

Senator Kelly - Please include in the hearing record.
Open Letter to Alaska State Legislators
Thank you
Ron Somerville

Concerning SB 210 and HB 338

Municipal Taxation

3/29/16

Submitted by: Ron Somerville

On behalf of many Juneau seniors, I am writing to oppose SB 210 and HB 338 as written. My major concern is the provision which takes away the state law granting seniors who are 65 years or older a property tax exemption for the first \$150,000 assessed value of their home. In essence, the state is making the exemption optional for local municipalities.

We fully realize that the present fiscal crisis is going to mean that extreme measures will have to be taken to balance the state's budget as well as those of local municipalities. Seniors here in Juneau are wary because so far the only segment of the Juneau population targeted for a tax increase here has been the most vulnerable segment – seniors.

Our plea is simple. The state and local governments have provided numerous incentives for Alaskan seniors to retire in our state. When we reached retirement age, we evaluated the cost/benefits of retiring here or departing for other locations that had much lower costs of living. Many of us decided to stay to help raise grandchildren, volunteer for community programs we strongly support and maintain strong family relationships. Now, however, when many of us no longer have the option of relocating, the state and municipalities appear to be specifically targeting seniors as a main source of revenue to fill the fiscal gap.

When the state decided it could no longer afford the Longevity Bonus for seniors, it didn't drop them on their heads, it was phased out over time. There was very little complaining from those of us who were near the point of qualifying because we realized it provided some relief for those already in the system. We had the option of making other choices. They didn't.

We are asking for the same consideration now. Either require that municipalities phase out the tax exemption program or grandfather continued exemptions for those in the program. If that is totally unacceptable, we request that, at least, voter approval be required before seniors are removed from the property tax exemption.

If it sounds like we do not trust our local government. We don't. Their actions and expressed attitude towards seniors has clearly demonstrated their desire to force seniors to consider relocating. Since the state has participated in helping us reach this stage in our lives, we are asking only that we not be thrown out with the bath water. Phasing out this program is the most reasonable course to take if the other drastic measures are taken such as reducing our permanent fund dividends, introducing an income tax, increasing fuel taxes, reducing the senior benefit program, decreasing revenue sharing with

local municipalities and cutting education and social services funding. The only way local communities can survive these drastic reductions in funding is to rely more heavily on volunteers and donations to help fill the gap. Unfortunately, most of the community service programs are handled by – you guessed it – seniors.

Thank you for considering these suggestions.

Ron Somerville
4506 Robbie Rd.
Juneau, AK 99801

A handwritten signature in black ink that reads "Ron Somerville". The signature is written in a cursive style with a large, looping initial "R".