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District S

Adak
Akiachak
Akiak
Akutan
Aleknagik
Aniak
Anvik
Atka
Atmauthluak
Attu Station
Bethel
Cheformak
Chignik
Chignik Lagoon
Chignik Lake
Chuathbaluk
Clark's Point
Cold Bay
Crooked Creek
Dillingham
Dutch Harbor
Eek
Egegik
Ekwok
False Pass
Flat
Goodnews Bay
Grayling
Holy Cross
Igiugig
Iliamna
Ivanof Bay
Kasigluk
King Cove
King Salmon
Kipnuk
Kokhanok
Koliganek
Kongiganak
Kwethluk
Kwigillingok
Lake Minchumina
Levelock
Lime Village
Lower Kalskag
Manokotak
Marshall
McGrath
Mekoryuk
Mertarvik
Naknek
Napakiak
Napaskiak
Nelson Lagoon
Newhalen
New Stuyahok
Newtok
Nightmute
Nikolai
Nikolski
Nondalton
Nunapitchuk
Oscarville
Pedro Bay
Perryville
Pilot Point
Platinum
Pope-Vannoy Landing
Port Alsworth
Port Heiden
Portage Creek
Quinhagak
Red Devil
Russian Mission
Saint George Island
Saint Paul Island
Sand Point
Shageluk
Sleetmute
South Naknek
Stony River
Takotna
Togiak
Toksook Bay
Tuntutuliak
Tununak
Twin Hills
Ugashik
Unalaska
Upper Kalskag

SB 18 Sponsor Statement

Residents of rural Alaska routinely spend anywhere from 40 – 60% of their income on energy costs - heating and lighting their homes.

SB 18 proposes to add a borough option to state statute to specifically address the high cost of energy in rural Alaska. This “energy” borough option allows for taxation on a non-renewable resource within the borough area, and the ability to bond based on the revenue from the tax base. This proposed energy borough will have limited powers, including the ability to levy a limited property tax, enter into Payment in Lieu of Taxes (PILT) agreements; and issue bonds backed by the PILT to finance energy infrastructure projects. This proposed borough is not intended to provide education or other typical borough services.

SB 18:

- **ALLOWS** an “energy borough” to levy a property tax and impose liens to enforce that tax, on property used to explore for, develop, or produce nonrenewable resources;
- **ALLOWS** the borough to enter into an agreement with a taxpayer to make “payments in lieu of taxes”, or PILT agreements;
- **ALLOWS** limited bonding capacity to finance energy infrastructure projects in the borough and only borrow money for energy projects;
- **ALLOWS** creation of an assembly to oversee the powers of the borough.

SB 18:

- **Does NOT** allow taxes to pay for education;
- **Does NOT** allow taxes on individuals private property;
- **Is NOT** a mandate to form a borough – it just creates an “Energy Borough” option.

SB 18 is another tool in the toolbox for areas that have not found a borough option that suits their needs. SB 18 is not intended to ‘create another layer of government’, rather it allows areas another option to organize to utilize industry or resource that may help develop a cheaper, more reliable, energy source for the borough region.