

H B

7 0 5

"An Act relating to home rule city bonded indebtedness incurred for school construction."

COMMITTEE REPORT

2/25/74

HOUSE

JUDICIARY
FINANCE

Mr. Speaker:

Date 3-19-74

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HD 709

under consideration. A Majority of the members of the Committee

- () recommends it DO PASS
- () recommends it DO NOT PASS
- () recommends it DO PASS WITH ATTACHED AMENDMENT(S)
- () recommends it BE REPLACED WITH CS FOR _____ AND THAT
CS FOR _____ DO PASS
- () "and" recommends it BE REFERRED TO THE _____
COMMITTEE
- () reports it back WITHOUT RECOMMENDATION
- () "other"

Members signing the Majority report:

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

Chairman Chairman

A M E N D M E N T

#1

OFFERED IN THE HOUSE:

By: House Community and Regional Affairs Committee

To: Amend HOUSE BILL No. 705

SENATE BILL No. _____

PAGE: 3

LINE: 22
23

After the word "and", delete "funded by" and substitute
"subject to".

After the word "money", delete "to the fund" and substitute
"appropriated to the legislature to be used for".

AMENDMENT

#2

OFFERED IN THE HOUSE:

BY: House Community and Regional Affairs Committee

To: Amend HOUSE BILL No. 705

SENATE BILL No. _____

PAGE: 1

LINE: 6, 10, 13, 18, 20, 27

Anywhere in the bill the words "base rate" appear, add "or first class" after the word "rate". This amendment on page 1, lines 7, 10, 13, 18, add 27.

On page 1, line 10, if the word "base rate" appears, add "or first class" after the word "rate".

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE

PO BOX B-JUNEAU 99801

MARCH 18, 1974

ASSESSED VALUE LIMITATION RELATING TO THE USE OF REVENUES BY ORGANIZED BOROUGHES & CITIES

No municipality may levy and tax for any purpose in excess of 3% of the assessed valuation in any one year except that taxes to pay or secure the payment of principal or interest on bonds may be levied without limitation as to rate or amount. [AS 29.53.020-055]

<u>ORGANIZED BOROUGHES</u>	<u>CLASS</u>	<u>1/1/73 ACTUAL ASSESSED VALUE</u>	<u>3% LIMITATION</u>	<u>7/1/73 GO BONDED DEBT</u>	<u>DEBT % TO VALUATION</u>
Greater Anchorage Area	2nd	1,919,461,255	57,583,838	185,833,000	9.68
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Juneau, City & Borough of	HR	186,244,725	5,587,342	12,842,500	6.90
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Sitka, City & Borough of	HR	88,209,960	2,646,299	4,268,000	4.84
Total Boroughs		3,653,112,145	109,593,364	267,019,858	7.31

Cities situated without organized boroughs

Cordova	HR	11,349,765	340,493	1,434,000	12.63
Craig	1st	1,245,182	37,355	41,500	3.33
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Galena	1st	-0-	-0-	-0-	-0-
Hoonah	1st	-0-	-0-	-0-	-0-
Hydaburg	1st	-0-	-0-	-0-	-0-
Kake	1st	-0-	-0-	-0-	-0-

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WILLIAMA EGAN, GOVERNOR

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DIVISION OF LOCAL GOVERNMENT ASSISTANCE

POUCH B-JUNEAU 99801

March 18, 1974

FORMULA FOR COMPUTING PROPERTY TAX LIMITATIONS
on
OIL AND GAS PRODUCTION AND PIPELINE PROPERTY
AS 29.53.045-050(b)

No municipality may levy and collect taxes on taxable property taxable under AS 43.56 which when combined with property otherwise taxable by the municipality will result in revenues exceeding either:

1. \$1,000 a year for each resident of the municipality or:

<u>MUNICIPALITY</u>	<u>TAX LIMITATION</u>	X	<u>POPULATION</u>	=	<u>REVENUE</u>
Anchorage Borough	1000		149,440		149,440,000
Fairbanks Borough	1000		38,091		38,091,000
Kenai Peninsula Borough	1000		16,309		16,309,000
North Slope Borough	1000		3,384		3,384,000
City of Valdez	1000		1,106		1,106,000

2. The product of 225% of the average per capita assessed full value of property in the State multiplied by the number of residents of the taxing municipality.

FULL VALUE DETERMINATION: 1/1/73 - 30 local school districts 4,090,132,633
STATEWIDE POPULATION: 7/1/73 by Department of Labor. 330,665
AVERAGE PER CAPITA VALUATION: 12,639
FORMULA - 225% X 12,639 = factor of 28,438

<u>MUNICIPALITY</u>	<u>FACTOR</u>	X	<u>PER CAPITA</u>	=	<u>ASSESSED VALUE</u>	X	<u>RATE</u>	=	<u>REVENUE</u>
GAAB	28,438		149,440		4,249,774,720		3%		127,493,242
FNSB	28,438		38,091		1,083,231,858		3%		32,496,956
KPB	28,438		16,309		463,795,342		3%		13,913,860
NSB	28,438		3,384		96,234,192		3%		2,887,026
Valdez	28,438		1,106		31,452,428		3%		943,573

A tax collected under this section by a municipality shall be credited against the amount of tax otherwise levied and collected by the State and shall be levied at a rate no higher than the rate applicable to other property taxable by the municipality.

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Klawock	1st	-0-	-0-	-0-	-0-
Nenana	1st	3,635,700	109,071	275,000	7.56
Nome	1st	9,706,252	291,188	600,000	6.18
*Pelican	1st	1,247,355	37,421	-0-	-0-
Petersburg	HR	16,947,240	508,417	1,355,500	8.00
Skagway	1st	14,142,735	424,282	388,000	2.74
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Unalaska	1st	5,275,144	158,254	-0-	-0-
Valdez	HR	13,854,000	415,620	46,000	0.33
Wrangell	HR	11,707,400	351,222	226,000	1.93
Yakutat	1st	512,225	15,367	-0-	-0-
Total Cities		96,478,095	2,894,343	4,473,000	4.64
Boroughs		3,653,112,145	109,593,364	267,019,858	7.31
Cities		96,478,095	2,894,343	4,473,000	4.64
Total		3,749,590,240	112,487,707	271,492,858	7.24

* Cities Subject to Reclassification

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POUCH B-JUNEAU 99801

March 18, 1974

The Honorable Selwyn Carrol
Alaska State House of Representatives
Pouch "V" State Capitol Building
Juneau, Alaska 99801

Dear Representative Carrol:

As requested by telephone March 18, 1974, I have prepared for your information the following enclosed data concerning municipal property tax limitations:

The formula for computing municipal property tax limitations concerning oil and gas production and pipeline property as applied to the five municipalities involved and a table of data concerning all organized boroughs and all home rule and first class cities situated outside the corporate limits of organized boroughs.

Information provided in the table of municipal data includes the actual assessed real and personal property valuations as of January 1, 1973; the 3% revenue limitation which applies to the use of revenue for ordinary municipal purposes; the total amount of general obligation bonded indebtedness as of July 1, 1973 and the actual debt percent to valuation.

There are only two additional first class cities in Alaska which are not listed in the table; the Cities of Eagle and Selawik. The City of Eagle is not a school district and administers only a minimum property tax program. The City of Selawik was certified as a first class city in March of 1974.

Very truly yours,



S. Robert Dozier
State Assessor

Enclosures

MUNICIPALITY	CLASS	1/1/73 ACTUAL		7/1/73	
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