

ALASKA STATE LEGISLATURE
HOUSE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE

February 9, 2012

8:03 a.m.

MEMBERS PRESENT

Representative Cathy Engstrom Munoz, Chair
Representative Neal Foster, Vice Chair
Representative Alan Austerman
Representative Alan Dick
Representative Dan Saddler
Representative Sharon Cissna
Representative Berta Gardner

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 184

"An Act relating to the sharing of tax revenue from the fisheries business tax and fishery resource landing tax with municipalities; and providing for an effective date."

- MOVED CSHB 184(CRA) OUT OF COMMITTEE

HOUSE BILL NO. 305

"An Act relating to a mandatory exemption for certain residences owned by a religious organization."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 184

SHORT TITLE: REFUND OF FISH BUSINESS TAX TO MUNIS

SPONSOR(s): REPRESENTATIVE(s) P.WILSON

03/09/11	(H)	READ THE FIRST TIME - REFERRALS
03/09/11	(H)	CRA, FIN
01/26/12	(H)	CRA AT 8:00 AM BARNES 124
01/26/12	(H)	Heard & Held
01/26/12	(H)	MINUTE(CRA)
02/02/12	(H)	CRA AT 8:00 AM BARNES 124
02/02/12	(H)	Heard & Held

02/02/12 (H) MINUTE(CRA)
02/09/12 (H) CRA AT 8:00 AM BARNES 124

BILL: HB 305

SHORT TITLE: MUNI. PROP.TAX EXEMPTION: RELIGIOUS ORGS.
SPONSOR(S): REPRESENTATIVE(S) GARDNER

01/30/12 (H) READ THE FIRST TIME - REFERRALS
01/30/12 (H) CRA
02/09/12 (H) CRA AT 8:00 AM BARNES 124

WITNESS REGISTER

REPRESENTATIVE P. WILSON
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Spoke as the sponsor.

TIM ROONEY
Manager
City & Borough of Wrangell
Wrangell, Alaska

POSITION STATEMENT: Testified in support of HB 184.

DAVE JACK, Member
City & Borough of Wrangell Assembly
City & Borough of Wrangell
Wrangell, Alaska

POSITION STATEMENT: Testified in support of HB 184.

GLORIANNE WOLLEN, Harbormaster
City of Petersburg
Petersburg, Alaska

POSITION STATEMENT: Testified in support of HB 184.

REBECCA ROONEY, Staff
Representative P. Wilson
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: During hearing of HB 184, explained Amendment 1.

REPRESENTATIVE LINDSEY HOLMES
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Spoke as a co-sponsor of HB 305.

DEBBIE OSSIANDER, Member
Anchorage Assembly
Municipality of Anchorage
Anchorage, Alaska

POSITION STATEMENT: During the hearing of HB 305, encouraged the committee to be as concise and clear with the language as it can.

STEVE VAN SANT, State Assessor
Division Programs
Division of Community and Regional Affairs
Anchorage, Alaska

POSITION STATEMENT: During hearing of HB 305, answered questions.

KATHIE WASSERMAN, Executive Director
Alaska Municipal League
Anchorage, Alaska

POSITION STATEMENT: Testified in strong support for HB 305.

ACTION NARRATIVE

[8:03:55 AM](#)

CHAIR CATHY ENGSTROM MUNOZ called the House Community and Regional Affairs Standing Committee meeting to order at 8:03 a.m. Representatives Austerman, Dick, Gardner, and Munoz were present at the call to order. Representatives Foster, Saddler, and Cissna arrived as the meeting was in progress.

HB 184-REFUND OF FISH BUSINESS TAX TO MUNIS

[8:04:20 AM](#)

CHAIR MUNOZ announced that the first order of business would be HOUSE BILL NO. 184, "An Act relating to the sharing of tax revenue from the fisheries business tax and fishery resource landing tax with municipalities; and providing for an effective date." [Before the committee was CSHB 184, Version 27-LS0576\R, Bullard, 1/25/12, which was adopted at the January 26, 2012, meeting.]

[8:04:45 AM](#)

REPRESENTATIVE P. WILSON, Alaska State Legislature, speaking as the sponsor, reminded the committee that HB 184 would increase

the fish tax share with boroughs, communities, and cities to help with port and harbor maintenance and improvements. The legislation also proposes to share the unprocessed fish tax with the area where the fish was landed. Representative P. Wilson encouraged the committee to forward the legislation from the committee.

[8:05:38 AM](#)

TIM ROONEY, Manager, City & Borough of Wrangell, related his support for HB 184. In response to the question at the last meeting regarding how much of the fish tax Wrangell now receives goes to the maintenance of its ports and harbors, he said 100 percent of it does.

[8:06:35 AM](#)

DAVE JACK, Member, City & Borough of Wrangell Assembly, City & Borough of Wrangell, informed the committee that the City & Borough of Wrangell Assembly has passed a resolution in support of HB 184. He reminded the committee that the purpose of the fish tax was to be utilized to maintain the infrastructure of ports and harbors. Since the transfer of ownership and responsibility of the harbors and ports to the municipalities, it's appropriate for the communities to receive those funds to maintain the ports and harbors.

[8:08:10 AM](#)

GLORIANNE WOLLEN, Harbormaster, City of Petersburg, related support for HB 184, which she opined has been crafted with great care to help communities fund harbors and their continuing maintenance. She informed the committee that when the harbor facilities were transferred to the City of Petersburg, they were in need of major repairs or replacement. Therefore, this additional funding will help places like the City of Petersburg to qualify for grants such as the state's 50:50 harbor match program. These harbors play a critical economic role in Alaska by enabling trade, transportation, commercial fisheries, tourism, and recreational opportunities throughout the state. Increasing a stable funding source, which HB 184 proposes, is a significant step in ensuring that the City of Petersburg and other small communities are able to adequately address the needs of the port and harbor facilities.

[8:11:03 AM](#)

CHAIR MUNOZ, upon determining no one else wished to testify, closed public testimony.

[8:11:21 AM](#)

REBECCA ROONEY, Staff, Representative P. Wilson, Alaska State Legislature, explained that in both the fisheries business and the fisheries resource landing taxes, there is language that helps a newly formed borough transition to the 50:50 split when a borough is formed over the course of four years. The fisheries resource landing tax wasn't originally included in CSHB 184, Version R, so this amendment would include it. She characterized it as conforming language.

REPRESENTATIVE P. WILSON interjected that including the fisheries resource landing tax would maintain what's already in existing statute.

[8:13:03 AM](#)

CHAIR MUNOZ surmised that this amendment wouldn't impact existing city & boroughs rather it only impacts situations in which a new borough forms [and a city and borough then exist].

MS. ROONEY replied yes. She noted that although the existing statute has never been exercised, the sponsor wanted to be sure that the change was made in all the necessary areas.

[8:13:52 AM](#)

REPRESENTATIVE AUSTERMAN pointed out that the change in the amendment to renumber the bill sections on page 4, line 11 and page 5, line 12 doesn't seem to correspond with the sections in Version R.

The committee took an at-ease from 8:15 a.m. to 8:18 a.m.

[8:19:20 AM](#)

REPRESENTATIVE AUSTERMAN moved that the committee adopt Amendment 1, labeled 27-LA0576\R.1, Bullard, 2/1/12, which read:

Page 4, following line 18:

Insert a new bill section to read:

"* **Sec. 8.** AS 43.77.060(b) is amended to read:

(b) Notwithstanding the provisions of (a)(2) and (a)(3)(B) of this section, and subject to

appropriation by the legislature, the commissioner shall pay to each

(1) city that is located in a borough incorporated after January 1, 1994, the following percentages of the tax revenue collected from taxes levied under this chapter on fishery resources landed in the city and accounted for under AS 43.77.050(b):

(A) 67.5 [45] percent of the tax revenue collected during the calendar year in which the borough is incorporated;

(B) 60 [40] percent of the tax revenue collected during the first calendar year after the calendar year in which the borough is incorporated;

(C) 52.5 [35] percent of the tax revenue collected during the second calendar year after the calendar year in which the borough is incorporated; and

(D) 45 [30] percent of the tax revenue collected during the third calendar year after the calendar year in which the borough is incorporated; and

(2) borough that is incorporated after January 1, 1994, the following percentages of the tax revenue collected from taxes levied under this chapter on fishery resources landed in the cities located within the borough and accounted for under AS 43.77.050(b):

(A) 7.5 [FIVE] percent of the tax revenue collected during the calendar year in which the borough is incorporated;

(B) 15 [10] percent of the tax revenue collected during the first calendar year after the calendar year in which the borough is incorporated;

(C) 22.5 [15] percent of the tax revenue collected during the second calendar year after the calendar year in which the borough is incorporated; and

(D) 30 [20] percent of the tax revenue collected during the third calendar year after the calendar year in which the borough is incorporated."

Renumber the following bill sections accordingly.

Page 4, line 11:

Delete "Sections 6 and 9"

Insert "Sections 6 and 10"

Page 5, line 12:
Delete "sec. 11"
Insert "sec. 12"

[8:19:50 AM](#)

REPRESENTATIVE AUSTERMAN moved that the committee adopt the following amendment to Amendment 1, as follows:

Delete the following language from Amendment 1:

Page 4, line 11:
Delete "Sections 6 and 9"
Insert "Sections 6 and 10"

Page 5, line 12:
Delete "sec. 11"
Insert "sec. 12"

Insert "Any conforming renumbered sections that need to be renumbered."

There being no objection, the amendment to Amendment 1 was adopted.

[8:20:41 AM](#)

There being no objection, Amendment 1, as amended, was adopted.

[8:21:05 AM](#)

REPRESENTATIVE CISSNA moved to report CSHB 184, Version 27-LS0576\R, Bullard, 1/25/12, as amended, out of committee with individual recommendations and the zero fiscal notes.

[8:21:39 AM](#)

REPRESENTATIVE AUSTERMAN objected.

[8:21:57 AM](#)

REPRESENTATIVE GARDNER stated that Representative P. Wilson has identified a real problem, but the concern is this isn't the right fix. She expressed concern that this legislation may create other problems because currently the funding [from these fish taxes] support other state agencies.

[8:22:36 AM](#)

REPRESENTATIVE P. WILSON explained that's why the legislation specifies that 25 percent [of the fish tax proceeds] remain with the state. She recalled that testimony from the [Alaska Department of Fish & Game] said the 25 percent was enough for their needs.

[8:23:01 AM](#)

REPRESENTATIVE GARDNER recalled testimony that if HB 184 passes as written, it doesn't make much of a dent in the need. If the legislation passes as written, she suggested that if communities still seek funds from the legislature, there might be comments that the communities are already receiving more funds from the fish tax. Therefore, she stressed that the legislation doesn't solve the problem and creates additional problems.

[8:23:34 AM](#)

CHAIR MUNOZ acknowledged that the legislation doesn't solve the problem, but highlighted that it helps. She reminded the committee that there's a tremendous backlog of maintenance for the ports and harbors since the state transferred them to communities. She also reminded the committee that Juneau is on record in support of the legislation.

[8:24:02 AM](#)

REPRESENTATIVE CISSNA inquired as to the reason for Representative Austerman's objection because she characterized [the lack of funding for ports and harbor maintenance] as a growing problem she has observed in her travels throughout the state.

[8:25:07 AM](#)

REPRESENTATIVE AUSTERMAN expressed concern that the underlying change in the fishery resource landing tax distribution takes away from some communities and gives it to others. Basically, the change is taking away from the smaller communities and giving to the larger communities. Furthermore, the legislation takes another 25 percent from the state and gives it to communities. Although he agreed that communities need funds to work on their harbors, at the same time more state money is being given to municipalities. The overall amount given to municipalities in Alaska is overwhelming, when compared to other

states. Representative Austerman said he understood the goal with HB 184, but didn't like the idea of hiding what's going on by putting 25 percent on it to make it look as if every community is getting more money when that's not the case. In House Finance discussions regarding whether the fishing industry pays its way most who argue that the fishing industry doesn't pay its way point to the revenue generated by the fish taxes. Already 50 percent of the fish taxes are given to the communities and there's less revenue that can be justified as the fishing industry paying its way and taking another 25 percent to the communities would lead to the argument that the fishing industry doesn't pay its way because they look at the state dollars rather than what goes to the municipalities. The aforementioned is of concern as well, he said.

[8:27:54 AM](#)

REPRESENTATIVE CISSNA pointed out that fishing is still one of the largest [employers] in the state. The kinds of costs to communities are from the conditions, such as the high cost of fuel, that bring the state more funds. The aforementioned is threatening the fishing industry as well as many other industries that are located away from the urban centers that reap large profits from the investments made in small communities. Communities with expenditures by the state aren't the ones determining whether it's a need they have. For those communities to obtain some funds, offset the aforementioned, and avoid failure of the fishing industry is important. She stressed the need to ensure that [the state] needs to make it possible for humans to get what they need to eat and sell.

[8:30:13 AM](#)

CHAIR MUNOZ directed attention to the document entitled "Fisheries Tax Revenue Share Analysis and Community Revenue Sharing," which relates that the majority of communities receive substantial increases in funding for their harbors. In those cases in which there is a decrease in the amount the community receives, the decline is very little.

REPRESENTATIVE AUSTERMAN pointed out that the analysis is based on a 25 percent increase, not necessarily on the change to the tax. Without the 25 percent increase, the numbers are totally different. The aforementioned is one of his objections because once this legislation reaches the House Finance Committee he believes the legislation won't make it through the House Finance Committee with the 25 percent increase. Although the sponsor

has indicated she would withdraw the legislation if it doesn't maintain the 25 percent increase, Representative Austerman said that going out of this committee he didn't know.

CHAIR MUNOZ related her understanding that the bill sponsor has pledged to withdraw HB 184 if one of the taxes were amended or not included in the formula.

[8:32:11 AM](#)

A roll call vote was taken. Representatives Foster, Dick, Cissna, Gardner, and Munoz voted in favor of reporting CSHB 184, Version 27-LS0576\R, Bullard, 1/25/12, as amended, out of committee. Representatives Saddler and Austerman voted against it. Therefore, CSHB 184(CRA) was reported out of the House Community and Regional Affairs Standing Committee by a vote of 5-2.

The committee took an at-ease from 8:32 a.m. to 8:37 a.m.

HB 305-MUNI. PROP.TAX EXEMPTION: RELIGIOUS ORGS.

[8:37:19 AM](#)

CHAIR MUNOZ announced that the next order of business would be HOUSE BILL NO. 305, "An Act relating to a mandatory exemption for certain residences owned by a religious organization."

[8:37:29 AM](#)

REPRESENTATIVE GARDNER, speaking as the sponsor, explained that HB 305 seeks to correct an error made in 2006 and return to a property tax system in which all property taxpayers are treated equally. The legislation removes the property tax exemptions for teachers of private religious and parochial schools that live in church-owned housing. The legislation returns to the pre-2006 language describing a "minister" living in church property that is tax exempt. In 2006, the legislature passed House Bill 334, which broadened the definition of "religious property" by adding a mandatory exemption for the residence of an educator in a private religious or parochial school. Furthermore, House Bill 334 expanded the definition of "minister" to include "those individuals ordained, commissioned, or licensed as a minister according to the standards of the religious organization for its ministers". House Bill 334 also required that the ministers be employed by the religious organization to carry out the ministry of that organization.

Representative Gardner specified that the problem with mandatory tax exemption reductions, such as those for senior citizens and veterans, is that they enjoy broad public support, although they are unfunded mandates. However, the 2006 legislation was controversial with the public because it gave special treatment to some individuals, religious educators, and was perceived as unfair to other educators and all other taxpayers. The definition of "minister" in [House Bill 334] was expanded such that it was difficult for municipal tax officials to know who qualifies. In conclusion, Representative Gardner reiterated that the existing law is an unfunded mandate borne by all taxpayers.

[8:39:56 AM](#)

REPRESENTATIVE LINDSEY HOLMES, Alaska State Legislature, speaking as a co-sponsor of HB 305, explained that HB 305 eliminates the religious teacher housing as well as the 2006 definition of "minister" that allowed [religious] organizations to define "minister." The legislation before the committee today, HB 305, returns the definition of "minister" to what it was prior to 2006 and removes the requirement that the minister be employed by the church as a religious leader. Representative Holmes pointed out that the basis for this discussion can be found in Article 9, Section 4 of the Alaska State Constitution, which identifies "properties that are used exclusively for nonprofit religious purposes as being exempt from taxation, as defined by law". The language "as defined by law" is what the legislature specifies. The proposed legislation doesn't change or undermine the long-standing support for tax exemptions for homes of religious leaders, such as those residences of a bishop, pastor, rabbi, priest, minister, or religious order of a recognized religious organization. The proposed legislation, HB 305, maintains the exemption regarding other religious property tax exemptions, such as exemptions for churches, synagogues, religious educational facilities, and other property that is used exclusively for religious purposes. Representative Holmes related that Legislative Research was only able to locate five properties in Anchorage and five properties in Kenai that specifically used the religious educator exemption. Legislative Research didn't have numbers, but estimated that [the exemptions] amount to about \$25,000 a year. Although it isn't a lot of money, the issue is fairness to other taxpayers who are required to "pick up the slack." Furthermore, by making it a mandatory exemption [in House Bill 334], the legislature passed on an unfunded mandate to communities.

[8:44:03 AM](#)

REPRESENTATIVE GARDNER informed the committee that HB 305 has generated waves of public support since the Anchorage Daily News article. She noted that the committee packet contains about 80 emails in support of HB 305 and the Anchorage Daily News article generated, on last count, about 300 comments of which 98 percent were in support of changing the law as proposed by HB 305. In conclusion, HB 305 rights a wrong enacted in 2006 without interfering with the broad support for tax exemptions for homes of religious officials and it's a measure to restore public trust in the legislative process by eliminating special treatment.

[8:46:52 AM](#)

DEBBIE OSSIANDER, Member, Anchorage Assembly, Municipality of Anchorage, began by informing the committee that she has been active in local government in Anchorage for about 20 years. She related that in the last three years serving on the Anchorage Assembly she has spent much of her time explaining mill levies and property assessments. Anchorage has attempted to diversify its tax base so it's not so heavily on local property taxpayers but rather is spread throughout the community. Moreover, Anchorage has tried to ensure openness and explain to citizens how their taxes are collected fairly and equitably. The [Anchorage Assembly] has created a process by which residents can appeal their taxes for free and has established a citizen board that talks to those in the community regarding taxes and appeals. Often, [the Anchorage Assembly] has to say no to good and worthwhile efforts in order to avoid harming those in the community who are struggling to pay the taxes they have now. Ms. Ossiander encouraged the committee to be as clear and concise as it can with the language it uses. She related her personal belief that it's appropriate to give tax exemptions to churches and to nonprofits, but it's critical for everyone to be able to understand the language and its meaning.

[8:50:26 AM](#)

REPRESENTATIVE CISSNA highlighted that the money the municipalities have don't spread as far as desired. She informed the committee that she has qualified for the senior property tax exemption the last four years, but has chosen not to take the exemption. She opined that when one has the ability to pay the tax it's the honorable and responsible thing to do. This legislation fixes what she felt was unfair.

[8:52:58 AM](#)

CHAIR MUNOZ inquired as to the mill rate in Anchorage.

MS. OSSIANDER answered that it depends upon where one lives. Anchorage is divided into districts and residents pay for services depending upon where they live in a district. In further response to Chair Munoz, Ms. Ossiander said she didn't know the mill rate for the area that would be impacted by HB 305 or the financial impact to the municipality.

REPRESENTATIVE GARDNER interjected that since the properties [now receiving the exemption] haven't been assessed in many years, there's no way to know exactly. However, the estimate is about \$15,000 to Anchorage and \$9,000 to Kenai. Although it's a relatively small financial impact, the existence "poisons the well" for everyone and creates a tremendous amount of resentment.

[8:54:55 AM](#)

CHAIR MUNOZ requested that the state assessor speak to the law as it relates to 501(c)(3) organizations and the status of municipalities granting exemptions to those organizations. She asked if the state law offers the opportunity for exemptions for 501(c)(3) organizations.

[8:55:05 AM](#)

STEVE VAN SANT, State Assessor, Division Programs, Division of Community and Regional Affairs, clarified that there is a charitable exemption, the criteria for which is that the organization has to be a nonprofit which is typically a 501(c)(3), 501(c)(8), or 501(c)(9). In further response to Chair Munoz, Mr. Van Sant confirmed that typically churches are 501(c)(3) nonprofits. The charitable exemption that is found under AS 29.45.030 is mandatory.

[8:56:06 AM](#)

CHAIR MUNOZ questioned then whether the organization in question could still receive the exemption under the aforementioned charitable exemption, if this is repealed.

MR. VAN SANT stated that teacher housing probably wouldn't qualify for a charitable exemption, which is why it was placed under the religious exemptions statute.

[8:57:10 AM](#)

REPRESENTATIVE GARDNER informed the committee that SB 183 proposes to provide a property tax exemption for the primary residence of a widow/widower of a person killed in military service. The language used by SB 183 to grant the exemption, "A municipality may by ordinance approved by the voters", seems more reasonable. Representative Gardner said that although she considered doing something similar for the teacher exemption, she felt it didn't get to the "heart of the matter." Furthermore, she said she didn't believe it would have the support of voters in Anchorage.

[8:58:13 AM](#)

REPRESENTATIVE SADDLER asked if although the sponsor didn't hold a press conference regarding the introduction of HB 305, she referenced it in her newsletter.

REPRESENTATIVE GARDNER replied yes.

REPRESENTATIVE HOLMES informed the committee that she, too, referenced HB 305 in her newsletter.

REPRESENTATIVE SADDLER expressed concern about some of the rhetoric surrounding this legislation, adding that he even found some of it offensive. He opined that it's possible to disagree on issues without being disagreeable and thus he expressed hope that the discussion could be maintained at a high level. He noted that he has concerns and has heard concerns about the property tax exemption from his city council member in Anchorage.

REPRESENTATIVE HOLMES offered to share her newsletter. She stressed that it wasn't a tactic or intention of the sponsor to [elicit such rhetoric]. Furthermore, the legislation isn't targeted at any particular entity, rather it's targeted at what is perceived as a largely unpopular measure by the public. The legislation, she related, is not intended to be partisan in any way. There are many in the community that believe their property taxes are increasing while other entities are being given exemptions; because this was a mandatory exemption, the legislation is aimed at that. Representative Holmes agreed with

Representative Saddler and said that she didn't want the issue to turn into firestorm; however, she reminded the committee that letters are received from a broad variety of people and they say what they say.

REPRESENTATIVE GARDNER told the committee that when she initially embarked on this, she had no idea how many properties and exemptions were being claimed under the statute. As it turned out, all the exemptions were affiliated with one church. She acknowledged that when that information came to light, she realized that it would look as if she was targeting one entity. However, that was not the intention. In fact, she recalled that in 2006 when the original legislation was enacted, it was anticipated that other schools would avail themselves of the exemption.

REPRESENTATIVE SADDLER, speaking to the public, expressed the importance of maintaining civility on issues like this.

REPRESENTATIVE GARDNER stated her agreement.

[9:02:55 AM](#)

REPRESENTATIVE DICK related his appreciation for the focus on fairness. He posed a scenario in which [private school] teachers were made to pay more property taxes. In such a situation, he opined that many private school teachers would have to be paid more since they are often paid less than public school teachers. In order for the schools to pay the teachers more, the parents of the students in the private schools would have to pay more. He then told the committee that his grandchildren attend the Christian school in Kenai. The parents of his grandchildren had to pay for school twice because they had to pay property taxes and pay for the cost of the school. He related that his daughter paid \$4,500 a year for the education of his grandson, whereas public schools pay \$15,000-\$20,000 per student. In terms of fairness, he questioned whether parents of students in private school should have to pay property tax for schools their children don't attend and pay for private school.

REPRESENTATIVE DICK then related his understanding that the separation of church and state ensures that the state won't dictate how churches operate. However, that separation of church and state has been construed to prohibit any discussion of church in school or at any given state function. Therefore, many have separated themselves from the public system. He

opined that if one person's belief system is called religion, it has no place in state-funded operations whereas a belief system referred to as a philosophy can be endorsed. By default, he stressed that the religion of the public schools is secular humanistic atheism because nothing religious can be named in public schools. The aforementioned, he suggested, is why many choose not to send their children to public schools. Representative Dick then related that his granddaughter attended Alaska Christian College where most of the teachers she had weren't paid by the college. Those teachers travel to the Lower 48 in the summer to obtain enough funds to teach at the Alaska Christian College for free. He opined that Alaska Christian College is doing a fantastic service on a shoe string. He further opined that if teachers at Alaska Christian College had to pay property taxes, they would have to solicit more funds to be able to continue to teach at the college. In closing, Representative Dick opined that the issue is one of fairness.

[9:07:34 AM](#)

REPRESENTATIVE CISSNA opined that HB 305 actually specifies to communities what is in state law and provides boundaries. With regard to unfunded mandates, allowing communities to decide what they will and will not do seems to be appropriate, she further opined. She expressed the need to keep to the law of the state and leave campaigning out of the conversation.

[9:09:19 AM](#)

REPRESENTATIVE GARDNER stated she knows, for a fact, there are many deeply religious teachers in public schools who represent a wide variety of faiths and who would be offended by the characterization that [the religion of] public schools is [secular humanistic atheism]. Representative Gardner then clarified that she is not hostile to religious schools. In fact, her son attended a Catholic college and she began her academic career in a Catholic school and three years of high school in an Anglican school that was founded by the Orphaned Daughters of the English Clergy. She opined that she had wonderful experiences and education in those schools, but her parents weren't asking other taxpayers to subsidize their choice to place her in a religious school. Representative Gardner emphasized that it is appropriate for people to choose whatever type of education they believe is appropriate for their children and she supports that. However, she said she didn't believe it's appropriate for all the taxpayers in a community to

subsidize that parental choice, which is what a mandatory exemption for teaching housing does.

[9:11:26 AM](#)

KATHIE WASSERMAN, Executive Director, Alaska Municipal League, informed the committee that the Alaska Municipal League (AML) has always opposed mandatory property tax exemptions. As a rule, AML doesn't believe the state, which doesn't have any taxing authority, should mandate what property tax exemptions should be given by the municipalities. When the existing exemption passed in 2006, it seemed to open the door to more [property tax exemptions]. More exemptions place more of a burden on less people. Therefore, AML is in opposition to mandatory property tax exemptions and is in strong support of HB 305.

[9:13:00 AM](#)

CHAIR MUNOZ announced that public testimony would remain open and HB 305 would be held over.

[9:13:06 AM](#)

ADJOURNMENT

There being no further business before the committee, the House Community and Regional Affairs Standing Committee meeting was adjourned at 9:13 a.m.