

North Slope Borough

OFFICE OF THE MAYOR

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Charlotte E. Brower, Mayor



The Honorable Donny Olson
Alaska State Senate
State Capital Room 508
Juneau, Alaska 99801

Dear Senator Olson:

This letter is to express support for HB 379, an Act relating to the limitation on the value of property taxable by a municipality. This Act is of tremendous importance to the people of the North Slope Borough as it would reward the Borough for its fiscal conservatism and provide increased flexibility in its budgeting.

In essence, the North Slope Borough is seeking a legislative change that would allow it to use less money for debt service and more for operations. In order to avoid creating any incentive for increasing municipal property taxes, the legislation is written to provide a sliding scale for municipalities to lower taxes.

Any community that taxes above 19.0 mils would continue to have the same limitation formula currently in place with a multiplier of 225%. A municipality that levies a tax between 18.0 and 19.0 mils would have a multiplier of 300%, and the multiplier would increase to 375% if taxes went below 18.0 mils. In other words, a municipality would gain more flexibility in the use of oil and gas property taxes by lowering taxes.

This approach is meant to benefit the State of Alaska while giving municipalities with oil and gas properties a reasonable opportunity to provide for operations and maintenance without raising taxes. Because the Borough is currently taxing at an 18.50 mil rate, it could expect to see a large increase in the amount of funds it could use for operations if this Act should pass.

Your support is critical to the success of this legislation. And the people of the North Slope stand to benefit greatly should this Act be enacted into law. Thank you for this opportunity to offer support for this legislation.

Respectfully submitted,

A handwritten signature in black ink that reads "Charlotte E. Brower". The signature is written in a cursive, flowing style.

Charlotte Brower

Mayor of the North Slope Borough

cc. Senator Charlie Huggins
 Senator Kevin Meyer
 Senator Pete Kelly
 Represent Ben Nageak