

**ALASKA STATE LEGISLATURE**  
**HOUSE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE**

May 3, 2005

8:11 a.m.

**MEMBERS PRESENT**

Representative Kurt Olson, Co-Chair  
Representative Pete Kott  
Representative Gabrielle LeDoux  
Representative Mark Neuman  
Representative Woodie Salmon

**MEMBERS ABSENT**

Representative Bill Thomas, Co-Chair  
Representative Sharon Cissna

**COMMITTEE CALENDAR**

CS FOR SENATE BILL NO. 142(L&C)

"An Act relating to ownership of land by regional school boards;  
and providing for an effective date."

- MOVED CSSB 142(L&C) OUT OF COMMITTEE

HOUSE BILL NO. 293

"An Act relating to a borough sales tax exemption for a source  
that is taxed by a city in that borough."

- MOVED HB 293 OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

BILL: SB 142

SHORT TITLE: REGIONAL SCHOOL BD LAND OWNERSHIP

SPONSOR(S): LABOR & COMMERCE

03/16/05	(S)	READ THE FIRST TIME - REFERRALS
03/16/05	(S)	L&C, FIN
03/31/05	(S)	L&C AT 1:30 PM BELTZ 211
03/31/05	(S)	Heard & Held
03/31/05	(S)	MINUTE(L&C)
04/05/05	(S)	L&C AT 1:30 PM BELTZ 211
04/05/05	(S)	Moved CSSB 142(L&C) Out of Committee
04/05/05	(S)	MINUTE(L&C)

04/06/05	(S)	L&C	RPT	CS	4DP	1NR
		NEW TITLE				
04/06/05	(S)	DP: BUNDE, DAVIS, SEEKINS, STEVENS B				
04/06/05	(S)	NR: ELLIS				
04/19/05	(S)	FIN	RPT	CS(L&C)	3DP	3NR
		NEW TITLE				
04/19/05	(S)	DP: WILKEN, GREEN, BUNDE				
04/19/05	(S)	NR: HOFFMAN, OLSON, DYSON				
04/19/05	(S)	FIN AT 9:00 AM SENATE FINANCE 532				
04/19/05	(S)	Moved CSSB 142(L&C) Out of Committee				
04/19/05	(S)	MINUTE(FIN)				
04/21/05	(S)	TRANSMITTED TO (H)				
04/21/05	(S)	VERSION: CSSB 142(L&C)				
04/22/05	(H)	READ THE FIRST TIME - REFERRALS				
04/22/05	(H)	CRA, FIN				
04/28/05	(H)	CRA AT 8:00 AM CAPITOL 124				
04/28/05	(H)	Heard & Held				
04/28/05	(H)	MINUTE(CRA)				
05/03/05	(H)	CRA AT 8:00 AM CAPITOL 124				

BILL: HB 293

SHORT TITLE: BOROUGH SALES TAX EXEMPTIONS

SPONSOR(S): COMMUNITY & REGIONAL AFFAIRS

04/29/05	(H)	READ THE FIRST TIME - REFERRALS				
04/29/05	(H)	CRA, FIN				
05/03/05	(H)	CRA AT 8:00 AM CAPITOL 124				

**WITNESS REGISTER**

KACI SCHROEDER, Staff  
to Representative Bill Thomas  
House Community and Regional Affairs Standing Committee  
Alaska State Legislature  
Juneau, Alaska

POSITION STATEMENT: Presented HB 293 on behalf of the House  
Community and Regional Affairs Standing Committee, sponsor.

RENE BROKER, Attorney at Law  
Fairbanks North Star Borough  
Fairbanks, Alaska

POSITION STATEMENT: Testified in support of HB 293.

**ACTION NARRATIVE**

**CO-CHAIR KURT OLSON** called the House Community and Regional Affairs Standing Committee meeting to order at [8:11:49 AM](#). Representatives Olson, Kott, Neuman, and LeDoux were present at the call to order. Representative Salmon arrived as the meeting was in progress.

SB 142-REGIONAL SCHOOL BD LAND OWNERSHIP

CO-CHAIR OLSON announced that the first order of business would be CS FOR SENATE BILL NO. 142(L&C), "An Act relating to ownership of land by regional school boards; and providing for an effective date."

[8:12:23 AM](#)

REPRESENTATIVE NEUMAN related that the rural schools seem to be amenable to SB 142. He referenced a letter from Kip Knudson, Deputy Commissioner of Aviation, Department of Transportation & Public Facilities, that should be included in the packet. He also noted that since this legislation references some of the areas around Noatak, he spoke with Representative Joule, who's comfortable with the legislation as well. He noted that committee members should have a document stating his findings.

[8:13:22 AM](#)

REPRESENTATIVE NEUMAN moved to report CSSB 142(L&C) out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, it was so ordered.

HB 293-BOROUGH SALES TAX EXEMPTIONS

[8:14:00 AM](#)

CO-CHAIR OLSON announced that the final order of business would be HOUSE BILL NO. 293, "An Act relating to a borough sales tax exemption for a source that is taxed by a city in that borough."

[8:14:26 AM](#)

KACI SCHROEDER, Staff to Representative Bill Thomas, House Community and Regional Affairs Standing Committee, Alaska State Legislature, explained that HB 293 clears up ambiguous language in current statute. This legislation makes it clear that boroughs have the power to wholly or partially exempt cities within their boundaries. For example, if the City of Fairbanks has an 8 percent lodging tax and the borough also levies an 8

percent lodging tax, the borough has the power to exempt the City of Fairbanks in order to avoid any stacking of taxes. Therefore, the playing field is leveled and businesses aren't hurt by differing tax rates between a city within a borough. Ms. Schroeder directed attention to a chart [entitled, "SB 161 Impact"], which illustrates the problem associated with stacking taxes.

[8:16:16 AM](#)

RENE BROKER, Attorney at Law, Fairbanks North Star Borough, related her understanding that in addition to Fairbanks both Ketchikan and Kodiak boroughs are already utilizing this exemption. Ms. Broker said that [the Fairbanks North Star Borough] supports this legislation because it clarifies that [the borough] is allowed to do this. This legislation makes it clear that state law doesn't force boroughs to stack taxes and double the tax burdens in the cities within the borough. Furthermore, the legislation clarifies that the legislature didn't intend to prevent boroughs from working with cities to equally levy taxes throughout the borough. Moreover, this allows boroughs that choose to do so to cooperatively meet the public policy goals of avoiding double taxation and preventing duplication of taxing jurisdictions within the borough.

[8:17:40 AM](#)

CO-CHAIR OLSON, upon determining no one else wished to testify, closed public testimony.

[8:17:57 AM](#)

REPRESENTATIVE NEUMAN moved to report HB 293 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, it was so ordered.

#### **ADJOURNMENT**

There being no further business before the committee, the House Community and Regional Affairs Standing Committee meeting was adjourned at [8:18:11 AM](#).