

# ALASKA STATE LEGISLATURE

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North to the Future

**Senator Cathy Giessel**  
Senate District N

## **SB 45 Parks and Recreation Service Area Boundaries Sponsor Statement**

Under current law, “service areas” within a municipality are taxed for specific services that are provided in a defined geographical boundary. Over time, populations and residential developments in these areas grow and, as a result, leave properties within and just outside the service area boundary that do not pay the tax but still receive the same services.

The current law also provides for dual majority vote requirements that give people in these untaxed areas a veto power greater than the voting power of a majority of the taxpayers who are paying to receive the services.

For example, assume there are 10 lots within or adjacent to the outer boundaries of a Parks and Recreation Service Area, but that are not legally part of the Service Area. The residents of the municipality could by majority vote decide to include these 10 lots because the 10 property owners get the same use of all the trails, parks, and activities in the Parks and Recreation Service Area. However, because of the statute, unless at least 6 of the 10 lot owners vote to include and tax themselves, the 10 lots are still not included in the service area and cannot be taxed.

Senate Bill 45 would apply to the many parcels within and just outside the boundaries of a Parks and Recreation Service Area that do not pay taxes for the parks and recreation services they receive due to the vagaries of expansion of the service area over the course of time. Most of these parcels are in private ownership. If the current statute is not amended, a municipality has no mechanism for collecting the tax and therefore the burden is shifted to all other taxpayers within the service area who may also receive less service due to the loss in revenue.

SB 45 addresses this issue and will provide municipalities with a method for collecting taxes from property owners currently benefiting from services provided by taxes paid from others in the service areas.

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