

SB

510

COMMITTEE REPORT
SENATE

FURTHER: Finance

3/5/80

Date: 4-3-80

Mr. President:

COMMUNITY AND REGIONAL

The Committee on AFFAIRS has had SB 510

exempting business inventory from municipal property tax levy

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title

and recommends _____

AND attaches a "Letter of Intent" New Fiscal Note

reports it back without recommendation

referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Bob Mulcahy

Tom Kelly

Kurtz Roddy

Tom P. ...

Robert S. ...

CHAIRMAN

Do Pass

Committee Log Book - 1980

Tape Number XX11

SENATE C/RA

Side Number 1

Committee

Dates 4/3/80 to --

Present: Senators Kelly, Mulcahy, Rodey, Stimson & Chairman
Sturgulewski

Bill Numbers Discussed

SB 389	SB 451	SB 452	SB 510						
-----------	-----------	-----------	-----------	--	--	--	--	--	--

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
4/3/80 1:30	005	SB 389	Chairman Sturgulewski opened meeting
			and brought "CS" before Committee for consideration
	063		Steve Van Sante, Dept. C/RA/ intent of <u>parcel</u> , one
			or more parcels agreed to assist in wording for Letter of Intent
	114		Rodey / moved to pass "CS" do pass w/ rec. Bill passed unanimously
	148	SB 451 & 452	Chairman Sturgulewski brought out "CS"
	200		Ruth Allington, Staff to Sen. Fahrenkamp
	225		Sen. Kelly
			Sen. Rodey moved "do pass" with ind. recommendations
	263	SB 510	Chairman Sturgulewski brought out "CS"
	321		Mitch Gravo/ Anchorage Municipality
	333		Sen. Kelly -tax on books & freezing mill rate
	388		Terry Earley, Dept. C/RA
	414		Sen. Rodey moved to pass out with ind. recomm.
			No Objections
	422		Sen. Sturgulewski packet of letters on whole tax
			related concerns - real property sent out....
	458		MEETING ADJOURNED

Committee Log Book - 1980

SENATE C/RA

Tape Number XXI
 Cassette 1 & 2
 Side Number 1 & 2

Members present: Chairman Sturgulewski, Kelly, Mulcahy, Stimson
 " absent: Senator Rodey

Dates 4/1/80 to --

Bill Numbers Discussed

SB 451	SB 452	SB 370	SB 389	SB 510					
-----------	-----------	-----------	-----------	-----------	--	--	--	--	--

Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
4/1/80 1:30 P.	008	SB 451 & 452	Chairman Sturgulewski - gave summary on amendments
	177		Senator Fahrenkamp, sponsor, gave background
	313		Sen. Kelly re SB 451- <i>Why not straight Appropriation?</i>
	393	SB 370	Gary Crouse, Dept. of Public Safety, Fire Prot. Office <i>Sen. Kelly Moved to Pass with individual recommendation. Bill passed out of Committee / Sen. Stimson & Sturgulewski</i>
	520	SB 389	Jack Chenowith, Legal Office / Sen. Sturgulewski
	619		Terry Earley, Dept. C/RA/ Tax Assessor
	773		J. Chenoweth, Amendment <i>- New amendment giving C/RA ability to determine adjacent parcels.</i>
	000		Frank Lee, Sen. Bradley's AA, re parcel/tract
	102		Gary Jenkins, Private Citizen
	206		Carl Haggerup, Private Citizen/ Sen. Sturgulewski
	356	SB 510	Chairman Sturgulewski / Bill Summary
	391		Jack Chenoweth, Legal Office
	604		Dept. C/RA
	671		Gary Jenkins, Dept. of Revenue
	691		Mitch Gravo, Anchorage Municipality
	833		<i>pre conditional exemption based on reimbursement</i> Girny Chitwood, AML, funding- municipality reim.

Side 2

Cassette 2

055

Senator Sturgulewski
 Senator Kelly
 Jack Chenoweth, Legal Office: eg failure to fund over

079

Senator Kelly, retroactive

3:15 p.m. - meeting adjourned



Official Business

Alaska State Legislature

JOINT SENATE AND HOUSE
COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
LOCAL GOVERNMENT STUDY

Co-Chairmen
Senator Arliss Sturgulewski
Representative Bill Parker

Address all
correspondence to:

LOCAL GOVERNMENT STUDY

Pouch V
State Capitol
Juneau, Alaska 99811

March 31, 1980

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Tim Kelly
Senator Pat Rodey
Senator Mike Colletta
Senator Don Bennett

Senator Brad Bradley
Senator Jalmar Kerttula
Senator Glenn Hackney
Senator Ed Dankworth
Senator Bettye Fahrenkamp
Senator Frank Ferguson

FROM: Arliss Sturgulewski *AS*
Chairman

SUBJECT: Committee Meetings, Capitol Building, Butrovich Room

Tuesday, April 1, 1980 - 1:30 p.m.

- SB 370 - An Act relating to fire prevention
- SB 389 - An Act relating to the senior citizens tax exemption
- SB 510 - An Act exempting business inventory from municipal property tax levy, and providing for reimbursement to municipalities of tax revenues lost by operation of the exemption; and providing for an effective date
- SB 451 - An Act establishing a grant fund to be used for construction of community sports and recreation facilities, and providing for management of the facilities by local sports and recreation facility councils
- SB 452 - An Act making a special appropriation to the Department of Community and Regional Affairs for grants for planning and construction of community sports and recreation facilities; and providing for an effective date.
- SB 351 - An Act relating to state aid to local governments; and providing for an effective date

SR 64 Newk
came TO See CIA.

It went straight
from Son Commerce (Spencer)
to Son Finance

T

City of Pelican



BOX 757

PELICAN, ALASKA 99832

PHONE 735-4101

April 23, 1980

Senator Arliss Sturgulewski
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Sturgulewski:

Thank you for your information on SB 510 and SB 64. The Pelican City Council has discussed both bills and feels that they should oppose both SB 510 and SB 64.

The data figures presented to you showing merchandise inventory for Pelican were understated. In 1979 the merchandise inventory figure for Pelican was \$894,889. At a mill rate of 7.5 mills that revenue was \$6,711.67, 19% of our total property taxes. In 1980 the approximate merchandise inventory will be \$1,043,800. At the same mill rate of 7.5 mills the revenue would be \$7,528.87, or 18% of our total property taxes.

We strongly feel that SB 64 would seriously damage our tax base. Property owners would have to bear the extra burden, therefore unfairly raising their taxes.

The SB 510 proposed state reimbursement, that also, does not meet with council approval. The merchandise inventory tax is passed on to the consumer. In that way, the transient people, that utilize our facilities, are in some way, paying a share of their support. We feel this is a fair way of collecting for this tax.

We hope you seriously consider the consequences of these two bills. Thank you for the opportunity to express our opinion of these bills.

Sincerely,

Jake Peart, Mayor

JP/ec

cc: Representative Dick Elison
Senator Pete Meland



Official Business

Alaska State Legislature

Senate Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

March 27, 1980

SENATE BILL 510

Attached is a copy of SB 510 showing changes desired to be incorporated into a Committee Substitute. This bill is scheduled for public hearing April 1, at 1:30 p.m.

The intent of this Committee is as follows:

The Department of Revenue is to be deleted. The program is to be similar to that of the senior citizen exemption program with municipalities. The Department of Community and Regional Affairs will receive appropriated monies from the Legislature to dispurse to the municipalities accordingly.

In order for a municipality to qualify, they must request businessmen in their area to submit inventory listings to them, and based on those filed inventories, reimbursement will be made from the state.

Attachment.

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUR:EAU ALASKA 998'1
697-465 3800

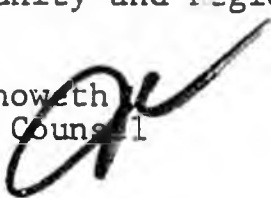
LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 3, 1980

SUBJECT: CSSB 510, relating to the business inventory
tax exemption

TO: Senator Arliss Sturgulewski, Chairman
Senate Community and Regional Affairs
Committee

FROM: John B. Chenoweth
Legislative Council 

The committee's decision to make the business inventory tax exemption one which is "conditional" on annual full funding of reimbursement by the legislature strongly suggests that inclusion of reference to the business inventory tax may not properly be included in the list of mandatory tax exemptions under AS 29.-53.020(a). The committee substitute presents the material as a new codified section, AS 29.53.023.

*

The "conditional" provisions are to be found in sub-sections (d) and (e). Briefly, the approach taken requires the commissioner of the administering department to certify, within a relatively short time after the governor has had opportunity to review and take action on the amount appropriated for reimbursements to municipalities payable under this program, whether there will be enough money to reimburse local governments 100 percent of every dollar due. If not, the commissioner must compute and report the pro ration fraction. Thereafter, municipalities may secure, from businesses reporting inventory, the difference in revenue based on application of the municipal millage rate to the portion of the business inventory value for which reimbursement is not forthcoming. By way of example:

As part of the budget process, in FY 00, the department estimates and presents a budget request based on

Full reimbursement to all municipalities \$12,000,000

Reimbursement to specific municipalities:

Anchorage

Estimated business inventory value: \$700,000,000
Anticipated millage rate: 10 mills
Estimated return from inventory tax: \$ 7,000,000

Kodiak Island Borough

Estimated business inventory value: \$ 50,000,000
Anticipated millage rate: 4 mills
Estimated return from inventory tax: \$ 200,000

The legislature appropriates the full \$12,000,000 before leaving Juneau on May 20th. The governor has 20 days (Sundays excepted) to act on the bill. He does so, reducing the appropriation to \$9,000,000. Immediately, the commissioner must certify that the amount available to fund an estimated \$12,000,000 in reimbursement requests is \$9,000,000 and that reimbursement to municipalities will amount to 9/12ths or 75 percent.

By the second half of June, then, the Municipality of Anchorage, with an estimated business inventory value of \$700,000,000 and an expected millage rate of 10.0 mills determines

(1) that it will receive 75.0 percent of its anticipated business inventory receipts (\$7,000,000) from the state: \$5,250,000 from the department; and

(2) that it can recover the balance, \$1,750,000 by a levy of 10 mills on 25 percent of the value of all business inventory:

$$\begin{aligned} \$700,000,000 \times 25\% &= \$175,000,000 \\ \text{multiplied by millage rate of} \\ 10 \text{ mills (or 1 percent)} &= \underline{\$1,750,000} \end{aligned}$$

The same approach may be taken by the Kodiak Island Borough:

(1) 75 percent of anticipated receipts, or \$150,000, from state reimbursement;

Senator Arliss Sturgulewski
Page 3
April 3, 1980

(2) 25 percent of anticipated revenue by levy against
25 percent of the value of business inventory in the
municipality:

$\$50,000,000 \times 25\% = \$12,500,000$
multiplied by millage rate of 4 mills = $\$50,000$

Amounts payable by the state would be transmitted in the
first part of FY 01.

JBC:ljb

Enclosure

I. REQUEST

Bill/Resolution No. S B 510

Title Exempts business inventory from taxation-Lost revenues reimbursed by state

Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Community & Regional Affairs

Program Category Affected Development

BRU, Program, or Subprogram(s) Affected Community Assistance Grant

(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 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES			39.3	42.4	45.8	49.5
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES			14.4	14.4	14.4	14.4
500 EQUIPMENT			5.0	1.0	1.0	1.0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.			12,329.2	13,192.2	14,115.7	15,103.8
TOTAL			12,387.9	13,250.0	14,176.9	15,168.7

FUNDING (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
GENERAL FUND			12,387.9	13,250.0	14,176.9	15,168.7
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
FULL TIME			2	2	2	2
PART TIME						
TEMPORARY						

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

General Comments:

The figures following are based upon information received by this office in 1979 from municipalities involved. The updated figures were obtained by taking into account, the inflationary rate, the general decrease of mill rates, and the expected growth of businesses around the state.

Factual Data:

The estimated data used was as follows:

- inflationary rate = +12%
- decrease of millrates = -22%
- business growth = +5%
- increase in assessed value = +12%
- 1980 overall increase factor = +7%

IV. DATE _____ PREPARED BY Steve Van Sant
 AGENCY Community & Regional Affairs
 PHONE 465-4787

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

1979 GENERATED REVENUE BY BUSINESS INVENTORY

<u>Municipality</u>	<u>1979 Revenue</u>	<u>1980 Revenue (7% over 1979)</u>
Anchorage	\$ 7,187,122	\$ 7,690,221
Bristol Bay	17,068	18,263
Haines	181,540	194,248
Juneau	212,156	227,007
Ketchikan	548,902	587,325
Kodiak	12,737	13,629
Matanuska/Susitna	48,767	52,181
North Slope	151,578	162,183
Sitka	67,323	72,026
Dillingham	1,425	1,515
Nenana	3,464	3,707
Nome	53,209	56,934
Pelican	3,332	3,565
Petersburg	35,969	38,487
Skagway	10,111	10,819
Unalaska	3,818	4,085
Wrangell	38,156	40,327
	<u>\$ 8,576,677</u>	<u>\$ 9,177,046</u>

* It is questionable as to whether or not Fairbanks and Kenai, who currently exempt business inventory, would repeal the exemption and begin taxing inventories to take advantage of this program. If these two municipalities did begin taxing inventories, the fiscal note would change as follows:

Fairbanks estimated inventory value 1979	=	\$ 101,016,740	<i>5 1/2</i>
Kenai estimated inventory value 1979	=	71,684,601	<i>2000</i>
Estimated total revenue including 7% increase	=	3,152,165	<i>1000</i>
Total revenue of other municipalities	=	\$ 9,177,046	<i>1000</i>
Estimated total revenue lost	=	\$ 12,329,211	<i>1000</i>

Other Expenditures

According to the Department of Revenue, there were 33,000 business licenses issued statewide in 1979. They expect a 5% increase for 1980. We have assumed 80% of these businesses are located within organized municipalities. It is assumed therefore, the Department will have to process almost 28,000 applications for reimbursement under SB 510. The Department will require two new positions with expenditures as follows:

2 clerk/typist III - Range 8A 1277	=	\$30,648
Benefits @ 28%	=	8,581
Equipment	=	4,000
Supplies	=	1,000
Office space 800 sq.ft. @ \$1.50 psf	=	<u>14,400</u>
		\$58,629
Reimbursement Total	=	\$12,329,211
Total Program Cost	=	\$12,387,840

GraybaR

ELECTRIC COMPANY, INC.
5501 "A" STREET
P.O. BOX 4-2600
ANCHORAGE, ALASKA 99509
TELEX 090-25-140

F. T. DUGAN, JR.
MANAGER

TELEPHONE (AREA CODE 907) 276-3614

March 24, 1980


Ms. Arliss Sturgulewski, Senator
Alaska State Legislature
Pouch V
State Capital
Juneau, AK 99811

Dear Senator Sturgulewski:

I would like to express my support of Senate Bill 510 which exempts business inventories from taxation by the Municipality.

Taxes are to cover the expense of governing and there should be no excess. When we have excess as we do now, taxes should be reduced so that we don't have any excess in the general fund.

Sincerely,



F.T. Dugan, Jr.
Manager

FTD/kjp



EVERYTHING ELECTRICAL • • • NATIONWIDE

March 24, 1980

Honorable Arliss Sturgulewski
Alaska State Senate
Pouch "V"
State Capitol Building
Juneau, Alaska 99811

Dear Senator Sturgulewski:

I am writing to urge your support of Senate Bill 510 exempting business inventories from taxation. I happen to be associated with a large national corporation, however, I assure you the present Alaska business climate adversely affects large and small alike.

Sincerely,

A handwritten signature in dark ink, appearing to read 'D. D. Morris', with a long horizontal flourish extending to the right.

D. D. Morris
3440 Purdue
Anchorage, AK 99504

STATE OF ALASKA

DEPARTMENT OF REVENUE

JAY S. HAMMOND, GOVERNOR

11th FLOOR
STATE OFFICE BUILDING
POUCH S,
JUNEAU, ALASKA 99811

March 13, 1980

The Honorable Arliss Sturgulewski
Alaska State Senate
Pouch V
Juneau, Alaska 99811

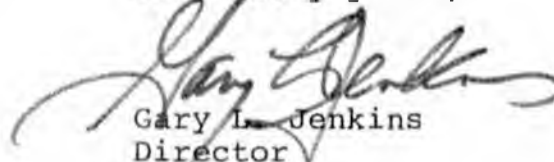
Dear Ms. Sturgulewski:

Your staff has contacted me regarding proposed Senate Bill No. 510. The bill would exempt the inventory of a business from municipal property tax and provides that the State would reimburse a Borough or City an amount equal to the revenue lost. The bill goes on to say that the State will determine the amount of reimbursement to a City or Borough based on inventory reported to the Department of Revenue on the income tax returns filed with this department. There are several reasons why this concept is not viable.

First of all, I am sure the authors of the bill are assuming that the Department of Revenue is already data capturing this information when an income tax return is filed. We do not data capture the information and it would be prohibitively expensive to do so.

Secondly, even if the Legislature decided that they wanted to pay the cost of the data capture, the information on the tax return is not in the proper format in that all inventories, wherever situated in the State of Alaska, are lumped together so that it would be impossible to identify the actual physical location for purposes of making the payment to a Borough or City.

Very truly yours,



Gary L. Jenkins
Director
Audit Division

F. T. DUGAN, JR.
MANAGER

TELEPHONE (AREA CODE 907) 276-3614

GraybaR

ELECTRIC COMPANY, INC.
5501 "A" STREET
P. O. BOX 4-2600
ANCHORAGE, ALASKA 99509
TELEX 090-25-140

*File w/ SB 510
for T*

March 31, 1980

Senator Arliss Sturgulewski
Alaska State Legislature
Pouch V
State Capital
Juneau, AK 99811

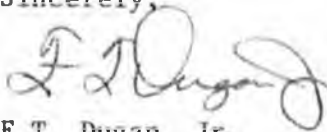
Dear Senator Sturgulewski:

Thank you very much for your letter. Based on the information that I see in your letter, I would support Senate Bill 510 before supporting Senate Bill 64.

I feel that it is very important that the Municipalities still obtain funding from the State to offset there loss of revenue based on a decrease in business taxes.

To me it seems important that we find good programs and projects to spend the excess revenues that are coming in. It seems that this would be a good time to spend some money on moving the capital. It wouldn't be so hard to make Public Hearings if you were closer.

Sincerely,



F.T. Dugan, Jr.
Manager

FTD/kjp



EVERYTHING ELECTRICAL • • • NATIONWIDE

F. T. DUGAN, JR.
MANAGER

TELEPHONE (AREA CODE 907) 276-3814

GraybaR

ELECTRIC COMPANY, INC.
5501 "A" STREET
P. O. BOX 4-2600
ANCHORAGE, ALASKA 99509
TELEX 090-25-140

March 24, 1980

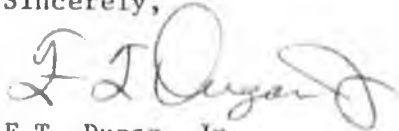
Ms. Arliss Sturgulewski, Senator
Alaska State Legislature
Pouch V
State Capital
Juneau, AK 99811

Dear Senator Sturgulewski:

I would like to express my support of Senate Bill 510 which exempts business inventories from taxation by the Municipality.

Taxes are to cover the expense of governing and there should be no excess. When we have excess as we do now, taxes should be reduced so that we don't have any excess in the general fund.

Sincerely,



F.T. Dugan, Jr.
Manager

FTD/kjp



EVERYTHING ELECTRICAL • • • NATIONWIDE

March 24, 1980

Honorable Arliss Sturgulewski
Alaska State Senate
Pouch "V"
State Capitol Building
Juneau, Alaska 99811

Dear Senator Sturgulewski:

I am writing to urge your support of Senate Bill 510 exempting business inventories from taxation. I happen to be associated with a large national corporation, however, I assure you the present Alaska business climate adversely affects large and small alike.

Sincerely,



D. D. Morris
3440 Purdue
Anchorage, AK 99504

March 24, 1980

You have evidenced interest in Senate Bill number 510, An Act exempting business inventory from municipal property tax levy, and providing for reimbursement to municipalities of tax revenues lost by operation of the exemption; and providing for an effective date. The Senate Community and Regional Affairs Committee has scheduled a public hearing on this bill April 1, 1:30 p.m. in the Butrovich Room of the State Capitol Building. Because of the widespread interest in this bill by many members of the business community and by affected local governments, we tried to set up a teleconference meeting. Due to the heavy teleconference schedule, we find that any available date would put us past a reasonable time for consideration of this bill. Since we are moving well into the session, it's important that SB 510 go to the next committee of referral, Senate Finance.

We are enclosing some background information dealing with SB 510. One of the major problems that must be addressed is how to "hold harmless" the local municipalities in the event business inventories are exempted from taxation. The Department of Revenue feels a different approach than is outlined may need to be utilized to assure this recovery. As you can see from the attached information, the revenue loss could be very substantial to some seventeen municipalities throughout the state. Your comments and suggestions on this part of the bill will be greatly appreciated.

For your information, Senate Bill 64, An Act exempting business inventories from municipal property taxes; and providing for an effective date, sponsored by Senators Bradley, Dankworth, Bennett and Fahrenkamp was passed out of the Senate Commerce last week and is now in Senate Finance. Senate Bill 64 does not provide for municipal reimbursement.

We will look forward to receiving information from you regarding this important piece of legislation.

Sincerely,

Arliss Sturgulewski
Senator, District 10-H

Enclosure



**HOWARD
COOPER**
CORPORATION

P. O. BOX 739
ANCHORAGE, ALASKA 99510
(907) 279-5411

March 17, 1980

Senator Arliss Sturgulewski
Senate Community and Regional Affairs Committee
State Capitol
Juneau, Alaska 99811

Dear Senator Sturgulewski:

I has come to my attention that Senate Bill 510 is now in the Senate Community and Regional Affairs Committee.

I wish to encourage you to bring this bill before the committee for consideration as soon as possible.

Due to high interest rates and our present economic hardships we must have some type of aid, or we will be closing our doors and moving from the State of Alaska.

I feel Senate Bill 510 is the type of aid needed to keep small businesses open in Alaska.

E. E. SIDES
Vice President Alaska Operations

EES/jlp

HOME OFFICE:
PORTLAND, OR.
BRANCH OFFICES:
ANCHORAGE, AK.
ALEXANDRIA, LA.
EUGENE, OR.
FAIRBANKS, AK.
JUNEAU, AK.
MEDFORD, OR.
PENDLETON, OR.
ROSEBURG, OR.
SEATTLE, WA.
SPOKANE, WA.



Craig Taylor Equipment Company

733 Whitney Road, Anchorage, Alaska 99501
Sales - Service - Rentals 907/276-5050

March 18, 1980

Senator Arliss Sturgulewski
Alaska State Senate
Committee on Resources
Pouch V
Juneau, Alaska 99811

Dear Senator Sturgulewski:

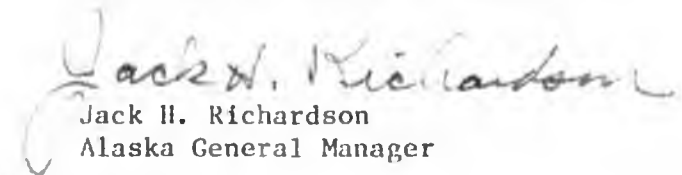
I wanted to write to to relate my support of Senator Summer's Senate Bill 510 which will exempt business inventories from Municipality taxes.

I could never understand why a business should be penalized for making goods available to Anchorage residents. Inventories are only another form of cash, (goods waiting to be turned into cash) so why shouldn't saving and checking account be subjected to the same tax. We all know the reason why, the banks would be cleaned out the last week of each December.

Senator this tax is directly passed on to every Alaska purchaser and is the unfairest tax in the land. I'm counting on Committee to report favorably on this bill and recommend a "do Pass" to the rest of the Senate.

Yours very truly,

CRAIG TAYLOR EQUIPMENT COMPANY


Jack H. Richardson
Alaska General Manager

JHR/baw

cc: Senator Bill Summer



TO

Senator Artur Stengalinski
 Regional Affairs Comm
 Pouch V State Capitol
 Juneau AK 99811

FROM

LIVESAY-WATERS, INC.

P. O. BOX 57

ANCHORAGE, ALASKA 99510

Phone: 272-4748 or 272-7519

SUBJECT:

Senate Bill 510 -

DATE:

12 March

FOLD ↑

I hope you will bring this long needed legislation
 before your committee as soon as possible and
 support it's passage. - The business men of Alaska
 need to be rid of this penalty for hard work
 Sincerely
 Robert G. Fursey

PLEASE REPLY TO →

SIGNED

REPLY

DATE:

SIGNED

GRAYBAR CO., INC., BROOKLYN, N. Y. 11212

THIS COPY FOR PERSON ADDRESSED



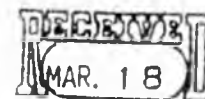
Official Business

Alaska State Legislature

Senate

Committee on Resources

March 12, 1980



Pouch V
State Capitol
Juneau, Alaska 99811

Mae Tischer
Muscular Dystrophy Association
915 West 6th Avenue
Anchorage, Alaska 99501

COPY

Dear Ms. Tischer:

I wanted to share with you a piece of legislation I recently introduced in which you might be interested. Senate Bill 510 exempts business inventories from taxation by the Municipality. I'm hopeful that such an exemption would be of some help in the economic survival of many Anchorage small businesses now facing real economic hardships.

The bill is now in the Senate Community and Regional Affairs Committee chaired by Senator Arliss Sturgulewski. I hope you'll encourage her to bring the bill up soon before the committee for consideration. I've taken the liberty of enclosing a copy of the bill and I would welcome any comments or suggestions you may have.

We can be successful in these efforts with your support. I hope to hear from you.

Sincerely,

A handwritten signature in cursive that reads "Bill".

BILL SUMNER
Senator

BS/cf
enclosure

*Please turn over this page
for response*

March 17, 1983

Lead Response
to: →
COPY

Max Tischer
3305 Oregon Drive
Anchorage, Ak 99503
272-3153

Dear Mr. Sumner,

Although I appreciate notification of your SB 510 proposal, MDA is a not-for-profit health agency and therefore not affected.

However, as a private citizen, and 22 year resident of Alaska, Homesteader & mother of six, may I make some comments:

1. This bill appears to, in effect, shuffle tax money around from one pocket to another.
2. When will you politicians realize that a healthy economy can best be achieved by simply relaxing the grip of over-taxation which is drowning the private sector, and feeding the bureaucracy into obesity.
3. Offer a bill to suspend taxes on business profits so that expansion will be encouraged and employment increased. Historically, this approach has been productive and had positive results in poor times. The benefits are seen in the private sector, and rightly so, if this country is to maintain some semblance of free enterprise. The fact that government may suffer a reduction of funds to feed you could be termed as "just what the doctor ordered."
4. Read the mail, letters to editor, listen to the people who succeed (in spite of tax burdens) in small business — the businessmen & women. There's a better way than manipulation!! m.

March 17, 1980

Senator Arliss Sturgulewski
Senate Community and Regional Affairs Committee
Pouch V
State Capital
Juneau, Alaska 99811


Dear Ms. Sturgulewski:

As a small independently owned business man, one of my major problems is how to serve our Alaska customers as well as our competition in Seattle does. The only advantage we have over the Seattle distributors is the stock we carry. However, in order to compete with the "outside" companies, we must price our items as low as they do. This means we must absorb the higher wages, the higher rent, and just generally the higher cost of doing business in Alaska. The Seattle distributor has none of these costs, nor does he create any employment in Alaska, nor pay any taxes.

One of our highest costs is the tremendous taxation that the Municipality places on our business inventory. If we keep the inventory down, we cannot serve our customers in Alaska and cannot compete with Seattle. If we increase our inventory, we cannot afford to pay the taxes imposed upon us by the municipality and still compete with Seattle businesses.

Would you please bring up Senate Bill 510 before your committee for consideration.

Thank you,


Ray G. Debenham
President

dd



debenham electric supply co., inc.

p. o. box 411 anchorage, alaska 99503 phone (907) 279-7501 telex 9015176

bailey's

RENT-ALL, INC.

March 17, 1980

Senator Arliss Sturgulewski
Senate Community and Regional Affairs Committee
Pouch V
State Capitol
Juneau, Alaska 99811

Dear Senator Sturgulewski,

We are writing in regard to Senate Bill 510, an act recently introduced by Senator Bill Sumner, which would exempt business inventory from municipal property tax levy.

We wish to urge you to bring this bill up soon before the Committee for consideration.

Attached is a copy of our letter to Senator Sumner stating our viewpoints, which we trust you will read and consider.

Small business is facing economic hardship at this time and we voice our appeal for tax relief.

Sincerely,
BAILEY'S RENT-ALL, INC.

Dorothea J. Lovejoy
Dorothea J. Lovejoy

DJL:s





March 17, 1980

Senator Bill Sumner
Pouch V
Juneau, Alaska 99811

Dear Senator Sumner,

Thank you for your letter concerning Senate Bill 510, an act exempting business inventory from municipal property tax levy.

We support you wholeheartedly! Our particular business which must support an extremely large inventory of equipment is hard pressed to meet the insurance and TAX expenses placed upon it! We are a service related business....offering our equipment for others to rent. A tax upon this type of inventory seems unfair, almost a penalty for buying and maintaining equipment for others to use.

In our present economic situation it is difficult for any business to acquire a desired inventory. Taxation even stifles business incentive to purchase and maintain stock. We welcome relief from a business personal property tax.

Thank you for your efforts.

Sincerely,
BAILEY'S RENT-ALL, INC.

A handwritten signature in cursive script that reads "Dorothea J. Lovejoy".

Dorothea J. Lovejoy
Owner

DJL:s

c/Senator Arliss Sturgulewski





Official Business

Alaska State Legislature

Senate

Committee on Resources

March 12, 1980

Pouch V
State Capitol
Juneau, Alaska 99811

Allen H. Shewe
KTVA-Northern Television
Post Office Box 2200
Anchorage, Alaska 99510

Dear Mr. Shewe:

I wanted to share with you a piece of legislation I recently introduced in which you might be interested. Senate Bill 510 exempts business inventories from taxation by the Municipality. I'm hopeful that such an exemption would be of some help in the economic survival of many Anchorage small businesses now facing real economic hardships.

The bill is now in the Senate Community and Regional Affairs Committee chaired by Senator Arliss Sturgulewski. I hope you'll encourage her to bring the bill up soon before the committee for consideration. I've taken the liberty of enclosing a copy of the bill and I would welcome any comments or suggestions you may have.

We can be successful in these efforts with your support. I hope to hear from you.

Sincerely,

Bill

BILL SUMNER
Senator

*(Shewe) read
the bill and
it makes
sense for
helping the
businessman
who's having
such a
struggle
right now
Al Shewe*

Arthur Ronald Hauver
Attorney At Law
810 West 2nd Ave.
Anchorage, Alaska 99501
(907) 276-6354

March 17, 1980

The Honorable William Sumner
Senator
Alaska State Legislature
Senate Committee on Resources
Pouch V
State Capitol
Juneau, Alaska 99811

Dear Senator:


Thank you for your letter of March 12. I have reviewed Senate Bill 510 and have two comments. First, I must say that relief from taxation for individuals and small businesses, in particular, seems to me to be an appropriate step to encourage growth and add impetus to the profit motive.

The particular bill which you have introduced, however, could have a negative side effect. Specifically, it seems to me possible that communities which do not presently levy tax on business inventories might be encouraged to do so by this legislation. Accordingly, to foreclose such a result, it appears to me that the reimbursement should be limited to municipalities which had property tax levies in effect on the date of the introduction of the bill (March 5, 1980).

My second comment is that by retaining the data collection and reporting mechanism (to verify the amount of tax loss to be reimbursed under the bill), the bill tends to perpetuate the municipality's bureaucracy. While the municipality will no longer have a requirement for a collection force, its record maintenance and data collection requirements are not significantly reduced. I wonder if a clause might be provided whereby the values are fixed based on the 1979 assessments, to be adjusted by an index varying with population and/or business licenses issued, or some other relatively simple but automatic adjustment factor. I would think that Commissioner Williams may have other equally appropriate indexing ideas. The beneficial effect, then, would be to alleviate, virtually entirely, the need for maintenance of municipal bureaucracies dealing with inventory taxes, altogether. Such an approach should also reduce the burden on the State in controlling and verifying the values reported.

I hope the foregoing suggestions have been helpful and that the Legislature sees fit to adopt the proposal.

Best personal regards,


Arthur R. Hauver

ARH:ag
cc: Senator Arliss Sturgulewski
Mr. Keith Specking
Commissioner Thomas K. Williams

AIRPORT MACHINERY

March 15, 1980

Senator Sturgulewski
Community and Regional Affairs Committee
Pouch V
State Capitol
Juneau, AK 99811

Dear Senator Sturgulewski,

As a manager of a medium sized business firm in Anchorage that employs 44 people, I have many concerns about the financial health of our company as well as other business enterprises in our state.

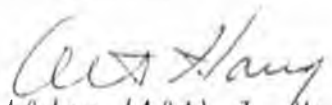
Many firms have gone bankrupt recently and many more are experiencing serious financial difficulty because increasing operational costs, inflation, and legislation that suffocates free enterprise.

Everyonce in awhile a bill pops up that is like a "breath of fresh air" and Senate Bill No. 510 is one of those.

Senate Bill No. 510 is by no means a cure-all for our troubled business climate but it is a very positive step in the right direction.

I urge you, Senator, to bring Senate Bill No. 510 before the committee for consideration as soon as possible. I also urge you to support this bill with you best efforts.

Sincerely,


Aldon (Alt) J. Haug
Vice President & General Mgr.

AH/ls

CC: Senator Bill Sumner

AIR PHOTO TECH
INCORPORATED

PHOTOGRAMMETRIC CONSULTANTS

March 14, 1980

Senator Arliss Sturgulewski
Alaska State Legislature
Pouch V
State Capitol
Juneau, AK 99811

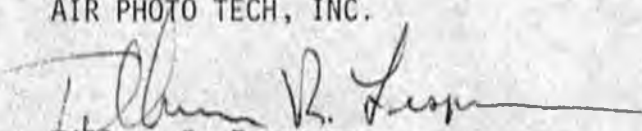
Dear Senator Sturjulewski:

I am writing to encourage the movement and passage of Senate Bill Number 510. My business is not affected directly by inventory since we maintain no merchandise inventory, however, my interest is stimulated by my concern for the poor economic condition among small business people in Alaska while at the same time our State Government has never before had so much cash at hand. Business inventory tax upon Alaskan small business' can only be described as a discriminatory measure which favor suppliers in the Northwest and serves to keep Alaskan inventories at a minimal level much to the disservice of the consumer public.

I also feel that the legislature should make every effort to eliminate nuisance types tax wherever possible.

Sincerely,

AIR PHOTO TECH, INC.


Tillman R. Fesperman
President

TRF/car

cc; Senator Bill Sumner

senco alaska, inc.



877 DOWLING ROAD
ANCHORAGE, ALASKA 99502
(907) 349-1522 or
(907) 349-1523

March 20, 1980

Senator Arliss Sturgulewski
Alaska State Legislature
Pouch V
State Capitol
Juneau, Alaska 99811

Re: Senate Bill No. 510

Dear Senator Sturgulewski:

I am writing to encourage you to bring Bill No. 510 up before the committee for consideration.

I understand that the bill is now in the Senate Community and Regional Affairs Committee chaired by you. I feel that this bill would be of great help in the economic survival of many Anchorage small business, now facing real economic hardships.

Thank you for your actions in this matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jack C. Butt".

Jack C. Butt

JB:bb

Gene's Realty

Barbara J. Hill, Broker

Earl E. (Gene) Silberer, Founder

700 G Street, Suite 211
Anchorage, Alaska 99501

Phone: (907) 276-7909

Alaskan Realtors for 20 years

March 14, 1980

Senator Arliss Sturqulewski
Senate Community and Regional Affairs
Pouch V
Juneau, Alaska 99811

Re: SB 510

Dear Arliss,

Attaching copies of letter and SB 510 received from Senator Bill Sumner, this date.

I have reviewed same, this appears to be a potential relief for many business's paying inventory tax, our firm would not be effected, however there is need to give relief wherever possible to all businessmen.

I am not convinced that waiving State Income Tax is proper, and definitely not in favor of handing out sums of monies to Alaskans just because the funds are there and we are fortunate enough to be here.

Would appreciate you efforts on a long term mortgage financing bill, similiar to the short term \$105 Million recently released. I do want to see criteria attached to it such as the FNMA guidelines in the previous financing.

Most of us have a great many problems with SB 1, understand Senator Hohman has introduced something else, would it be possible for you to send me a copy of it?

I am sure there are a great many requests for "excess funds" and appreciate your keeping a "conservative eye" on them as much as possible.

I have recently been appointed by Governor Jay Hammond to the Real Estate Commission. Can't express how very please I was to accept.

Want to take this opportunity to thank you for your continued efforts on the behalf of all Alaskan citizens.

Sincerely,



Barbara J. Hill

Enclosures



Official Business

Alaska State Legislature

Senate

Committee on Resources

March 12, 1980

Pouch V
State Capitol
Juneau, Alaska 99811

Barbara Hill
Gene's Realty
700 G Street Suite 211
Anchorage, Alaska 99501

Dear Ms. Hill:

I wanted to share with you a piece of legislation I recently introduced in which you might be interested. Senate Bill 510 exempts business inventories from taxation by the Municipality. I'm hopeful that such an exemption would be of some help in the economic survival of many Anchorage small businesses now facing real economic hardships.

The bill is now in the Senate Community and Regional Affairs Committee chaired by Senator Arliss Sturgulewski. I hope you'll encourage her to bring the bill up soon before the committee for consideration. I've taken the liberty of enclosing a copy of the bill and I would welcome any comments or suggestions you may have.

We can be successful in these efforts with your support. I hope to hear from you.

Sincerely,

Bill

BILL SUMNER
Senator

BS/cf
enclosure



**AIR VAN
LINES, INC.**

209 POST ROAD
ANCHORAGE, AK 99501
907-272-0536
TELEX 090-25-316

March 18, 1980

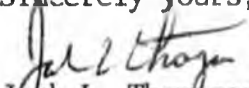
Senator Arliss Sturgulewski
Senate Community And Regional Affairs Committee
Pouch V, State Capitol
Juneau, Alaska 99811

Dear Senator:

We have read with interest the contents of SB510 introduced by Senator Sumner and solicit your cooperation to bring this bill up for committee consideration as soon as possible. We feel that it is legislation like this which will benefit the small business community in these difficult times.

At the same time we would also like to solicit your support for SB370- Fire Protection Bill. We feel that this legislation will be of great benefit to the community as a whole and especially as it relates in trying to eliminate the loss of permanent jobs caused by fire.

Sincerely yours,


Jack L. Thompson
Vice President &
General Manager

JLT/jh

KENNETH C. HUME
225 Cordova, Bldg. B #309
Anchorage, Alaska 99501

DATE 3-16-80

(907) 272-8633

SUBJECT

TO

Senator Arliss Sturgulewski
Pouch V, State Capitol
Juneau, AK 99811

SB 510

Dear Arliss:

> Understand this bill is in the Senate Community and Regional Affairs Committee and believe it would help.

This type of legislation is much better than trying to distribute the wealth as Hammond proposes - Easier to administrate, gets to business that needs help - and really helps the economy which helps all the people. Reduces cost of business which holds prices to the consumer.

SIGNED



PLEASE REPLY NO REPLY NECESSARY

D. of Alaska, Inc.
700 H, Suite 3
ANCHORAGE, AK 99501

DATE 3-16-80

TO (907) 272-8633

SUBJECT

Senator Bill Sumner
Pouch V, State Capitol
Juneau, Alaska 99811

SD ~~4111~~ 510

Dear Bill:

I certainly support this bill but also believe it would help to make it retroactive to 1-1-79

This type of legislation helps all businesses - including those that are in trouble.

Would like a bill to pick up a percentage of unemployment insurance and workman's comp. which would also help all business.

SIGNED



PLEASE REPLY

NO REPLY NECESSARY

Taxes, taxes, taxes

Dear Editor:

It is most interesting that the Legislature passed retroactive pay raises and that the governor is attempting to count the number of employees in his budget.

In the meantime, I have received correspondence that my mortgage payments will be increased because of increased taxes and also that my workmen's compensation rate has been increased retroactive to Dec. 1, 1979, because of increased benefits being given by the state.

As of Dec. 31, 1979, the Alaska Permanent Fund had a balance of \$256,009,283.53 and the Legislature plans to place an additional \$900,000,000, bringing that fund to over one billion dollars. A lot of money when they don't even know what to do with it.

I am sure that the State of Oregon doesn't have that kind of money and yet property owners and renters received tax relief in 1979 and are receiving additional relief in 1980.

It would certainly appear that those highly paid people in Juneau could do something for the taxpayer and business of this state. I support eliminating the state income taxes and believe that property tax is another area that should be given relief, including a plan like Oregon where the renter gets relief.

The income tax gives credit to those who are making money. But how about business and the elimination of the \$10 school tax that is a nuisance. Perhaps if the state would also pick up a percentage of workmen's compensation and unemployment insurance they would take a greater interest in how this money is spent. This would give relief to many of the small businesses who are paying the tax even though they are not even making money.

Kenneth C. Hume
700 H. St., Suite 3

McGRANE JEWELERS
413 D Street
ANCHORAGE, ALASKA 99501

TO

Phone 279-5020

SENATOR ARLISS STORGULEWSKI
POUCH V STATE CAPITOL
JUNEAU, AK. 99811

DATE 5-15-80 URGENT
 SOON AS POSSIBLE
FILE NO. _____ NO REPLY NEEDED

ATTENTION _____

SUBJECT SENATE BILL 510

MESSAGE

INVENTORY TAX IS ONE OF THE WORST THINGS GOING FOR
BUSINESS - NOT ONLY DON'T WE BUY WHEN ITS DUE BUT
REDUCE TO SAVE TAXES - FOR SOME COMPANIES THIS MEANS
LESS WORKERS - MY SELF - I HAVE SOME ITEMS IN
STORE I'VE BEEN PAYING TAX ON YEAR AFTER YEAR -

SIGNED

Bob

REPLY

DATE OF REPLY _____

SIGNED _____

McGRANE JEWELERS
413 D Street
ANCHORAGE, ALASKA 99501

TO

Phone 279-5020

SENATOR ARLISS (TURBULEN) #1
SOUTH STATE CAPITOL
TUNEAU, AK. 99811

DATE

5-27-80

FILE NO.

ATTENTION

SUBJECT

URGENT
 SOON AS POSSIBLE
 NO REPLY NEEDED

7/16 SB 510
T & A
MANNING

MESSAGE

THANKS FOR THE COPY OF SENATE BILL 64 - DOESN'T
LOOK LIKE IT WOULD COST THE STATE THAT
MUCH & WOULD SURE HELP US - AS I MENTIONED
BEFORE, I'M PAYING TAX ON SOME INVENTORY FOR
10 YEARS - WHY SHOULD I GET NEW SHOW CASES - &
PAY TAX ON THEM

SIGNED

Bob McSwain

REPLY

DATE OF REPLY

SIGNED

RECIPIENT: WRITE REPLY, RETURN WHITE TO SENDER. KEEP THIS PINK COPY.

ALASKA MUNICIPAL LEAGUE FINANCE FACT SHEET

Revenue Sharing

FY '80	Entitlement	\$27,031,915
FY '80	Appropriation	<u>\$20,236,000</u>
	Shortfall	\$ 6,795,915
FY '80	Entitlement With Inflation Factor Applied	\$38,891,494
FY '81	Proposed Executive Budget	\$26,565,000

Municipal Assistance - General & Petroleum Corporate Income Tax

FY '79	Last Year Under 60% of Gross Business License Tax	\$13,400,000
FY '80	10% of FY '79 Corporate Income Tax Revenues	\$25,700,000
FY '80	Appropriation	<u>\$11,400,000</u>
	Shortfall	\$14,300,000
FY '81	10% of FY '80 Corporate Income Tax Revenues	\$41,700,000
FY '81	Proposed Executive Budget	<u>\$11,400,000</u>
	Shortfall	\$30,300,000

School Construction Debt Payments

FY '79	Entitlement	\$27,868,182
FY '79	Appropriation	<u>\$22,273,300</u>
	Shortfall	\$ 5,594,882
FY '80	Entitlement	\$36,812,110
FY '80	Appropriation	<u>\$24,081,000</u>
	Shortfall	\$ 6,731,110
FY '81	Estimated Entitlement	\$30,410,000
FY '81	Proposed Budget	<u>\$25,210,000</u>
	Shortfall	\$ 5,200,000

STATE REVENUE SHARING - INFLATED RATES
Based on Anchorage CPI 1971 to 1979

<u>MUNICIPAL SERVICE</u>	<u>PRESENT RATE OF ENTITLEMENT</u>	<u>FISCAL YEAR RATE WAS ESTABLISHED</u>	<u>% INCREASED BASED ON ANCHORAGE CPI INDEX</u>	<u>RATE ADJUSTED FOR 1979 INFLATION</u>
Police Protection	\$ 12.00 per capita	1975	40%	\$16.80
Military	6.00 per capita	1975	40%	8.40
Fire Protection	7.50 per capita	1976	30%	9.75
Air/Water	2.00 per capita	1971	89%	3.78
Land Use Planning	2.00 per capita	1971	89%	3.78
Parks & Recreation	5.00 per capita	1971	89%	9.45
Military	1.25 per capita	1974	60%	2.20
Transportation Facilities	5.00 per capita	1971	89%	9.45
Military	2.50 per capita			4.00
Road Maintenance				
Public Roads	1,500.00 per mile	1971	89%	2,835.00
Ice Roads	900.00 per mile	1976	30%	1,170.00
Health Facilities	1,000.00 per bed or 4,000.00 per facility	1971	89%	1,890.00 7,560.00
Health Services	2.00 per capita	1977	23%	2.46
Hospitals	75,000.00 per hosp. or 25,000.00 per hosp. or 1,000.00 per bed	1977	23%	92,250.00 30,750.00 1,230.00
State Construction Aid	2,500.00 per bed or 5% of total project cost	1972	84%	4,600.00

FY 80 totals \$ 27,031,915

\$ 38,891,494

<u>Municipality</u>	<u>Per Capita Cost for:</u>						<u>Mill levy:</u>	
	<u>police</u>	<u>fire</u>	<u>pollution</u>	<u>planning</u>	<u>P & R</u>	<u>Trnsp.</u>	<u>1970</u>	<u>1979</u>
Mun. of Anchorage	\$ 120	75	-	-	40	75	21.98	14.44
Cordova	-	-	-	-	-	-	14	17
Dillingham	84.48	11	10.63	3.20	12.71	50.56	15.5	10
Fairbanks	97	109	64	-	-	-	10	8.5
Haines Borough		836.69					4.5	2
Kenai	124	124	82	-	16	26	7	12.5
KPB	-	-	-	-	-	-	5	2.5
Ktn. Gateway Bo.	-	39.32	-	21.96	86.39	-	4	4.5
Mat-Su Bo.	-	-	-	-	-	-	14	7.4
Palmer	176	43	44	-	-	16.50	4.5	5
Petersburg	145.41	18.45	85.46	14.48	4.69	33.53	no answer	
Skagway	115.16	29.16	-	-	9.33	-	20	8.3
Unalaska	550	112	-	-	8	4	19	14
Wrangell	74.75	16.45	33.32	1.45	5.71	27.87	no answer	
Yakutat		36.20					last 4 yrs. -	13.7

Out of 13 municipalities who responded to the questionnaire in regard to the mill levy, only four had not lowered their mill levy, most of them lowered it considerably.

CATEGORY: DEVELOPMENT
PROGRAM: COMMUNITY DEVELOPMENT

AGENCY: REVENUE
BRU (s): SHARED TAXES

The Shared Taxes BRU assists local governments through the sharing of revenue generated from numerous state taxes.

The Shared Taxes BRU is charged with the responsibility of administering, in an accurate and timely manner, shared revenue accounts with local city and borough governments. Specified percentages of revenue generated within local municipal boundaries are returned to the local units in accordance with statutory provisions. The various shared taxes are Municipal Assistance, Aviation Fuel, Fisheries, Telephone and Electric Co-op, Liquor License, and Amusement and Gaming License. Chapter 144, SLA 1978 abolished the Gross Receipts Tax.

In FY 80, distribution of revenues and taxes amounted to \$14,417,100. The Governor's budget for the FY 81 distribution for all revenues and taxes will be \$16,670,000. With the exception of Municipal Assistance, the recommendation equals 100% of anticipated revenues for each tax as determined by statutory formula. The recommendation for Municipal Assistance is the same dollar amount as FY 80.

Costs associated with administration of this program are budgeted within the Administration and Support b. 1, General Government Category, within the Department of Revenue.

Phone Contact for more information: Phil Wall 465-2313

SERVICE MEASURES	FY 79		FY 80	FY 81	
	Plan	Actual	Plan	Continuation	Total
Municipal Assistance	NEW	PROGRAM	\$11,400.0	\$11,400.0	\$11,400.0
Liquor Tax	\$608.0	\$577.5	\$555.0	\$555.0	\$600.0
Amusement and Gaming Tax	\$74.1	\$32.5	\$36.0	\$36.0	\$36.0
Raw Fish Tax	\$1,751.3	\$1,739.1	\$1,066.1	\$1,066.1	\$2,500.0
Electric and Telephone Co-op	\$1,792.4	\$1,792.4	\$1,250.0	\$1,250.0	\$2,000.0
Aviation Fuel Tax	\$134.0	\$130.6	\$110.0	\$110.0	\$134.0

FCCS
CSSB
7

SENATE LETTER OF INTENT

ON
FCCS CSSB 7

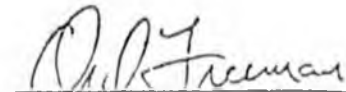
Senate Bill 7 was the result of decisions made late in the 1978 legislative session. The Committee recognizes that it is not a perfect approach to revenue sharing, but there was insufficient time to address the overall question.

The intent of the revenue sharing portion of FCCS CSSB 7 is to refund approximately 150% of the revenues lost to municipalities by reason of the repeal of the Alaska Gross Business License Tax. It is the intent and purpose of the Legislature that one-third of the receipts of Sec. 43.20.016 be used to reduce property taxes in the municipalities involved, and that the additional money not be used for more services. The Committee recognizes that Sec. 43.20.016 is an imperfect vehicle to assure compliance with this intent and that some administrative problems will result from its passage. Thus AS 43.20.016 is not to be regarded as anything other than a temporary expedient, to be refined and improved by future Legislatures.

It is the sense of the Committee that the entire question of revenue sharing should be evaluated by the Eleventh Legislature and that Sec. 43.20.016 be reviewed in that context.

Respectfully submitted,


Sen. Clem Tillion, Chairman


Rep. Carl Freeman, Chairman

The Secretary was requested to notify the House.

June 16, 1978

FCCS Mr. President:
SB Mr. Speaker:
409

The Free Conference Committee which has had SENATE BILL NO. 409 and SENATE BILL NO. 409 amended House under cons. derivation recommends that FREE CONFERENCE COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 409 be adopted.

Senator Members: Senator Rodey, Chairman, and Senators Croft and Pickett. House members: Representative Gundering, Chairman, and Representatives Duncan and Carpenter.

SB510

3/16/80

Jerry
Emmerland

Raised concern over the
tax on unretained. When
decision made showed
contact here.

SB 510

staff - CRA good fiscal analysis
info on communities affected

also see

SB 138

431

296

299

427

389

456

465

360

154

SB 510

3/10/80

Dane Rose

Exempts business inventories. Not
so much for cities. Cuts out problem
small businesses.

Does this include oil/gas inventories --
substantial %

43 70000 - Dependent. need to check.

OK if small D.T. Debt -

Dear Arliss,

Altho it was a brief one, my employ
with the N.A.A.B. some years back gave me
the opportunity to discover that ~~that~~ the local
coppers are in need of a good shrinking experience.
I quickly learned that there is terrible waste,
exaggerated needs, and worst of all, six months
out of each year, for at least two employees, practically
full time, spent in thinking up ways to figure
out how to keep their budget at least as big as
it was the previous year.

So I have little sympathy for this dilemma,
which municipalities profess they would be in.

The principle of taxation originally was
intended to provide for a lot less than what
the administrators of government now profess
the citizen needs.

Our founding fathers were victims of such
oppression and were meticulously careful to write
such powers out of the Constitution.

I suggest that re-imburement as described
is unnecessary. I also suggest, further, that the
dollars which are taken, be left in the hands of
the private sector where they do the most good.

Someone said To Govern does not give
license to control. I ask you Arliss, what part of our
lives does the government, local, State or Fed, not control
today? Take heed of this in your work. Sincerely
Mal

3/16/80

SB510

Jerry Nerland
Nerland's Home Furnishing
Amb.

Notify of mtg

9/

3/26
1:55

Ted Burns

tried to get
Pat McKee on
SB510, but missed
him - McKee may
call you directly.
Burns will see him
first thing AM & talk to
him about it - Ken

RECEIVED
MAR. 27



Alaska State Legislature

Senate

Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

March 24, 1980

Mae Tischer
~~Muscular Dystrophy Association~~ 3305 Oregon Ave
915 West 6th Avenue
Anchorage, Alaska 99501 99503

T
File w/
SB 510
9/

Dear Ms. Tischer: *mae*

You have evidenced interest in Senate Bill number 510, An Act exempting business inventory from municipal property tax levy, and providing for reimbursement to municipalities of tax revenues lost by operation of the exemption; and providing for an effective date. The Senate Community and Regional Affairs Committee has scheduled a public hearing on this bill April 1, 1:30 p.m. in the Butrovich Room of the State Capitol Building. Because of the widespread interest in this bill by many members of the business community and by affected local governments, we tried to set up a teleconference meeting. Due to the heavy teleconference schedule, we find that any available date would put us past a reasonable time for consideration of this bill. Since we are moving well into the session, it's important that SB 510 go to the next committee of referral, Senate Finance.

We are enclosing some background information dealing with SB 510. One of the major problems that must be addressed is how to "hold harmless" the local municipalities in the event business inventories are exempted from taxation. The Department of Revenue feels a different approach than is outlined may need to be utilized to assure this recovery. As you can see from the attached information, the revenue loss could be very substantial to some seventeen municipalities throughout the state. Your comments and suggestions on this part of the bill will be greatly appreciated.

For your information, Senate Bill 64, An Act exempting business inventories from municipal property taxes; and providing for an effective date, sponsored by Senators Bradley, Dankworth, Bennett and Fahrenkamp was passed out of the Senate Commerce last week and is now in Senate Finance. Senate Bill 64 does not provide for municipal reimbursement.

We will look forward to receiving information from you regarding this important piece of legislation.

Sincerely,

Arliis Sturgulewski

Arliis Sturgulewski
Senator, District 10-H

Mae Tischer
3305 Oregon Ave
99503

(over)

Enclosure