



**Mark A. Dixon**  
**City Manager**  
177 N. Birch Street  
Soldotna, Alaska 99669  
Phone: 907-262-9107  
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March 22, 2016

Representative Paul Seaton  
State Capital Room 102  
Juneau, Alaska 99801-1182

Re: Support for HB338

Dear Representative Seaton:

It was a pleasure to meet with you and your staff earlier this month to discuss the impacts of HB 338 on municipalities, in particular the City of Soldotna. As a first class city, we are always at the mercy of the State and Borough who at times pass legislation which in the end negatively affects our ability to determine the appropriate methods to collect revenues to maintain necessary governmental functions.

HB 338 appropriately addresses the issue of no longer funding a mandated exemption which now places the burden on the local municipality. It is most appropriate for the local municipality to make the determination if it wishes continue, modify or continue the senior exemption based upon its local needs.

As City Manager for the City of Soldotna, I support HB 338. While the City has no intentions to eliminate the senior exemption, any legislation that gives control back to the local municipality is good for Soldotna and good for Alaska. Thank you for your efforts.

Respectfully yours,

A handwritten signature in black ink, appearing to read 'Mark A. Dixon'.

Mark A. Dixon  
City Manager

md

March 23, 2016

Ref: **HB 338** – Municipal Tax Exemptions

To: House, Community & Regional Affairs Committee; Rep. Cathy Tilton, Chair

1<sup>st</sup> hearing, Thursday, 3/24/16 @ 8am

(through Homer LIO)

I am a senior (currently enjoying the benefits of AS 29.45.030) and **I fully support this bill.**

This is step one in a necessary process that is long overdue.

In the current financial environment, everything needs to be “on the table” and this unfunded mandate needs to go away so that local governments can then have the power to change the exemption from its current status.

**Please move this bill forward** knowing it will be unpopular with most who are receiving the benefit, ... but the reality is that it has become unfair, unsustainable and a detriment to future generations of Alaskans (who currently still have to pay property taxes to make up the difference).

Sincerely,

A handwritten signature in black ink, appearing to read "Wayne Aderhold". The signature is fluid and cursive, with a large initial "W" and "A".

Wayne Aderhold / 353 Grubstake Ave. / Homer, AK 99603

March 18, 2016 | 3:27 pm

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Comment

# Seniors need to help solve the problems they created

Posted: March 17, 2016 - 8:34am

Commenting as a lifelong Alaskan and senior citizen — the outrage being expressed by seniors against the Homer City Council and Rep. Paul Seaton for seeking local control over property tax is too harsh. It’s also quite forgetful of the mess my generation has gotten this state and country into.

That fixed income some seniors live on? My 30-year -old daughter is on a fixed income as well — it’s called her salary — and her future isn’t nearly as bright looking as it was for people in 1970. She pays into a bloated defense budget, a social security system that isn’t needs based for seniors, a country that is deficit spending like you can’t believe, and if she is lucky enough to own a house here she will be paying to subsidize seniors — many who are living far better than she possibly ever will.

And who brought us this situation? People who are now seniors, of course. The ones that exploded state government spending, the ones screaming about the loss of a permanent fund dividend. The ones who’ve encouraged our municipalities and cities to incur debt for civic infrastructure because it comes with federal matching funds that they borrow from our children’s future paychecks and saddle them with the debt without asking. How can we possibly be surprised that our younger people are looking to us to help solve the problems we created?

This property tax question is not about conservative or liberal politics. It’s about something far more important — fair tax. Quite simply the fairness of any tax policy rests on the ability of people to pay measured against the services they want. When life expectancy was 65-70 years, a senior property tax exemption was an easier idea. Now that life expectancy is so much longer we need to revisit some of those assumptions.

One of the selling points of a state income tax is that it would give local government the information and opportunity to develop a needs based property tax structure.

Simply saying we are seniors — we deserve it — is no longer enough.

And as far as spending all of your income locally in Homer, show me a young working person who doesn’t. As a class — us seniors aren’t that special — and if it takes the city council and Rep Seaton to help point that out, so be it.

I don’t want my kids to subsidize my property tax. I’ll be satisfied if they just put some gas into the tank when they borrow my car.

Mike Heimbuch

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Lupin bloom at the head of the bay

# WRITTEN TESTIMONY

Addressing: HOUSE BILL No. 338, Committee: Community and Regional Affairs

Subject of my testimony: municipal property tax exemption on the residence of a senior.

Today's Date: March 16, 2016

My Name: Michael W. Kliemann

My Address: 54210 Wilderness Lane

(P.O. Box 15163)

Fritz Creek, Alaska 99603

My Phone: 907-435-7246

Date of Hearing: (not scheduled as of today's date)

My statement:

To: Mr. Paul Seaton, Republican Party Representative for House District 31:

Sir, I, and my brother Mitchell J. Kliemann, bought 10 acres of raw land in the Fritz Creek area east of Homer in 1983. Over a span of many, many years, we built two very nice, (and very small) "dry" cabins upon this land. We have paid all of our annual KPB property taxes in-full, and on-time during all of the past 33 years.

We intend to live upon our own property for all of our remaining days. We have paid an average of just about 2,000.00 of property taxes to the borough each and every year during all of the years that we have owned this land. God knows that we have both been counting on the "Senior Property Tax Exemption", (we will both be 65 years old next year). Our incomes are, (and will continue to be) 6-8 thousand dollars per year.

If we have to continue to pay property taxes for the rest of our lives, basic financial necessity will require both of us to seek basic public assistance in order to survive here. This will be a first for me and my brother- we have never resorted to any type of public assistance. If we must sell our property because we cannot pay the taxes, we will have to apply for senior housing here in town, or face a probable homeless situation as old men.

Your House Bill 338 is a catastrophe for both of us and many of our neighbors. Please do not do this to us. I have spent so much time as an employee, and as a volunteer, trying to make this area a better place to live.

Sincerely;



Michael William Kliemann, and Mitchell James Kliemann, at 54210 Wilderness Lane, Fritz Creek, Alaska, on March, 16, 2016.

**William S. Walters**

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P.O. Box 2224 Homer, Alaska 99603-2224 907-235-7884

Alaska House of Representatives  
Community & Regional Affairs Committee  
State Capitol  
Juneau, Alaska 99801-1182

21 March, 2016

Re: H.B. 338 Municipal Property Tax Exemption  
Testimony for Hearing Record, 24 March 2016

Please include these comments in your hearing record on 24 March, 2016

I am very much dismayed by this bill and the actions of hopefully short tenured Rep Paul Seaton for his introduction of this bill. The City Council of Homer very silently slid their underlying resolution through, despite previous public testimony at earlier budget workshops that seniors exemptions should not be targeted. That being said, please consider the following.

True, seniors make up a significant percentage of Alaska residents, most of whom have worked a full career here, and have (and continue to) paid/pay substantial taxes and other expenses in support of their communities (in my case about 40 years). Like it or not, you all will be senior citizens in a period of time that will rapidly fly past, and you will soon feel the negative effects of your actions if HB 338 passes.

Seniors, per current budget analyses, are major contributors to the state economy. The allegation that they are drawn to Alaska to benefit from the medical care is ludicrous, as medical care here is substantially greater than outside medical costs. In fact, the medical community and major hospitals benefit greatly from the senior citizen customer base, which can be adversely impacted if municipalities are given the option to opt out of the baseline property exemption to the detriment of seniors financial ability to maintain their residences here.

Seniors rely on fixed incomes, pensions, social security, and personal savings. They additionally have reached a stage in life where they are incurring significant (in some cases major) medical expenses, fortunately, I am not included in that situation, as my retirement provides medical

coverage - but most do not have that benefit.

Personal savings are important, although many do not have them, but when they have to be expended on critical needs (home repair, auto replacement, medical, etc.) there is no way to replace those savings on their fixed incomes.

The current state mandated exemption of \$ 150,000 is both reasonable, and appropriate and it should not be within the discretion or authority of local governments to abdicate therefrom. I have no problem with municipalities or other taxing authorities having jurisdiction over taxation above this threshold, but we (most seniors) do not trust local government to maintain this baseline exemption if this bill passes.

In the case of Homer, whose council snuck this resolution through, the estimated loss in tax revenue is \$ 275,000, which is minuscule in the entire City's budget process. That amount could be probably equivalent to about 2.5 city employees (when benefits are included) - which can easily be offset by cutting the fat.

I would also point out that the State needs to look at real property tax collected from property outside incorporated boroughs. There are many expensive properties, lodges, etc worth hundreds of thousands to millions, that pay absolutely no property tax, despite the fact that those areas benefit from state expenditures for schools, roads, airports, law enforcement, and other basic services. Maintenance of the \$ 150,000 state exemption, and taxation on unincorporated areas could protect many of the lower income property owners, while generating significant revenues from the more expensive properties.

Please kill HB 338, and do not put the financial security of your seniors at risk. Those with affluent properties will continue to pay substantial taxes, but those under the state mandated threshold will be protected, and may continue to enjoy the few years they have left.

Thank You

A handwritten signature in black ink, appearing to read "William S. Walters", with a long, sweeping horizontal line extending to the right.

William S Walters

xc: Rep Paul Seaton

**From:** [beth@bethsvalleyviews.com](mailto:beth@bethsvalleyviews.com) [<mailto:beth@bethsvalleyviews.com>]

**Sent:** Tuesday, March 22, 2016 10:05 PM

**To:** Rep. Cathy Tilton <[Rep.Cathy.Tilton@akleg.gov](mailto:Rep.Cathy.Tilton@akleg.gov)>; Sen. Bill Stoltze <[Sen.Bill.Stoltze@akleg.gov](mailto:Sen.Bill.Stoltze@akleg.gov)>

**Cc:** Rep. Shelley Hughes <[hughes@alaskansforhughes.com](mailto:hughes@alaskansforhughes.com)>; Rep. Mark Neuman

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Charlie Huggins <[Sen.Charlie.Huggins@akleg.gov](mailto:Sen.Charlie.Huggins@akleg.gov)>; Rep. Jim Colver <[Rep.Jim.Colver@akleg.gov](mailto:Rep.Jim.Colver@akleg.gov)>; Rep.

Paul Seaton <[Rep.Paul.Seaton@akleg.gov](mailto:Rep.Paul.Seaton@akleg.gov)>

**Subject:** HB 338 - Sr./Disabled Vet/Widow-Widower Property Tax Exemption

Good Evening Rep. Tilton and Sen. Stoltze,

First a little good news. A group to which I belong received an update from the Mayors of Palmer and Wasilla regarding the impact of the reductions and eliminations in municipal revenue sharing. The general message was that these cities have prepared for and will weather this storm without going under. They have a positive outlook for the future, and are grateful that their communities charge sales taxes without a battle from their citizenry.

On another note, a friend of mine was at the Mat-Su Borough Assembly meeting tonight and texted me asking me how to find HB 338. I was dismayed and saddened when I read the content of this bill. I cannot believe that you are going to do this to our senior citizens and disabled veterans.

I am sure that you understand that many of our senior citizens are on very limited fixed incomes and are living rent-free in their homes. I cannot believe that you do not understand that those fixed incomes must cover hundreds of dollars in medications (which medicare subsidies you are probably having to reduce) every month, energy costs that are higher than national averages, higher than national average food costs and fortunately live in Alaska where there is no income tax and a Permanent Fund Dividend that assists them in living day-to-day.

The Senior/Disabled property tax exemption may not seem like a lot to you, but it can be the difference between living a full life and homelessness. These exemptions were put in place because a preponderance of Property Tax Foreclosures were occurring among these very vulnerable populations. They are the portions of our populations who founded this state, raised you and fought for freedom around the world. Perhaps it was poor planning, perhaps it was poor judgement, but perhaps it was just unhappy chance that they ended up needing assistance in maintaining their independence from debt.

If you truly, and personally, want to increase the chances of our veterans and senior citizens joining the homeless on the streets of our villages, communities, cities and municipalities, go ahead and pass this bill. Otherwise, hold it in committee and remember your parents and grandparents, your children who served in the military and your friends and neighbors who are only continuing to survive (if not thrive) because they live in the homes that you are helping to keep them in through this exemption.

Please also remember that seniors who are unwilling moved out of their homes generally do not survive much longer after changing their living situations. My father died only 6 months after losing his home. Up until that time, although he was not thriving, he was content. He refused to come to Alaska because it was too far from his home. I will not go into his circumstances, but it was not kind, nor was there anything any of his family could do to help him survive that final battle.

Shame on you Representative Seaton.

Sincerely,

bethf ;-)

Beth Fread

[Beth@BethsValleyViews.com](mailto:Beth@BethsValleyViews.com)

Palmer, AK 99654