

SB

47

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Senator Joe Orsini
Chairman

Senate Bill No. 47

Croft
Prime Sponsor

Resolution No. _____

This Bill is currently in the Senate Community and Regional Affairs Committee for consideration. Your response, as prime sponsor, to the following questions will serve to hasten Committee action on this Bill.

1. What is the need for your proposed legislation; what is the goal you are trying to accomplish?

At the present time, if a person makes improvements (painting, landscaping, fencing, etc., on their home the value goes up and they pay more taxes. This discourages some people from improving their property. The bill would impose a moratorium on such increases and encourage people to beautify their property.

2. Are there any other viable ways of accomplishing this same goal?

A system of grants or loans might be utilized, but this seems more cumbersome and probably more expensive.

3. Persons or groups you know of who are supporting the legislation.

I know of no organized support for the bill.

4. Persons or groups you know of who are opposing the legislation.

Municipalities have traditionally opposed this type of legislation but I do not know of any specific opposition to this bill.

5. Can you foresee any new problems that might be caused as a result of enactment of your bill?

If not properly implemented by the Municipality, there might be problems.

6. What is the earliest time you would like the Senate Community and Regional Affairs Committee to consider your bill?

I would appreciate the Committee considering the bill the week of February 28.

A M E N D M E N T

OFFERED IN THE SENATE:

BY: SENATOR ORSINI

To: _____ SENATE BILL No. 47

HOUSE BILL No. _____

PAGE: 1

LINE: _____

On line 10, delete all language beginning with the word "Municipalities" through line 16, ending with the word "structure" and insert the following:

Municipalities may by ordinance exempt from taxation all or any part of the increase in assessed value of improvements to real property if such increase in assessed value is directly attributable to alteration of the natural features of the land or new maintenance, repair or renovation of an existing structure and if the alteration, maintenance, repair or renovation, when completed, enhances the exterior appearance or aesthetic quality of the land or structure

Line 21, delete "continues for" and insert "may continue for up to"

P. O. Box 223
Douglas, Alaska 99824

February 10, 1977

The Honorable Joseph Orsini, Chmn.
Senate Community & Regional Affairs Committee
Alaska State Legislature
Juneau, Alaska 99811

Re: SB No. 47

Dear Senator Orsini:

I am writing you as a citizen of Douglas for the past 25 years, a property owner and as a member of the Project Pride Committee of the Juneau Borough.

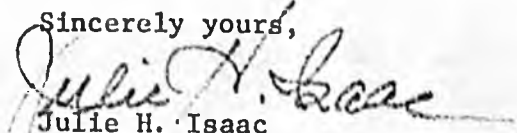
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My membership on the Project Pride Committee has been mainly directed toward pursuing the possibilities of a tax credit or rebate when the property owner makes exterior improvements, but without this type of enabling legislation, my efforts have been in vain.

With the passage of this bill, not only will the property owner benefit, but the neighborhood, the community, city and state as well. I urge your support of the bill---it has been long over due.

Sincerely yours,


Julie H. Isaac

PS Please advise me when this will be taken up
by your committee. My phone is 364-2431.
Thank you.

Haines Borough

P.O. Box ~~25~~ H
Haines, Alaska 99827

February 16, 1977

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Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

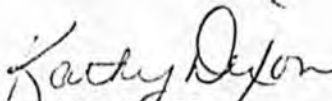
The Haines Borough Assembly wishes to thank you for your letters and copies of proposed bills which may have an effect on our municipality.

Please accept this letter in support of Senate Bill No. 47 - "An Act allowing municipal property tax exemptions for certain improvements to real property." This bill was discussed at great length and the Assembly feels that if passed, this would be of a great advantage to the taxpayers in our area. We are constantly receiving comments concerning the increase of taxes due to improvements on their homes. Many of the residents of Haines feel that they should be given "a break" for trying to keep their homes nice looking which, when completed, would enhance the exterior appearance or quality of the land or structure.

Also, for your information, I am sending to you a copy of the minutes for a meeting held concerning the recent attorney general's opinion concerning third class borough powers and a copy of the newspaper article that was published by our local paper, the Chilkat Valley News. We would be interested in any comments you may have concerning our problem here in Haines.

Thank you for your time and concern.

Sincerely,


Kathy M. Dixon
Secretary

Enclosures



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Haines, Alaska 99827

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Borough powers: for education only?

by Bill Hartmann

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What the attorney general's opinion said was that the powers of a third class borough are limited to ONLY education. No service districts, or no powers of planning, zoning or platting may be exercised. This was in direct contradiction to an earlier attorney general's opinion, and went against what many in the Haines Borough understood as being the powers of the third class borough, of which Haines is the only one in the State.

At the invitation of the Borough Assembly, Jesse Dodson, special assistant to the governor, and Bruce Aronson of the Department of Community and Regional Affairs were in Haines to discuss the matter and what action Haines Borough officials should take.

The major problems that the attorney general's opinion pose for the Haines Borough is the withholding of some revenue sharing funds and the forbidding of any possibility of the Borough establishing fire service districts outside the City limits.

It was Mrs. Dodson's opinion that if the area needed more powers, it would have to form another form of government. This advice sparked a heated round of questions asking if, in effect, the State was trying to force Haines to form a second class borough. Although this was emphatically denied by the State officials, it was presented as one alternate solution to the present conflict.

It was pointed out by Mayor Gail Wallace that the City is acting illegally by extending fire services outside the City, and that this problem could have disastrous effects at any time. Fire Chief Frank Wallace stated that the department had a test run to enable people outside the City to obtain better insurance rates, but they are now told that these people must be within a service area to qualify.

Some people felt the best answer was to opt for forming a second class borough, the only additional mandatory powers being those of planning, platting and zoning. This would also permit the borough to form any necessary service areas without problem. Only those residents in the area would be taxed for the added service. The major objection to the second class borough expressed by public comment was not wanting planning

or zoning outside the City. However, it was pointed out that the State could come in and plan and zone the borough if it wanted to, because any powers not granted to a borough automatically rest with the State. The State would then plan and zone the area and the area would pay for it eventually in some form.

Several more alternatives were discussed. One was to ask the legislature to pass a bill clarifying the powers of the third class borough. Another was to ask the legislature to initiate a class-action suit to determine: a) if the third class borough is legal, and, b) if the attorney general's opinion on borough powers is correct. Still further, the local borough could exercise the questioned powers and take the State to court if challenged.

Although no definitive action was taken at the meeting, the borough assembly will investigate questions raised at the meeting and then call another public meeting later. The Tuesday night meeting was ably chaired by Borough Mayor David Black, who along with other members of the Assembly and City made up the panel. The others, in addition to Dodson and Aronson were Mayor Gail Wallace, City Administrator Don Beckherst, Councilmen Harold Hannon and Jon Halliwill, and Borough Assembly members Pat Jones, Erwin Hertz and Paul Swift.

Haines High School attendance rules: tardiness a bummer

Because of an increase of skipping and unexcused tardiness to classes, the Haines High School is revising its attendance regulations. The following administrative regulations are beginning immediately:

Students are expected to be present and punctual to all classes throughout the year. Unexcused absences will result in an "F" grade for the days or periods missed. Both excused and unexcused absences or tardiness may result in lower grades if homework assignments are not made up promptly. A student's absence is to be explained by a note signed by one of his or her parents or guardians and presented to the principal's office when he or she returns.

The high school will operate under a policy of closed campus. Students are to remain in school from the time they arrive until they are dismissed to return with the exception of the lunch hour.

If a student must leave the school, he or she must obtain an "off campus pass" from the office. If the student needs to leave school during a class period, he or she must obtain an off campus pass before class begins and present the pass to the classroom teacher before he or she is permitted to leave. The pass must be signed by the person at the student's destination, and when the student returns, he or she must bring the signed pass to the office to obtain an admit slip to class.

Leaving the school grounds during the day without permission will be considered a truancy or skipping offense. Skipping will be handled in a number of ways:

1. Detention
2. Parent conference.
3. In-school suspension.
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Detention may be given for the first offense; succeeding violations will be handled accordingly.

If for any reason a student is tardy, he or she must obtain a slip from the office before he or she is permitted into class. All unexcused tardy slips will carry a penalty of a half-hour detention. If a student is detained by a teacher, he or she must have a note from that teacher giving the date, time, and reason for the detention.

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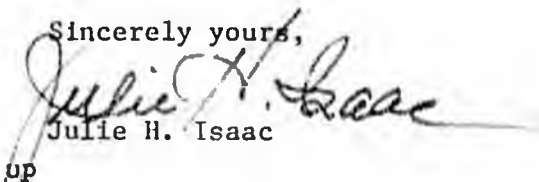
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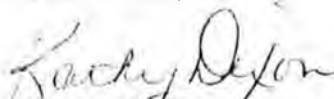
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City to select municipal building site

A brief meeting to choose the site for a

Sanitorium's Property: the west approx-

Road onto Mud Bay Road, on the Haines

HAINES BOROUGH ASSEMBLY
February 6, 1977

Special Meeting No. 146: The meeting was called to order by Mayor David Black at 7:15 p.m. in the Activities Room of the Fair School Building.

Roll Call: Present: David Black, Pat Jones, Paul Swift, Erwin Herts.
Absent: Gary Saune'. A list of visitors of this meeting are attached.
(Lucas)

Purpose of this Meeting: This meeting was called to discuss with the Borough Assembly and a representative of the Dept. of Community and Regional Affairs and Governor Hammond's special assistant, Jessie Dodson, the new attorney general's opinion concerning third class borough powers.

David Black asked that the minutes show that Mayor Gail Wallace, Councilmen Harold Hannon and Jon Halliwell and City Administrator Dan Bockhorst were present.

David Black introduced Bruce Aronson of the Department of Community and Regional Affairs and Jessie Dodson, Special Assistant to the Governor.

David Black requested that comments be limited to about 5 minutes per person if possible.

It was stated that the new attorney general's opinion is to limit 3rd class borough powers to only education. No service districts, or no powers of planning, platting, and zoning may be exercised.

Mrs. Dodson stated that this opinion meant 3rd class borough powers must be confined to assessing and taxation and education only. She stated that if we feel that we need more powers, we will have to form another form of government.

Bruce Aronson stated that the Department of Community and Regional Affairs must stand by the new attorney general's opinion.

Mrs. Dodson stated that the Fairbanks North Star Borough is considering going into a third class borough and they feel this conflict of opinions should be a court decision.

Carl Heimiller asked what would happen if we went back to a Regional Educational District from our third class borough.

Bruce Aronson said that the City would not be responsible for the students outside of the City of Haines, but that they would be the responsibility of a Regional Educational Attendance area which is based in Angoon. He stated that elected representatives from outside the City of Haines would meet in Angoon. Mr. Aronson also said that since we have no powers of planning, platting, and zoning that the State can come in and do this outside the City of Haines. In other words, we are an unorganized borough as far as planning, platting, and zoning is concerned.

Dorothy Fossman read the powers of a third class borough from AS 29.41.010. She stated that in her opinion, the attorney general's opinion of 1/6/77 was stupid as we have areawide powers for education and that his opinion conflicts with Article 10 of the State Constitution and the State Statutes. She also stated that we can create special new services and that this should be proved in court as his opinion is in conflict, also, with what the legislature put through originally.

Bruce Aronson stated, that in his opinion, the Governor will not come in and stop new service areas, but someone here who is not willing to pay the tax levied for this service, may not hesitate to do something to try and stop us. He read AS 29.63.010 - Service Areas. He also stated that we are not defined as a "borough" under Title 29, but are a municipality.

Jessie Dodson stated that she thinks there was an opinion by the Attorney for the Legislative Affairs which stated that he thinks there are three completely equal interpretations of this opinion.

1. Just as Dorothy Fossman has pointed out.
2. Just as the new attorney general's opinion states.
3. That this was put in soley for the purpose of extending more third class borough powers by legislation.

Jessie Dodson also mentioned that until this opinion is challenged, the new attorney general's opinion will probably not change.

Bruce Aronson said that ALL state agencies will be guided by this new opinion of the attorney general.

Diane Benson said that she is satisfied with the way we are now and does not think we need a change of government.

Gail Wallace stated that the City is illegal by extending fire services outside the City.

Frank Wallace stated that they had an ISO Test done so that people outside the City could have better insurance rates, but they are now told that these people have to be within a service area to qualify.

Betty Heimiller suggested that for the benefit of some people here who are fairly new to the area that the different powers of the classes of boroughs should be explained.

Bruce Aronson showed what mandatory powers each class of borough has.

<u>1st Class Borough</u>	<u>2nd Class Borough</u>	<u>3rd Class Borough</u>
1. EDUCATION	1. EDUCATION	1. EDUCATION
2. PLANNING, PLATTING & ZONING.	2. PLANNING, PLAT- TING & ZONING.	2. TAXATION
3. TAXATION.	3. TAXATION.	

Carl Heinmiller stated that if the State comes in and zones, we will pay for it anyway.

Bruce Aronson stated that this is probably true as the State will most likely levy a tax for this.

Dorothy Fossman said she wants to know why we go through all the organization if the State legislature can be our Assembly. She said that she doesn't think that the State can come in and plan, plat, and zone our area.

Ray Smith said that we need to know what powers we really have. He said that in his opinion, we have the same powers as in the beginning, only a different opinion; there has never been amendment concerning this power. Ray stated that in his opinion, if the Board refuses to give the people of the area the power to vote in a fire district, they are in conflict with the State Statutes and their own Borough Code.

David Black said that this Board has never yet willingly, or knowingly not responded to public opinion. He stated that this is why this meeting has been called: to hear what the people want.

Dorothy Fossman said she wanted to know why we even asked the State about setting up this fire district.

David Black said that we did not, that this was only coincidental.

Bruce Aronson said he would like to explain how this came up. He said that the Fairbanks North Star Borough was considering a petition to re-classify to a third class borough. They asked the State through the Department of Community and Regional Affairs if the 1968 attorney general's opinion was still valid. They received an answer that this opinion was overruled and that a third class borough can only provide education and taxes to support education. They then sent a copy of this opinion to us. He said that he then came up to our last Borough meeting to explain what that opinion really meant and a representative of his office was again requested to attend this public meeting.

Edna Hatch stated that it appears that most people involved in the proposed fire district area do want this set up.

Jack Morris stated that he doesn't want to see anymore government at this time. He said he doesn't see why we need service areas outside the City when we can contract with the municipality for fire protection.

Bruce Aronson said that this can be done and that Ketchikan has a self-sponsored fire department and only those supporting the department will be covered by this fire protection.

For information that the fire protection will be provided by the State and the insurance rates will be to decrease.

Neil King said that he thinks we should find out if our third class borough is really legal, and do we really have a choice.

Jessie Dodson said that we do have a choice of organizing to another form of government or to become a part of the REAA.

Bruce Aronson stated that any 1st class city or borough can adopt a home rule charter, or cities and boroughs can unify.

Dorothy Fossman stated that we should go ahead and set up our service area and not ask the State.

Carl Heinmiller said that the Borough Assembly cannot set up the service area: the people do.

David Olerud suggested that the people outside the City set up their area and contract with the City fire department. He stated that as far as the taxpayer within the City is concerned, he would not at the present time, under the present interpretation of the law allow one truck to go out unless its covered to the maximum ability of the law, because in this day and age, the proper thing is to sue, and that is just what could happen.

Di Aukerman stated that he is building a house outside city limits which by insurance companies is classified as Code 10, outside city limits. He received an estimate of \$1,000 to \$1,500/year to insure his home, because of this, and where a person living within the city limits will pay about \$240.00. He stated with a set up where a fire truck could go outside city limits then insurance rates would be more comparable with the city rates.

Valerie Truce said she doesn't understand why people don't want to change to a second class borough.

The public indicated that they do not want planning, platting, and zoning outside the city.

Robert Henderson stated that we should stay a third class borough, but have our legislature pass a bill clarifying those powers concerning service areas.

Dorothy Fossman made the motion we get up a petition to ask the legislature to clarify their intent on service areas.

Under the present revenue sharing program, Bruce Aronson stated that since they are bound by the new attorney general's opinion, if we set up a service area for fire protection, they would not be able to send us the \$7.50 per capita for fire protection in that service area.

Duck Hess stated that probably 1/2 of the people here do not even know what a borough is and that this should be explained.

Carl Heinmiller stated that in a second class borough the only thing that is mandatory is that we establish planning, platting, and zoning, but it does not say that the borough MUST go out and zone and plan. We are just like the State.

Betty Heinmiller stated that people should be more open minded about this

and if our third class borough powers are so limited, maybe we should look into seeing what a second class borough could offer.

Carl Heinmiller asked Bruce if a third class borough will receive shared revenue per capita in our present status?

Bruce A. stated that he did not think we would. He read and explained area wide powers AS 29.33.250, non-area powers, and service areas AS 29.42.000.

Mary Manuell wanted to know why we are referred to as a municipality and not a borough and why the State can plan, plat and zone us?

Again, Bruce A. stated that since we donot have the powers of planning, platting, and zoning, the power rests in the hands of the state.

David Olerud stated that we must do something, as with the high taxes in this area, and the poor economy, we have nothing right now.

The meeting was recessed at 8:45 p.m.

The meeting reconvened at 9:05 p.m.

David Black stated that we need a government that we can control, not the State or Federal Governments. If we let them run our government, we are going to get just what's coming -- next to nothing. He stated that somehow we have to unify and work together.

Sue Bulx asked what would be the change if we did go into a second class borough.

Bruce Aronson stated that we would be the same, except we would have to support planning, platting, and zoning.

David Black said that it should be clear that these powers cannot be shoved down our throats. Unless we vote in an ordinance as the people. The planning and zoning is still left up to the people.

Carl Heinmiller said that he thinks the State will be forced to do planning and zoning because of the Division of Lands. He said that in the end, we will have to pay for this.

Pat Jones asked Gail Wallace if she had any idea of the impact these revenue sharing funds would have.

Gail Wallace stated that we will probably lose about \$3,000 with this new opinion, and that the Borough could lose up to probably about \$10,000.

Jessie Dodson stated that if the State did come and zone this area, we would lose some of our local control.

Pat Jones stated that she too would like to see us contact our legislators and have them come up with a bill clarifying their intent concerning these service areas.

Paul Swift said we should investigate to see how much planning, planning, and zoning would cost the Borough.

Dan Bockhorst stated that the City Planning Commission is all volunteer and that there are now drawing up a comprehensive plan.

David Black stated that he can see three alternatives:

1. Ask the Attorney General to make a determination as to whether a third class borough is legal.

2. Go to court.

3. Challenge the Attorney General's opinion.

Pat Jones stated that we may also lose \$26,000 of Town Service Roads and \$70,000 which was to go to bring high school students through a Youth Convention Camp with the fair's students only.

Sue Butz said she wanted to know why the State dislikes our third class borough.

Leslie Podson said that they don't really care what class of borough we are.

David Black stated that the Assembly would like some time to investigate and look into these questions that have been brought up, and if necessary someone will go to Juncos and get answers. He stated that as soon as we know something we will then call another meeting to inform the public.

The meeting was adjourned at 10:10 p.m.

David Black

David Black





THE CITY AND BOROUGH OF JUNEAU

CAPITAL OF ALASKA

155 SOUTH SEWARD ST. JUNEAU, ALASKA 99801

DATE: March 16, 1977

FILE NO. Legislature-1977

SUBJECT: Senate Bill 47

The Honorable Joseph L. Orsini
Chairman
Senate Community and Regional
Affairs Committee
Pouch V
Juneau, Alaska 99811

Dear Senator Orsini:

The City and Borough of Juneau supports the concept expressed in Senate Bill 47 but suggests that certain changes might make the bill more workable.

As we understand it, the intent of the bill is to allow the municipality to exempt from taxation that portion of an increase in assessed valuation which can be attributed to new maintenance, repair or renovation of an existing structure where such work enhances the exterior appearance. The first sentence of the exemption reads, however, that the exemption goes to "the assessed value of improvements to real property." As the "improvements to real property" include the entire existing structure, it appears that the bill would authorize the municipality to exempt the entire assessed value of the structure if recent maintenance, repair or renovation has caused the assessed value to increase. If it is the intent of the Legislature to exempt only the increase, and not the value of the entire structure, I would suggest that the first sentence be changed to read as follows:

(F) Municipalities may by ordinance exempt from taxation all or any part of the increase in assessed value of improvements to real property if such increase in assessed value is directly attributable to alteration of the natural features of the land or new maintenance, repair or renovation of an existing structure and if the alteration, maintenance, repair or renovation, when completed, enhances the exterior appearance or esthetic quality of the land or structure.

The Honorable Joseph L. Orsini
March 16, 1977
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The approach taken in the above suggested language involves three changes from the original. First, it would authorize the municipality to allow an exemption of part of the increase attributable to new maintenance, etc. rather than requiring that the municipality allow a full exemption or no exemption. The amount of the partial exemption would have to be set forth in the ordinance. The second change makes clear the fact that the exemption could not exceed the amount of the increase in assessed valuation which is directly attributable to the new maintenance, etc. The third change involves the implication in the existing language that an exemption may be given prior to the actual accomplishment of the alteration or maintenance. The proposed language indicates that an enhancement must have occurred before the exemption can be given.

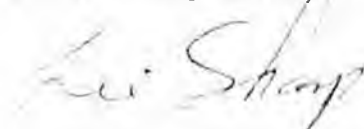
The exceptions to the exemption which appear in the second sentence of the section are well thought out and should be retained.

We would suggest that municipalities be given a little more flexibility than is currently provided in the last sentence of the proposed section. As presently written, the section would require the municipality to give the exemption for a period of four years. We would suggest that rather than this all or nothing approach the municipalities be authorized to grant the exemptions for a period not exceeding four years. Also, requiring that the period run from the date the improvement is completed or the date of approval of an application, whichever is later, creates the problem whereby a property owner may come in three or four years after the improvement has been completed to make application. At this point it may be extremely difficult to determine the increase caused by the improvement. I would suggest that this part be deleted so that the municipalities may deal with that problem in the ordinance which authorizes the exemptions. Therefore, I suggest that the last sentence of the bill be changed to read as follows:

An exemption provided under this subsection may continue for a period not to exceed four years from the day the improvement is completed.

If you have any questions, I would be happy to discuss them with you. I can be reached at 586-3300.

Very truly yours,



Gerald L. Sharp
City/Borough Attorney

cc: Senators Croft, Rodey, Willis,
Ferguson, Hackney, Sumner
Don Berry, Executive Director,
Alaska Municipal League