

SB

2999

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. S.B. 299
 Title Relating to Maximum Mill Levy for Property Taxes
 Requested by Senator Kerttula Date 1-21-80

II. FISCAL DETAIL
 Agency Affected N/A
 Program Category Affected N/A
 BRU, Program, or Subprogram(s) Affected N/A
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

| | FY 80 | FY 81 | FY 82 | FY 83 | FY 84 | FY 85 |
|--------------------------|----------|-------|-------|-------|-------|-------|
| 100 PERSONAL SERVICES | | | | | | |
| 200 TRAVEL | | | | | | |
| 300 CONTRACTUAL | | | | | | |
| 400 COMMODITIES | | | | | | |
| 500 EQUIPMENT | | | | | | |
| 600 LAND & STRUCTURES | | | | | | |
| 700 GRANTS, CLAIMS, ETC. | | | | | | |
| TOTAL | 0 | | | | | |

FUNDING (Thousands of Dollars)

| | | | | | | |
|-----------------------------|---|--|--|--|--|--|
| GENERAL FUND | 0 | | | | | |
| FEDERAL FUNDS | | | | | | |
| OTHER (Specify Fund Source) | | | | | | |
| | | | | | | |

POSITIONS

| | | | | | | |
|-----------|---|--|--|--|--|--|
| FULL TIME | 0 | | | | | |
| PART TIME | | | | | | |
| TEMPORARY | | | | | | |

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

This bill limits the mill levy for all municipalities to 9 mills.

The fiscal impact of this bill would result in a loss of revenue for the local municipalities of an estimated 44.3 million dollars from local property taxes. (see attachment for breakdown)

The State General Fund would realize an estimated 18 million dollar increase due to the limiting of local mill levy on State Assessed Oil & Gas Properties. The major impact of this would occur in the North Slope Borough.

IV. DATE 1-21-80 PREPARED BY Steve VanSant
 AGENCY Community & Regional Affairs
 PHONE 465-4737
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

| <u>Municipality</u> | <u>*Assessed Value (Real & Personal)</u> | <u>Average Mill Rate</u> | <u>Revenue</u> | <u>Revenue @ 9 Mills</u> | <u>Revenue Loss</u> |
|---------------------|--|--------------------------|----------------|--------------------------|---------------------|
| Anchorage | 5,555,057,231 | 13.79 | 76,404,239.2 | 49,995,515 | 26,608,724 |
| Bristol Bay | 40,352,496 | 10.50 | 423,701 | 363,172 | 60,529 |
| Fairbanks | 1,158,310,325 | 15.68 | 18,162,314 | 10,424,797 | 7,737,517 |
| Haines | 41,583,539 | 8.20 | | | None |
| Juneau | 528,050,325 | 12.38 | 6,537,269 | 4,752,457 | 1,784,812 |
| Kenai | 1,398,092,424 | 11.9 | 16,537,300 | 12,532,832 | 4,004,468 |
| Metechillen | 306,473,045 | 16.00 | 4,903,569 | 2,758,257 | 2,145,312 |
| Rediak | 279,254,343 | 12.18 | 3,401,324 | 2,513,294 | 888,030 |
| Wadeouska/Susitna | 613,520,720 | 9.4 | 7,647,095 | 7,321,626 | 325,469 |
| North Slope | ** 214,020,190 | 7.66 | | | |
| Sitka | 273,382,270 | 3.50 | | | |

No loss in Revenue
No loss in Revenue

TOTAL

43,604,801

*Does not include state oil and gas assessment.

**North Slope Borough would lose approximately 18 million dollars revenue from assessed value of State oil and gas, but none from locally assessed property.

| <u>Municipality</u> | <u>Assessed Value (Real & Personal)</u> | <u>Actual Average Mill Rate</u> | <u>Present Revenue</u> | <u>Revenue @ 9 Mills</u> | <u>Revenue Lost</u> |
|---------------------|---|---------------------------------|------------------------|--------------------------|---------------------|
| Cordova | 33,722,709 | 15 | 505,840 | 303,504 | 202,336 |
| Traig | 5,419,031 | 12 | 65,028 | 48,771 | 16,257 |
| Willingham | 32,439,747 | 10 | 324,397 | 291,957 | 32,440 |
| King Cove | 4,732,096 | 12 | 56,785 | 42,589 | 14,196 |
| Kenana | 5,595,199 | 10 | 55,952 | 50,357 | 5,595 |
| Nome | 39,141,586 | 15 | 587,124 | 352,274 | 234,850 |
| Petersburg | 56,018,199 | 14 | 784,255 | 504,164 | 280,091 |
| Palaska | 32,493,060 | 14 | 454,903 | 292,437 | 162,466 |
| Prangell (2 III) | 42,391,156 | 11.92) | 568,465 | 381,520 | 186,945 |
| (2 IV) | | 14.9) | | | |
| Prakutat | 6,142,959 | 13.7 | 84,158 | 55,287 | 28,871 |
| TOTAL | | | | | 1,164,047 |
| | | | | | <u>43,604,801</u> |
| | | | | | 44,768,848 |

| <u>Municipality</u> | <u>Assessed Value (real & Personal)</u> | <u>Actual Average Mill Rate</u> | <u>Present Revenue</u> | <u>Revenue @ 9 Mills</u> | <u>Revenue Lost</u> |
|---------------------|---|-------------------------------------|----------------------------|--------------------------|---------------------|
| Cordova | 33,722,709 | 15 | 505,840 | 303,504 | 202,336 |
| Craig | 5,419,031 | 12 | 65,028 | 48,771 | 16,257 |
| Ellingham | 32,439,747 | 10 | 324,397 | 291,957 | 32,440 |
| King Cove | 4,732,096 | 12 | 56,785 | 42,589 | 14,196 |
| Kenana | 5,595,199 | 10 | 55,952 | 50,357 | 5,595 |
| Nome | 39,141,586 | 15 | 587,124 | 352,274 | 234,850 |
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| Prangell (2 III) | 42,391,156 | 11.92) | 568,465 | 381,520 | 186,945 |
| (2 IV) | | 14.9) 13.41 | | | |
| Rakutat | 6,142,959 | 13.7 | 84,158 | 55,287 | 28,871 |

TOTAL

1,164,047
43,604,201
44,768,348



Official Business

Alaska State Legislature

Senate Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

February 20, 1980

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Tim Kelly
Senator Pat Rodey
Senator Terry Stimson
Senator Brad Bradley
Senator Ferguson
Senator Hohman
Senator Kerttula
Senator Sumner
All interested parties

FROM: Senator Arliss Sturgulewski
Chairman

SUBJECT: SENATE C/RA MEETING - BUTROVICH RM. #207

TUESDAY, FEBRUARY 26, 1980 - 1:30 p.m. (teleconference)

- SB 138 - An Act exempting from assessment and tax levy the value of improvements to real property used for residential purposes; and providing for an effective date.
- SB 431 - An Act exempting from assessment and tax levy the value of improvements to real property that reduce energy consumption; and providing for an effective date.
- SB 296 - An Act providing a partial exemption from assessment for levy and collection of property taxes on residential property; and providing for an effective date.
- SB 299 - An Act reducing the maximum rate of levy for property taxes by municipalities; and providing for an effective date.
- SB 427 - An Act relating to the senior citizens tax exemption.
- SB 389 - An Act relating to the senior citizen property tax exemption; and providing for an effective date.
- SB 456 - An Act exempting personal property owned by senior citizens from municipal property taxes; and providing for an effective date.

- SB 465 - An Act providing a partial exemption from assessment for levy and collection of property taxes on residential property; and providing for an effective date.
- SB 360 - An Act providing for exemption of the residence of a disabled veteran from levy and collection of real property taxes and authorizing reimbursement to municipalities for revenues lost by operation of the exemption; and providing for an effective date.
- SB 154 - An Act providing an exemption from payment of real property taxes for disabled veterans; and providing for an effective date.

Committee Log Book - 1980

Tape Number XI

Senate CRA
Committee

Side Number 182

PRESENT: Chairman A. Sturgulewski; Sen. Kelly, Stinson, Malachuk Dates 2/26/80 to -

ABSENT: Sen. Redey

Bill Numbers Discussed

| | | | | | | | |
|--------|--------|--------|--------|--------|--------|--------|--------|
| SB 299 | SB 427 | SB 465 | SB 389 | SB 456 | SB 431 | SB 138 | SB 154 |
|--------|--------|--------|--------|--------|--------|--------|--------|

Side ①

| Date & Time | Tape Meter Number | Bill | Significant Information (Witness, Action) |
|-------------------|-------------------|------------------|--|
| 2-26-80 1:40P. | 005 | | Mtg. Opening - Summary |
| | 075 | SB 299 | Sen. Kestula - " |
| | 252 | | Sen. Kelly - Bill Intent |
| | 275 | | Sen. Kestula |
| | 3:5 | SB 427 | Sen. Ferguson - Summary |
| | 428 | SB 389 | Mayor Don Millman (Soldok.) |
| | | SB 427 SB 456 | SB 465 |
| | 522 | | Sen. Sturgulewski - " |
| | | SB 427 | Mayor Millman |
| | 559 | SB 456 | " " |
| | 575 | SB 465 | " " (02.08 - Should be 29.53.025) |
| | 598 | SB 299 | " " - Mill levies / mill rates |
| | 636 | | Sen. Kelly |
| | 673 | SB 389 | Rose Palmquist Incorp. language SS HC R 45 |
| | 791 | SB 456 | " " |
| | 793 | SB 465 | " " |
| | 803 | SB 465 | Sen. Stinson |
| | 840 | SB 299 | " |

over

Side (2)

000
028

Rose Palmquist (Continues)
Sen. Stinson

082 ^{SB}
389

Pat Porter - Soldotna (SS SB 45 - line 16)

138

Ruby Ccil

241 ^{SB}
465

" "

260 ^{SB}
389

Sen. Sturgeonwski

393
424

ROSE Palmquist

454 ^{SB}
431

Larry Kadell

490

Sen. Sturgeonwski

519 ^{SB}
138

Frank Lee (For Sen. Bradley)

539 ^{SB}
154

^{SB}
389

~~617~~
~~680~~ ^{SB}
427

Vivian Loveless

659 ^{SB}
389

" "

686

Sen. Sturgeonwski - Gen. Comments

711

Sen. Kelly - Gen. Comments on Revenue
Sharing & Prop. tax relief

738

Sen. Roddy

Sen. Roddy
Arrived 3 P.M.
3:07 Htg. Adjourned

TELECONFERENCE HEARINGS



SUBJECT: PROPERTY TAX EXEMPTION BILLS

COMMITTEE: SENATE COMM. & REGIONAL AFFAIRS

DATE: FEBRUARY 26, 1980

TIME: 1:30PM

SITES PARTICIPATING: ANH, FBX, SOLD, KET, SITKA, JNU

CONFERENCE MODE: AUDIO

LOCATION: Room 301, S.O.B.

MODERATOR: Sandy Wendte

NOTES:

CONFIRMATION OF CONFERENCE
CENTER: Yes

PUBLICITY:

Invitational -

| | Date | Quantity |
|-----------------------------------|---|------------|
| PSAs | <u>2/20</u> | <u>3</u> |
| News releases (local) | <u>1/11 1/12 1/13</u> | <u>1</u> |
| News releases (outlying media) | <u>Ken Daily News KTKN KROA</u> | <u>---</u> |
| Direct mail | <u>---</u> | <u>---</u> |
| Phone contacts | <u>---</u> | <u>---</u> |
| Other: | | |

NUMBER IN ATTENDANCE 0
NUMBER TESTIFYING 0