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IN THE HOUSE BY COMMITTEE ON ENCRASSMENT AND ENROLLMENT
HOUSE BILL NO. 7

IN THE LEGISLATURE OF THE TERRITORY OF ALASKA
TWENTY-SECOND LEGISLATURE, FIRST EXTRAORDINARY SESSION

A BILL

For an Act entitled: "An Act making an appropriation of the sum of \$86,231.75 or so much thereof as may be necessary, out of any monies in the Territorial Treasury not otherwise appropriated, to pay the legislative expenses, and to pay the salary, per diem and expenses of members and the salaries of officers and employees of the First Extraordinary Session of the Twenty-second Legislature, and to pay any unpaid accounts or expenses of the Regular Session of the Twenty-second Legislature; and declaring an emergency."

BE IT ENACTED BY THE LEGISLATURE OF THE TERRITORY OF ALASKA:

Section 1. There is hereby appropriated out of any monies in the Territorial Treasury not otherwise appropriated, the sum of \$86,231.75 or so much thereof as may be necessary, to pay the legislative expenses and to pay the salary, per diem and expenses of members and the salaries of officers and employees of the First Extraordinary Session of the Twenty-second Legislature, and to pay any unpaid accounts or expenses of the Regular Session of the Twenty-second Legislature, such appropriation to be apportioned according to the following schedules:

(a) For the salaries of the Chief Clerk of the House of Representatives and the Secretary of the Senate, \$26.00 per day

| | | | |
|----|--|----|---------------|
| 1 | To carry out the provisions of Senate Bill No. 115 | | |
| 2 | as amended, of the 1955 Legislature, Regular | | |
| 3 | Session, creating the Alaska Rural Develop- | | |
| 4 | ment Board.....TOTAL | \$ | 150,000.00 |
| 5 | To carry out the provisions of Senate Bill No. 118 | | |
| 6 | of the 1955 Legislature, Regular Session, | | |
| 7 | providing for boiler inspection.....TOTAL | \$ | 10,000.00 |
| 8 | To carry out the provisions of House Bill No. 215 | | |
| 9 | of the 1955 Legislature, Regular Session, | | |
| 10 | pertaining to scholarships at the University | | |
| 11 | of Alaska.....TOTAL | \$ | 17,000.00 |
| 12 | | | |
| 13 | GRAND TOTAL..... | \$ | 31,165,595.00 |
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1 2
ARTICLE II

3 RURAL SCHOOL DISTRICT PROPERTY TAX

4 Section 1. INTENT. With respect to public school education
5 in Alaska, the Legislature recognizes these facts:

6 (a) The entire expenses incident to the operation and
7 maintenance of rural schools, that is, public schools, situated
8 outside of incorporated and independent school districts and
9 municipalities, is paid from Territorial funds; and no portion
10 of such expenses is paid from moneys obtained through local ad
11 valorem taxes in respect to property situated in such rural
12 areas of the Territory.

13 (b) The entire cost of operating and maintaining pub-
14 lic schools situated within incorporated school districts and
15 municipalities is not paid from Territorial funds; a certain
16 portion--roughly thirty to thirty-three percent of such expenses--
17 must be and is born by the property owners and inhabitants of
18 these incorporated areas by virtue of local ad valorem taxes ^{and} p. 17
19 levied by the particular governing unit of the school districts
20 and municipalities upon property located within their boundaries.

21 Therefore, in order to attempt to equalize the financial
22 burden of public school education in Alaska as between property
23 located in rural areas and property located in incorporated areas,
24 the Legislature deems it necessary and appropriate to constitute
25 all of Alaska situated outside of incorporated school districts
26 and municipalities one local governmental subdivision of Alaska,
27 to be called a "Rural School Taxing District", and to levy upon
28 the property situated therein a uniform, ad valorem tax, as
29 provided in this Article.

1 Sec. 2. DEFINITIONS. When used in this Article, unless
2 the context clearly indicates otherwise--

3 (a) "Assessor" means the authorized representative of
4 a divisional board of equalization designated to perform the
5 duties of making assessments in a division.

6 (b) "Credits" means corporation shares of stock, ac-
7 counts, contracts for cash or labor, bills of exchange, jud-
8 ments, choses in action, liens of any kind, other than real
9 estate mortgages, securities, debentures, bonds, other than those
10 of the United States, annuities, and all other demands for labor
11 or other valuable thing; whether due or to become due, not other-
12 wise exempt by law.

13 (c) "District" means that area of the Territory which
14 is outside of the boundaries of incorporated and independent
15 school districts and municipalities of Alaska.

16 (d) "District Board" means the board of equalization
17 for the district which is created pursuant to the provisions of
18 Section 7(a).

19 (e) "Division" means the area of the district which
20 is situated within each of the four judicial divisions of Alaska.

21 (f) "Divisional Board" means a board of equalization
22 for each of the four divisions, created pursuant to the provi-
23 sions of Section 7(b).

24 (g) "Improvements" mean and include all buildings,
25 structures, fences and additions erected upon or affixed to
26 land, whether or not title to the land has been acquired by
27 any particular person.

28 (h) "Money" means all kinds of coin and all kinds of
29 paper, issued by or under authority of the United States, cir-

1 existing as money.

2 (i) "Persons" means and includes an individual, partner-
3 ship, corporation, firm, society, unincorporated association,
4 company, trust, trustee, joint stock company, executor, adminis-
5 trator or estate, or any other group or entity acting as a unit
6 which may be the owner or have an interest in property.

7 (j) "Personal Property" means all tangible property
8 other than real property.

9 (k) "Political subdivision" means any local government
10 or governing body or public corporation created, organized, exist-
11 ing or formed under or by virtue of the laws of the Territory of
12 Alaska, and shall include any municipal corporation and any
13 school, public utility, health or other district of the Territory
14 of Alaska.

15 (l) "Property" means every kind of real and personal
16 property as defined herein.

17 (m) "Property Owner" means every person having an in-
18 terest in or who owns property in the district, and who, under
19 the provisions of Section 10, is obliged to make a return of pro-
20 perty, or to whom property is assessed by the assessor.

21 (n) "Real Property" means lots and all other lands,
22 and all buildings, fixtures, improvements, quarries, oil and gas
23 rights, and privileges pertaining thereto, and timber on paten-
24 ted lands.

25 (o) "Rural Schools" mean all public schools of Alaska
26 which are situated outside of the boundaries of municipalities
27 and were created and independent school districts of Alaska.

28 (p) "Tangible Property" means all personal property
29 possessing a physical existence, but excluding money, and credits.

1 (q) "Tax Commissioner" means the Tax Commissioner of
2 the Territory of Alaska, and shall include the person designated
3 by him as Deputy Tax Commissioner of the Territory of Alaska.

4 (r) "Taxes", as used in Sections 16 and 17, shall in-
5 clude, in addition to the principal amount thereof, all interest
6 and costs of collection.

7 (s) "Territory" means the Territory of Alaska.

8 (t) "True and Full Value" means full and true value in
9 money in the market of the ordinary course of trade.

10 Sec. 3. CONSTRUCTION. In the construction of this Article,
11 the following rules shall be observed unless such construction
12 would be inconsistent with the manifest intent of the Article:

13 (a) GENERAL RULE. Subject to the provisions of Section
14 3, all words and phrases shall be construed and understood accord-
15 ing to the common and approved usage of the language; but technical
16 words and phrases and such others as may have acquired a peculiar
17 and appropriate meaning in the law shall be construed and under-
18 stood according to such peculiar and appropriate meaning. *and 1020*

19 (b) GENDER SINGULAR AND PLURAL. Words importing the
20 masculine gender shall extend to and be applied to the feminine
21 and neuter as well; and every word importing the singular number
22 only shall extend and be applied to several persons or things as
23 well as to one person or thing; and every word importing the
24 plural number only shall extend and be applied to one person or
25 thing as well as to several persons or things.

26 (c) TENSES. The use of any verb in the present tense
27 shall include the future when applicable.

28 (d) INCLUDE. The word "include" when used in any
29 definition in this Article, shall not be deemed to exclude other

1 things otherwise within the meaning of the word or term defined.

2 (e) REASONABLE TIME. In all cases where this Article
3 requires any act to be done in a reasonable time or reasonable
4 notice to be given, such reasonable time or notice shall be deemed
5 to mean such time only as may be necessary for the prompt perfor-
6 mance of such act, or compliance with such notice.

7 (f) TIME: HOW COMPUTED. The time within which an act
8 is to be done as provided in this Article or in any order issued
9 pursuant to the provisions of this Article when expressed in days,
10 shall be computed by excluding the first day and including the last,
11 except that if the last day be Sunday or a legal holiday, as de-
12 fined by the laws of the Territory, it shall be excluded.

13 (g) SECTIONS. Unless otherwise specified--

14 (1) All references to sections or subsections
15 are to the sections and subsections of this Article; and

16 (2) All references to subsections are to the
17 subsections of the particular section in which the refer-
18 ~~ence~~ ^{once} to such subsection is made.

19 Sec. 4. LEVY OF TAX. Subject to the provisions of Sections
20 5 and 6, for the calendar year 1955, and for each calendar year
21 thereafter, there is levied, and there shall be assessed, collected
22 and paid, a tax upon all property situated in the district as of
23 April 1 of each year, at the rate of one percent of the true and
24 full value thereof.

25 Sec. 5. MINING CLAIMS AND BOATS.

26 (a) MINING CLAIMS.

27 (1) Subject to the provisions of subsection (2),
28 the value of the unpatented mining claims and unimproved,
29 nonproducing patented mining claims, is fixed, for the pur-

1 pones of this Article, at the rate of \$10.00 per acre
2 for each such claim.

3 (2) If the surface ground of any such mining claim
4 is used for other than mining purposes and has a separate and
5 independent value for such other purposes, or if there are
6 improvements or machinery or other property thereon of such
7 a character as to be deemed a part of the realty, then the
8 value of the same shall, as in the case of all other property
9 referred to in Section 3, be true and full value.

10 (b) BOATS AND VESSELS. The value of boats and vessels
11 which are subject to taxation hereunder is fixed, for the purposes
12 of this Article, on the basis of the registered or certified net
13 tonnage of such boats or vessels, which property shall be classi-
14 fied for purposes of taxation and assessed valuation thereof
15 established on said basis, provided, that a tax based upon such
16 valuation shall not exceed one dollar per annum per net ton for any
17 boat or vessel.

18 Sec. 6. EXEMPTIONS.

19 (a) The following property shall be exempt from taxes
20 levied hereunder:

21 (1) Property of the United States or agency
22 thereof, but only to the extent that such property is
23 exempt by virtue of the constitution or the laws of the
24 United States.

25 (2) Property of the Territory and its political
26 subdivisions.

27 (3) Property of a non-profit association or
28 corporation which is used for the purpose of providing a
29 public utility, and property incidental to such use.

1 (4) Property used solely for religious, educa-
2 tional, or charitable purposes.

3 (5) Household goods and other personal property
4 to the value of \$1,000.00 to each family.

5 (6) Property of any veterans organization, or
6 auxiliary thereof, except property used for business pur-
7 poses.

8 (7) Real property on homesteads upon which entry
9 has been made in accordance with the land laws of the
10 United States until one year after the date upon which
11 patent is granted and final title acquired.

12 (8) New industrial, commercial and business con-
13 struction shall be exempt during the period of construction
14 and until the plants or buildings are occupied or operated,
15 but in no case shall this exemption exceed three taxable
16 years from the time of beginning of construction. Modifi-
17 cations and repairs to existing structures shall not be
18 considered new construction under this provision.

19 (b) The laws exempting certain property from levy and
20 sale on execution shall not apply to taxes levied hereunder or
21 to the collection thereof.

22 (c) In addition to the foregoing specific exemptions,
23 industrial incentive exemptions may be granted by the Tax Com-
24 missioner as follows:

25 (1) An exemption of one-half of the tax other-
26 wise imposed hereunder, or such other lesser fraction there-
27 of as the Tax Commissioner may deem to be a necessary and
28 proper encouragement to new industry as hereinafter defined,
29 for such period not exceeding 10 taxable years from the date

1 production is commenced, upon new plants and buildings and
2 other installations, real estate and equipment, as are con-
3 structed and procured by new industrial enterprises, as
4 hereinafter defined, to manufacture or process products
5 which constitutes industry new to Alaska with resultant
6 establishment of new payrolls in Alaska.

7 The terms "new industry" or "new industrial enter-
8 prises" as used herein shall mean undertakings for the pur-
9 pose of manufacturing or processing products not manufactured
10 or processed in Alaska in all cases where such enterprises
11 or industries were not in being or production and for which
12 plants were not in being in Alaska on February 21, 1949.

13 (2) The Tax Commissioner shall establish and
14 promulgate general standards and rules conformable to this
15 Article for determining the eligibility of applicants for
16 exemptions hereunder, and the extent to which exemptions
17 for such applicants respectively are to be granted, includ-
18 ing such factors as: permanence of the industry involved;
19 the amount of its capital investment; whether it is a
20 seasonal or continuous operation; whether it will likely
21 be marginal because of distance from principal markets;
22 transportation costs and differential in cost of produc-
23 tion in Alaska as compared to cost of productions else-
24 where; the number of resident Alaskan workmen who will be
25 given employment; and other pertinent factors, related to
26 improving the economy of the Territory of Alaska. He shall
27 also consider in each case the recommendation of the Divi-
28 sional Board of Assessment of the division in which the new
29 industry is proposed to be established, which recommenda-

1 tion shall be obtained by the applicant in advance of the
2 application and attached thereto. After all such factors
3 are taken into consideration, the decision of the Tax Com-
4 missioner shall be rendered, subject, however, to final ap-
5 proval of the Divisional Board of Assessment. If after
6 studying the Tax Commissioner's findings and decisions, the
7 said Board, acting by majority of its members, is unable to
8 agree with said decision, it shall, after reasonable notice
9 to the Tax Commissioner and the affected new industry, hold
10 a hearing and make the decision, which shall be final, ex-
11 cept that when such exemption decision expires, the position
12 of the new industry may be re-evaluated and extension gran-
13 ted within the maximum limits allowed hereunder, in the
14 same manner as provided for the granting of the original
15 exemption.

16 (3) All exemptions granted hereunder shall be
17 negotiated and consummated prior to the initial commence-
18 ment of production by the applicant.

19 Sec. 7. BOARDS OF EQUALIZATION.

20 (a) DISTRICT BOARD. There is created a district
21 board of equalization which shall consist of the Governor, the
22 Attorney General and the Treasurer of Alaska. This board shall
23 have the power and duty to equalize the assessment of taxes as
24 between and among the four divisions comprising the taxing district.

25 (b) DIVISIONAL BOARDS: CREATION AND ORGANIZATION.

26 (1) There is created for each division a divi-
27 sional board of equalization. Each board shall consist of
28 three members to be appointed by the Governor, subject to
29 confirmation by the majority of the members of both Houses

1 of the Legislature in Joint Session assembled; Provided,
2 that persons appointed may perform the duties of their
3 offices until action by the ensuing Legislature is taken
4 either confirming or rejecting such appointments.

5 (2) The term of each board member shall be six
6 years, and until his successor is appointed and qualified.
7 In the event of any vacancy on any board, the Governor shall
8 appoint a successor to fill such vacancy for the balance of
9 the unexpired term, and until his successor is appointed and
10 qualified.

11 (3) A board member may be removed from office by
12 the Governor after notice and opportunity for hearing, and
13 only upon grounds of inefficiency, neglect of duty, or mal-
14 feasant in office.

15 (4) The principal offices of the respective boards
16 shall be located in the following cities: for the first
17 division, at Juneau; for the second division, at Nome; for
18 the third division, at Anchorage; for the fourth division,
19 at Fairbanks.

20 (c) DIVISIONAL BOARDS: POWERS AND DUTIES. Each board,
21 within its division, shall (subject to the provisions of Section
22 9) have the following powers and duties:

23 (1) To exercise general supervision and direct
24 the activities of the assessment of taxes levied under this
25 Article, and in this respect, to employ qualified persons to
26 perform the duties of assessors and prescribe their duties.

27 (2) To equalize the assessment of taxes levied
28 hereunder.

29 (3) To act as an administrative board of review

1 in these cases, specified in this Article, where an appeal
2 is made from the action of the Board as a board of equaliza-
3 tion.

4 (4) To hold hearings and conduct investigations
5 which it may deem necessary or appropriate in the perform-
6 ance of its duties and the exercise of its powers; and in
7 such respect, to administer oaths and to issue subpoenas
8 requiring the attendance of witnesses and the production
9 of evidence.

10 (5) To keep accurate and complete records of all
11 board business and activities.

12 Sec. 8. ASSESSORS.

13 (a) APPOINTMENT. Each divisional board shall appoint
14 an assessor as its principal agent in the administration of its
15 powers and duties. Before entering upon the duties of his office,
16 the assessor shall subscribe an oath to perform well, faithfully
17 and impartially such duties, and shall execute a bond to the Ter-
18 ritory of Alaska, with sufficient surety, to be approved by the
19 Tax Commissioner, and in such sum as the latter shall fix. In
20 no case, however, shall such bond be in a sum less than \$10,000.00.

21 (b) POWERS AND DUTIES. In addition to and in aid of
22 his other powers and duties as provided in this Article and as
23 delegated to him by his divisional board, the assessor for each
24 division shall have the power to issue and serve subpoenas in
25 the name of his board for the purpose of securing the testimony
26 of witnesses and the production of documents and other evidence,
27 and shall have the power to administer oaths to any person.

28 (c) DEPUTY ASSESSORS. Each divisional board may appoint
29 one or more deputy assessors who shall have the same powers and

1 duties as the assessor.

2 Sec. 9. TAX COMMISSIONER. The Tax Commissioner of Alaska
3 shall have the following powers and duties:

4 (a) To collect the taxes levied hereunder and to en-
5 force collections with the aid of such deputy collectors and
6 other personnel as he may deem fit to appoint or employ.

7 (b) To provide and promulgate all needful rules and
8 regulations, and to furnish forms, conformable with this Article,
9 for the assessment and collection of taxes levied hereunder.

10 (c) To establish and fix the compensation of all
11 assessors, deputy assessors and employees of boards of equaliza-
12 tion, and all other personnel utilized in the administration of
13 this Article; to supervise and control all expenses incurred by
14 any board and its agents and employees; and to voucher for all
15 expenditures made hereunder in the assessment and collection of
16 taxes.

17 Sec. 10. ASSESSMENTS.

18 (a) SELF ASSESSMENT. On or before May 1 of each year
19 every property owner shall file in duplicate with the assessor
20 of the division in which his property is to be assessed, upon
21 forms provided by the assessor, a return of his property which
22 shall contain a complete list of taxable property showing, among
23 other things, the nature, quantity, amount and place or location
24 of such property, and its true and full value as of April 1 of
25 the year of such assessment. Such return shall bear the signa-
26 ture of such property owner, and shall contain his name and
27 address to which all individual notices and other things required
28 by this Article may be mailed or delivered. The date upon which
29 any return is so filed shall be the date it is received by the

1 assessor, or if mailed, then the date which appears by the post-
2 mark on the envelope or other wrapper in which such return is
3 enclosed.

4 (b) LISTING OF PROPERTY. Property shall be listed by
5 property owners as follows:

6 (1) Every person of full age and sound mind,
7 being a resident of the division, shall list all his pro-
8 perty located in the division.

9 (2) Every person of full age and sound mind,
10 being a resident of the division, shall list all property
11 owned or otherwise controlled by him as the agent or at-
12 torney, or on account of, any other person or persons what-
13 soever.

14 (3) The property of a minor child shall be
15 listed by his guardian, if he has no guardian, then by the
16 father if living; if no father, then by the mother, if
17 living; and if neither father nor mother be living, by the
18 person having such property in charge.

19 (4) The property of any other person under guard-
20 ianship, by his guardian.

21 (5) The property of a wife, by her husband, if
22 of sound mind; if not, by herself.

23 (6) The property of a person for whose benefit
24 it is held in trust, by the trustee.

25 (7) The property of the estate of a deceased per-
26 son, by the executor or administrator.

27 (8) The property of corporations, by the presi-
28 dent or property agent or officer thereof.

29 (9) The property of corporations whose assets are

1 in the hands of receivers, by such receivers.

2 (10) The property of a firm or company, by a
3 partner or agent thereof.

4 (11) The property of manufacturers and others in
5 the hands of an agent, by and in the name of such agent, as
6 merchandise.

7 (c) ASSESSMENT BY ASSESSOR. If any property owner
8 fails to file a return as provided herein, or makes an erroneous
9 or fraudulent return, or if the assessor has reasonable ground
10 to believe that any return filed is incorrect or inaccurate in
11 any respect, the assessor may proceed to assess the tax upon
12 such property and make the return from any information that he
13 is able to obtain. Any return so made and subscribed by the
14 assessor shall be prima facie good and sufficient for all legal
15 purposes. The assessor may, by personal inspection or by deputy,
16 make an independent or supplemental valuation of property from
17 actual view, and may enter upon premises and view property; and
18 for the purposes of such examination and such assessment, he
19 shall have access to all property records and shall have the
20 power to examine under oath any person.

21 (d) ADDITIONAL RETURNS. The assessor may, in his
22 discretion, by notice in writing to any property owner by whom
23 a return has been filed, require from such person a further re-
24 turn containing additional details and more explicit particulars
25 and such property owner shall fully comply with such requirements
26 within thirty days after receipt by him of such notice.

27 (e) WHERE PROPERTY ASSESSED.

28 (1) All real property shall be assessed in the
29 division in which it is situated, and subject to the remain-

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ing subsections of this subsection (e), personal property shall be assessed in the division where the property owner resides.

(2) Personal property having a local situs, such as merchandise in a store, shall be assessed at the place of situs.

(3) Personal property of manufacturers and others in the hands of agents shall be assessed at the place where the business is carried on.

(4) Personal property in transit shall be assessed where the property owner or agent resides, but if such property is intended for a business, it shall be assessed at the place where the property of such business is required to be assessed.

(5) Each divisional board shall have the power to provide further and detailed regulations regarding the place or places where property is to be assessed.

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