

CITY OF SEWARD

P.O. Box 167
410 Adams Street
Seward, Alaska 99664-0167



- Main Office (907) 224-4050
- Police (907) 224-3338
- Harbor (907) 224-3138
- Fire (907) 224-3445
- City Clerk (907) 224-4046
- Community Development (907) 224-4049
- Utilities (907) 224-4050
- Fax (907) 224-4038

23 March 2016

Honorable Members of the Alaska State Legislature,

We encourage you to enact HB-338, eliminating the statutory mandate that local governments exempt property taxes on the first \$150,000 of property tax assessment for primary residences for persons age 65 or older.

As initially enacted the loss of local tax revenue under the mandate was offset by the state to the local government. That compensation ended in 1997, and while state municipal assistance and revenue sharing has to a small degree mitigated some of the budget impacts of the mandate to local governments, those programs serve a much broader purpose.

As those state programs are phased out, the statutory language becomes purely an unfunded mandate. With the entire responsibility of the revenue loss accruing to the local government, the authority to exempt or not exempt properties should also be at the local level.

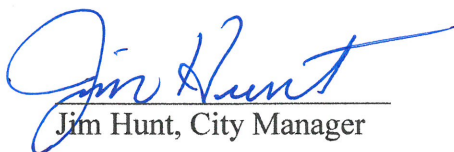
This bill would, without impacting the state budget, allow local governments to begin a public hearing process towards determining an exemption eligibility appropriate for their community.

Enacting this bill is not anti-senior, not does it automatically end existing exemptions. Through the policy development and public hearing process, it is more likely that a phased implementation would take place, if exemptions were reduced or eliminated at all.

As the State faces today's budget challenges and is forced to reduce or eliminate some services, citizens will inevitable turn to their local governments. This bill would allow a little more flexibility in their ability to perhaps provide some of those services.

Thank you for your consideration.

Respectfully yours,


Jim Hunt, City Manager