. Repeals a series of definition sections. The enactment of AS 21.90.900, proposed by sec. 24 of this bill, would reenact them and consolidate all of the definitions for AS 21 in one section.

Sec. 24. Reenacts, with minor style changes, the definitions previously found in the sections repealed by secs. 12, 17, 18 and 23 of this bill.

Sec. 25. The repealed provision imposed a duty on district court judges and magistrates that was related to the former recording duties of the courts. In sec. 64 of this bill, the same duties are placed in the Department of Natural Resources, which now administers recording.

Sec. 26. Simply rewrites the section to remove archaic material and reflect changes in administrative procedures.

Sec. 27. Reflects changes in departmental organization.

Sec. 28. Updates the reference to federal law.

Sec. 29. The paragraphs proposed for repeal defined "commissioner," "contributions" and "department" for AS 23.20. The first and last terms are defined for AS 23 in AS 23.45.010(1) and (2). The term defined in (9) is also defined in AS 23.20.520(10). Thus, the definitions proposed for repeal are redundant. AS 23.20.520(10) is amended in the next section of this bill.

Sec. 30. Rewrites the definition to conform to current style and eliminates unnecessary language.

Sec. 31. Both paragraphs are nothing more than cross-references to the next two sections, which define "employment" and "wages".

Sec. 32. The existing language of the provision is cumbersome and confusing. The section is rewritten for clarity and to conform to present style.

Sec. 33. The proposed amendments to (a) and (b) of this section clean up a problem created by amendments to AS 25.30.020(a)(2). See the editor's notes to AS 25.30.070. The proposed language does not change the legal effect of the section, but it does clarify confusion created by the fact that AS 25.30.020(a)(2) does not set out reasons. It does, however, establish grounds for jurisdiction over a child in need of aid.

Sec. 34. This repeals a section made obsolete by the termination of the Alaska State Mortgage Association in 1975.

Secs. 35 and 36. AS 42.15 was repealed in 1980, and AS 42.10 was repealed by initiative 83-02, approved in 1984. Both sections update other provisions to reflect those repeals.

Sec. 37. The first section proposed for repeal is obsolete. Subsections (a), (d) and (e) of AS 28.10.105 are obsolete, and AS 28.10.105(b) is apparently redundant or obsolete, or

both. The provisions of AS 28.10.105(f)-(h) are incorporated in new AS 28.10.108, proposed for enactment in the following section of the bill. The provisions of AS 28.10.105(i) are redundant to those of AS 28.05.011(4). A small portion of AS 28.10.107 is obsolete. Operative provisions of AS 28.10.107 are included in new AS 28.10.108.

Sec. 38. This new section combines the provisions of AS 28.10.101, 28.10.105 and 28.10.107, eliminating the obsolete material and placing the operative language in current form and style.

Secs. 39 and 40. The changes are to reflect the repeal of AS 42.15 in 1980 and AS 42.10 in 1984.

Sec. 41. Changes the internal reference to reflect changes made by secs. 37 and 38 of this bill.

Sec. 42. Substitutes a reference to present provisions for a reference to provisions repealed in 1978.

Sec. 43. AS 28.15.220 was repealed in 1978. The present provisions for discretionary court limitation of a license are found in AS 28.15.201, and it is not necessary that this section refer to those powers in order to give the court the right to limit a license after a conviction for negligent driving.

Sec. 44. The section proposed for repeal is obsolete, as it applied only in 1972-1974.

Sec. 45. To reflect the repeal of AS 29.33.090(d) (zoning of state land for homesite entry) in 1979.

Sec. 46. The word "former" is inserted to indicate that AS 43.18.010 has been repealed (in 1980) and avoid confusion. The section also includes a minor style change.

Sec. 47. AS 29.23.100 was repealed in 1972. It had provided for reapportionment by the assembly. The provisions were repealed upon adoption of an amendment to Article X, sec. 4 of the Alaska Constitution, and the contemporaneous enactment of new statutory procedures relating to apportionment. The proposed amendment merely updates the section.

Secs. 48 and 49. AS 43.58.170 provided that the tax imposed by AS 43.58 terminated December 31, 1977. AS 43.58 was

repealed in 1984. The deleted material, therefore, has no meaning and is obsolete.

Secs. 50 and 51. Conforms the language of the sections to the 1980 changes in the election code.

Sec. 52. Deletes references to provisions repealed when the new probate code was enacted in 1972. New references are not substituted, as there are provisions in AS 13 relating to title, and conveyances by will are not covered by this chapter. See AS 34.40.130.

Sec. 53. Reflects repeal of AS 38.05.058 in 1983.

Sec. 54. Clarifies reference to the division of agriculture.

Sec. 55. This makes the provisions of AS 39.05.060(c), repealed by sec. 56 of this bill, applicable to all multi-member bodies filled by gubernatorial appointment. The section adds provisions dealing with four and nine member bodies, which had not been covered in AS 39.05.060(c).

Sec. 56. This provision, which sets out the staggered terms for the initial appointees to the boards, councils and commissions listed in AS 39.05.060(a), is obsolete and is also superceded by a general provision proposed for enactment in sec. 55 of this bill. The new provision would apply to all executive branch multi-member agencies and avoid the necessity of enacting a temporary law provision every time a new group is formed.

Sec. 57. Deletes material that is obsolete.

Sec. 58. Corrects an oversight. AS 47.07.190 places the executive director in the exempt service, but the position was not added to the list in AS 39.25.110.

Sec. 59. Deletes a reference to the expired Alaska Council on Science and Technology.

Sec. 60. All sections proposed for repeal are obsolete.

Sec. 61. Updates a provision to reflect organizational changes.

Sec. 62. The repealed section was made obsolete by the 1982 enactment requiring all vending machine contracts to be entered into through the Department of Education. See AS 23.15.132.

Sec. 63. Repeals statutes related to the Alaska Council on Science and Technology, which expired June 30, 1983 under AS 44.66.010(a)(6).

Sec. 64. Adds to the Department of Natural Resources' duties the duty previously assigned to district judges and magistrates under AS 22.15.110(4), repealed by sec. 25 of this bill.

Sec. 65. Incorporates the only operative provision of obsolete AS 44.81.030, which is repealed in the next section of the bill.

Sec. 66. The section is obsolete, except for the provision amended into an "active" section by the preceding section of the bill.

Sec. 67. The section referred to in the last clause was repealed in 1980.

Sec. 68. Repeals a provision made obsolete by the repeal of AS 42.15 and AS 42.25 in 1980 and of AS 02.05 and AS 42.10 in 1984.

Sec. 69. The section proposed for repeal was made obsolete by the termination of the Alaska State Mortgage Association in 1975.

Sec. 70. Effective date provision.

DRD:ojb  
J10/114

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y STATE CAPITOL  
JUNIAU, ALASKA 99811  
907 465 3800

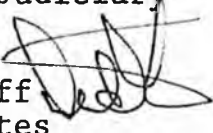
LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 4, 1985

SUBJECT: House Bill 157

TO Representative M. Mike Miller  
Chairman, House Judiciary

FROM: David R. Dierdorff   
Revisor of Statutes

Enclosed for your consideration is a sectional analysis of House Bill 157, the 1985 revisor's bill. If you or your staff have any questions about the bill or its provisions, please do not hesitate to give me a call.

When we prepared this bill last fall, we circulated a draft throughout the Department of Law in order to identify any potential problems in advance of submission to the legislature. The court system was also consulted when appropriate. We wanted to minimize the legislative time required to deal with this technical bill by insuring that other state agencies agreed with the proposed changes in laws they enforce or are governed by.

It is our hope that this bill can be passed during the first session. If we can return to the old practice of an annual revisor's bill, we can keep the revisor's bills shorter, and reduce the chance for confusion.

Thank you in advance for your cooperation.

DRD:ojb  
J11/053

# STATE OF ALASKA THE LEGISLATURE

POUCH Y STATE CAPITOL  
JUNEAU, ALASKA 99811  
907 465 3800


## LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 4, 1985

SUBJECT: House Bill 157  
(1985 Revisor's Bill)

TO: Representative M. Mike Miller  
House Judiciary Committee

FROM: David R. Dierdorff   
Revisor of Statutes

This bill was prepared by the revisor of statutes under AS 01.05.036, which provides, in part, that the revisor of statutes shall

. . . prepare for submission to the legislature legislation for the correction or removal of . . . deficiencies, conflicts, or obsolete provisions, or to otherwise improve the form or substance of . . . the statute law of this state.

This memorandum discusses the bill as introduced and referred to your committee.

### Sectional Analysis

Section 1. The section proposed for repeal contains a penalty provision for violations of AS 03.40.160, made obsolete by the repeal of that section by ch. 81, SLA 1984.

Sec. 2. Reflects the organizational changes made by E.O. 58, 1984. A simple substitution of "department" for "division" could not be made, as both departments require access to these records from time to time.

Sec. 3. The proposed amendment would resolve a conflict between AS 09.45.110 and AS 34.03.115, both dealing with the termination of agricultural tenancies. The former provides for 90 days' notice, while the latter provides for 30 days' notice. The draft resolves the conflict in favor of 30

days, but the legislature may wish to choose the 90 day notice provision.

Sec. 4. In the recent case of Valdez v. 18.99 acres, 686 P2d 682 (June 22, 1984), the Alaska supreme court held AS 09.55.440(a) unconstitutional in that it provided a different rate of interest for judgments in condemnation actions using declaration of taking procedures. The amendment proposed by this section cures that problem and provides for the same interest rate paid on all other judgments, including all other condemnation actions.

Sec. 5. The repeal and reenactment of AS 12.30.020 in 1966 created a problem that has never been addressed. That section no longer relates to arrest, although it does provide for the issuance of an arrest warrant upon violation of a condition of release. The proposed language also eliminates an ambiguity in the use of "therein" with three possible referents, but does not substitute a specific reference for the manner of exoneration, as neither AS 12.30 or the Court Rules expressly provide for exoneration. Exoneration, however, is clearly contemplated under law and the Criminal Forms include a form for a motion for exoneration of bail, citing Cr.R. 41.

Sec. 6. Updates an obsolete departmental reference.

Secs. 7 and 8. Both sections merely correct an incomplete spanned reference.

Sec. 9. Adds reference to correct an omission when AS 44.81.210 was amended by sec. 6, ch. 109, SLA 1981.

Sec. 10. Deletes references to the Alaska Council on Science and Technology and the Alaska Renewable Resources Corporation. The former expired in 1983 and the latter is being phased out and will be finally dissolved in 1989.

Sec. 11. Repeals a provision made obsolete by the approval of initiative 83-02, which included the repeal of AS 42.10.

Sec. 12. Repeals an obsolete provision that had no application after July 1, 1977.

Sec. 13. Repeals the definition for a chapter of a term, "director," that is defined for the title in AS 21.90.

Sec. 14. The term defined in this section, "surplus line broker," is now defined in AS 21.33.910(6), enacted in 1984. The failure to repeal it as a part of the 1984 Act was probably an oversight.

Sec. 15. Corrects obsolete reference to a repealed section by substituting a reference to present similar provisions enacted at the same time the other was repealed.

Sec. 16. Rewrites a sentence to reflect current style and deletes a sentence made meaningless by the enactment of ch. 245, SLA 1970. AS 21.42.080 no longer sets out the rights of minors.

Sec. 17. This corrects an error in the 1982 Act and clarifies the language.

Sec. 18. This section contains a definition of a term for AS 21. The definition is included in new AS 21.90.900, proposed for enactment in sec. 25 of this bill, to place it with the other definitions for AS 21.

Sec. 19. Repeals the definition for a chapter of a term, "director," that is defined for the title in AS 21.90.

Sec. 20. Deletes obsolete material.

Sec. 21. Repeals definition for a chapter of a term, "commissioner," that is defined for the title in AS 21.90.

Sec. 22. Conforms the provision to the current age of majority and makes other changes to conform the language to current style.

Sec. 23. Conforms the provision to the current age of majority.

Sec. 24. Repeals a series of definition sections. The enactment of AS 21.90.900, proposed by sec. 25 of this bill, would reenact them and consolidate all of the definitions for AS 21 in one section.

Sec. 25. Reenacts, with minor style changes, the definitions previously found in the sections repealed by secs. 13, 18, 19 and 24 of this bill.

Sec. 26. The revealed provision imposed a duty on district court judges and magistrates that was related to the former recording duties of the courts. In sec. 66 of this bill, the same duties are placed in the Department of Natural Resources, which now administers recording.

Sec. 27. Simply rewrites the section to remove archaic material and reflect changes in administrative procedures.

Sec. 28. Reflects changes in departmental organization.

Sec. 29. Updates the reference to federal law.

Sec. 30. The paragraphs proposed for repeal defined "commissioner," "contributions" and "department" for AS 23.20. The first and last terms are defined for AS 23 in AS 23.45.010(1) and (2). The term defined in (9) is also defined in AS 23.20.520(10). Thus, the definitions proposed for repeal are redundant. AS 23.20.520(10) is amended in the next section of this bill.

Sec. 31. Rewrites the definition to conform to current style and eliminates unnecessary language.

Sec. 32. Both paragraphs are nothing more than cross-references to the next two sections, which define "employment" and "wages".

Sec. 33. The existing language of the provision is cumbersome and confusing. The section is rewritten for clarity and to conform to present style.

Sec. 34. The proposed amendments to (a) and (b) of this section clean up a problem created by amendments to AS 25.30.020(a)(2). See the editor's notes to AS 25.30.070. The proposed language does not change the legal effect of the section, but it does clarify confusion created by the fact that AS 25.30.020(a)(2) does not set out reasons. It does, however, establish grounds for jurisdiction over a child in need of aid.

Sec. 35. This repeals a section made obsolete by the termination of the Alaska State Mortgage Association in 1975.

Sec. 36. Under the Appellate Rules, appeals from all administrative actions are to the superior court. Under App. R.

607, the procedures established in the rules supersede all other methods set out in the statutes. The amendment conforms the section to the procedures set out in the rules.

Secs. 37 and 38. AS 42.15 was repealed in 1980, and AS 42.10 was repealed by initiative 83-02, approved in 1984. Both sections update other provisions to reflect those repeals.

Sec. 39. The first section proposed for repeal is obsolete. Subsections (a), (d) and (e) of AS 28.10.105 are obsolete, and AS 28.10.105(b) is apparently redundant or obsolete, or both. The provisions of AS 28.10.105(f)-(h) are incorporated in new AS 28.10.108, proposed for enactment in the following section of the bill. The provisions of AS 28.10.105(i) are redundant to those of AS 28.05.011(4). A small portion of AS 28.10.107 is obsolete. Operative provisions of AS 28.10.107 are included in new AS 28.10.108.

Sec. 40. This new section combines the provisions of AS 28.10.101, 28.10.105 and 28.10.107, eliminating the obsolete material and placing the operative language in current form and style.

Secs. 41 and 42. The changes are to reflect the repeal of AS 42.15 in 1980 and AS 42.10 in 1984.

Sec. 43. Changes the internal reference to reflect changes made by secs. 39 and 40 of this bill.

Sec. 44. Substitutes a reference to present provisions for a reference to provisions repealed in 1978.

Sec. 45. AS 28.15.220 was repealed in 1978. The present provisions for discretionary court limitation of a license are found in AS 28.15.201, and it is not necessary that this section refer to those powers in order to give the court the right to limit a license after a conviction for negligent driving.

Sec. 46. The section proposed for repeal is obsolete, as it applied only in 1972-1974.

Sec. 47. To reflect the repeal of AS 29.33.090(d) (zoning of state land for homesite entry) in 1979.

Sec. 48. The word "former" is inserted to indicate that

AS 43.18.010 has been repealed (in 1980) and avoid confusion. The section also includes a minor style change.

Sec. 49. AS 29.23.100 was repealed in 1972. It had provided for reapportionment by the assembly. The provisions were repealed upon adoption of an amendment to Article X, sec. 4 of the Alaska Constitution, and the contemporaneous enactment of new statutory procedures relating to apportionment. The proposed amendment merely updates the section.

Secs. 50 and 51. AS 43.58.170 provided that the tax imposed by AS 43.58 terminated December 31, 1977. AS 43.58 was repealed in 1984. An alternative to deletion of the last sentence in each section would be to insert "former" before the references to AS 43.58.

Secs. 52 and 53. Conforms the language of the sections to the 1980 changes in the election code.

Sec. 54. Deletes references to provisions repealed when the new probate code was enacted in 1972. New references are not substituted, as there are provisions in AS 13 relating to title, and conveyances by will are not covered by this chapter. See AS 34.40.130.

Sec. 55. Reflects repeal of AS 38.05.058 in 1983.

Sec. 56. Clarifies reference to the division of agriculture.

Sec. 57. This makes the provisions of AS 39.05.060(c), repealed by sec. 58 of this bill, applicable to all multi-member bodies filled by gubernatorial appointment. It may be desirable to also provide specific terms for bodies with four and nine members, or to add a subsection that simply provides that initial appointments to bodies with some other number of members shall be made in a manner consistent with this section to achieve staggered terms.

Sec. 58. This provision, which sets out the staggered terms for the initial appointees to the boards, councils and commissions listed in AS 39.05.060(a), is obsolete and is also superceded by a general provision proposed for enactment in sec. 57 of this bill. The new provision would apply to all executive branch multi-member agencies and avoid the necessity of enacting a temporary law provision every time a new group is formed.

Sec. 59. Deletes material that is obsolete.

Sec. 60. Corrects an oversight. AS 47.07.190 places the executive director in the exempt service, but the position was not added to the list in AS 39.25.110.

Sec. 61. Deletes a reference to the expired Alaska Council on Science and Technology.

Sec. 62. All sections proposed for repeal are obsolete.

Sec. 63. Updates a provision to reflect organizational changes.

Sec. 64. The repealed section was made obsolete by the 1982 enactment requiring all vending machine contracts to be entered into through the Department of Education. See AS 23.15.132.

Sec. 65. Repeals statutes related to the Alaska Council on Science and Technology, which expired June 30, 1983 under AS 44.66.010(a)(6).

Sec. 66. Adds to the Department of Natural Resources' duties the duty previously assigned to district judges and magistrates under AS 22.15.110(4), repealed by sec. 26 of this bill.

Sec. 67. Incorporates the only operative provision of obsolete AS 44.81.030, which is repealed in the next section of the bill.

Sec. 68. The section is obsolete, except for the provision amended into an "active" section by the preceding section of the bill.

Sec. 69. The section referred to in the last clause was repealed in 1980.

Sec. 70. Repeals a provision made obsolete by the repeal of AS 42.15 and AS 42.25 in 1980 and cf AS 02.05 and AS 42.10 in 1984.

Sec. 71. The section proposed for repeal was made obsolete by the termination of the Alaska State Mortgage Association in 1975.

Representative M. Mike Miller  
February 4, 1985  
Page 8

Sec. 72. Effective date provision.

DRD:ojb  
J10/100

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\* DELIVER TO: JFOM \*  
\*  
\* ORIGINAL \*  
\* SENT: 02/13/85 TIME: 16:27 \*  
\* FROM: MICHELE MORSETH \*  
\* SUBJECT: FOM-FAIRBANKS \*  
\* PRINT DATE: 02/13/85 TIME: 16:31 \*  
\*  
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16

TO: HOUSE JUDICIARY COMMITTEE

REPS: M.M. MILLER, SUND, GRUENBERG, TAYLOR, CLOCKSIN,  
PETTYJOHN, PHILLIPS

INTERIOR DELEGATION

REPS: DAVIS, KOPONEN, M.W. MILLER, RINGSTAD, FRANK  
SENS: BENNETT, FAHRENKAMP, COGHILL

FROM: MARK GONIWIECHA  
1401 2ND AVE.  
FAX 99701

PHONE: 452-2541

RE: HB 180 - CONFIDENTIALITY OF CERTAIN LIBRARY RECORDS

MSG: I SUPPORT HB 180 AND I HOPE THAT YOU WILL SUPPORT IT AS  
WELL. CONFIDENTIALITY OF LIBRARY RECORDS IS NECESSARY TO  
MAINTAIN THE FREEDOM TO READ.

# Alaska State Legislature




## House of Representatives House Judiciary Committee

Pouch V  
State Capitol  
Juneau, Alaska 99811  
(907) 465-4990

### MEMORANDUM

To: Dick Shultz, Chairman  
House Resources Committee

From: M.M. Miller, Chairman   
House Judiciary Committee

Date: February 19, 1985

Re: Conflict between AS 09.45.110 and AS 34.03.115,  
dealing with termination of agricultural tenancies.

The House Judiciary Committee while considering HB 157 (the 1985 Revisor's Bill), noted a provision of that bill which dealt with a conflict between AS 09.45.110 and AS 34.03.115. Both sections deal with termination of agricultural tenancies. The Title 9 section provides for 90 days' notice, while that in Title 34 provides for a 30 days' notice. The Revisor resolved the conflict in favor of the 30 day provision.

However, the Judiciary Committee removed the section from the bill because it was felt that this was a substantive matter and the determination in favor of one notice provision over another should be decided by the Resources Committee.

Therefore, we are bringing this statutory conflict to your attention. If you decide to introduce legislation to resolve the conflict, this committee would like to be made the second committee of referral.