IN THE House BY Ways + Means

House BILL NO. 110

IN THE LEGISLATURE OF THE TERRITORY OF ALASKA

TWENTY-SECOND SESSION

A BILL

For an Act entitled: "An Act establishing a rural school district in Alaska and levying a one percent tax on property situated therein; providing for the assessment, collection and enforcement of such tax; establishing certain classifications and exemptions; defining offenses and prescribing penalties; creating a special 'Rural School Fund'; and declaring an emergency."

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

Section 1. SHORT TITLE.

This act may be cited as the "Rural School District Tax Act".

Section 2. INTENT.

With respect to public school education in Alaska, the legislature recognizes these facts:

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

2. The entire cost of operating and maintaining public schools situated within incorporated school districts

and municipalities is not paid from Territorial funds; a certain portion--roughly thirty to thirty-three percent of such expenses--must be and is born by the property owners and inhabitants of those incorporated areas by virtue of local ad valorem taxes levied by the particular governing unit of the school districts and municipalities upon property located within their boundaries.

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

Thus, the purpose and intent of this act.

Section 3. DEFINITIONS.

When used in this act, unless the context clearly indicates otherwise--

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

(b) "Credits" means corporation shares of stock, accounts, contracts for cash or labor, bills of exchange, judgments, choses in action, liens of any kind, other than real estate mortgages, securities, debentures, bonds, other than those of the United States, annuities, and all other demands for labor or other valuable thing, whether due or

to become due, not otherwise exempt by law.

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

(d) "District Board" means the board of equalization for the district which is created pursuant to the provisions of section 8(a).

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

(f) "Divisional Board" means a board of equalization for each of the four divisions, created pursuant to the provisions of section 8(b).

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

Delete

(h) ~~"Intangible Property" means all personal property, other than tangible personal property, and includes money and credits.~~

(i) "Money" means all kinds of coin and all kinds of paper, issued by or under authority of the United States, circulating as money.

(j) "Person" means and includes an individual, partnership, corporation, firm, society, unincorporated association, company, trust, trustee, joint stock company, executor, administrator or estate, or any other group or entity acting as a unit which may be the owner or have an interest in property.

P. 3. Strike subsection (h) and redesignate following subsections

(k) "Personal Property" means all property other than real property.

(l) "Political subdivision" means any local government or governing body or public corporation created, organized, existing or formed under or by virtue of the laws of the Territory of Alaska, and shall include any municipal corporation and any school, public utility, health or other district of the Territory of Alaska.

(m) "Property" means every kind of property, real or personal, tangible or intangible, subject to ownership.

(n) "Property Owner" means every person having an interest in or who owns property in the district, and who, under the provisions of section 11, is obliged to make a return of property, or to whom property is assessed by the assessor.

(o) "Real Property" means lots and all other lands, and all buildings, fixtures, improvements, minerals, quarries, oil and gas rights, and privileges pertaining thereto, and timber on patented lands.

(p) "Rural Schools" mean all public schools of Alaska which are situated outside of the boundaries of municipalities and incorporated and independent school districts of Alaska.

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

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

p. 4, line 1: after word "all" insert word "tangible"

p. 4, line 9: after word "of" strike remainder of sentence and insert the words "real and personal property, as defined herein."

p. 4, line 17: delete word "minerals,"

p. 4, line 25: change period to comma and add the words "and credits."

(x) "Taxes", as used in sections 17 and 18, shall include, in addition to the principal amount thereof, all interest and costs of collection.

(t) "Territory" means the Territory of Alaska.

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

Section 4. CONSTRUCTION.

In the construction of this act, the following rules shall be observed unless such construction would be inconsistent with the manifest intent of the act:

(a) General Rule.

Subject to the provisions of section 3, all words and phrases shall be construed and understood according to the common and approved usage of the language; but technical words and phrases and such others as may have acquired a peculiar and appropriate meaning in the law shall be construed and understood according to such peculiar and appropriate meaning.

(b) Gender - Singular and Plural.

Words importing the masculine gender shall extend to and be applied to the feminine and neuter as well; and every word importing the singular number only shall extend and be applied to several persons or things as well as to one person or thing; and every word importing the plural number only shall extend and be applied to one person or thing as well as to several persons or things.

(c) Tenses.

The use of any verb in the present tense shall include the future when applicable.

(d) Include.

The word "include" when used in any definition in this act, shall not be deemed to exclude other things otherwise within the meaning of the word or term defined.

(e) Reasonable Time.

In all cases where this act requires any act to be done in a reasonable time or reasonable notice to be given, such reasonable time or notice shall be deemed to mean such time only as may be necessary for the prompt performance of such act, or compliance with such notice.

(f) Time - How Computed.

The time within which an act is to be done as provided in this act or in any order issued pursuant to the provisions of this act when expressed in days, shall be computed by excluding the first day and including the last, except that if the last day be Sunday or a legal holiday, as defined by the laws of the Territory, it shall be excluded.

(g) Sections.

Unless otherwise specified--

(1) All references to sections or subsections are to the sections and subsections of this act; and

(2) All references to subsections are to the subsections of the particular section in which the reference to such subsections is made.

Section 5. LEVY OF TAX.

Subject to the provisions of sections 6 and 7, for the calendar year 1955, and for each calendar year thereafter, there is levied, and there shall be assessed, collected and paid, a tax upon all property situated in the district as of April 1 of each

year, at the rate of one percent of the true and full value thereof.

Section 6. MINING CLAIM CLASSIFICATIONS.

(a) Subject to the provisions of subsection (b), the value of unpatented mining claims and unimproved, non-producing patented mining claims, is fixed, for the purposes of this act, at the rate of $10.00 per acre for each such claim.

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

Section 7. EXEMPTIONS.

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

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

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

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

(4) Property used solely for religious, educational, or charitable purposes.

(5) Household goods and other personal property

Delete ~~XXX~~ Section 6 and add new Section as follows:

Section 6. MINING CLAIMS AND BOATS.

(a) Mining Claims.

(1) Subject to the provisions of subsection (2), the value of the unpatented mining claims and unimproved, non-producing patented mining claims, is fixed, for the purposes of this Act, at the rate of $10.00 per acre for each such claim.

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

(b) Boats and Vessels.

The value of boats and vessels which are subject to taxation hereunder is fixed, for the purposes of this Act, on the basis of the registered or certified ~~XXX~~ net tonnage of such boats or vessels, which property shall be classified for purposes of taxation and assessed valuation thereof established on said basis, provided, that a tax based upon such valuation shall not exceed one dollar per annum per net ton for any boat or vessel.

to the value of $1,000.00 ~~$200.00~~ to each family.

(6) Property of any veterans organization, or auxiliary thereof, except property used for business purposes.

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

add sub-section (f)

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

add sub-section (c)

Section 8. BOARDS OF EQUALIZATION.

(a) District Board.

There is created a district board of equalization which shall consist of the Governor, the Attorney General and the Treasurer of Alaska. This board shall have the power and duty to equalize the assessment of taxes as between and among the four divisions comprising the taxing district.

(b) Divisional Boards -- creation and organization.

(1) There is created for each division a divisional board of equalization. Each board shall consist of three members to be appointed by the Governor, subject to confirmation by the majority of the members of both Houses of the Legislature in Joint Session assembled, Provided, that persons appointed may perform the duties of their offices until action by the ensuing Legislature is taken either confirming or rejecting such appointments.

(2) The term of each board member shall be six

p. 8, line 1: change "$200.00" to "$1,000.00"

p. 8: after subsection (7) add a new subsection to be designated subsection (8) to read as follows: "New industrial, commercial and business construction shall be exempt during the period of construction and until the plants or buildings are occupied or operated, but in no case shall this exemption exceed three taxable years from the time of beginning of construction. Modifications and repairs to existing structures shall not be considered new construction under this provision.

P. 6, line 12, insert subsection (c) under Section 7 to read as follows:

(c) In addition to the foregoing specific exemptions, industrial incentive exemptions may be granted by the Tax Commissioner as follows:

(1) An exemption of one-half of the tax otherwise imposed hereunder, or such other lesser fraction thereof as the Tax Commissioner may deem to be a necessary and proper encouragement to new industry as hereinafter defined, for such period not exceeding 10 taxable years from the date production is commenced, upon new plants and buildings and other installations, real estate and equipment, as are constructed and procured by new industrial enterprises, as hereinafter defined, to manufacture or process products which constitute industry new to Alaska with resultant establishment of new payrolls in Alaska.

The terms "new industry" or "new industrial enterprises" as used herein shall mean undertakings for the purpose of manufacturing or processing products not manufactured or processed in Alaska in all cases where such enterprises or industries were not in being or production and for which plants were not in being in Alaska on February 21, 1949.

(2) The Tax Commissioner shall establish and promulgate general standards and rules conformable to this Act for determining the eligibility of applicants for exemptions hereunder, and the extent to which exemptions for such applicants respectively are to be granted, including such factors as: permanence of the industry involved; the amount of its capital investment; whether it is a seasonal or continuous operation; whether it will likely be marginal because of distance from principal markets; transportation costs and differential in cost of production in Alaska as compared to cost of productions elsewhere; the number of resident Alaskan workmen who will be given employment; and other pertinent factors, related to improving the economy of the Territory of Alaska. He shall also consider in each case the recommenda-

tion of the Divisional Board of Assessment of the division in which the new industry is proposed to be established, which recommendation shall be obtained by the applicant in advance of the application and attached thereto. After all such factors are taken into consideration the decision of the Tax Commissioner shall be rendered, subject, however, to final approval of the Divisional Board of Assessment. If after studying the Tax Commissioner's findings and decisions, the said Board, acting by majority of its members, is unable to agree with said decision, it shall, after reasonable notice to the Tax Commissioner and the affected new industry, hold a hearing and make the decision, which shall be final, except that when such exemption decision expires, the position of the new industry may be re-evaluated and extension granted within the maximum limits allowed hereunder, in the same manner as provided for the granting of the original exemption.

(3) All exemptions granted hereunder shall be negotiated and consummated prior to the initial commencement of production by the applicant.

years, and until his successor is appointed and qualified. In the event of any vacancy on any board, the Governor shall appoint a successor to fill such vacancy for the balance of the unexpired term, and until his successor is appointed and qualified.

(3) A board member may be removed from office by the Governor after notice and opportunity for hearing, and only upon grounds of inefficiency, neglect of duty, or malfeasance in office.

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

(c) Divisional Boards -- powers and duties.

Each board, within its division, shall (subject to the provisions of section (c) have the following powers and duties:

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

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

(3) To act as an administrative board of review in those cases, specified in this act, where an appeal is made from the action of the board as a board of equalization.

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

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

Section 9. ASSESSORS.

(a) Appointment.

Each divisional board shall appoint an assessor as its principal agent in the administration of its powers and duties. Before entering upon the duties of his office, the assessor shall subscribe an oath to perform well, faithfully and impartially such duties, and shall execute a bond to the Territory of Alaska, with sufficient surety, to be approved by the Tax Commissioner, and in such sum as the latter shall fix. In no case, however, shall such bond be in a sum less than $10,000.00.

(b) Powers and duties.

In addition to and in aid of his other powers and duties as provided in this act and as delegated to him by his divisional board, the assessor for each division shall have the power to issue and serve subpoenas in the name of his board for the purpose of securing the testimony of witnesses and the production of documents and other evidence, and shall have the power to administer oaths to any person.

(c) Deputy Assessors.

Each divisional board may appoint one or more deputy

assessors who shall have the same powers and duties as the assessor.

Section 10. TAX COMMISSIONER.

The Tax Commissioner of Alaska shall have the following powers and duties:

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

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

(c) To establish and fix the compensation of all assessors, deputy assessors and employees of boards of equalization, and all other personnel utilized in the administration of this act; to supervise and control all expenses incurred by any board and its agents and employees; and to voucher for all expenditures made hereunder in the assessment and collection of taxes.

Section 11. ASSESSMENTS.

(a) Self Assessment.

On or before May 1 of each year every property owner shall file in duplicate with the assessor of the division in which his property is to be assessed, upon forms provided by the assessor, a return of his property which shall contain a complete list of taxable property showing, among other things, the nature, quantity, amount and place or location of such property, and its true and full value as of April 1 of the year of such assessment. Such return shall

bear the signature of such property owner, and shall contain his name and address to which all individual notices and other things required by this act may be mailed or delivered. The date upon which any return is so filed shall be the date it is received by the assessor, or if mailed, then the date which appears by the postmark on the envelope or other wrapper in which such return is enclosed.

(b) Listing of Property.

Property shall be listed by property owners as follows:

(1) Every person of full age and sound mind, being a resident of the division, shall list all his property located in the division.

(2) Every person of full age and sound mind, being a resident of the division, shall list all ~~moneys~~ ~~and other personal~~ property ~~invested,~~ owned or otherwise controlled by him as the agent or attorney, or on account of, any other person or persons whatsoever, and all moneys deposited subject to his order, check or draft, and credits due from any person or persons, whether in or out of the division.

Debts

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

(4) The property of any other person under guardianship, by his guardian.

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

p. 12, line 14: delete word "moneys"

p. 12, line 15: delete words "and other personal" and word "invested"

p. 12, line 17: change comma to period after the word "whatsoever" and strike remainder of sentence

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

(7) The property of the estate of a deceased person, by the executor or administrator.

(8) The property of corporations, by the president or property agent or officer thereof.

(9) The property of corporations whose assets are in the hands of receivers, by such receivers.

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

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

(c) Assessment by Assessor.

If any property owner fails to file a return as provided herein, or makes an erroneous or fraudulent return, or if the assessor has reasonable ground to believe that any return filed is incorrect or inaccurate in any respect, the assessor may proceed to assess the tax upon such property and make the return from any information that he is able to obtain. Any return so made and subscribed by the assessor shall be prima facie good and sufficient for all legal purposes. The assessor may, by personal inspection or by deputy, make an independent or supplemental valuation of property from actual view, and may enter upon premises and view property; and for the purposes of such examination and such assessment, he shall have access to all property records and shall have the power to examin under oath any person.

(d) Additional Returns.

The assessor may, in his discretion, by notice in writing to any property owner by whom a return has been filed, require from such person a further return containing additional details and more explicit particulars, and such property owner shall fully comply with such requirements within thirty days after receipt by him of such notice.

(e) Where Property Assessed.

(1) All real property shall be assessed in the division in which is is situated, and subject to the remaining 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.

Delete

(3) The capital stock and franchises of corporations shall be assessed in the division where the principal office of such corporation is situated, and of other persons, where such person resides.

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

4 (5) 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 (6) Each [district] divisional board shall have the power to provide further and detailed regulations regarding the

p. 14; delete subsection (5) and renumber following subsections in subsection (e)

p. 14, line 28: delete the word "district" and substitute the word "divisional"

place or places where property is to be assessed.

Section 12. ASSESSMENT ROLL.

On or before June 15 of each year the assessor for each division shall make up in book form, or in separate books for real and personal property, an assessment roll which shall contain a list or lists of taxable property in such division. Such assessment roll shall contain a tabular listing of the name of each property owner, the quantity and assessed value of such property owner's taxable property, and such other information as may be required by the tax commissioner.

Section 13. EQUALIZATION AND REVIEW BY DIVISIONAL BOARDS.

(a) Equalization.

On the third Monday of June of each year, each divisional board shall meet and sit as a board of equalization for a period of seven days (excluding Sundays and holidays), and for such further time as it may deem necessary to complete its business, but not to exceed, however, fifteen days in all. The assessor shall submit the assessment roll to the board, and the board shall equalize the assessment of property as between individual parcels, items or classes of property, both self assessed and that which has been assessed by direct action of the assessor. The board may correct any error, omission or invalidity of any return, or errors made or arising in the preparation of the assessment roll.

(b) Changes in Assessments.

If the board shall order any change in the assessment of any item of property on the assessment roll, such order shall be reduced to writing, and the assessor shall then enter such change in the assessment roll. Any such change

shall not be made by erasure, but by drawing a single line in red ink through the original item and entering the equalized amount ordered by the board directly above the item changed, and if such change shall be an addition to such original item, all items in respect to such addition shall be also entered in red ink.

(c) Notice of Change.

Promptly after the board has completed its equalization, the assessor shall mail or deliver to every property owner who will be affected by any change in assessment ordered by the board, and to every property owner who has not filed a return as required in section 11 (a) and whose property has been assessed by direct action of the assessor, a notice thereof in writing. Such notice shall also contain a statement of the provisions of subsection (d), relating to review, and shall state the time that the board will meet as an administrative board of review.

(d) Review of Equalizations.

(1) Each divisional board shall meet and sit as an administrative board of review between August 15 and September 15 of each year, for such period of time as the board may deem necessary to conduct business, for the purpose of hearing appeals from its action as a board of equalization. Notice of the time and place set by the board for such purpose shall be included in the notice referred to in subsection (c), and in addition, shall be published once each week for two consecutive weeks, the date of the first publication to be not less than thirty days prior to the date set for

such hearing.

(2) Any person aggrieved by the action of the board of equalization shall have the right to appear at any such hearing for the purpose of presenting evidence that the action taken by the board, as a board of equalization, was erroneous or not in compliance with law, or that the property concerned has been assessed at more than its true and full value. The burden of proof in all such cases shall be upon the person appealing. The board may, by regulations promulgated by the tax commissioner, require written notice of intention to appeal to be filed with the assessor.

(3) Upon the hearing of such appeals, the board shall enter in an appeal record its decisions upon such appeal, and shall certify to the same. The assessor shall thereupon make such changes or additions in the assessment roll as may be necessary to give effect to the boardis decisions, such changes and additions to be made in the manner provided by subsection (b).

Section 14. EQUALIZATION BY THE DISTRICT BOARD.

(a) Equalization.

Promptly after each divisional board has completed its hearings on appeals, as provided in section 13 (d) the assessor for each division shall transmit to the Tax Commissioner a certified copy of the assessment roll, and the district board of equalization shall, with dispatch, meet and equalize the assessments of property as between and among the four divisions.

(b) Changes in Assessments.

If the district board shall order any changes in the assessment of any item of property on any assessment roll, or shall order any additions thereto, such order shall be reduced to writing and immediately transmitted to the assessor of the division in which such property has been assessed and such assessor shall thereupon enter in his assessment rolls such changes or additions in the manner provided in section 13 (b).

(c) Equalized and Adjusted Assessment Roll.

The assessment roll containing the changes or additions if any, so ordered by the district board of equalization, shall constitute the equalized and adjusted assessment roll and the ultimate basis for the taxes due in respect to property.

Section 15. PAYMENT OF TAXES.

(a) Tax Bills.

On the basis of the equalized and adjusted assessment roll, the assessor for each division shall, on or before November 1 of each year, prepare and mail to each property owner a tax bill to the address referred to in section 11 (a) or at such property owner's last known address. Such tax bill, in addition to those things required by the Tax Commissioner, shall contain the following:

(1) The assessed value of the property of such property owner.

(2) The total taxes due in respect to such property for such year.

(3) The amount of delinquent taxes and interest due from levies of former years.

(4) The total tax obligation of such property owner, and when such obligation must be paid.

(5) A statement of the enforcement provisions of section 17.

(b) When Taxes Due.

All taxes levied shall be due and payable on November 30 in the year levied, and shall be delinquent if not paid on or before that date.

(c) Interest on Delinquent Taxes.

All delinquent taxes shall draw interest at the rate of 8 percent per annum from the date they become delinquent, and the interest shall be collected the same as the tax upon which the interest accrues.

Section 16. APPEAL TO COURT.

(a) Subject to the provisions of subsection (b), any person aggrieved by any order or decision of a divisional board, acting as an administrative board of review, or by any order or decision of the district board, shall have the right to appeal on a de novo basis to the United States District Court for the District of Alaska. The procedure in respect to such appeal shall be as established by the district court. Such appeal shall have no affect upon the provisions of section 15.

(b) No person shall have such right to an appeal who has not exhausted his administrative remedies of review as provided for in section 13 (d).

Section 17. COLLECTION AND ENFORCEMENT -- IN GENERAL.

(a) Lien for Taxes.

All unpaid taxes on real [and personal] property shall be

p. 19, line 29: delete words "and personal"

a lien in favor of the Territory on the real property on which they are assessed upon delinquency. Such liens shall be first liens and paramount to all prior and subsequent alienations and descents of the property or encumbrances thereon, except subsequent Territorial Liens.

(b) Personal Liability.

Property owners shall be personally liable for all taxes levied hereunder with respect to all property, real and personal, and such liability for the amount of taxes due and payable may be enforced in a personal action brought by the Territory against the property owner in any court of competent jurisdiction.

(c) Levy and Distraint.

All taxes levied in respect to personal property, and which are due and payable, may be collected by levy and distraint on personal property pursuant to the provisions of section 12 (D) of Chapter 132, Session Laws of Alaska 1951, which section is, by reference, adopted and incorporated herein.

(d) Provisions Not Exclusive.

None of the provisions for collection of taxes as contained in this section, or in section 18, shall be exclusive of any of the others, or of any other remedies that the Territory may have at law.

Section 18. COLLECTION AND ENFORCEMENT -- LIEN FORECLOSURE.

Whenever it shall appear that the Territory has a tax lien in respect to taxes which have been delinquent for a period of at least one year from the date on which they became a lien, the Territory shall proceed in rem to foreclose such lien in the

following manner:

(a) Filing List of Delinquent Taxes.

On the first day of July in each year the Tax Commissioner shall file in the office of a Clerk of the District Court of the District of Alaska a list of all parcels of real property affected by unpaid tax liens held by the Territory which on the date of filing shall have been unpaid for a period of at least one year or more after the date when the taxes represented thereby became a lien. Each list shall also contain as to each parcel, the following:

(1) A brief description sufficient to identify each parcel affected by such tax lien.

(2) The name of the last known property owner in respect to each such parcel as the same appears on the assessment roll of the division in which such property is listed for the year preceding the calendar year in which such list is filed.

(3) A statement of the amount of each such tax lien upon each such parcel together with the date or dates from which and the rate at which interest shall be computed.

Such list of delinquent taxes shall be verified by the affidavit of the Tax Commissioner. The filing of such list of delinquent taxes in the office of a Clerk of the District Court shall constitute and have the same force and effect as the filing and recording in the office of the Recorder for the Recording District in which such property is situated of an individual and separate notice of pendency of action and as the filing in the District Court of an indi-

vidual and separate complaint by the Territory against the property therein described, to enforce the payment of the delinquent taxes which have accumulated and become liens against such property.

(b) Redemption.

Every person having any right, title or interest in, or lien upon, any parcel described in such list of delinquent taxes may redeem the same by paying all of the sums mentioned in such list of delinquent taxes before the expiration of the period mentioned in the notice of foreclosure published pursuant to subsection (c), or may serve a duly verified answer upon the Attorney General of Alaska setting forth in detail the nature and amount of such person's interest and any defense or objections to the foreclosure of the tax lien. The caption of such answer shall contain a reference to the serial number or numbers of the parcel of property concerned. Such answer must be filed in the office of the Clerk of the District Court in which the list of delinquent taxes has been filed, and served on the AttorneyGeneral within twenty days after the date mentioned in the notice published pursuant to subsection (c). In the event of failure to redeem or answer by any person having a right to redeem or answer, such person shall be in default and shall be barred and forever foreclosed of all his right, title and interest in and to the property described in such list of delinquent taxes and a judgment in foreclosure may be taken as herein provided.

(c) Public Notice of Foreclosure.

Upon the filing of such list of delinquent taxes, as

provided in subsection (a), the Tax Commissioner shall forthwith cause a notice of foreclosure to be published at least once each week for six successive weeks in newspapers designated by him and published in the divisions in respect to which such property has been assessed.

(d) Trial of Issues.

If a duly verified answer is served upon the Attorney General within the period stated in the notice, the court shall summarily hear and determine the issues raised by the complaint and answer. Upon such trial, proof that such taxes were paid, or that the property was not subject to tax, shall constitute a complete defense. Whenever an answer is interposed as herein provided, the defendant shall have an absolute right to the severance of the action as to any parcels of property in which he has an interest.

(e) Presumption of Validity.

It shall not be necessary for the Territory to plead or prove the various steps, procedures and notices for the assessment of the taxes against the parcels of property set forth in the list of delinquent taxes, and all such taxes and the lien thereof shall be presumed to be valid. A defendant alleging any jurisdictional defect or invalidity in the tax or assessment thereof must particularly specify in his answer such jurisdictional defect or invalidity and must affirmatively establish such defense. The provisions of this subsection shall apply to and be valid and effective with respect to all defendants even though one or more of them be infants, incompetents, absentees or non-residents of the Territory.

(f) Final Judgment.

(1) The court shall have full power to determine and enforce in all respects the priorities, rights, claims and demands of the several parties to said action, as the same shall exist according to law, including the priorities, rights, claims and demands of the defendants as between themselves, and in a proper case to direct the sale of such property and the distribution or other disposition of the proceeds of the sale. The court shall further determine upon proof, and shall make findings upon such proof, whether there has been due compliance by the Territory with the provisions of this section.

(2) In directing any conveyance pursuant to this section, the judgment shall direct the Tax Commissioner to prepare and execute a deed conveying title to the property concerned. Such title shall be full and complete. Upon the execution of such deed, the grantee shall be seized of an estate in fee simple absolute in such property unless expressly made subject to tax liens of the Territory as herein provided, and all persons, including infants, incompetents, absentees and non-residents, who may have had any right, title, interest, claim, lien or equity of redemption in or upon such property, shall be barred and forever foreclosed of all such right, title, interest, claim, lien or equity of redemption.

(3) The court shall make a final judgment awarding to the Territory the possession of any parcel of

p. 24, line 24: insert a comma after word "interest"

property described in the list of delinquent taxes not redeemed and as to which no answer has been interposed as provided herein, and, in cases where an answer has been interposed as provided herein, then when it is determined upon the trial of issues as provided in subsection (d) that the defendant has no defense. In addition thereto, such judgment shall contain a direction to the Tax Commissioner to prepare, execute and cause to be recorded a deed or deeds conveying to the Territory full and complete title to such property. Upon the execution of such deed or deeds, the Territory shall be seized of an estate in fee simple absolute in such property, and all persons, including infants, incompetents, absentees, and non-residents, who may have had any right, title, interest, claim, lien or equity of redemption in or upon such property, shall be barred and forever foreclosed of all such right, title, interest, claim, lien or equity of redemption.

(h) Every deed given pursuant to the povisions of this section shall be presumptive evidence that the action and all proceedings therein and all proceedings prior thereto, from and including the assessment of the property affected, and all notices required by law, were regular and in accordance with all provisions of law relating thereto. After one year from the date of recording of such deed, this presumption shall be conclusive.

Section 19. PRINCIPAL AND AGENT.

When property is assessed to any property owner as agent

for another, or in a representative capacity, such property owner shall have a lien upon the property, on any property of his principal in his possession, for the taxes thereupon, until he is indemnified against the payment thereof; or, if he has paid the taxes, until he is reimbursed therefor.

Section 20. SECRECY OF RETURNS.

Except when required for the purpose of enforcing this act, or in an official administrative proceeding or in actions or proceedings in court, no officer or employee of the Territory shall divulge or make known in any manner any information disclosed in any return made under the provisions of this act, except such information as is required to be shown on assessment rolls.

Section 21. SIGNING AND VERIFICATION OF RETURNS.

Any return, statement or other document required to be made under any provisions of this act or regulations shall contain or be verified by a written declaration that it is made under the penalties of perjury.

Section 22. PENALTIES.

(a) Misdemeanors.

Each of the following shall constitute a violation of this act and a misdemeanor, punishable upon conviction by a fine not to exceed $1,000.00, by imprisonment for a period not to exceed six months, or by both such fine and imprisonment:

(1) For any person, under the provisions of section 11 -- to fail, without reasonable excuse, to file a return; to make any false or fraudulent statement, list or return; to wilfully fail or refuse to deliver to an assessor, or his deputy, when called upon for such

purpose, a list of taxable property; to wilfully fail or refuse to furnish any assessor, or his deputy, entry upon premises and access to property and records; to wilfully fail or refuse to submit himself to examination under oath or to produce records or other documents when duly cited to do so under subpoena issued by the Tax Commissioner, any board of equalization, or any assessor or his deputy.

(2) For any person to convert any part of taxable property into property not taxable for the fraudulent purpose of evading the payment of taxes thereon, or to transfer or transmit any such property to any such person with such intent.

(3) For any person to tear down, injure or deface any advertisement, notice or document which, under the provisions of this act or regulations made thereunder, is posted in any public place.

(4) For any Territorial officer or employee to violate the provisions of section 20.

(b) Felonies.

Any person who --

(1) Wilfully makes and subscribes any return, statement or other document, which contains or is verified by a written declaration that it is made under penalties of perjury, and which he does not believe to be true and correct as to every material matter; or

(2) Wilfully aids or assists in, or procures, counsels or advises the preparation or presentation under, or in connection with any matter arising under,

this act, of a return, statement or other document, which is fraudulent or false as to any material matter, whether or not such falsity or fraud is with the knowledge or consent of the person authorized or required to file or present such return, statement or other document,

shall be guilty of a felony, and upon conviction thereof, shall be fined not more than $5,000.00, or imprisoned not more than five years, or both.

Section 23. RURAL SCHOOL FUND.

There is created a special fund in the Territorial Treasury to be known as the "Rural School Fund". All moneys collected under the provisions of this act shall be placed in the Rural School Fund and shall be expended by the Commissioner of Education, under direction of the Territorial Board of Education, for the construction, maintenance, support and operation of rural schools only.

Section 24. SEVERABILITY.

If any part of this act for any reason is adjudged invalid, such judgment shall not affect or invalidate the remainder of this act, but shall be confined in its operation to the particular part directly involved in the controversy in which such judgment is rendered.

Section 25. EMERGENCY CLAUSE.

An emergency is declared to exist, and this act shall take effect immediately upon its passage and approval.