LAND
+
WATER
USE

"Serving the Golden Heart of Alaska"

ASSOCIATION OF SEWAGE TREATMENT PLANT OPERATORS
P. O. BOX 334
FAIRBANKS, ALASKA 99707

17 Feb. 1976

SUBJECT; Amendments to H.B. 407
Relating to Waste Water Treatment.

To; State Affairs Committee
J. H. McKinnon

Health, Education, and Social Services
S. Sullivan, Chairman

Our membership represents the Water and Wastewater Treatment and Maintenance Personel of the Ft. Wainwright Facilities.
As Federal Employees, we are not allowed to speak in behalf of the Army.

We wish to emphasize that the voluntary operator Certification Program being championed by the A.W.M.A, is not a product of the General Membership, and is not a workable product for our state.

We disagree with Sec. 46.30.040 certification.
The paragraph should be changed to define the difference between an operator, technician, and a supervisor.
The program fails to provide for a satisfactory "Grandfathers Rights" clause, and placed a limit on the duration of the certificate.
We feel that a certificate should be renewable each three years simply by paying a fee. We feel an operator should have the right to leave the field for more than a year, and not lose his certificate. We feel that an operator should be entitled to ask for an inactive status without reveking certification rights. This is important for those operators in the smaller "Bush Communities."

We disagree with Sec. 46.30.050, par. 4-- Revocation of Certificates.
The right to reveke certificates for reasons other than the use of fraud or deceit in there granting, is very undesireable. This authority would give a committee the right to deny a man the lifelong right to work without a previous legal trial and conviction. This is not the way our system of justice works.

Par. 5-- Is contrary to the very Title of this bill.

Sec. 46.30.080
Temporary Certification;
We feel that if an individual has shown that he or she is qualified to operate a community Water or Wastewater system, they should be entitled to a permanent certificate, pertinent to their respective community.

Paul Huff- Chairman
Galen Instenes- Sec. Galen Instenes
Roy Heidel- Treas.

Real Estate Services Corporation

Appraisers, Counselors, Investment Analysts

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STATEWIDE SERVICE

507 W. NORTHERN LIGHTS BLVD.
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April 7, 1976

Representative Bob Bradley, Chairman
Commerce Committee
Pouch V
State Capital
Juneau, Alaska 99801

RE: Your Hearing on House Bill #876

Dear Bob:

I am sending this letter Special Delivery in hopes that it will arrive prior to your scheduled hearings on April 8 and 9 on the above-referenced bill. As a 25-year Alaskan, I, too, am concerned about rising land prices and having, over that period, acted both as a buyer and seller, recognize the fact that rising land values is an issue that slices both ways.

If you can, by legislation, very accurately define the "evil speculator" who drives up land prices, I, too, am in favor of putting an oppressive tax on him. Unfortunately, as noble as the goals of HB 876 may seem, it simply won't work.

As any experienced land economist is aware, there are 3 items that drive up land prices. These items in order of their impact on land values are as follows: 1) An imbalance in the supply and demand situation, i.e. when demand exceeds supply, land values rise, and when supply exceeds demand, land values drop. 2) Increasing restrictions on the development of land by the State and local agencies. The most rapidly rising costs in subdividing land is engineering and planning expenses due to the many current environmental restrictions. Current development costs, excluding land purchase and profit, in the Municipality of Anchorage now ranges from $9500 to $12,500 per lot. 3) The cost of developing land and the profits on such development, like any other commodity in the market, are affected by the general inflation which has been rampant in the nation for the last several years, and more particularly in Alaska due to the pipeline impact.

If House Bill #876 were addressed to any of these 3 causes of the increase in land value, it could perhaps have a positive effect. Unfortunately, it provides only an incentive for sellers to charge a higher price to offset the tax they will have to pay, or provides an encouragement for them to hold the land much longer, thereby, decreasing the supply of land available for sale at any one time. I will concede the fact, that if this bill became law, it will perhaps discourage investment type buyers from purchasing land which has no immediate prospect for development, and thereby decreasing the price that

sellers of such land can demand. However, it will have the opposite effect in areas of intense development such as the Municipality of Anchorage. It is my opinion that if this bill becomes law, any prudent person who has owned their land for less than 6 years will take it off the market and hold for greater profits which can be realized at that time, or will demand prices which will be enough to offset the tax. This subtle influence on sellers tends to decrease the supply of land available for sale. Therefore, in a growing area such as Anchorage where there is a strong demand for land to be used for immediate development, the net effect will be to raise land prices so that the tax can, in effect, be passed on to the buyers. In many cases, the buying market may not be strong enough so that buyers will pay for the additional cost of the tax, and, therefore, much of this land will not be saleable until after the 6-year holding period. Therefore, the secondary effect of this tax will be to immediately provide a windfall to persons such as myself, who have owned land for more than 6 years and, therefore, because of reduced competition from owners of land for less than 6 years, can charge whatever the market will bear without fear of an unreasonable sharing in our profits by the State of Alaska, which shared in none of our risk.

While I am a Democrat who happens to be pro-business, I am still liberal enough to support legislation which will prohibit business and industry from taking unfair advantage of the consumer. Unfortunately, this bill does not do what it is proposed to do. It will simply accelerate the rising land prices by limiting the supply of land for sale. If the legislature is truly concerned about reducing the cost of homesites to the average citizen, it should involve itself with action which will reduce the cost of developing land or make the many thousands of acres of State land available for sale to the general public.

I would further submit that, while residential land prices have risen very sharply, in no way have they increased the 200% and 300% per year quoted in some of the newspaper articles. Enclosed is a copy of our 1975 Survey of the Anchorage Real Estate Market which indicates that from September 1972 through September 1975, residential land prices increased by a total of 60.29%. However, when this figure is considered after inflation, using normal investment analysis methods, the average constant dollar return to the owner has only been 7.91%. This is, of course, an attractive return when compared with many other fixed return investments, but is certainly far from exorbitant.

While rising land prices are an issue of concern to all Alaskans, any remedy should be approached from a well-researched and well-studied philosophy. I feel that House Bill #876 is a hip-shot reaction that will have exactly the opposite effect of what the bill is proposed to solve. I therefore urge that your committee hold extensive hearings throughout the State of Alaska and make a detailed study into this matter before passing a bill which will probably add greatly to the increase to cost of living of the average Alaskan citizen. If I can provide you with any additional information in this matter, please feel free to contact me.

Sincerely,

REAL ESTATE SERVICES CORPORATION

Kenneth Jay Gain, MAI, SRPA, CREC
President

kj
enc.

cc: All members of Legislature
Anchorage Times
Anchorage News
Juneau Empire
Fairbanks Daily News Miner

ALASKA MINERS ASSOCIATION, INC.

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January 20, 1976

The Honorable Jay S. Hammond, Governor
State of Alaska
Juneau, Alaska 99801

Dear Governor Hammond:

The Fairbanks Branch of the Alaska Miners Association involving almost 200 members, at the last regular meeting, voted to object to your H. B. 169 entitled "An Act relating to land and water use and establishing the Alaska Land and Water Use Planning Council and Regulatory Commission."

This H. B. 169 is completely unacceptable and seems typical of your administration's apparent disregard for the welfare of the majority of people in Alaska and the Nation.

Sec. 46.28.020. Alaska Land and Water Use Planning Council and Sec. 46.28.030. Public Appointees. These two sections state that the council shall consist of six commissioners, one director and three public appointees. All ten members of the council are to be hand-picked by you, a condition which is completely unacceptable to members of the Fairbanks Branch of A.M.A. No council composed entirely of environmentalists and conservationists can be effective and in the best interest to a majority of Alaskans.

Paragraph (7) under Sec. 46.28.130. Purposes. Reads as follows: "the recognition of the need for a continuing supply of direct and indirect energy sources to fill the needs of the state and to contribute the state's just and equitable share in meeting national energy needs." This paragraph is excellent. Why wasn't there a paragraph recognizing the need for minerals and other resources to fill the needs of the state and the nation? Too many people today either do not understand or choose to ignore the fact that the Mineral Industry is number 1. All other industries are subordinate. You cannot grow spuds, build homes, highways, transportation modes or put clothes on your back without minerals. Why in the world then is this administration hell-bent on creating every conceivable road-block possible in order to stop resource development of any kind? The National Taxpayers Union re-

ports that "we are now in hock for over five trillion dollars which makes your and my share about $115,000.00" How long will it take for this bubble to bust? A nation cannot buy unless it sells. It cannot sell unless it obtains minerals. According to Mr. J. Allen Overton, Jr., President of the American Mining Congress, "an area larger than the encompassing twenty five of the twenty seven states east of the Mississippi River is no longer accessible to mineral exploration." "Much of this accelerated withdrawal process has occurred since 1968, without coordination or without regard for the cumulative effect on future production of metals and minerals from domestic sources." We must either produce our required minerals or purchase them from a foreign country. We have already experienced a mild energy crisis because of our dependency on foreign oil producers. This energy crisis will have amounted to nothing, compared to a mineral crisis, should this happen. The development of domestic mineral supplies is the real key to lessening and eliminating any potential mineral crisis. Alaska has so much to contribute to her people and the nation if her politicians, her environmentalists and conservationists would get off this land-grab - stop-industry kick and exert their expertise toward an orderly progressive development plan.

Sec. 46.28.230. Qualifications (a) and (b) are completely unacceptable. No commission composed of a special interest group can formulate rules and regulations governing all aspects of any workable plan without the help and expertise from industry, resources, and other factions that would be involved with the results of this Act.

Sec. 46.28.260. Compensation. If one adds up superior court judge wages for all commissioners to other costs, including public hearings, executive directors, consultants and other necessary services, it is easily seen that the annual cost of this proposed body, will amount to probably a million dollars. We do not agree that this huge expenditure is of that great of an importance to the majority of Alaskans or the Nation.

Thank you for allowing the Fairbanks Branch of A.M.A. to express their views regarding H. B. 169. Hopefully, you may wish to reconsider your request to have this bill progress through the legislative houses.

Respectfully requested,

Douglas B. Colp

Douglas B. Colp, Secretary
Fairbanks Branch
Alaska Miners Association

cc: Mr. Bill Waugaman, President A.M.A.
Mr. Mark Ringstad, Chairman, Fairbanks Branch
Senator John Butrovich
Senator John Huber
House Member Charles Parr
House Member Mike Bradner
House Member Terry Miller
House Member Glenn Hackney
House Member Fred Brown
House Member Stephen Cowper
A.M.A. Anchorage
A.M.A. Juneau
A.M.A. Sitka
A.M.A. Ketchikan