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Sec. 29.55.040. ENTITLEMENTS. (a) An entitlement from the Alaska local sales and use tax relief program shall equal the total sales and use taxes which would have been collected during that quarter by the municipality at the tax rates in effect on January 1, 1981 had the municipality not participated in the program, and subject to adjustment by the commissioner under AS 29.55.030.

Sec. 29.55.050. ALASKA LOCAL SALES AND USE TAX RELIEF ACCOUNT. The Alaska local sales and use tax relief account is established. Money to carry out the provisions of this chapter shall be allocated by the department to the account from appropriations for the purpose. If the appropriations are not sufficient to pay the entitlements, the amount allocated to the account shall be distributed by the department pro rata among eligible municipalities, and municipalities may choose to withdraw from the program for the remaining quarters of that calendar year.

Sec. 29.92.060. ADMINISTRATION. (a) The department may adopt regulations necessary to implement this chapter. The regulations shall include

- (1) procedures and filing dates for submitting applications and financial reports;
- (2) procedures for obtaining information required to review applications and financial reports supplied by a municipality.

(b) The department shall make reasonable efforts to advise and assist a municipality in collecting information and completing applications necessary for the determination of an entitlement under this chapter.

(c) Each year the department shall project the amount needed to fully fund the Alaska local sales and use tax relief program and shall request an appropriation of that amount from the legislature.

Sec. 29.92.070. JUDICIAL REVIEW. A decision made by the department under this chapter may be appealed to the superior court within 60 days after the decision is made.

Sec. 29.92.080. DEFINITION. In this chapter "department" means the Department of Community and Regional Affairs.

Page 2, line 17 - delete section 3 and substitute therefore:

Sec. 3. This Act authorizes participation in the Alaska local sales and use tax relief program beginning with the third quarter of calendar year 1981.

COMMITTEE REPORT

HOUSE

FURTHER:

3/11/81

(5)

Date: March 29, 1981

Mr. Speaker:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had HB 317

"An Act relating to emergency services communications."

under consideration and reports it back as follows:

- 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

John H. Miller

Robert W. O'Connell

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

MEMORANDUM

State of Alaska

TO: R. D. Stevenson
Special Assistant
Department of Revenue

DATE: March 26, 1981

FILE NO:

TELEPHONE NO:

FROM: Fred Boetsch, Director 
Division of Enforcement

SUBJECT: House Bill No. 367

I decided to follow-up my memo of March 23, regarding this Bill. I see a number of problems with the Bill if it passes in this form.

Section 29.53.500(a)(1) requires that an applicant for sales tax reimbursement has not been claimed as a dependent for federal income tax purposes the previous year. There is no way I know of that this requirement can be verified. It is possible that an individual making a claim for reimbursement of sales taxes might be claimed as a dependent on a federal income tax return by a relative living in Osgosh, Wisconsin. Even if we matched all of these applications against the entire federal file (some 100,000,000 returns), we would not be able to verify this requirement since dependents listed on a tax return are typically listed by first name only with no social security number or other identifying information. As a practical matter, therefore, this requirement cannot be verified and is meaningless.

The second requirement (29.53.500(a)(2)) provides that the applicant and the dependents being claimed for purposes of reimbursement were residents of a particular municipality during at least a portion of the previous year. Neither a definition of residency nor what portion is identified. If a person lived in Juneau proper for a month during 1980 does that mean that he could apply for a sales tax reimbursement for the entire year? If so, since he did not pay sales tax during the entire year, the tables required under 29.53.510(3)(B) would be totally out-of-whack. It is difficult enough to establish residency within the State as we know from our experience with the Permanent Fund Dividend program. A determination of residency for only a portion of a year within a particular municipality compounds the problem exponentially. I also wonder about the individual who may not be a resident of a municipality but may do all of his shopping there and, therefore, pay taxes to that particular municipality. That person would not be eligible for any reimbursement at all under this Bill.

The Bill does not address itself to the case where the total reimbursements based on the table for a particular municipality exceeded the actual collections of sales taxes by that municipality. Apparently that amount is to be used merely as a basis for calculating the table and does not actually place a limit on the total amount of monies distributed under this Bill. The basis for the payment is the number of

Introduced: 3/11/81
Referred: Community & Regional
Affairs

1 IN THE HOUSE

BY MALONE

2 HOUSE BILL NO. 317

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to emergency services communications."

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 * Section 1. AS 29.48.020 is amended by adding a new paragraph to read:

9 (8) establish an emergency communications center under
10 AS 29.73.080.

11 * Sec. 2. AS 29.73 is amended by adding a new section to read:

12 Sec. 29.73.080. EMERGENCY SERVICES COMMUNICATIONS CENTERS. (a)

13 A municipality may establish an emergency services communications
14 center with one or more other municipalities and one or more state
15 agencies which provide emergency service communications to the same
16 geographic area in which the municipality is located. An emergency
17 services communications center created under this chapter shall be
18 organized and operated as a public nonprofit corporation under AS 10.20.

19 (b) A nonprofit corporation organized to operate an emergency
20 services communications center under this section shall be governed by
21 a board of directors consisting of the head of each emergency service
22 agency participating in the operation of the center, a member repre-
23 senting each participating municipality appointed by the chief executive
24 officer of the municipality, and a member representing each participat-
25 ing state agency appointed by the director of that agency. The board
26 may adopt bylaws which provide for the appointment of additional board
27 members. Members of a board of directors created under this section
28 serve without compensation but are entitled to per diem and travel
29 expenses authorized by law for boards and commissions under AS 39.20.-

dependents which a person has compared to the total population of a particular municipality and related to the sales tax collections made by that municipality the previous year. That requirement in 29.53.510(3) would essentially divvy up sales taxes collected by a municipality on a per capita basis. Ideally, the total number of applicants and their dependents claimed for a particular municipality would equal the total population of the municipality and we would just be dividing up the sales taxes collected on that basis. This particular formula does not take into account the income of the individuals as do the federal sales tax tables generated by the IRS for purposes of the sales tax deduction. Obviously the amount of sales tax paid is a function of disposable income as well as the size of the family. That particular relationship is ignored by this Bill. What the Bill really does is allow a per capita payment to individuals who are residents of a particular municipality which imposes a sales tax as a pro rata share of that sales tax collected. Of course, included in the total sales tax would be sales tax paid by visitors to the community, those not residing in the community but who shop in the community, and others who would not be eligible for the per capita sharing.

I suspect that, since the amount to be shared per capita is based on the sales tax collected by the particular municipality, the Bill would be an incentive for all municipalities in the state to enact a sales tax at a very high rate. Under this Bill, no one in the Anchorage area would get any payment at all at the present time. Since the actual result of this Bill is to divvy up the sales taxes collected in a municipality among the residents on a per capita basis rather than on the basis of how much, in fact, each resident paid in sales taxes, and since there are bound to be differences in the amounts paid depending on the municipality in which one may live, it would be much simpler to make a per capita distribution to residents of the state at a fixed amount.

If, indeed, the desire is to closely approximate the amount of sales taxes an individual pays during the year, then any table should take into consideration an income level as well as the number of dependents of the applicant (question - under the Bill would a spouse be considered a dependent?). For the sake of equity and ease of administration it would then be highly desirable to establish a consistent state-wide sales tax rate so that people would not be penalized for moving from one community to another or living in one community even though they may shop in another. Residents would get a reasonable approximation of their actual sales taxes paid during the year as a reimbursement, the municipalities would gain an extra source of income, and only non-residents and visitors would leave money on the table.

cc: Joseph K. Donohue, Deputy Commissioner
Gary L. Jenkins, Director, Audit Division
Phill Wall, Director, Administrative Services
Vince Wright, Supervisor, Research Section

1 180. A member of a board of directors under this section may not be
2 employed by a nonprofit corporation which operates an emergency services
3 communications center.

4 (c) An emergency services communications center shall assess the
5 feasibility and desirability of providing emergency services communi-
6 cations for the geographic area in which it is located through one
7 central office. An emergency services communications center may

8 (1) combine or coordinate the existing emergency services
9 communications programs of the participating municipalities and agen-
10 cies;

11 (2) operate a dispatch center to receive all requests for
12 emergency services and dispatch those services;

13 (3) study the need for improvement in the timely delivery of
14 emergency services to residents of the participating municipalities;

15 (4) hold public hearings to obtain information concerning
16 the timely delivery of emergency services;

17 (5) apply for and accept federal, state, and private money,
18 property, or assistance for use in providing the timely delivery of
19 emergency services;

20 (6) enter into contracts to carry out the provisions of this
21 chapter;

22 (7) employ personnel necessary to carry out the provisions
23 of this chapter.

24 (d) In this section

25 (1) "emergency services" means services provided by law
26 enforcement agencies, fire departments, ambulance services, and other
27 organizations which are intended to respond to emergency situations of
28 imminent danger to life or property;

29 (2) "emergency service agency" means an agency which provides

First Year Costs:

Position:

1 PPT R18 for 4mm, systems design, \$2640/mo plus 25%	13.2
1 PPT R17 for 4mm, programming, \$2455/mo plus 25%	12.3
1 PFT R 8 scanner, batching, p-a-edit, warrant control @ \$1393/mo plus 25%	20.9
2 PPT R8 scanner for 4mm each: data capture, inquiry and mail @ 41393/mo plus 25%	14.0
2 PFT R8 scanners, data capture @ \$1393/mo plus 25%	<u>41.8</u>

102.2

Other Expenditures:

Contractual-

Postage:

forms distribution	20.0
165,000 payments @ .18	29.7

Forms:

200,000 @ \$50/m	10.0
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Miscellaneous:

Phones, toll calls	2.0
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Equipment rental, data capture:

2 CRT @ \$80/mo X 4	.6
2 CRT @ \$80/mo X 12	1.9
1 controller @ \$705/mo X 12	8.5
1 printer @ \$286/mo X 12	3.4

D.P. Chargeback:

Disk Storage:

50 million bytes at 90% of 12/mo/million X 12 mos	6.5
------------------------------------------------------	-----

Processing Charge:

development	20.0
on-going processing	16.0
data capture and inquiry	<u>5.4</u>

124.0

Commodities-

1.5

1.5

Total First Year Costs

227.7

1 emergency services;

2 (3) "state agency" means a department, division, or office
3 in the executive branch of state government.
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Second Year Costs

Positions:

1 PPT R18 for 2mm, systems design	7.1
1 PPT R17 for 2mm, programming	6.6
1 PFT R8 scanner	22.6
2 PPT R8 scanner for 9 mos each	<u>33.8</u>

70.1

Other Expenditures:

Contractual-

Postage:

forms distribution	32.7
181,500 payments @ .18	32.7

Forms:

237,000 @ \$68	16.0
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Miscellaneous:

2.2

Equipment Rental, data capture:

2 CRT @ 80/mo X 9	1.4
1 controller @ 705/mo X 9	6.3
1 printer @ 286/mo X 9	2.6

D.P. Chargeback:

Disk Storage:

110 million bytes @ 90% of 12/mo/million X 12 mos	15.4
------------------------------------------------------	------

Processing Charge:

Ongoing processing	19.0
Data Capture	<u>3.0</u>

131.3

Commodities-

1.7

1.7

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH 5
JUNEAU, ALASKA 99811

March 31, 1981

The Honorable Ben Grussendorf
Chairman
House Community and Regional
Affairs Committee
Room 118 - Capitol Building
Juneau, Alaska

Dear Mr. Grussendorf:

Re: House Bill No. 367

House Bill No. 367, an Act providing for reimbursement for sales and use taxes paid to a municipality, was introduced in the House on March 19, 1981 and was referred to the House Community and Regional Affairs and Finance Committees.

For the consideration of the House Community and Regional Affairs Committee, I am enclosing copies of Fiscal Notes prepared by Mr. Gary L. Jenkins, Director, Audit Division; Mr. Phil Wall, Director, Administrative Services Division; Mr. Bill Yankee, Research Section and a copy of a memorandum from Mr. Fred Boetsch, Director, Enforcement Division of the Department of Revenue concerning the proposed legislation.

Sincerely,



R. D. Stevenson
Special Assistant

RDS/rdh

cc: The Honorable Samuel R. Cotten
Chairman
House Finance Committee

Joseph K. Donohue
Deputy Commissioner
Department of Revenue

Gary L. Jenkins, Director
Audit Division
Department of Revenue

Phil Wall, Director
Administrative Services Division
Department of Revenue

Bill Yankee
Research Section
Department of Revenue

Fred Boetsch, Director
Enforcement Division
Department of Revenue

Sec. 29.68.580. Succession. The government succeeding to a dissolved municipality succeeds to all its rights, powers, duties, and liabilities as provided in AS 29.18.130—29.18.140. (§ 2 ch 147 SLA 1972; am § 7 ch 147 SLA 1972)

Effect of amendment. — The 1972 amendment, effective September 10, 1972, substituted "AS 29.18.130—29.18.140" for "AS 29.18.130—29.18.140".

Section 2-48317

Chapter 73. Miscellaneous Provisions.

Section
20. Eminent domain
30. Adverse possession

Section
40. Taxation of municipalities
50. Change of municipal name

Sec. 29.73.020. Eminent domain. A home rule or general law municipality may exercise the powers of eminent domain and declaration of taking in the performance of an authorized power or function of the municipality, in accordance with AS 09.55.460—09.55.460. In the case of a second class city, before exercising the power, the council shall request or petition the Department of Community and Regional Affairs for permission to exercise the power. The council may not exercise the power of eminent domain or declaration of taking without the formal approval of the Department of Community and Regional Affairs. The exercise of the power of eminent domain or declaration of taking shall be by ordinance which shall be submitted to the qualified voters at the next regularly scheduled general election or special election called for that purpose. A majority of the qualified voters voting on the question is required for approval of the ordinance. (§ 2 ch 118 SLA 1972; § 9 ch 200 SLA 1972)

Effect of amendment. — The 1972 amendment, effective July 1, 1972, substituted "Department of Community and Regional Affairs" for "Department of Community and Regional Affairs" in the second and third sentences.

Sec. 29.73.030. Adverse possession. A home rule or general law municipality may not be divested of title to real property by adverse possession. (§ 2 ch 118 SLA 1972)

Sec. 29.73.040. Taxation of municipalities. No state law or regulation may assess or tax, or be construed to assess or tax, home rule or general law cities or boroughs of the state, unless the law or regulation expressly provides that the cities or boroughs are to be assessed or taxed by the particular law or regulation. (§ 2 ch 118 SLA 1972)

Sec. 29.73.050. Change of municipal name. (a) The governing body of a home rule or general law municipality may change the official municipal name by adopting an ordinance for the purpose and filing the ordinance with the office of the lieutenant governor. Upon receipt of a legally adopted ordinance ratified by the qualified

§ 29.78.010

... on the question... shall issue... changing its existing... a date fixed in the... of the ordinance... to the Department of C...

(b) If an ordinance adopted... as an order changing the... the lieutenant governor... the former municipal... unless a different mu... submitted to the lieutenant... (a) of this section.

(a) When a municipal name... under (a) or (b)... petitions, hear... municipality is a party... the name change takes... as changed by... SLA 1972)

Effect of amendment. — The amendment, effective July 1, 1972, substituted "Department of C...

Chapter 78

Section
78. Definitions

Sec. 29.78.010. Definition provided or the context otherwise

- (1) "borough" means a borough;
- (2) "city" means a general law city;
- (3) "conditional use" means use, or special permit designations and their incorporation;
- (4) "consolidation" means the merger of two or more municipalities and their incorporation;
- (5) "majority" means a majority of the qualified voters;
- (6) "merger" means the incorporation by another municipality;
- (7) "municipal election" means those city councilmen, borough and utility board members;
- (8) "municipality" means a home rule or general law city, borough, or political subdivision.

Title 29
Municipal Government

1. Page 1, Line 11 - eliminate "The entitlement shall be used for capital projects at the discretion of the municipality." and substitute therefore:

"The entitlement may be used for capital projects or for tax reduction as determined under (c) of this section."

2. Page 1, Line 18 - eliminate subsection (c) and substitute therefore:

"(c) The cost of individual capital projects identified in (d)(2) of this section shall be approved by at least 50% of the qualified voters of each municipality voting on the issue at a general or special election held for that purpose. Funds not approved by voters for particular capital projects shall be used to reduce or eliminate existing taxes, fees, licenses or charges of the municipality in the following order:

- (a) Real property taxes;
- (b) Personal property taxes;
- (c) Sales and use taxes;
- (d) Licenses;
- (e) Fees;
- (f) Charges for services provided by the municipality.

Any part of the entitlement not used by a municipality for capital projects or reduction of taxes, fees, licenses or charges shall be returned to the Municipal Aid Account. A municipality may provide a grant of money received under this section to a nonprofit corporation for any capital project of the nonprofit corporation which serves a public purpose.

3. Page 1, Line 26 - eliminate "spend" and substitute therefore: "use".

Soldotna Police Department

P. O. Box 2499
Soldotna - Alaska 99669



L. H. Christensen
Chief of Police

March 4, 1981

The Honorable Hugh Malone
The House of Representatives
Alaska State Legislature
Pouch v
Juneau, Alaska 99811

Dear Representative Malone,

Enclosed is the proposed budget for the Emergency Services Communication Center.

The capital expenditures portion of the budget will provide a good working system with all participating agencies compatible with the center.

A more detailed outline of the system hardware is being prepared and can be provided at your request.

I thought it important to get this bottom line figure to you as soon as possible.

I am available at any time to clarify any questions you may have.

Respectfully,

A handwritten signature in cursive script that reads "L. H. Christensen".

L. H. Christensen
Chief of Police

Enclosure

LHC/na



Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

March 31, 1981

Rep. Ben Grussendorf
Chairman
465-3870

Pouch V
State Capitol
Juneau, Alaska 99811

The following table shows the amount of reimbursement due each citizen in these areas under HB 367:

Location	Sales Tax Revenue	÷	Population	= Total (Times Dependents)
Sitka	2,119,403		8787	241.19
Fairbanks NSB	11,506,884		53,799	213.88
Juneau	3,296,452		19,483	169.19
Kenai	1,928,039		25,072	76.90
Nenana	71,000		471	150.74
Ketchikan	3,068,911		11,347	270.46
Nome	563,673		2273	247.98

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH 5
JUNEAU, ALASKA 99901

March 31, 1981

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Section 2-48 317

Chapter 73. Miscellaneous Provisions.

Section 20. Eminent domain
30. Adverse possession

Section 40. Taxation of municipalities
50. Change of municipal name

Sec. 29.73.020. Eminent domain. A home rule or general law municipality may exercise the powers of eminent domain and declaration of taking in the performance of an authorized power or function of the municipality, in accordance with AS 09.11.200—09.55.460. In the case of a second class city, before exercising the power, the council shall request or petition the Department of Community and Regional Affairs for permission to exercise the power. The council may not exercise the power of eminent domain or declaration of taking without the formal approval of the Department of Community and Regional Affairs. The exercise of the power of eminent domain or declaration of taking shall be by ordinance which shall be submitted to the qualified voters at the next regularly scheduled general election or special election called for that purpose. A majority of the qualified voters voting on the question is required for approval of the ordinance. (§ 2 ch 118 SLA 1972; am § 9 ch 200 SLA 1972)

Effect of amendment. — The 1972 amendment, effective July 1, 1972, substituted "Department of Community and Regional Affairs" for "Local Affairs Agency" in the second and third sentences.

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Sec. 29.73.040. Taxation of municipalities. No state law or regulation may assess or tax, or be construed to assess or tax, home rule or general law cities or boroughs of the state, unless the law or regulation expressly provides that the cities or boroughs are to be assessed or taxed by the particular law or regulation. (§ 2 ch 118 SLA 1972)

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Chapter 78

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Title 29
Municipal Government

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102.2

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124.0

Commodities-

1.5

1.5

Total First Year Costs

227.7

- check out EO 50 Admin Div. of Telecomm - CRA -

Introduced: 3/11/81
Referred: Community & Regional Affairs

1 IN THE HOUSE BY MALONE

2 HOUSE BILL NO. 317

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

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18 organized and operated as a public nonprofit corporation under AS 10.20.

19 (b) A nonprofit corporation organized to operate an emergency
20 services communications center under this section shall be governed by
21 a board of directors consisting of the head of each emergency service
22 agency participating in the operation of the center, a member repre-
23 senting each participating municipality appointed by the chief executive
24 officer of the municipality, and a member representing each participat-
25 ing state agency appointed by the director of that agency. The board
26 may adopt bylaws which provide for the appointment of additional board
27 members. Members of a board of directors created under this section
28 serve without compensation but are entitled to per diem and travel
29 expenses authorized by law for boards and commissions under AS 39.20.-

*boards
head of EMS in area
each municipality
"state agency"*

who



Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Rep. Ben Grussendorf
Chairman
465-3870

Pouch V
State Capitol
Juneau, Alaska 99811

Summary - HB 367, by Vaska, Grussendorf etc.

"An Act providing for reimbursement for sales and use taxes paid to a municipality; and providing for an effective date."

Provides for reimbursement for sales and use taxes paid to a municipality. States that during each year a state resident is eligible to receive reimbursement for sales and use taxes he and his dependents paid to a home rule or general law municipality during the previous year if he has not been claimed as a dependent for federal income tax purposes the previous year; he and each dependent which he claims for purposes of reimbursement were residents of the municipality during at least a portion of the previous year; and he files an application with the Dept. of Revenue.

A resident may not apply during a single year for reimbursement paid to more than one municipality.

The Dept. of Revenue shall calculate the amount of money needed for reimbursements and request annually from the legislature an appropriation for that purpose. Provides for adoption of regulations establishing procedures for applying for reimbursement which include a graduated scale used for determining the amount of a reimbursement based on the number of dependents which an applicant has and the amount of sales and use taxes collected by the municipality in which the applicant resided during the previous year divided by the total population of the municipality.

This act is retroactive to Jan. 1, 1981 with an immediate effective date.

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emergency services;

(3) "state agency" means a department, division, or office
in the executive branch of state government.

MAR 2 - 081

This bill provides for the reimbursement of sales and use taxes paid to a municipality by residents of that municipality. The reimbursements are to be made from funds appropriated by the legislature. This bill compliments HB 4 which reimburses owners of real property for the amount of property tax paid to municipalities. Both bills are to reimburse for taxes paid beginning in 1981.

The State has different systems for collecting taxes based upon the form of the municipal incorporation. Home rule and first class cities and boroughs are given powers for a general property tax as well as sales and use taxes. Second class cities have the power to levy and collect limited property taxes plus sales and use taxes. At the present time, 24 boroughs and municipalities collect general property taxes of which 19 of these also collect sales taxes. For approximately 60 second class cities, their source of operating funds are sales taxes levied upon sales, rents and services and use taxes levied upon the storage, use or consumption of tangible personal property. Not all of the cities with the power to levy sales and use taxes do so and the rate is limited to 6%.

While the ability to levy taxes changes from municipality to municipality, the use to which these taxes are made are for the most part similar: the operation of municipal government. This bill recognizes this concept and recognizes that the form taxation takes is not significant to the taxpayer. The payment of a tax, of whatever kind, is the crucial point. The form that reimbursement takes, as sales and use taxes are collected continuously rather than through a direct billing, requires that the reimbursements be made on a per capita basis. This is the only fair method available which would not create such administrative problems as to

Alaska State Legislature

POUCH V
JUNEAU, ALASKA 99811



P. O. BOX 9
KENAI, ALASKA 99611

REPRESENTATIVE HUGH MALONE

MEMORANDUM

TO: All Members of Community and
Regional Affairs

FROM: Hugh Malone

DATE: March 23, 1981

RE: HB 317

The purpose of the centers is to provide emergency communication services within the geographical area of the communities served. Emergency communication includes, but is not limited to, radio and telephone services provided by law enforcement agencies, fire departments, and other emergency service organization. The center shall combine the emergency communication services of the participating members in order to provide the public with means of reporting matters of an emergency nature to the center, and shall centralize telephone and radio services of the members to facilitate the dispatch of emergency service within the area served.

make the program burdensome upon the Department of Revenue. Persons seeking a reimbursement of their share of the taxes collected would have to apply for them under regulations promulgated by the Department of Revenue.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 367 (C.R.A.)
 Title "...state aid for municipal sales and use tax relief..."
 Requested by _____ Date April 13, 1981

II. FISCAL DETAIL

Agency Affected Community and Regional Affairs
 Program Category Affected General Population
 BRU, Program, or Subprogram(s) Affected Tax Relief
 (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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		56.8	62.5	68.7	75.6	83.2
200 TRAVEL		15.0	16.2	17.5	18.9	20.4
300 CONTRACTUAL		3.2	3.5	3.9	4.3	4.7
400 COMMODITIES						
500 EQUIPMENT		.8	.9	1.0	1.1	1.2
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		42,164.5	46,381.0	51,019.1	56,121.0	61,733.0
TOTAL		42,240.3	46,464.1	51,110.2	56,220.9	61,842.5

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND		42,240.3	46,464.1	51,110.2	56,220.9	61,842.5
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME						
PART TIME						
TEMPORARY						

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

The Bill provides for optional relief from sales and use taxes in a total estimated amount of \$42,164,500 for the first full year. Local fiscal impact, if any, would be minimal.

(Attachment)

IV. DATE April 14, 1981 PREPARED BY Michael W. Worley, Assistant State Assessor
 AGENCY Community & Regional Affairs
 PHONE 465-4787

Original: Legislative Finance
 cc: Budget and Management

check out
EO 50 Admin
Div. of Telecomm
-CRC-

Introduced: 3/11/81
Referred: Community & Regional
Affairs

1 IN THE HOUSE

BY MALONE

2 HOUSE BILL NO. 317

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to emergency services communications."

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 * Section 1. AS 29.48.020 is amended by adding a new paragraph to read:

9 (8) establish an emergency communications center under
10 AS 29.73.080. *insert in 2nd Sec. 29.73.080*

11 * Sec. 2. AS 29.73 is amended by adding a new section to read:

12 Sec. 29.73.030. EMERGENCY SERVICES COMMUNICATIONS CENTERS. (a)

13 A municipality ~~may~~ establish an emergency services communications
14 center with one or more other municipalities and one or more state
15 agencies which provide emergency service communications to the same
16 geographic area in which the municipality is located. An emergency
17 services communications center created under this chapter shall be
18 organized and operated as a public nonprofit corporation under AS 10.20.

19 (b) A nonprofit corporation organized to operate an emergency
20 services communications center under this section shall be governed by
21 a board of directors consisting of the head of each emergency service
22 agency participating in the operation of the center, a member repre-
23 senting each participating municipality appointed by the chief executive
24 officer of the municipality, and a member representing each participat-
25 ing state agency appointed by the director of that agency. The board
26 may adopt bylaws which provide for the appointment of additional board
27 members. Members of a board of directors created under this section
28 serve without compensation but are entitled to per diem and travel
29 expenses authorized by law for boards and commissions under AS 39.20.-

boards
head of EMS in area
each municipality
"state agency"

with

1 180. A member of a board of directors under this section may not be
2 employed by a nonprofit corporation which operates an emergency services
3 communications center.

4 (c) An emergency services communications center shall assess the
5 feasibility and desirability of providing emergency services communi-
6 cations for the geographic area in which it is located through one
7 central office. An emergency services communications center may

8 (1) combine or coordinate the existing emergency services
9 communication programs of the participating municipalities and agen-
10 cies;

11 (2) operate a dispatch center to receive all requests for
12 emergency services and dispatch those services.

13 (3) study the need for improvement in the timely delivery of
14 emergency services to residents of the participating municipalities;

15 (4) hold public hearings to obtain information concerning
16 the timely delivery of emergency services;

17 (5) apply for and accept federal, state, and private money,
18 property, or assistance for use in providing the timely delivery of
19 emergency services;

20 (6) enter into contracts to carry out the provisions of this
21 chapter;

22 (7) employ personnel necessary to carry out the provisions
23 of this chapter.

24 (d) In this section

25 (1) "emergency services" means services provided by law
26 enforcement agencies, fire departments, ambulance services, and other
27 organizations which are intended to respond to emergency situations of
28 imminent danger to life or property;

29 (2) "emergency service agency" means an agency which provides

CSHB367 (ATTACHMENT TO FISCAL NOTE)

municipality	CURRENT TAX SALES
Anchorage	-00-
BRISTOL BAY	2146445
FAIRBANKS NSB	5483308
FAIRBANKS CITY	5732333
NORTH Pole City	291243
- Composite -	11506884
HAINES BOROUGH	119171
HAINES CITY	276272
COMPOSITE	395443
JUNEAU	3296441
KENAI PENN	3187688
HOMEER	341506
KENIA	1279831
SELDOWIA	33603
SEWARD	00
SOLDOTNA	608774
Composite	5451402
KETCHIKAN GATEWAY	1326441
Ketchikan City	1742470
Composite	3068911

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emergency services;

(3) "state agency" means a department, division, or office
in the executive branch of state government.

	CURRENT YEAR SALES
KODIAK ISLAND	00
KODIAK CITY	2460509
COMPOSITE	2460509
MIAT - 54 BOROUGH	00
Palmer	407806
Houston	0
Wasilla	0
COMPOSITE	407806
NORTH SLOPE	2115627
BAPPON	149170
ANAKTIVUK PASS	00
KAKTOVIK	00
POINT HOFF	1548
WAIKWAGINT	31183
COMPOSITE	2297528
SITKA	2119403
TOTALS (BOROUGHS)	3150772

Alaska State Legislature



POLICH V
JUNEAU, ALASKA 99811

P. O. BOX 9
KENAI, ALASKA 99511

REPRESENTATIVE HUGH MALONE

MEMORANDUM

TO: All Members of Community and
Regional Affairs

FROM: Hugh Malone

DATE: March 23, 1981

RE: HB 317

The purpose of the centers is to provide emergency communication services within the geographical area of the communities served. Emergency communication includes, but is not limited to, radio and telephone services provided by law enforcement agencies, fire departments, and other emergency service organization. The center shall combine the emergency communication services of the participating members in order to provide the public with means of reporting matters of an emergency nature to the center, and shall centralize telephone and radio services of the members to facilitate the dispatch of emergency service within the area served.

MUNICIPALITY	CURRENT TAX SALES
Nome Kule Cities	
Cordova	268286
Valdez	0
Wrangell	53125
FIRST CLASS CITIES	
CRAIG	107093
DILLINGHAM	422544
GALENA	60248
Hoonah	74238
Hydaburg	0
Kake	57424
King Cove	89116
Klawock	12072
Alpena	71000
Nome	563672
Pelican	71733
Petersburg	925820
Saint Michaels	0
Sand Point	63144
Skagway	252559
Umanaska	117057
Yakutat	53364
Totals	5463685
ESQUENTS	33,150,772
SECOND CLASS CITIES (EST.)	3,500,000
STATE TOTAL	42,164,457

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB # 367
 Title An Act providing for reimbursement for sales and use taxes paid to a municipality
 Requested by House Community and Regional Affairs Committee Date 3/25/81

II. FISCAL DETAIL

Agency Affected _____
 Program Category Affected _____
 BRU, Program, or Subprogram(s) Affected _____
 (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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Millions of Dollars)

GENERAL FUND		47.8	53.9	60.8	68.5	77.2
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Because of the potential for more applications for reimbursement, including dependents, than there is population for the municipalities involved, no estimate is made regarding the number of applicants. Further, it is assumed that the FY appropriations for the proposed legislation will be equal to the amount of sales tax collections in the prior calendar year even though the reimbursement applied for may be greater.

It is assumed that none of the reimbursements would take place prior to July 1, of the following year.

The appropriation for FY 1982 to refund 1981 sales tax collections is estimated to be \$47.8 million. This value was determined by inflating, to 1981, the 1979 sales tax collections of \$37.6 million estimated by the State Assessors office. The method of inflating these taxes used 10% per year as the price inflator and 2 1/2% per year as the inflator for population. Because it is impossible to forecast future sales tax rate changes, it was assumed that the rates remained as in 1979.

IV. DATE 3/30/81

PREPARED BY Bill Yankee
 AGENCY Revenue Research
 PHONE 465-4173

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

MEMORANDUM

State of Alaska

TO: R. D. Steverson
Special Assistant
Department of Revenue

DATE: March 26, 1981

FILE NO:

TELEPHONE NO:

FROM: Fred Boetsch, Director
Division of Enforcement

SUBJECT: House Bill No. 367

I decided to follow-up my memo of March 23, regarding this Bill. I see a number of problems with the Bill if it passes in this form.

Section 29.53.500(a)(1) requires that an applicant for sales tax reimbursement has not been claimed as a dependent for federal income tax purposes the previous year. There is no way I know of that this requirement can be verified. It is possible that an individual making a claim for reimbursement of sales taxes might be claimed as a dependent on a federal income tax return by a relative living in Osgosh, Wisconsin. Even if we matched all of these applications against the entire federal file (some 100,000,000 returns), we would not be able to verify this requirement since dependents listed on a tax return are typically listed by first name only with no social security number or other identifying information. As a practical matter, therefore, this requirement cannot be verified and is meaningless.

The second requirement (29.53.500(a)(2)) provides that the applicant and the dependents being claimed for purposes of reimbursement were residents of a particular municipality during at least a portion of the previous year. Neither a definition of residency nor what portion is identified. If a person lived in Juneau proper for a month during 1980 does that mean that he could apply for a sales tax reimbursement for the entire year? If so, since he did not pay sales tax during the entire year, the tables required under 29.53.510(3)(B) would be totally out-of-whack. It is difficult enough to establish residency within the State as we know from our experience with the Permanent Fund Dividend program. A determination of residency for only a portion of a year within a particular municipality compounds the problem exponentially. I also wonder about the individual who may not be a resident of a municipality but may do all of his shopping there and, therefore, pay taxes to that particular municipality. That person would not be eligible for any reimbursement at all under this Bill.

The Bill does not address itself to the case where the total reimbursements based on the table for a particular municipality exceeded the actual collections of sales taxes by that municipality. Apparently that amount is to be used merely as a basis for calculating the table and does not actually place a limit on the total amount of monies distributed under this Bill. The basis for the payment is the number of

dependents which a person has compared to the total population of a particular municipality and related to the sales tax collections made by that municipality the previous year. That requirement in 29.53.510(3) would essentially divvy up sales taxes collected by a municipality on a per capita basis. Ideally, the total number of applicants and their dependents claimed for a particular municipality would equal the total population of the municipality and we would just be dividing up the sales taxes collected on that basis. This particular formula does not take into account the income of the individuals as do the federal sales tax tables generated by the IRS for purposes of the sales tax deduction. Obviously the amount of sales tax paid is a function of disposable income as well as the size of the family. That particular relationship is ignored by this Bill. What the Bill really does is allow a per capita payment to individuals who are residents of a particular municipality which imposes a sales tax as a pro rata share of that sales tax collected. Of course, included in the total sales tax would be sales tax paid by visitors to the community, those not residing in the community but who shop in the community, and others who would not be eligible for the per capita sharing.

I must point out that, since the amount to be shared per capita is based on the sales tax collected by the particular municipality, the Bill would be an incentive for all municipalities in the state to enact a sales tax at a very high rate. Under this Bill, no one in the Anchorage area would get any payment at all at the present time. Since the actual result of this Bill is to divvy up the sales taxes collected in a municipality among the residents on a per capita basis rather than on the basis of how much, in fact, each resident paid in sales taxes, and since there are bound to be differences in the amounts paid depending on the municipality in which one may live, it would be much simpler to make a per capita distribution to residents of the state at a fixed amount.

If, indeed, the desire is to closely approximate the amount of sales taxes an individual pays during the year, then any table should take into consideration an income level as well as the number of dependents of the applicant (question - under the Bill would a spouse be considered a dependent?). For the sake of equity and ease of administration it would then be highly desirable to establish a consistent state-wide sales tax rate so that people would not be penalized for moving from one community to another or living in one community even though they may shop in another. Residents would get a reasonable approximation of their actual sales taxes paid during the year as a reimbursement, the municipalities would gain an extra source of income, and only non-residents and visitors would leave money on the table.

cc: Joseph K. Donohue, Deputy Commissioner
Gary L. Jenkins, Director, Audit Division
Phill Wall, Director, Administrative Services
Vince Wright, Supervisor, Research Section

Soldotna Police Department

P. O. Box 2499
Soldotna - Alaska 99669



262-4455
L. H. Christensen
Chief of Police

January 9, 1981

Representative Hugh Malone
House of Representatives
State of Alaska
Pouch V
Juneau, Alaska 99811

Dear Hugh,

Enclosed is the proposed legislation for the Emergency Services Communication Center, which is the product of all the Police and Fire Chiefs in a January 6, 1981 meeting. The fiscal note will be forthcoming awaiting technical assistance for the most economical and efficient system.

There are many options we find when dealing in communications, and would like to take the time to research those options.

We will forward resolutions and letters of support for E.S.C.C. as they are received.

On behalf of all the Chiefs, we appreciate your efforts in this matter.

Feel free to contact any of us for any assistance you may need concerning this legislation.

Sincerely,

L.H. Christensen
L.H. Christensen
Chief of Police

Enclosures
LHC/na

Central Peninsula General Hospital

Bcx 1268

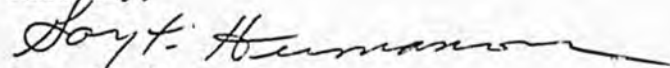
SOLDOTNA, ALASKA 99669

OPERATED BY
LUTHERAN HOSPITALS AND HOMES SOCIETY
FARGO, NORTH DAKOTA 58102

To Whom It May Concern:

The Central Peninsula Hospital fully supports any effort that is to be placed into updating the emergency communication system within the Hospitals Service Area.

Sincerely,



Gary T. Hermanson
Administrator

EMERGENCY SERVICE COMMUNICATION CENTER

BUDGET PROPOSAL

FY 81

PERSONAL SERVICES

Communication Supervisor	(1)	30,050	30,050
Dispatcher #1	(5)	21,132	105,660
Dispatcher #2	(5)	22,440	112,200

TOTAL SALARIES 247,910

HEALTH INSURANCE	(11)	1,700	18,700
FICA		.0665	16,486
WORKMAN'S COMPENSATION			3,300
PERS RETIREMENT		10% Gross	24,910
OVERTIME		7% Gross	17,354
UNEMPLOYMENT CONTINGENCY		2% Unemp.	4,958

TOTAL PERSONAL SERVICE 333,618

OPERATIONS AND MAINTENANCE

Computer Services	17,516
Office Supplies	1,500
Postage	100
Telephone Charges	15,000
Maintenance of Communication Equipment	6,000
Small Tools	200
Travel and Subsistence	2,000
Training	1,500
Dues and Subscriptions	100
Accounting and Audit	6,000
Space Rent and Utilities	6,000
Contingency	2,500
Advertisement and Promotion	500
Insurance, Errors, and Omissions	5,000

TOTAL OPERATIONS AND MAINTENANCE 63,916

*Initial Costs
Don't Approve*

CAPITAL EXPENDITURES

Two (2) Position Console	70,000
Twenty (20) Channel Logging Recorder	23,950
Stationary Equipment	108,494
Mobile Equipment Purchase	147,007
Modification of Existing Equipment	29,500
Office Furniture and Equipment	3,000

TOTAL CAPITAL EXPENDITURES 381,951

TOTAL CAPITAL EXPENDITURES 381,951

TOTAL PERSONAL SERVICES 333,618

TOTAL OPERATION AND MAINTENANCE 63,916

BUDGET TOTAL 779,485

FY 82 ESTIMATED BUDGET 455,294

FY 83 ESTIMATED BUDGET 509,929

Board Members are already members of
EMS Council as Board Members or
attending members.

Can a Borough be a municipality

Bob Key / Bob Cavanaugh
452-1049 / 452-1527

No one cost because needs are different
throughout State.

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- Maloney's intent

- Salaries paid by approp thru Admin to
nonprofit corporations

Civil Def. worried about it
Dept of Military



Introduced: 3/11/81
Referred: Community & Regional
Affairs

Authorization to exist so they can receive money

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IN THE HOUSE

BY MALONE

HOUSE BILL NO. 317

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to emergency services communications."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 29.48.020 is amended by adding a new paragraph to read:

(8) establish an emergency communications center under
AS 29.73.080.

* Sec. 2. AS 29.73 is amended by adding a new section to read:

Sec. 29.73.080. EMERGENCY SERVICES COMMUNICATIONS CENTERS. (a)

A municipality may establish an emergency services communications center with one or more other municipalities and one or more state agencies which provide emergency service communications to the same geographic area in which the municipality is located in. An emergency services communications center created under this chapter shall be organized and operated as a public nonprofit corporation under AS 10.20.

Fed or private

(b) A nonprofit corporation organized to operate an emergency services communications center under this section shall be governed by a board of directors consisting of the head of each emergency service agency participating in the operation of the center, a member representing each participating municipality appointed by the chief executive officer of the municipality, and a member representing each participating state agency appointed by the director of that agency. The board may adopt bylaws which provide for the appointment of additional board members. Members of a board of directors created under this section serve without compensation but are entitled to per diem and travel expenses authorized by law for boards and commissions under AS 39.20.-

1 180. A member of a board of directors under this section may not be
2 employed by a nonprofit corporation which operates an emergency services
3 communications center.

4 (c) An emergency services communications center shall assess the
5 feasibility and desirability of providing emergency services communi-
6 cations for the geographic area in which it is located through one
7 central office. An emergency services communications center may

8 (1) combine or coordinate the existing emergency services
9 communications programs of the participating municipalities and agen-
10 cies;

11 (2) operate a dispatch center to receive all requests for
12 emergency services and dispatch those services;

13 (3) study the need for improvement in the timely delivery of
14 emergency services to residents of the participating municipalities;

15 (4) hold public hearings to obtain information concerning
16 the timely delivery of emergency services;

17 (5) apply for and accept federal, state, and private money,
18 property, or assistance for use in providing the timely delivery of
19 emergency services;

20 (6) enter into contracts to carry out the provisions of this
21 chapter;

22 (7) employ personnel necessary to carry out the provisions
23 of this chapter.

24 (d) In this section

25 (1) "emergency services" means services provided by law
26 enforcement agencies, fire departments, ambulance services, and other
27 organizations which are intended to respond to emergency situations of
28 imminent danger to life or property;

29 (2) "emergency service agency" means an agency which provides

4626

1 emergency services;

2 (3) "state agency" means a department, division, or office
3 in the executive branch of state government.
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The Dept of Admin, Div. of Telecomm.

Introduced: 3/11/81
Referred: Community & Regional
Affairs

1 IN THE HOUSE

BY MALONE

2 HOUSE BILL NO. 317

3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

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15 agencies which provide emergency service communications to the same
16 geographic area *delete* [in which the municipality is located.] An emergency
17 services communications center created under this chapter shall be
18 organized and operated as a public nonprofit corporation under AS 10.20.

19 (b) A nonprofit corporation organized to operate an emergency
20 services communications center under this section shall be governed by
21 a board of directors consisting of the head of each emergency service
22 agency participating in the operation of the center, a member repre-
23 senting each participating municipality appointed by the chief executive
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25 ing state agency appointed by the director of that agency. The board
26 may adopt bylaws which provide for the appointment of additional board
27 members. Members of a board of directors created under this section
28 serve without compensation but are entitled to per diem and travel
29 expenses authorized by law for boards and commissions under AS 39.20.-

John P. Rude

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28 imminent danger to life or property;

29 (2) "emergency service agency" means an agency which provides

1 emergency services;

2 (3) "state agency" means a department, division, or office
3 in the executive branch of state government.
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Spearhead Air Force Base

Ftks.

1) Fed Gov (Raeguns!) designated Ftks as
'counterforce area' - air command - in flux
of military defense (Target over rest of State) -
Major amt of Fed dollars for C.D. Emer. Opn.
Centers.

Bob Frey
Comm. Committee Chair & Bob Cavanaugh
Civil Def. Dir - agree
that in approx 1 yr. to get est. costs. -
(Hard Site) - War prone Bldg.

Using combined * Fed-State & local for setting
up center - be a min. of 4 million -

Equip.

Bldg. Site

Opp for 1 yr. -

Would include Dispatch for everyone: North Pole -
all around Ftks. - ambulance -

- Their opinion that Central Dispatch of
2,000 is conservative est.

Strategic Air Command - Counterforce Area

12 dispatchers / 2 super. - 500⁰⁰⁰ personnel.

Notes - HR 317

456-3978
455-6190
Jeanne Ostness
Bob Carver
Bob Disaster
Co-ordinator

Dept. Admin
Div of Public Safety
HB 1333
what dept?

- 1) Check w/ Mark Johnson - EMS (Public 58170)
- 2) How are other Statewide E.S.'s set up - what was the cost of setting them up. 19-a number that's central
- 3) Call Jeanne Ostness - (911) Kodak Arch Files.
- 4) Will existing services come under this authority? How are they operated now?

Most run by police dept - etc. - all systems different - most no neighboring municipalities

(Mat Sgt Popovich - 1/2 mill to continue microwave system on highway system.)

EMS Council
Mary Heemer -

El Lochie / Div. of Communications 264-5744

Files - Each Dept. has a dispatch

452-1049
Bob Frey
Communications Consultant for Council.

Admin
SACR 1-1
ED 50
Hamm
Parsons
Gov's office
Dispatch
Post.

4050

Admins coordinate all coordination -

EMS - typical Admin have co-ord.
role -

Admin
- Div. of Telec. -

Except for actual writing of Educ. Programs
HESS

TO: PAUL QUESNEL

DRAFT

FROM: CHIEF CHRISTENSEN

PAGE ONE

The functional design of the proposed 911 system evolved through several stages before it emerged in its present state.

For the purposes of this paper, I will refer to the group of people who, out of mutual needs have banded together to put the package together as; "The Communication Committee". The committee consists of; Soldotna Police Chief, Lynn Christensen, Soldotna Fire Chief, Allan Phillips, Kenai Police Chief, Rick Ross, Kenai Fire Chief, Wally Winston, Nikiski Fire Chief, Alfred Willis, and State Trooper "C" Detachment Commander, Claude Swackhammer.

The committee has met several times over the past few months. The initial meetings provided an opportunity to express mutual problems in the areas of mutual aid and specifically communications.

When the subject of a joint communication center for all six agencies with a 911 system, was brought up, it was to many, an old idea, with unpleasant memories attached to it. Through the years some of the people at the meeting had invested a good deal of time and effort into similar proposals only to see them die on the vine for various reasons.

However, after discussing the benefits of such a center, it was felt another try was well worth the effort.

We all recognized the fact that organizations such as Police and Fire Departments tend to take on characteristics that are unique to their own agencies. There is nothing wrong with that, unless we become islands unto ourselves, and consequently lose the benefits of mutual aid and cooperation of our fellow public safety agencies.

There is no doubt, a lot of duplication of effort in Government today. We all see it and many of us shake our heads and wonder why something isn't done about it, but few of us make any personal effort to bring about change.

The first thing we felt we must do in order to gain some perspective of where our ideas may take us, is to see where we ~~are~~^{are} coming from. What is each agency doing now for communication?

Nikiski Fire Chief, Alfred Willis reported he presently utilizes paid firefighters to answer incoming calls, who eventually turn over the communication duties to a volunteer responding from home. Chief Willis describes the system as grossly inefficient. He was in the process of searching for alternatives, when the central system idea began to gain momentum. Since that time he has decided

PAGE TWO

to wait and see how the proposal fairs.

The City of Kenai who presently operates a 24 hour dispatch center, provides services for their own Police and Fire Department, as well as Soldotna Police and Fire Department on a contract basis.

The FY 81/82 proposed budget for the Kenai Center is approximately \$204,000.00.

The proposed contract between Kenai and Soldotna calls for \$51,000.00 for FY 81/82.

The Soldotna Office of the Alaska State Troopers also operates a 24 hours dispatch center at annual cost of approximately \$191,010.00 per year.

We began to look hard at identifying the problems with our present systems and began serious planning of a system that would erradicate those problems.

To begin with, the 911 phone system itself. There are three telephone exchanges in the proposed coverage area. Obviously it would require full participation of all agencies in the area, to reduce the present six emergency telephone numbers to one 911 number. One agency couldn't install a 911 system and for that matter, five agencies couldn't do it without the cooperation of the sixth agency.

The other problem we had encountered in the past was the communication between agencies. For instance, the Alaska State Troopers operates on a different frequency than does the Kenai and Soldotna Police Departments.

Consequently, when a Trooper and a Municipal Police Officer are responding to the same incident they are receiving information from two different centers, often times not receiving the same information and with no communications car to car. Case after case of mass confusion can be cited.

It was the unanimous opinion of all Law Enforcement Agencies involved, that Soldotna Police Department, Kenai Police Department, and the area State Troopers should be dispatched on the same frequency. Although, we were somewhat niave about the required hardware for such a feature, we were unanimous in our belief it was an essential element of a workable system.

PAGE THREE

The Fire Departments on the other hand, agreed their best situation would be to have a common mutual aid frequency and be dispatched on their own existing frequency.

Our next logical step was to seek the advice of experts in Communication to find out what a system would entail.

We held a meeting in Anchorage with engineers from the State Division of Communications. We hoped to accomplish two main objectives at the meeting. First, we hoped to coordinate our project with any proposed State projects and to make sure anything we might do would be compatible with the existing system. Second, we hoped to get some direction for system design. Also, attending the meeting was Brian Nolan of Southcentral Communications in Soldotna. Brian has the maintenance contract for Kenai and Soldotna and is very knowledgeable on the equipment owned by each City.

It was the consensus of those attending the meeting that in order to accomplish our objectives, two new frequencies would have to be established. They suggested we ask Brian to aid in designing a system.

Our next step was to inventory all existing radio equipment and determine it's compatibility with a new system. Then to access what new hardware would have to be purchased. It became apparent we would need two repeater systems (one police, one fire) to get the required coverage. (Please see attached equipment list for details) The list is somewhat technical, so I will attempt to explain how the system works.

Six radio receivers are placed at various locations throughout the coverage area. When an officer transmits from his radio the receiver that receives the strongest signal, sends the signal on to the repeater located in the Kenai Public Safety building. The signal is then repeated over a 300 watt transmitter. This effectively allows officer (a) to talk to officer (b) on a portable radio several miles away. For that matter, from any two points in the coverage area.

We discovered early in our meetings that funneling information into one point using a 911 phone system was the easy part of the project. Disseminating that information effectively to the proper agency was going to be the hard part and the most costly. However, we felt from the outset it would be of little value to have an efficient receiving point for information, without an equally effective method of delivery.

PAGE FOUR

Our next step was to prepare a project budget. We held several meetings, putting together a budget encompassing everyone's wishes. The budget that emerged from those meetings was put in one orderly package. Then we went to work on the budget from a different angle. That of the Board of Directors we are proposing to be we chopped here, then we trimmed there, we scrutinized every inch. When it was over, we had eliminated over 100,000.00 from the original budget proposal. What was left after everyone had put their axes on the table was and is a workable project capable of meeting most of our objectives. Specifically, the objectives that will be met are:

1. All Law Enforcement Agencies operating on the same frequency.
2. Portable radio coverage from anywhere in the area.
3. A mutual aid frequency for all fire and ambulance personnel.
4. One central receiving point for all incoming emergency calls "911"
5. Twenty-four hour access to NJIS and NCIC computer information.
6. One coordination point for joint operations.

(public safety)

police communications

local police / state police

national guard

civil defense

federally designated emergency
fire dept.

broadcasting
~~communications~~

systems [FCC]

Optional

+ Mark Johnson - EMS State HESS

+ Sharp - SE/ESS

Mark Johnson -

911 - 20 communities & 85% of population

Jack Sharp -

38,000 per yr to tie all files
together

I asked for info on all
911 numbers! ~~etc~~

Alaska State Legislature

POUCH V
JUNEAU, ALASKA 99811



P. O. BOX 9
KENAI, ALASKA 99611

REPRESENTATIVE HUGH MALONE

MEMORANDUM

Ben Gussendorf

TO: All Members of Community and
Regional Affairs

FROM: Hugh Malone

DATE: March 23, 1981

RE: HB 317

The purpose of the centers is to provide emergency communication services within the geographical area of the communities served. Emergency communication includes, but is not limited to, radio and telephone services provided by law enforcement agencies, fire departments, and other emergency service organization. The center shall combine the emergency communication services of the participating members in order to provide the public with means of reporting matters of an emergency nature to the center. The center shall centralize telephone and radio services of the participating members to facilitate the dispatch of emergency service within the area served.

Ben

*Appreciate your help in
moving this bill - it is a
priority for me. Thank
you*

POSITION PAPER
HOUSE BILL NO. 317

"An Act relating to emergency services communications."

HB 317 provides for municipalities to establish emergency communications centers, organized and operated as public non-profit corporations, with one or more other municipalities and one or more state agencies which provide emergency service communications to the same geographic area in which the municipality is located.

The Department of Health and Social Services believes that emergency services can be accessed quicker, and usually coordinated better, thereby improving response times to the public, with the establishment of central access-central dispatch emergency communication centers. Such centers often include communications for police, fire, ambulance, and behavioral crisis services.

The Department of Health and Social Services supports the concept of this bill.

Recommended by: David M. Bequison acting
David Bruce, Deputy Director
Division of Public Health

Date: 3/16/81

Approved by: Helen D. Beirne
Helen D. Beirne, Commissioner

Date: 3/16/81

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HOUSE BILL NO. 317
 Title "An Act relating to emergency services communications"
 Requested by Commissioner's Office Date _____

II. FISCAL DETAIL

Agency Affected DEPARTMENT OF HEALTH AND SOCIAL SERVICES
 Program Category Affected HEALTH/DIVISION OF PUBLIC HEALTH
 BRU, Program, or Subprogram(s) Affected EMERGENCY MEDICAL SERVICES
 (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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES	0	0	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	0	0	0	0	0
400 COMMODITIES	0	0	0	0	0	0
500 EQUIPMENT	0	0	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS, ETC.	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

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

POSITIONS

FULL TIME	0	0	0	0	0	0
PART TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

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

IV. DATE March 16, 1981 PREPARED BY Mark S. Johnson, Coordinator
 AGENCY Emergency Medical Services/Div. PH
 Original: Legislative Finance PHONE 465-3027
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB NO. 317

Title An Act relating to emergency services communications.

Requested by House C & RA Committee Date March 23, 1981

II. FISCAL DETAIL

Agency Affected Department of Community and Regional Affairs

Program Category Affected Life and Property Protection

BRU, Program, or Subprogram(s) Affected Emergency Service Communication

(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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		-0-	-0-	-0-	-0-	-0-
200 TRAVEL		*	*	*	*	*
300 CONTRACTUAL		-0-	-0-	-0-	-0-	-0-
400 COMMODITIES		-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT		-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES		-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.		-0-	-0-	-0-	-0-	-0-
TOTAL		-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

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

POSITIONS

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

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

* Section 2(b) states that members of boards of directors of non-profit corporations organized to operate emergency services communications centers under this section are entitled to per diem and travel expenses under AS 39.20.180. It is not specified who would be responsible for paying these expenses. There is also no reference to where the financial support for these organizations would come from.

II. FISCAL DETAIL

Agency Affected DEPARTMENT OF HEALTH AND SOCIAL SERVICES

Program Category Affected HEALTH/DIVISION OF PUBLIC HEALTH

BRU, Program, or Subprogram(s) Affected EMERGENCY MEDICAL SERVICES

(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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES	0	0	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	0	0	0	0	0
400 COMMODITIES	0	0	0	0	0	0
500 EQUIPMENT	0	0	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS, ETC.	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

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

POSITIONS

FULL TIME	0	0	0	0	0	0
PART TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

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

IV. DATE March 16, 1981 PREPARED BY Mark S. Johnson, Coordinator

AGENCY Emergency Medical Services/Div. PH

PHONE 465-3027

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

Alaska State Legislature



POUCH V
JUNEAU, ALASKA 99811

P. O. BOX 9
KENAI, ALASKA 99611

REPRESENTATIVE HUGH MALONE

MEMORANDUM

TO: All Members of Community and
Regional Affairs

FROM: Hugh Malone

DATE: March 23, 1981

RE: HB 317

The purpose of the centers is to provide emergency communication services within the geographical area of the communities served. Emergency communication includes, but is not limited to, radio and telephone services provided by law enforcement agencies, fire departments, and other emergency service organization. The center shall combine the emergency communication services of the participating members in order to provide the public with means of reporting matters of an emergency nature to the center, and shall centralize telephone and radio services of the members to facilitate the dispatch of emergency service within the area served.

EMERGENCY SERVICE COMMUNICATION CENTER

BUDGET PROPOSAL

FY 81

PERSONAL SERVICES

Communication Supervisor	(1)	30,050	30,050
Dispatcher #1	(5)	21,132	105,660
Dispatcher #2	(5)	22,440	112,200

TOTAL SALARIES 247,910

HEALTH INSURANCE	(11)	1,700	18,700
FICA		.0665	16,486
WORKMAN'S COMPENSATION			3,300
PERS RETIREMENT		10% Gross	24,910
OVERTIME		7% Gross	17,354
UNEMPLOYMENT CONTINGENCY		2% Unemp.	4,958

TOTAL PERSONAL SERVICE 333,618

OPERATIONS AND MAINTENANCE

Computer Services	17,516
Office Supplies	1,500
Postage	100
Telephone Charges	15,000
Maintenance of Communication Equipment	6,000
Small Tools	200
Travel and Subsistence	2,000
Training	1,500
Dues and Subscriptions	100
Accounting and Audit	6,000
Space Rent and Utilities	6,000
Contingency	2,500
Advertisement and Promotion	500
Insurance, Errors, and Omissions	5,000

TOTAL OPERATIONS AND MAINTENANCE 63,916

*Capital Budget
David G. [unclear]*

CAPITAL EXPENDITURES

Two (2) Position Console	70,000
Twenty (20) Channel Logging Recorder	23,950
Stationary Equipment	108,494
Mobile Equipment Purchase	147,007
Modification of Existing Equipment	29,500
Office Furniture and Equipment	3,000

TOTAL CAPITAL EXPENDITURES 381,951

TOTAL CAPITAL EXPENDITURES 381,951

TOTAL PERSONAL SERVICES 333,618

TOTAL OPERATION AND MAINTENANCE 63,916

BUDGET TOTAL 779,485

FY 82 ESTIMATED BUDGET 455,294

FY 83 ESTIMATED BUDGET 509,929

NIKISKI FIRE SERVICE AREA
BOARD OF DIRECTORS

RESOLUTION #81-02

WHEREAS, the citizens and taxpayers of the Nikiski Fire Service Area inhabit a very spread out area where time is of the essence when requiring fire or medical services; and

WHEREAS, the area has a significant population percentage of tourists, itinerant construction workers and fishermen and people with no private telephone; and

WHEREAS, other areas of the country have developed the "911" call number for fire, ambulance and police protection; and

WHEREAS, this area no longer has local telephone company operator assistance dialing service; and

NOW THEREFORE BE IT RESOLVED BY THE NIKISKI FIRE SERVICE AREA BOARD OF DIRECTORS: that the Nikiski Fire Service Area Board request that the Chief proceed with all possible efforts towards obtaining a "911" capability for the Nikiski Area; and

BE IT FURTHER RESOLVED: that should the Chief find that there are costs and other practical reasons why the Nikiski Area by itself cannot have the "911" service set up, the Chief is herewith empowered to develop for the board's consideration a joint approach with other emergency services in the central Peninsula area for a joint "911" program

APPROVED BY THE NIKISKI FIRE SERVICE AREA BOARD OF DIRECTORS THIS 15th DAY OF January, 1981.

ATTEST:

Preston L. Williams
Preston Williams, Chairman
Nikiski Fire Service Area
Board of Directors

Carl Kimzey
Clerk

Central Peninsula General Hospital

Box 1268

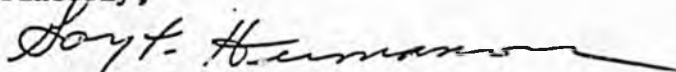
SOLDOTNA, ALASKA 99669

OPERATED BY
LUTHERAN HOSPITALS AND HOMES SOCIETY
FARGO, NORTH DAKOTA 58102

To Whom It May Concern:

The Central Peninsula Hospital fully supports any effort that is to be placed into updating the emergency communication system within the Hospitals Service Area.

Sincerely,



Gary T. Hermanson
Administrator

Soldotna Police Department

P.O. Box 2499
Soldotna - Alaska 99669



262-4453
L. H. Christensen
Chief of Police

January 9, 1981

Representative Hugh Malone
House of Representatives
State of Alaska
Pouch W
Juneau, Alaska 99811

Dear Hugh,

Enclosed is the proposed legislation for the Emergency Services Communication Center, which is the product of all the Police and Fire Chiefs in a January 6, 1981 meeting. The fiscal note will be forthcoming awaiting technical assistance for the most economical and efficient system.

There are many options we find when dealing in communications, and would like to take the time to research those options.

We will forward resolutions and letters of support for E.S.C.C. as they are received.

On behalf of all the Chiefs, we appreciate your efforts in this matter.

Feel free to contact any of us for any assistance you may need concerning this legislation.

Sincerely,

L.H. Christensen
Chief of Police

Enclosures
LHC/na

ALASKA

STATE LEGISLATURE

MEMORANDUM

To: Ben
From: Linda
Re: HB 317

Date 3/24/81

Briefly, in researching this bill there are two steps that need to be dealt with if the bill remains in it's present form:

- 1) In addressing the analysis explained on the fiscal report from the Dept. of CRA, I have checked into the possibilities as to the Dept. that would administer the funds for the board and oversee the activities of the Center. Consequently, it has been recommended that the Div. of Telecommunications under the Dept. of Administration be the 'chosen one'. Since the enactment of E.O. 50, now state law, all of the divisions dealing with communications throughout the executive branch, have been placed under this Div. of Tele. and the Dept. of Admin. It would seem only fit that this program would also be administered and centralized in the same manner. (I have brought this to Rep. Malone's attention in suggesting this Dept. and am waiting for his response).
- 2) Consequently, if the Committee approves of this Department, it could then be requested that they prepare a fiscal note relating to the costs of organizing and operating their annual budget.

The attached information from Malone is strictly for setting up the actual operation on the Kenai and he plans to submit this amount as a direct appropriation as a capital expenditure. The bill itself does not address his particular interest but sets up the concept for statewide unity in the emergency services communications system.

There seems to be alot of statewide interest in the creation of the center and there may be a valid need for a teleconference. Presently, there are many systems in operation throughout the state but no centralized method for uses in emergencies, consequently most of these systems are inefficient.

Benz

There was a suggestion to add direction of the Dept. of Admin, Div. of Telecommunications by inserting corresponding language into the bill. This was determined unnecessary by the Legal Services Division in a review of the bill. An appropriation submitted to fund any nonprofit corporation organized under this law would be guided through the Division of Telecommunications (more than likely) since EO 50 was enacted into law in directing all communication projects under the executive branch be placed under Administration. Therefore, unobligating the direction of funds would leave the corporations open to receiving grants throughout the System.

Linda

ALASKA
STATE LEGISLATURE
MEMORANDUM

To: All Committee Members
House CRA

From: Committee Staff

Re: Proposed amendments to HB 317

Date: March 26, 1981

1) Page 1, line 14

After the word 'state' insert: , federal or private

2) Page 1, line 16:

Insert a (.)period after the word 'area' and delet the rest of the sentence.

STATE OF ALASKA
Inter-Department Route Slip

TO:
MAIL STATION NUMBER 3100

DEPARTMENT House Comm. + Regional Affairs

ATTENTION Rep. Grossendorf

- | | |
|----------------------------------------|----------------------------------------------|
| <input type="checkbox"/> Approval | <input type="checkbox"/> Note & Return |
| <input type="checkbox"/> Signature | <input type="checkbox"/> Initial & Return |
| <input type="checkbox"/> Comment | <input type="checkbox"/> Return As Requested |
| <input type="checkbox"/> Contact Me | <input type="checkbox"/> Return For Approval |
| <input type="checkbox"/> Prepare Reply | <input type="checkbox"/> Necessary Action |
| <input type="checkbox"/> For Your File | <input type="checkbox"/> Your Information |

Remarks:

*Capt
Room 102*

FROM:
MAIL STATION NUMBER 1200

DEPARTMENT Public Safety

BY Walt Lawson/Jannette DATE 5-4-81

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. SCS CSHB 317 (C & RA)
 Title AN ACT RELATING TO EMERGENCY SERVICES COMMUNICATIONS
 Requested by LEGISLATIVE FINANCE Date 04/22/81

II. FISCAL DETAIL
 Agency Affected AST, HSPA, FM of DPS, DIV. of COMMUNICATIONS of DOT and PF
 Program Category Affected _____
 BRU, Program, or Subprogram(s) Affected Highway Safety Planning Agency
 (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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL		45.0	35.0	25.0	15.0	15.0
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		45.0	35.0	25.0	15.0	15.0

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND		45.0	35.0	25.0	15.0	15.0
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Assuming fifteen (15) centers at one (1) meeting every two (2) months initially would be six (6) meetings each, or ninety (90) meetings. Further if each board has an average of five (5) members, (figuring AST, local police, local fire, local ambulance service, hospital or clinic). This would compute to 450. Figuring an average travel and per diem cost of \$100 each, assuming some will cost little because of no travel involved, and possibly only some meals, makes a total of \$45,000.00. Subsequent years should reduce as organization gets established.

If there were to be a lead agency to coordinate these boards, the total funds required should be appropriated to that agency. This fiscal note assumes that this lead agency would be Highway Safety Planning Agency.

IV. DATE 04/23/81 PREPARED BY *CS* 5/1/81 Charles A. Smith
 AGENCY Highway Safety Planning Agency
 Original: Legislative Finance PHONE 465-4371 or 4372
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Long before a man named Howard Jarvis gained a clear but debatable "victory" with the popular initiative "Proposition 13" in California, government had encouraged and initiated many economy measures in its operations. Even in the essential public safety services sector, efficiency with effectiveness has long been sought and in many cases achieved. Northern New Jersey's Sussex-Morris Regional Police Communications Network is one such example of achievement.

Regionalized Police Communications: Economical, Efficient and Effective

by Chief ESKIL S. DANIELSON
Byram Twp. Police Dept.
Stanhope, N J
Reading Time 10 min.



Photos by Det. Bruce C. Bldgood, Byram Twp. P.D.

Historical Perspective

Greater use should be made of inter-jurisdictional agreements whereby one system can provide complete radio communications for two or more jurisdictions.'

Over a decade ago, this recommendation aimed at police communications came down from the President's Commission on Law Enforcement and Administration of Justice. Followed by funding through the Law Enforcement Assistance Administration implemented by the New Jersey State Law Enforcement Planning Agency (SLEPA) this recommendation was strongly considered by several communities in New Jersey's "Lakeland Region" contiguous to Lake Hopatcong, the Garden State's largest lake.

Plagued by the ineffectiveness of citizens having to use alternate phone numbers in emergencies and by expensive long-mileage extension-off-premises (EXOP) telephone lines prone to storm and accident disruption of service, five communities actively encouraged application to SLEPA to help finance a regional network which would mitigate their problems and enhance economy, efficiency and effectiveness.

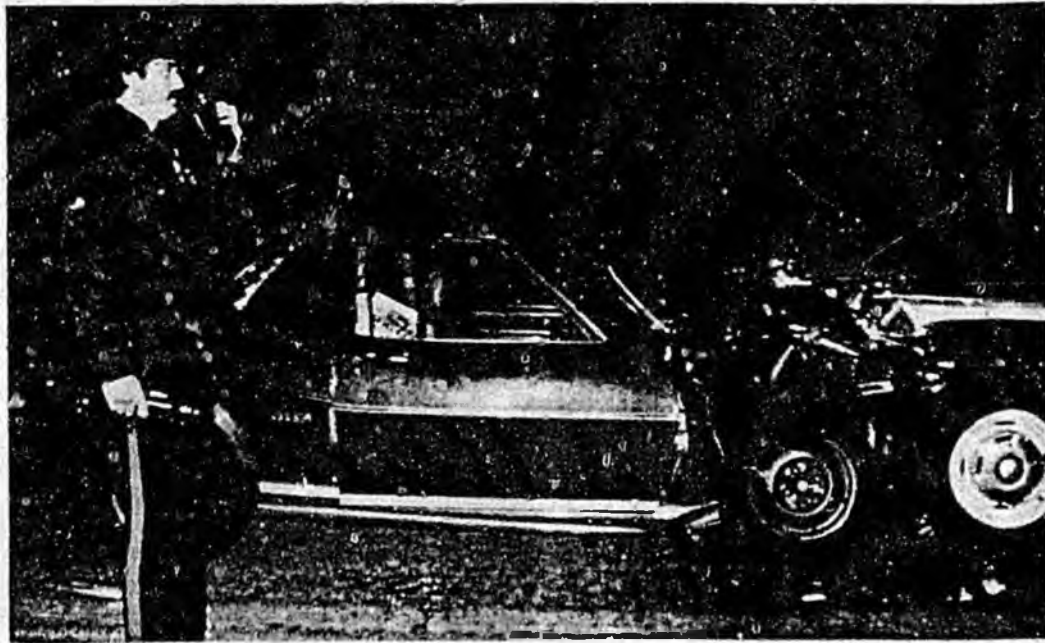
Application for funding was made by Hopatcong Borough Police Chief Howard Karl Jr. in early 1972 in the name of his community and for two sister Sussex County communities, Stanhope Borough and Byram Township, and adjoining Morris County communities of Neicong and Mount Arlington. The former three communities were then being serviced by Morris County Police Radio nearly 19 miles away and the latter two by 6 mile distant Dover Police Department which could offer emergency service only. Fire and rescue dispatch was even further disjointed being operated variously from these centers, an airport, a service station and even private homes.

The five communities cover 39 square miles which had a combined 1970 population census of 23,132 year round residents. Summertime population estimates range then to 40,000 due to the

'Task Force Report: The Police, President's Commission On Law Enforcement and Administration of Justice, U.S. Government Printing Office, Washington, D.C., 1967, pg. 88.

Sussex-Morris Regional Police Comm. Chief Dispatcher Phillip Serkin and Senior Dispatcher Charles Delanoy answering both in-coming lines at once.

Byram Twp. Police Officer George Hickler assisting at scene of a recent fatal accident using hand-held radio.



many lake resort communities. Sussex County was and is the second most rapidly growing county in New Jersey and for this reason the 1978 population of the five communities is over 40,000 with seasonal peaks up over 55,000 people.

Early Operations

In late spring 1972 the grant approval was received from SLEPA and plans were undertaken to administer and operate the fledgling Sussex-Morris Regional Police Communications Network.

A bi-cameral governing body was formed consisting of an executive committee and an operations committee. The executive committee consisted of the mayors of the five towns who were responsible for fiscal policy and personnel management. An operations committee was established for day-to-day operations consisting of the five police chiefs. Howard Karl became director and managed the acquisition of equipment and other financial matters under the grant. FCC approval of operating frequencies was sought and received.

Dispatching began in September of 1972 in a room adjacent to Hopatcong

Police Headquarters. The dispatch center was equipped under the grant with the following:

- a. two fully functional switchboards
- b. two fully functional radio communicator positions
- c. teletype
- d. multi-channel 24 hour tape (Dictaphone) recorder for all radio and telephone messages
- e. color coded map with vehicle status board
- f. alarm console
- g. multi-band radio scanner
- h. two dual-channel police radio bases
- i. time recorder clock (Simplex)

Also, under the grant the five participating police departments received the following:

- a. a new dual-channel scan 100 watt mobile radio (General Electric) for each car
- b. a 4 watt hand held portable dual channel radio (TEK) for each car
- c. a multi-channel scanner for each headquarters
- d. partial reimbursement for installa-

Continued on next page

Regionalized Comm. from 51

tion of new EXOP telephone lines based on volume.

A renewal grant in 1973 supplied an instant play-back telephone recorder and a portable playback unit for the 24 hour multi-channel tapes at network headquarters as well as new mobile and portable radios for each of the five towns adding patrol vehicles to their fleet that year.

Fire department, emergency squad and road department radio facilities were added at the expense of the municipalities thus bringing all public safety services into centralized dispatch.

Five full-time dispatchers were initially hired and supplemental part-time personnel were also trained. All incoming complaints or requests for service were recorded on I.B.M. incident cards and time-stamped for times received, dispatched, vehicle arrival and call completion. In addition, color coded I.B.M. cards coordinated with the status map colors were distributed to all patrol officers for their tours of duty, time-stamped for all assignments and reliefs. The incident cards were sent to a computer firm each month for key punch and readouts.

The Present Administrative Structure

In 1975 there became a need to more clearly establish the network as a truly regionalized facility and to become more independent of the administrative operations of the Borough of Hopatcong which, although a major advantage in obtaining the SLEPA grants, now had become a liability in dealing with personnel since a quirk of New Jersey Civil Service Law (Title II) placed the network employees under the sole jurisdiction of the Hopatcong Borough Council rather

than the Sussex-Morris executive board.

Reorganization began under the New Jersey Inter-Local Government Services Act (N.J.R.S. 40:8A-1 *et sequi*) in 1975. Resolutions were passed by each municipal governing body and the Sussex-Morris Regional Police Communications Network was legally incorporated as a separate public agency in 1976.

The executive board remained the

Municipality	County	Service	Agency
Andover Borough	Sussex	Police Dispatch	Boro Constable
Green Township	Sussex	Fire Dispatch	Green Twp. F.D.
Green Township	Sussex	Ambulance Dispatch	Allamuchy-Green First Aid Squad
Green Township	Sussex	Road Dispatch	Green Twp. Road Dept.
Allamuchy Twp.	Warren	Ambulance Dispatch	Allamuch-Green First Aid Squad

The Sussex-Morris Network therefore now serves parts of three counties including agencies in eight municipalities.

Administrative continuity between the executive and operations boards is obtained by the executive board selection of a network administrator from among the police chiefs who oversees the book-keeping and fiscal matters which are audited by certified public accountants annually.

Day-to-day operations are directed by a chief dispatcher who in turn has a

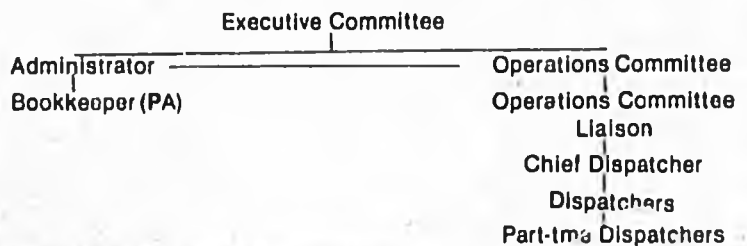
same but the operations committee was expanded and now consists of seven members. Added to the original police chiefs were one representative each from two informal groups that formed to provide effective input for their services, the fire chiefs and chief emergency squad officers of those agencies served. Dispatch services are now rendered to several other communities on a fee basis.

These are as follows:

liaison chief on the operations committee to resolve most routine problems. Serious personnel matters are channeled through the operations committee to the executive board when necessary. There are presently six full-time and a corps of about eight substitute part-time dispatchers serving 24 hours a day, eighteen hours with two people on duty.

Executive and operations committee members and the administrator serve *ex-officio* and without compensation.

Organization Chart Sussex-Morris Regional Police Communications Network 1978



Senior Dispatcher Delaney answering a call on CB Channel 9 and activating an ambulance alert for an accident.



Fiscal Operations

From its inception in 1972 the municipalities of the Sussex-Morris Regional Police Communications Network have operated with sound fiscal policy on a well-planned formula.

Certain essential aspects of network operations are considered to be equally shared costs equivalent to the equally shared executive-administrative responsibility. These costs include:

- a. rental of the communications room from Hopatcong Borough
- b. bookkeeping/secretarial costs
- c. accountant/auditor fees
- d. legal fees

When possible, these are assessed annually but, as is the case with legal fees, sometimes the bill is shared as rendered.

The operational expenses and salaries and wages budget is apportioned to the towns based on a formula which includes both population and use criteria. Sixty percent of the entire budget is assessed to each town based on the percentage of the five-town population they represented in the most recent decennial census.

The remaining forty percent of the entire budget is assessed to each community based on the workload generated by that community for the network in a recent base year.

Thus, taking a budget of \$100,000 for example, a community with 30% of the area population and 25% of the workload would be calculated as follows:

Population Assessment:

$$\$100,000 \times 60\% \times 30\% = \$18,000$$

Workload Assessment:

$$\$100,000 \times 40\% \times 25\% = \$10,000$$

TOTAL ASSESSMENT = \$28,000

Plus Shared Costs 800

TOTAL \$28,800

Presently the gross assessment percentages are as follows:

Hopatcong Borough	42%
Byram Township	17%
Netcong	14%
Mount Arlington	14%
Stanhope Borough	13%
	100%

The reasoning behind the 60/40 assessment differentials is the intended compensation on the one hand for

variously changing population bases, especially seasonal which affects only three of the towns, and on the other hand the heavier commercial workload generated by the other two towns. Neither population nor workload alone at this time can be used as a single criterion.

The budget for 1979 including shared expenses will be about \$92,000, a very economical figure considering that over 30,000 incidents are handled each year by the network.

Present Services Rendered Police Dispatch

On January 1, 1977 the five Sussex-Morris municipal police departments began to operate on the New Jersey Law Enforcement Internal Records System (L.E.I.R.S.) developed by the New Jersey State Police in cooperation with the New Jersey State Association of Chiefs of Police.¹

Each of these towns supply the Sussex-Morris network with an adequate supply of pre-consecutively numbered four-part, carbonless paper, I.B.M. size incident cards which replaced the former cards. They are used in sequence and time-stamped by Simplex clock as the former cards were. All basic information is written on the cards by the dispatcher and the cards are forwarded at midnight via patrol to their respective towns after the fourth page is separated and retained as the network log.

Each day the individual departments then double-check the sequential order, code all the information according to L.E.I.R.S./U.C.R. codes and separate the cards into chronological order, nature of incident and patrol sector filing thus eliminating a log book in the departments. The preprinted sequential numbering and the network's copy of the incident card give the system a level of integrity at least equal to a log book. Investigating officers make full investigations as necessary on other L.E.I.R.S. designed forms.

Duty tour cards remain unchanged from 1972 but additional cards have been initiated to log motor vehicle inquiries not covered by L.E.I.R.S. protocol.

Continued use of the 24 hour multi-channel tape system and instant playback have proven their considerable value in reconstructing messages and circumstances that would remain unclear

¹For information write: Uniform Crime Reporting Unit, New Jersey State Police P.O. Box 68, Trenton, N.J. 08625.

otherwise. All routine telephone calls are immediately transferred to the respective headquarters during normal business hours. All emergency calls are handled by the dispatcher directly with patrol personnel without individual headquarters involvement.

Fire and Emergency Medical Services

The Sussex-Morris Regional Police Communications Network dispatches fire and emergency medical services also. Equipped with two fire radios and two emergency medical radios the dispatchers are responsible to dispatch over two dozen fire trucks, one dozen ambulances, three heavy rescue units and one underwater recovery unit. This in addition to two dozen police cars. Fire and medical emergencies dispatched numbered over 500 and 3,000 respectively in 1978.

All fire and medical emergencies are dispatched through tone-alert radio equipment in the various volunteers' homes.

Road Departments

Although to a considerably lesser degree than the other services, some dispatch service is rendered to the road departments of the five contract towns and Green Township. These services are required generally during severe weather conditions, heavy rains, snow and winds and aid in the coordination with other emergency services.

Changes Ahead?

The Sussex-Morris Regional Police Communications Network has proven its value in many ways.

It has been an economical agency eliminating prior costly dispatch methods and mitigating the need for local dispatch in each of the five towns.

It has been efficient in that wasted duplication of effort has been minimized and interagency and interservice coordination has been increased.

And it has been effective since dispatch time from receipt of call can be measured in seconds thereby reducing overall response time to the lowest possible level for each community.

Future engineering studies may call for a further upgrading of radio hardware and computerized data processing may be just around the corner. Continued sound management will keep the Sussex-Morris Regional Police Communications Network viable in its vital role for the Lakeland area. END

EMERGENCY NUMBERS

Please determine the FIRE and POLICE departments which serve you and write the numbers in the space provided below.

MY FIRE NUMBER IS _____ MY POLICE NUMBER IS _____

TO REPORT A FIRE

Homer Fire Department	235-8300
Kenai Fire Department	283-4828
Seldovia	234-7800
Soldotna Fire Department	262-4500
Unalaska	235-8300
North Kenai Fire Department	776-8200
Wildland Fires	283-3537

POLICE

Homer	235-8113
Kenai	283-4866
Seldovia	234-7640
Soldotna	262-4334

ALASKA STATE TROOPERS

North Kenai	262-4052
Soldotna	262-4052
Unalaska	567-8721
Homer	235-8239
Search & Rescue—Kenai Peninsula	262-4052
Alaska State Fish & Wildlife Enforcement	262-4052
FBI	272-6414

AMBULANCE

Homer	235-8300
Kenai	283-4828
Seldovia	234-7800
Soldotna	262-4500
Unalaska	262-4500
North Kenai	776-8200

OTHER EMERGENCY NUMBERS

Crisis Line	262-9376
Kenai Peninsula Borough Disaster Office	262-5250
Or (24 Hour Service)	283-7823
Homer Hospital	235-8101
Homer Emergency & Rescue	235-8300
Central Peninsula General Hospital-Soldotna	262-4404
Coast Guard	
Search & Rescue Anchorage	Dial 101-277-2131
U.S. Coast Guard: Search and Rescue (Maritime Emergency)	ZENITH 5555
Water Pollution Incidents	ZENITH 5555
Aids to Navigation: Outage	ZENITH 5555
Foreign Fishing Vessel Violation	ZENITH 5555
For oil and hazardous substances spills	
call operator & ask for	ZENITH 9300
Poison Information Center	
Children's Orthopedic Hospital-Seattle	Dial-101-(206)-634-5252

WARNING!

Alaska State law (Laws 1957, Chapter 102) makes it a punishable misdemeanor willfully to refuse to yield or surrender the use of a telephone party line to another person to enable such other person to report a fire or summon police, medical or other aid in case of emergency. The law also makes it a punishable misdemeanor to request the use of a party line on the pretext that an emergency exists when the person requesting such use knows that no emergency exists. An "emergency" is defined as a "situation in which property or human life are in jeopardy and the prompt summoning of aid is essential."



Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Rep. Ben Grussendorf
Chairman
465-3870

Pouch V
State Capitol
Juneau, Alaska 99811

Summary - EB 317. By Rep. Malone

"An Act relating to emergency services communications."

This bill states that a municipality may establish an emergency services communications center with one or more other municipalities and state agencies to provide the service to the same geographic area in which the municipality is located.

The Center shall be a nonprofit corporation. A board of directors shall be established and consist of:

- 1) Head of each emergency service agency participating in the center;
- 2) representative from each municipality,
- 3) representative from each state agency.

Section (1) of the bill gives statutory authority to 2nd Class Boroughs in establishing an emergency services communication center.

Section (2), placed under 29.73 - Miscellaneous Provisions, sets up guidelines for establishing and unifying centers throughout the state. Lists activities of the center.

EMERGENCY SERVICE COMMUNICATION CENTER

BUDGET PROPOSAL

FY 81

PERSONAL SERVICES

Communication Supervisor	(1)	30,050	30,050
Dispatcher #1	(5)	21,132	105,660
Dispatcher #2	(5)	22,440	112,200

TOTAL SALARIES 247,910

HEALTH INSURANCE	(11)	1,700	18,700
FICA		.0665	16,486
WORKMAN'S COMPENSATION			3,300
PERS RETIREMENT		10% Gross	24,910
OVERTIME		7% Gross	17,354
UNEMPLOYMENT CONTINGENCY		2% Unemp.	4,958

TOTAL PERSONAL SERVICE 333,618

OPERATIONS AND MAINTENANCE

Computer Services	17,516
Office Supplies	1,500
Postage	100
Telephone Charges	15,000
Maintenance of Communication Equipment	6,000
Small Tools	200
Travel and Subsistence	2,000
Training	1,500
Dues and Subscriptions	100
Accounting and Audit	6,000
Space Rent and Utilities	6,000
Contingency	2,500
Advertisement and Promotion	500
Insurance, Errors, and Omissions	5,000

TOTAL OPERATIONS AND MAINTENANCE 63,916

Handwritten signature and date:
 [Signature]
 11/17/80

CAPITAL EXPENDITURES

Two (2) Position Console	70,000
Twenty (20) Channel Logging Recorder	23,950
Stationary Equipment	108,494
Mobile Equipment Purchase	147,007
Modification of Existing Equipment	29,500
Office Furniture and Equipment	3,000

TOTAL CAPITAL EXPENDITURES 381,951

TOTAL CAPITAL EXPENDITURES 381,951

TOTAL PERSONAL SERVICES 333,618

TOTAL OPERATION AND MAINTENANCE 63,916

BUDGET TOTAL 779,485

FY 82 ESTIMATED BUDGET 455,294

FY 83 ESTIMATED BUDGET 509,929

H B
3 3 1

COMMITTEE REPORT

HOUSE

FURTHER:

3/13/81

(7)

Date: March 27, 1981

Mr. Speaker:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had HB 331

"An Act permitting a municipality to provide port facilities outside its boundaries."

under consideration and reports it back as follows:

do pass do not pass

do pass with attached amendments(s)

replace with CS for HB 331 same title new title

and recommends do pass

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:

[Signature]
Fred D. Cannon
John D. Fuller
Al Bryson
W. H. [Signature]

[Signature]

[Signature]
CHAIRMAN

Introduced: 3/13/81
Referred: Community &
Regional Affairs

1 IN THE HOUSE

BY FULLER AND MALONE

2 HOUSE BILL NO. 331

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act permitting a municipality to provide port
7 facilities outside its boundaries."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 29.48.037(a) is amended to read:

10 (a) A municipality may provide parks, roads (including ice
11 roads), trails, playgrounds, emergency medical services, cemeteries,
12 port facilities, and airports outside its boundaries, subject to
13 AS 29.33.010, and may regulate their use and operation. A regulation
14 adopted under this section must state that it applies outside the
15 municipality.

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17 *Good
Pa.*

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22 *Extend territoriality -*

23
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29 *City Dumps. Same
may extend utility cut side of
road may operate a utility facility
outside of town.*

*Ben - don't have a copy of the
AS - but - all we did was
add "immediate effective date"
and change the title
accordingly. Linda*

Sec. 29.48.037. Extraterritorial jurisdiction. (a) A municipality may provide parks, roads (including ice roads), trails, playgrounds, emergency medical services, cemeteries and airports outside its boundaries, subject to AS 29.33.010, and may regulate their use and operation. A regulation adopted under this section must state that it applies outside the municipality.

(am § 2 ch 100 SLA 1975; am § 5 ch 78 SLA 1978)

(b) A municipality may adopt ordinances to protect its water supply and watershed and may enforce them outside its boundaries. Before this power may be exercised within the boundaries of another municipality, the approval of that municipality must be given by ordinance. This section applies to general law and home rule municipalities. (§ 2 ch 118 SLA 1972)

Section inapplicable to streets connecting different portions of city.— This section merely provides for the building of roads and trails outside of town limits, and has no reference to the building of streets connecting two different portions of the town or city. *Town of Ketchikan v. Zimmerman*, 4 Alaska 336 (1911).

Power granted does not deprive city of other powers.—There is no

reason that the grant to the council of power to extend roads and trails from its limits to certain points without its limits in any manner deprives the council of any of the implied or necessary powers which it would enjoy, in the absence of any such express grant in the charter. *Town of Ketchikan v. Zimmerman*, 4 Alaska 336 (1911).

Cross reference. — As to emergency medical services, see AS 18.08.

Effect of amendments. The 1975 amendment inserted "(including ice roads)" in the first sentence of subsection (a).

The 1978 amendment inserted

"emergency medical services" in the first sentence of subsection (a).

Sec. 29.48.040. Municipally-owned utilities. A municipality owning or operating utilities may extend service to adjacent areas outside its municipal limits. For that purpose the municipality may acquire, maintain and operate utility facilities together with necessary real property interests in real property outside its limits. This section applies to home rule and general law municipalities. (§ 2 ch 118 SLA 1972)

A city is authorized to sell and distribute electrical energy to adjacent districts, areas, or localities located within a reasonable distance from the

limits of the city. *Chugach Elec. Ass'n v. City of Anchorage*, Sup. Ct. Op. No. 407 (File Nos. 705, 706), 426 P.2d 1001 (1967).

Note: This amendment ^(HB 331) is included in HB 170 & SB 180 - The Title 29 Revision bills. It is listed under 29.35.020, page 72 of HB 170.

Original sponsors: Fuller and Malone

Offered: 3/31/81
Referred: Rules

1 IN THE HOUSE

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

2

CS FOR HOUSE BILL NO. 331 (C&RA)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TWELFTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act permitting a municipality to provide port facilities outside its boundaries; and providing for an effective date."

7

8

9

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10

* Section 1. AS 29.48.037(a) is amended to read:

11

(a) A municipality may provide parks, roads (including ice roads), trails, playgrounds, emergency medical services, cemeteries, port facilities, and airports outside its boundaries, subject to AS 29.33.-010, and may regulate their use and operation. A regulation adopted under this section must state that it applies outside the municipality.

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* * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-070(c).

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*re considered
Cotton
Randolph*



Rep. Ben Grussendorf
Chairman
465-3870

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Summary - HB 331, by Fuller/Malone

"An Act permitting a municipality to provide port facilities outside its boundaries."

The bill amends the section relating to extraterritorial jurisdiction of municipalities (AS 29.48.037 attached) to allow a municipality to provide port facilities outside its boundaries.

Does not provide for an effective date.

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 331

Title An Act permitting a municipalities to provide extraterritorial ports

Requested by Fuller and Malone

Date March 24, 1981

II. FISCAL DETAIL

Agency Affected Community and Regional Affairs

Program Category Affected Development

BRU, Program, or Subprogram(s) Affected _____

(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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

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

POSITIONS

FULL TIME	0	0	0	0	0	0
PART TIME						
TEMPORARY						

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

We do not foresee any increased costs to this Department resulting from the enactment of HB 331.

H B

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COMMITTEE REPORT

HOUSE

3/19/81

FURTHER: FINANCE

(7)

Date: March 14, 1981

Mr. Speaker:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had HB 367

"An Act providing for reimbursement for sales and use taxes paid to a municipality; and providing for an effective date."

under consideration and reports it back as follows:

- do pass do not pass
- do pass with attached amendment(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:**

[Signature]

[Signature]

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[Signature]

[Signature] Do Not Pass

UNLESS AMENDED

[Signature]

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[Signature]

[Signature]

[Signature]
CHAIRMAN

BY VASKA, GRUSSENDORF, ADAMS,
CHUCKWUK, HURLBERT, MILLER,
ROGERS, ZHAROFF, DUNCAN, FULLER,
CATO AND MALONE

1 IN THE HOUSE

2 HOUSE BILL NO. 367

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing for reimbursement for sales and use
7 taxes paid to a municipality; and providing for an
8 effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. AS 29.53 is amended by adding new sections to read:

11 ARTICLE 6. REIMBURSEMENT FOR SALES AND USE TAXES.

12 Sec. 29.53.500. REIMBURSEMENT. (a) During each year a state
13 resident is eligible to receive reimbursement for sales and use taxes
14 he and his dependents paid to a home rule or general law municipality
15 during the previous year if

16 (1) he has not been claimed as a dependent for federal
17 income tax purposes the previous year;

18 (2) he and each dependent which he claims for purposes of
19 reimbursement under this section were residents of the municipality
20 during at least a portion of the previous year; and

21 (3) he files an application with the Department of Revenue.

22 - - - - (b) A resident may not apply during a single year for reimburse-
23 ment for sales and use taxes paid to more than one municipality.

(Unless residing within an organized Borough)

24 Sec. 29.53.510. DUTIES OF THE DEPARTMENT. The Department of
25 Revenue shall

26 (1) calculate the amount of money needed for reimbursements
27 under AS 29.53.500 which is equal to the total amount of money collected
28 during the previous year from the levy of sales and use taxes by each
29 home rule or general law municipality;

1 (2) annually request the legislature for an appropriation
2 for reimbursements to be made under AS 29.53.500;

3 (3) adopt regulations under the Administrative Procedure Act
4 (AS 44.62) establishing procedures for applying for reimbursement which
5 include a graduated scale used for determining the amount of a reim-
6 bursement based on

7 (A) the number of dependents which an applicant has;

8 and

9 (B) the amount of sales and use taxes collected by the
10 municipality in which the applicant resided during the previous
11 year divided by the total population of the municipality;

12 (4) pay the reimbursements authorized by AS 29.53.500.

13 * Sec. 2. AS 44.25.020 is amended by adding a new paragraph to read:

14 (5) administer the program of reimbursement to residents for
15 sales and use taxes paid during the previous year (AS 29.53.500 -
16 29.53.51()).

17 * Sec. 3. This Act is retroactive to January 1, 1981, and authorizes
18 reimbursement for sales and use taxes paid to a municipality after
19 December 31, 1980.]

20 * Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-
21 070(c).

(d) If the assembly of a home rule or general law borough charges interest on sales taxes not paid when due, the rate of interest may not exceed eight per cent a year upon the delinquent taxes and shall be charged from the due date until paid in full (§ 2 ch 118 SLA 1972)

This section gave municipalities the additional power to levy a consumers' sales tax. City of Anchorage v. Chugach Elec. Ass'n, 17 Alaska 481, 252 F.2d 412 (9th Cir. 1958).

A municipality may impose the consumer sales tax on retail sales of liquor. Juneau, Alaska & Juneau-Douglas Independent School Dist. v. Baranof Hotel, Inc., 1 Alas. L.J. No. 6, p. 12 (June, 1963).

It is a tax on the "price" paid by the consumer not a tax on the com-

modity sold or on the vendor. Juneau, Alaska & Juneau-Douglas Independent School Dist. v. Baranof Hotel, Inc., 1 Alas. L.J. No. 6, p. 12 (June, 1963).

The prohibition against additional taxes on liquor in the Liquor Manufacture and Traffic Control Act do not apply to the consumer's sales tax. Juneau, Alaska & Juneau-Douglas Independent School Dist. v. Baranof Hotel, Inc., 1 Alas. L.J. No. 6, p. 12 (June, 1963).

Sec. 29.53.420. Referendum, adoption and modification. (a) The assembly shall hold a referendum vote on the question of levy of sales taxes. Borough sales tax propositions may be presented only once in any 12-month period.

(b) If the proposition receives a majority of the votes cast, the assembly may enact the sales tax as a levy upon buyers, sellers, or both. The sales tax is collected at the time of sale or at the time of payment in credit transactions and transmitted to the borough (§ 2 ch 118 SLA 1972)

Article 5. City Sales and Use Taxes.

Section
440. Power of levy
450. Power of levy and collection

Section
460. Combining sales tax with incorporation

Sec. 29.53.440. Power of levy. Cities within a borough which levies and collects sales or use taxes for areawide borough functions may levy sales or use taxes upon all sources taxed by the borough in the manner provided for boroughs. (§ 2 ch 118 SLA 1972)

Am. Jur. reference.—47 Am. Jur., Sales and Use Taxes, §§ 37 to 41.

Sec. 29.53.450. Power of levy and collection. Cities within a borough which does not levy and collect sales or use taxes for areawide borough functions may levy and collect sales or use taxes in the manner provided for boroughs. (§ 2 ch 118 SLA 1972)

Sec. 29.53.460. Combining sales tax with incorporation. A petition for second class city incorporation may request that a sales tax proposal be placed on the same ballot. The petition must state the proposed tax rate. The petition may request that incorporation be dependent upon the passage of the sales tax proposition. If so, the incorporation proposition fails if the sales tax fails. (§ 2 ch 118 SLA 1972)

→ HB 367 -
Sec. 29.53.500
53.510

Chapter 58. Municipal Government

- Revenue Anticipation Notes (§§ 29.58.010—29.58.019)
- Revenue Anticipation Notes (§§ 29.58.070—29.58.079)
- General Obligation Bonds (§§ 29.58.150—29.58.159)
- Revenue Bonds (§§ 29.58.200—29.58.220)
- Refunding Bonds (§§ 29.58.240—29.58.280)
- Miscellaneous Provisions (§§ 29.58.900—29.58.999)

Article 1. Revenue Anticipation Notes

- Sec. 29.58.010. Borrowing in anticipation of revenue 40
- Sec. 29.58.020. Issuance of notes 50
- Sec. 29.58.030. Limitation on issuance of notes 60

Sec. 29.58.010. Borrowing in anticipation of revenue. The governing body of the state which is authorized to borrow money in a fiscal year to meet its obligations may issue revenue anticipation notes in anticipation of the collection of revenues for the fiscal year and may issue evidence of the borrowing. (§ 2 ch 118 SLA 1972)

Sec. 29.58.020. Issuance of notes. A municipality may, by ordinance or resolution, issue revenue anticipation notes and provide for the manner of their execution. The municipality may delegate to its governing body the notes from time to time under the ordinance or resolution which provides for the issuance of revenue anticipation notes and the manner of their execution. Revenue anticipation notes previously issued mature not later than the date on which they are issued. (§ 2 ch 118 SLA 1972)

Sec. 29.58.030. Limitation on issuance of revenue anticipation notes. The amount of revenue anticipation notes issued in a fiscal year may not exceed 50 per cent of the amount of estimated revenues actually collected in the fiscal year in which the notes are issued. (§ 2 ch 118 SLA 1972)

Sec. 29.58.040. Issuance of notes for long-range capital improvement. (a) The governing body of a municipality, may by resolution provide for the issuance of revenue anticipation notes in an amount not to exceed the total amount of grants finally committed for these purposes before the end of the next fiscal year. (§ 2 ch 118 SLA 1972)

Chapter 25. Department of Revenue.

Article

- 1. Department Generally (§§ 44.25.010 — 44.25.020)
- 2. Loan Program; P.L. 92-203 Corporations (§§ 44.25.030 — 44.25.036).

Article 1. Department Generally.

Section

- 10. Commissioner of revenue
- 20. Duties of department

Sec. 44.25.010. Commissioner of revenue. The principal executive officer of the Department of Revenue is the commissioner of revenue. (§ 10 ch 64 SLA 1959)

Am. Jur. 2d and C.J.S. references. — Employees, § 24; 72 Am Jur 2d Territories and Dependence. § 64 81A C.J.S. States § 127.

Sec. 44.25.020. Duties of department. The Department of Revenue shall

- (1) enforce the tax laws of the state;
- (2) collect, account for, have custody of, invest, and manage all state funds and all revenues of the state except revenues incidental to a program of licensing and regulation carried on by another state department, except that the Department of Revenue shall issue fish and game licenses other than vessel licenses under AS 16.05.490 — 16.05.530; collect fish and game license revenues other than revenues from vessel licenses under AS 16.05.490 — 16.05.530, and do all other acts incidental to the performance of these functions;
- (3) register cattle brands; and
- (4) supply necessary clerical and administrative services for the Alcoholic Beverage Control Board. (§ 10 ch 64 SLA 1959; am § 1 ch § SLA 1961; am § 15 ch 31 SLA 1963; am § 60 ch 32 SLA 1971; am § 10 ch 105 SLA 1977)

Revisor's note. — The following executive order signed by Governor William A. Egan was transmitted to the legislature on January 22, 1962. It was not disapproved by the legislature during the 1962 session and therefore became law under the provisions of § 23 art III of the state constitution and AS 24.30.130. The effective date of the executive order was July 1, 1962. "EXECUTIVE ORDER NO. 17. WHEREAS the Department of Revenue is the Department of State Government primarily charged with the duties, powers, and responsibilities involved in the collection, accounting for, custody, investment and management of all state funds; and

"WHEREAS the Department of Fish and Game is the Department of the State Government primarily charged with the regulation and management of the fish and game resources of the State of Alaska and

"WHEREAS the Department of Fish and Game is also charged with certain duties and powers relative to the collection, accounting for and custody of state revenues which are only incidental to the Department's regulation and management of the fish and game resources of the State of Alaska.

"THEREFORE IT IS ORDERED

"1. All duties, functions and powers relative to the collection, accounting for

... of state revenues, which are incidental to the regulation and management of the fish and game resources of the State of Alaska, at present transferred by the Department of Fish and Game to the Department of Revenue.

The Department of Revenue shall be organized and held to constitute a department of the Department of Fish and Game with the same force and effect as if the functions, powers and duties had not been transferred. All funds appropriated to the Department of Fish and Game prior to the

Article 2. Loan Program; P.L. 92-203

- § Declaration of purpose 36. F
- § Loans 38. F
- § Limitation on loans

Cross reference. — As to assumption of payment of organizational expenses assumed by regional corporations, see § 4,

Sec. 44.25.030. Declaration of purpose. The purpose of this act is to facilitate the creation and organization of Alaska Native associations of the 12 regions under § 7 of the Alaska Native Claims Settlement Act, the creation of which is a condition precedent to the receipt of the Alaska Native Fund. (§ 1 ch 190 SLA 1971)

Sec. 44.25.032. Loans. Upon proper request of a regional Native association or corporation the Department of Revenue shall make loans to such association or corporation for the purpose of organizing a regional corporation. (§ 1 ch 190 SLA 1971)

Sec. 44.25.034. Limitation on loans. The amount of any organizational loan provided for under this act shall be determined by the Department of Revenue and shall not exceed \$250,000 per region.

(b) A loan may not run longer than 10 years and the interest that exceeds 5.9 per cent. (§ 1 ch 190 SLA 1971)



Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Rep. Ben Grussendorf
Chairman
465-3870

Pouch V
State Capitol
Juneau, Alaska 99811

Summary - HB 367, by Vaska, Grussendorf etc.

"An Act providing for reimbursement for sales and use taxes paid to a municipality; and providing for an effective date."

Provides for reimbursement for sales and use taxes paid to a municipality. States that during each year a state resident is eligible to receive reimbursement for sales and use taxes he and his dependents paid to a home rule or general law municipality during the previous year if he has not been claimed as a dependent for federal income tax purposes the previous year; he and each dependent which he claims for purposes of reimbursement were residents of the municipality during at least a portion of the previous year; and he files an application with the Dept. of Revenue.

A resident may not apply during a single year for reimbursement paid to more than one municipality.

The Dept. of Revenue shall calculate the amount of money needed for reimbursements and request annually from the legislature an appropriation for that purpose. Provides for adoption of regulations establishing procedures for applying for reimbursement which include a graduated scale used for determining the amount of a reimbursement based on the number of dependents which an applicant has and the amount of sales and use taxes collected by the municipality in which the applicant resided during the previous year divided by the total population of the municipality.

This act is retroactive to Jan. 1, 1981 with an immediate effective date.

MAR 27 1981

This bill provides for the reimbursement of sales and use taxes paid to a municipality by residents of that municipality. The reimbursements are to be made from funds appropriated by the legislature. This bill compliments HB 4 which reimburses owners of real property for the amount of property tax paid to municipalities. Both bills are to reimburse for taxes paid beginning in 1981.

The State has different systems for collecting taxes based upon the form of the municipal incorporation. Home rule and first class cities and boroughs are given powers for a general property tax as well as sales and use taxes. Second class cities have the power to levy and collect limited property taxes plus sales and use taxes. At the present time, 24 boroughs, and municipalities collect general property taxes of which 19 of these also collect sales taxes. For approximately 60 second class cities, their source of operating funds are sales taxes levied upon sales, rents and services and use taxes levied upon the storage, use or consumption of tangible personal property. Not all of the cities with the power to levy sales and use taxes do so and the rate is limited to 6%.

While the ability to levy taxes changes from municipality to municipality, the use to which these taxes are made are for the most part similar: the operation of municipal government. This bill recognizes this concept and recognizes that the form taxation takes is not significant to the taxpayer. The payment of a tax, of whatever kind, is the crucial point. The form that reimbursement takes, as sales and use taxes are collected continuously rather than through a direct billing, requires that the reimbursements be made on a per capita basis. This is the only fair method available which would not create such administrative problems as to

make the program burdensome upon the Department of Revenue. Persons seeking a reimbursement of their share of the taxes collected would have to apply for them under regulations promulgated by the Department of Revenue.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB # 367
 Title An Act providing for reimbursement for sales and use taxes paid to a municipality
 Requested by House Community and Regional Affairs Committee Date 3/25/81

II. FISCAL DETAIL

Agency Affected _____

Program Category Affected _____

BRU, Program, or Subprogram(s) Affected _____

(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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						

TOTAL

FUNDING (Millions of Dollars)

GENERAL FUND		47.8	53.9	60.8	68.5	77.2
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Because of the potential for more applications for reimbursement, including dependents, than there is population for the municipalities involved, no estimate is made regarding the number of applicants. Further, it is assumed that the FY appropriations for the proposed legislation will be equal to the amount of sales tax collections in the prior calendar year even though the reimbursement applied for may be greater.

It is assumed that none of the reimbursements would take place prior to July 1, of the following year.

The appropriation for FY 1982 to refund 1981 sales tax collections is estimated to be \$47.8 million. This value was determined by inflating, to 1981, the 1979 sales tax collections of \$37.6 million estimated by the State Assessors office. The method of inflating these taxes used 10% per year as the price inflator and 2 1/2% per year as the inflator for population. Because it is impossible to forecast future sales tax rate changes, it was assumed that the rates remained as in 1979.

IV. DATE 3/30/81 PREPARED BY Bill Yankee
 AGENCY Revenue Research
 PHONE 465-2173

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

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 367
 Title An Act providing for reimbursement for sales & use taxes paid a municipality
 Requested by House Community & Regional Affairs Date March 19, 1981

II. FISCAL DETAIL

Agency Affected Department of Revenue
 Program Category Affected Revenue Collection and Management
 BRU, Program, or Subprogram(s) Affected Audit Division

(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) -NONE-

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						

TOTAL

FUNDING (Thousands of Dollars) -NONE-

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS -NONE-

FULL TIME						
PART TIME						
TEMPORARY						

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

IV. DATE March 31, 1981 PREPARED BY Gary L. Jenkins
 AGENCY Audit Division
 PHONE 465-2320

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

MEMORANDUM


State of Alaska

TO: R. D. Stevenson
Special Assistant
Department of Revenue

DATE: March 26, 1981

FILE NO:

TELEPHONE NO:

FROM: Fred Boetsch, Director 
Division of Enforcement

SUBJECT: House Bill No. 367

I decided to follow-up my memo of March 23, regarding this Bill. I see a number of problems with the Bill if it passes in this form.

Section 29.53.500(a)(1) requires that an applicant for sales tax reimbursement has not been claimed as a dependent for federal income tax purposes the previous year. There is no way I know of that this requirement can be verified. It is possible that an individual making a claim for reimbursement of sales taxes might be claimed as a dependent on a federal income tax return by a relative living in Osgosh, Wisconsin. Even if we matched all of these applications against the entire federal file (some 100,000,000 returns), we would not be able to verify this requirement since dependents listed on a tax return are typically listed by first name only with no social security number or other identifying information. As a practical matter, therefore, this requirement cannot be verified and is meaningless.

The second requirement (29.53.500(a)(2)) provides that the applicant and the dependents being claimed for purposes of reimbursement were residents of a particular municipality during at least a portion of the previous year. Neither a definition of residency nor what portion is identified. If a person lived in Juneau proper for a month during 1980 does that mean that he could apply for a sales tax reimbursement for the entire year? If so, since he did not pay sales tax during the entire year, the tables required under 29.53.510(3)(B) would be totally out-of-whack. It is difficult enough to establish residency within the State as we know from our experience with the Permanent Fund Dividend program. A determination of residency for only a portion of a year within a particular municipality compounds the problem exponentially. I also wonder about the individual who may not be a resident of a municipality but may do all of his shopping there and, therefore, pay taxes to that particular municipality. That person would not be eligible for any reimbursement at all under this Bill.

The Bill does not address itself to the case where the total reimbursements based on the table for a particular municipality exceeded the actual collections of sales taxes by that municipality. Apparently that amount is to be used merely as a basis for calculating the table and does not actually place a limit on the total amount of monies distributed under this Bill. The basis for the payment is the number of

dependents which a person has compared to the total population of a particular municipality and related to the sales tax collections made by that municipality the previous year. That requirement in 29.53.510(3) would essentially divvy up sales taxes collected by a municipality on a per capita basis. Ideally, the total number of applicants and their dependents claimed for a particular municipality would equal the total population of the municipality and we would just be dividing up the sales taxes collected on that basis. This particular formula does not take into account the income of the individuals as do the federal sales tax tables generated by the IRS for purposes of the sales tax deduction. Obviously the amount of sales tax paid is a function of disposable income as well as the size of the family. That particular relationship is ignored by this Bill. What the Bill really does is allow a per capita payment to individuals who are residents of a particular municipality which imposes a sales tax as a pro rata share of that sales tax collected. Of course, included in the total sales tax would be sales tax paid by visitors to the community, those not residing in the community but who shop in the community, and others who would not be eligible for the per capita sharing.

I suspect that, since the amount to be shared per capita is based on the sales tax collected by the particular municipality, the Bill would be an incentive for all municipalities in the state to enact a sales tax at a very high rate. Under this Bill, no one in the Anchorage area would get any payment at all at the present time. Since the actual result of this Bill is to divvy up the sales taxes collected in a municipality among the residents on a per capita basis rather than on the basis of how much, in fact, each resident paid in sales taxes, and since there are bound to be differences in the amounts paid depending on the municipality in which one may live, it would be much simpler to make a per capita distribution to residents of the state at a fixed amount.

If, indeed, the desire is to closely approximate the amount of sales taxes an individual pays during the year, then any table should take into consideration an income level as well as the number of dependents of the applicant (question - under the Bill would a spouse be considered a dependent?). For the sake of equity and ease of administration it would then be highly desirable to establish a consistent state-wide sales tax rate so that people would not be penalized for moving from one community to another or living in one community even though they may shop in another. Residents would get a reasonable approximation of their actual sales taxes paid during the year as a reimbursement, the municipalities would gain an extra source of income, and only non-residents and visitors would leave money on the table.

cc: Joseph K. Donohue, Deputy Commissioner
Gary L. Jenkins, Director, Audit Division
Phill Wail, Director, Administrative Services
Vince Wright, Supervisor, Research Section

April 13, 1981

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

Dear Senator Sturgulewski:

Per your request the following information has been compiled.

During the FY 1981 State Revenue Sharing Program, 60 Native village governments applied for funding under the provisions of AS 29.89.050. We presume that approximately 20 other communities qualify under this section that did not apply. Under State law the definition of Native village governments limits funding to unincorporated communities recognized under the Alaska Native Claims Settlement Act of 1971 that have some kind of governing body, i.e. I.R.A. council, traditional council, Native village council, etc. This definition, therefore, makes a distinction between unincorporated communities based solely upon Federal recognition as a Native versus non-Native community.

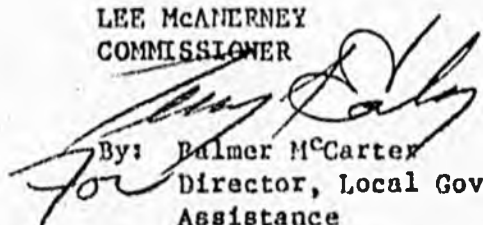
Upon review of the 1980 preliminary census counts, we have determined that there are 29 communities in the unorganized borough with populations of 25 or more that do not meet the definition of a Native village government. It should be noted that Native village governments under state revenue sharing requirements do not have to meet a 25 or more population standard. Attached is a list of "non-Native communities" in the unorganized borough and within boroughs that have a population of 25 or more. As you may know, Native village governments located within organized boroughs are eligible to receive State Revenue Sharing.

CSSB 168 treats unincorporated communities more equitably. Unincorporated communities in the unorganized borough are eligible for the \$1,000 per capita payment while unincorporated places within boroughs are excluded. The borough receives the \$1,000 per capita payment for all of its residents that reside outside of cities. No distinction is made between Native and non-Native communities.

I hope this information proves useful.

Sincerely,

LEE McANERNEY
COMMISSIONER


By: Palmer McCarter
Director, Local Government
Assistance

UNINCORPORATED COMMUNITIES

	1980 Preliminary Census		1980 Preliminary Census
B Big Lake	412	Meyers Chuck	50
Tok	585	B Montana	40
Big Delta	282	B Moose Creek	518
B Bodenburg Butte	982	B Moose Pass	77
B Big Horn	363	B Murphy Dome	72
Campion	59	Nikishka	1114
Central	36	Paxson	30
Chicken	36	B Pennock Island	88
B Clam Gulch	48	Perkinsville	34
B Clover Pass	441	Point Baker	90
Coffman Cove	196	Port Clarence	29
Cold Bay	226	B Prudhoe Bay	50
B Cooper Landing	111	B Salcha	308
B Dead Horse	65	Slana	49
Dunbar	40	B Sterling	913
Elfin Cove	28	Suntrana	56
B Ester	150	B Sutton	182
Evansville	93	B Talkeetna	265
False Pass	65	Thorne Bay	300+
B Fox	110	Two Rivers	358
B Fritz Creek	302	Usibelli Mine	54
Glenallen	488	Whale Pass	90
Gustavus	98		
B Halibut Cove	45		
B Harding Lake	40		
Healy	333		
B Herring Cove	99		
B Hope	101		
Hyder	82		
B Jakalof Bay	36		
B King Salmon	536		
Lower Tonsina	40		
McKinley Park	32		

Non-Native Unincorporated Communities with Populations of 25+

	#	Population
Outside Boroughs	30	3,867
Inside Boroughs	25	6,355
Total	55	10,222

Note: Native villages of less than 25 people are eligible for Revenue Sharing.

*B stands for unincorporated villages within an organized borough.

HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE AMENDMENTS by REP. RANDOLPH

TO HOUSE BILL 367

Page 1, delete lines 6 to 8 and substitute therefore:

"for an Act entitled: 'an Act relating to state aid for municipalities; establishing the Alaska Local States and Use Tax Relief Program; and providing for an effective date.'"

Page 1 and 2 beginning at line 10, delete section 1 and substitute therefore:

Section 1. AS 29.53.415 is amended by adding a new subsection (e) to read:

"(e) In place of collecting the sales or use tax, a borough, or cities under Article 5 of this chapter, may participate in the Alaska Local Sales and Use Tax Relief Program (AS 29.55)."

Page 2, line 13, delete section 2 and substitute therefore:

Section 2. AS 29 is amended by adding a new chapter to read:

"CHAPTER 55. ALASKA LOCAL SALES AND USE TAX RELIEF PROGRAM.

Sec. 29.55.010. ALASKA LOCAL SALES AND USE TAX RELIEF PROGRAM. The Alaska local sales and use tax relief program is established to provide state aid to municipalities in place of money raised by collecting sales and use taxes. An entitlement from the Alaska local sales and use tax relief program may be used by a municipality for all purposes for which the municipality is authorized to use money raised from sales and use taxes.

Sec. 29.55.020. APPLICATION. (a) Each quarter a municipality may apply to the department for an entitlement from the Alaska local sales and use tax relief program. Substantiation of sales and use taxes which would have been collected under AS 29.53.415 - 29.53.460 shall be supplied together with financial statements required by the department for the quarter for which an application is filed.

(b) A municipality which applies under this section shall levy, but may not collect sales or use taxes during the calendar year for which any quarterly entitlement is sought except as provided in (c) of this section.

(c) A municipality may levy and collect sales and use taxes above those in effect on January 1, 1981, in accordance with AS 29.53.415 - 29.53.460, but any such taxes shall be collected from those subject to sales and use taxes and are not eligible for entitlements from the Alaska local sales and use tax relief program.

Sec. 29.55.030. REVIEW. The department shall review each application for an entitlement from the Alaska local sales and use tax relief program. If the commissioner determines that the substantiation of sales and use taxes which would have been collected by the municipalities does not accurately reflect such revenues, he may adjust the assessments and notify the municipality in writing.

Sec. 29.55.040. ENTITLEMENTS. (a) An entitlement from the Alaska local sales and use tax relief program shall equal the total sales and use taxes which would have been collected during that quarter by the municipality at the tax rates in effect on January 1, 1981 had the municipality not participated in the program, and subject to adjustment by the commissioner under AS 29.55.030.

Sec. 29.55.050. ALASKA LOCAL SALES AND USE TAX RELIEF ACCOUNT. The Alaska local sales and use tax relief account is established. Money to carry out the provisions of this chapter shall be allocated by the department to the account from appropriations for the purpose. If the appropriations are not sufficient to pay the entitlements, the amount allocated to the account shall be distributed by the department pro rata among eligible municipalities, and municipalities may choose to withdraw from the program for the remaining quarters of that calendar year.

Sec. 29.92.060. ADMINISTRATION. (a) The department may adopt regulations necessary to implement this chapter. The regulations shall include

(1) procedures and filing dates for submitting applications and financial reports;

(2) procedures for obtaining information required to review applications and financial reports supplied by a municipality.

(b) The department shall make reasonable efforts to advise and assist a municipality in collecting information and completing applications necessary for the determination of an entitlement under this chapter.

(c) Each year the department shall project the amount needed to fully fund the Alaska local sales and use tax relief program and shall request an appropriation of that amount from the legislature.

Sec. 29.92.070. JUDICIAL REVIEW. A decision made by the department under this chapter may be appealed to the superior court within 60 days after the decision is made.

Sec. 29.92.080. DEFINITION. In this chapter "department" means the Department of Community and Regional Affairs.

Page 2, line 17 - delete section 3 and substitute therefore:

Sec. 3. This Act authorizes participation in the Alaska local sales and use tax relief program beginning with the third quarter of calendar year 1981.

MEMORANDUM


State of Alaska

TO: R. D. Stevenson
Special Assistant
Department of Revenue

DATE: March 26, 1981

FILE NO:

TELEPHONE NO:

FROM: Fred Boetsch, Director 
Division of Enforcement

SUBJECT: House Bill No. 367

I decided to follow-up my memo of March 23, regarding this Bill. I see a number of problems with the Bill if it passes in this form.

Section 29.53.500(a)(1) requires that an applicant for sales tax reimbursement has not been claimed as a dependent for federal income tax purposes the previous year. There is no way I know of that this requirement can be verified. It is possible that an individual making a claim for reimbursement of sales taxes might be claimed as a dependent on a federal income tax return by a relative living in Osgosh, Wisconsin. Even if we matched all of these applications against the entire federal file (some 100,000,000 returns), we would not be able to verify this requirement since dependents listed on a tax return are typically listed by first name only with no social security number or other identifying information. As a practical matter, therefore, this requirement cannot be verified and is meaningless.

The second requirement (29.53.500(a)(2)) provides that the applicant and the dependents being claimed for purposes of reimbursement were residents of a particular municipality during at least a portion of the previous year. Neither a definition of residency nor what portion is identified. If a person lived in Juneau proper for a month during 1980 does that mean that he could apply for a sales tax reimbursement for the entire year? If so, since he did not pay sales tax during the entire year, the tables required under 29.53.510(3)(B) would be totally out-of-whack. It is difficult enough to establish residency within the State as we know from our experience with the Permanent Fund Dividend program. A determination of residency for only a portion of a year within a particular municipality compounds the problem exponentially. I also wonder about the individual who may not be a resident of a municipality but may do all of his shopping there and, therefore, pay taxes to that particular municipality. That person would not be eligible for any reimbursement at all under this Bill.

The Bill does not address itself to the case where the total reimbursements based on the table for a particular municipality exceeded the actual collections of sales taxes by that municipality. Apparently that amount is to be used merely as a basis for calculating the table and does not actually place a limit on the total amount of monies distributed under this Bill. The basis for the payment is the number of

dependents which a person has compared to the total population of a particular municipality and related to the sales tax collections made by that municipality the previous year. That requirement in 29.53.510(3) would essentially divvy up sales taxes collected by a municipality on a per capita basis. Ideally, the total number of applicants and their dependents claimed for a particular municipality would equal the total population of the municipality and we would just be dividing up the sales taxes collected on that basis. This particular formula does not take into account the income of the individuals as do the federal sales tax tables generated by the IRS for purposes of the sales tax deduction. Obviously the amount of sales tax paid is a function of disposable income as well as the size of the family. That particular relationship is ignored by this Bill. What the Bill really does is allow a per capita payment to individuals who are residents of a particular municipality which imposes a sales tax as a pro rata share of that sales tax collected. Of course, included in the total sales tax would be sales tax paid by visitors to the community, those not residing in the community but who shop in the community, and others who would not be eligible for the per capita sharing.

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cc: Joseph K. Donohue, Deputy Commissioner
Gary L. Jenkins, Director, Audit Division
Phill Wall, Director, Administrative Services
Vince Wriggins, Supervisor, Research Section

First Year Costs:

Position:

1 PPT R18 for 4mm, systems design, \$2640/mo plus 25%	13.2
1 PPT R17 for 4mm, programming, \$2455/mo plus 25%	12.3
1 PFT R 8 scanner, batching, pre-edit, warrant control @ \$1393/mo plus 25%	20.9
2 PPT R8 scanner for 4mm each: data capture, inquiry and mail @ 41393/mo plus 25%	14.0
2 PFT R8 scanners, data capture @ \$1393/mo plus 25%	<u>41.8</u>

102.2

Other Expenditures:

Contractual--

Postage:

forms distribution	20.0
165,000 payments @ .18	29.7

Forms:

200,000 @ \$50/m	10.0
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Miscellaneous:

Phones, toll calls	2.0
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Equipment rental, data capture:

2 CRT @ \$80/mo X 4	.6
2 CRT @ \$80/mo X 12	1.9
1 controller @ \$705/mo X 12	8.5
1 printer @ \$286/mo X 12	3.4

D.P. Chargeback:

Disk Storage:

50 million bytes at 90% of 12/mo/million X 12 mos	6.5
------------------------------------------------------	-----

Processing Charge:

development	20.0
on-going processing	16.0
data capture and inquiry	<u>5.4</u>

124.0

Commodities-

1.5

1.5

Total First Year Costs

227.7

Second Year Costs

Positions:

1 PPT R18 for 2mm, systems design	7.1
1 PPT R17 for 2mm, programming	6.6
1 PFT R8 scanner	22.6
2 PPT R8 scanner for 9 mos each	<u>33.8</u>

70.1

Other Expenditures:

Contractual-

Postage:

forms distribution	32.7
181,500 payments @ .18	32.7

Forms:

237,000 @ \$68	16.0
----------------	------

Miscellaneous:

2.2

Equipment Rental, data capture:

2 CRT @ 80/mo X 9	1.4
1 controller @ 705/mo X 9	6.3
1 printer @ 286/mo X 9	2.6

D.P. Chargeback:

Disk Storage:

110 million bytes @ 90% of 12/mo/million X 12 mos	15.4
------------------------------------------------------	------

Processing Charge:

Ongoing processing	19.0
Data Capture	<u>3.0</u>

131.3

Commodities-

1.7

1.7

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH 5
JUNEAU, ALASKA 99811

March 31, 1981

The Honorable Ben Grussendorf
Chairman
House Community and Regional
Affairs Committee
Room 118 - Capitol Building
Juneau, Alaska

Dear Mr. Grussendorf:

Re: House Bill No. 367

House Bill No. 367, an Act providing for reimbursement for sales and use taxes paid to a municipality, was introduced in the House on March 19, 1981 and was referred to the House Community and Regional Affairs and Finance Committees.

For the consideration of the House Community and Regional Affairs Committee, I am enclosing copies of Fiscal Notes prepared by Mr. Gary L. Jenkins, Director, Audit Division; Mr. Phil Wall, Director, Administrative Services Division; Mr. Bill Yankee, Research Section and a copy of a memorandum from Mr. Fred Boetsch, Director, Enforcement Division of the Department of Revenue concerning the proposed legislation.

Sincerely,



R. D. Stevenson
Special Assistant

RDS/rdh

cc: The Honorable Samuel R. Cotten
Chairman
House Finance Committee

Joseph K. Donohue
Deputy Commissioner
Department of Revenue

Gary L. Jenkins, Director
Audit Division
Department of Revenue

Phil Wall, Director
Administrative Services Division
Department of Revenue

Bill Yankee
Research Section
Department of Revenue

Fred Boetsch, Director
Enforcement Division
Department of Revenue

1. Page 1, Line 11 - eliminate "The entitlement shall be used for capital projects at the discretion of the municipality." and substitute therefore:

"The entitlement may be used for capital projects or for tax reduction as determined under (c) of this section."

2. Page 1, Line 18 - eliminate subsection (c) and substitute therefore:

"(c) The cost of individual capital projects identified in (d)(2) of this section shall be approved by at least 50% of the qualified voters of each municipality voting on the issue at a general or special election held for that purpose. Funds not approved by voters for particular capital projects shall be used to reduce or eliminate existing taxes, fees, licenses or charges of the municipality in the following order:

- (a) Real property taxes;
- (b) Personal property taxes;
- (c) Sales and use taxes;
- (d) Licenses;
- (e) Fees;
- (f) Charges for services provided by the municipality.

Any part of the entitlement not used by a municipality for capital projects or reduction of taxes, fees, licenses or charges shall be returned to the Municipal Aid Account. A municipality may provide a grant of money received under this section to a nonprofit corporation for any capital project of the nonprofit corporation which serves as a public purpose.

3. Page 1, Line 26 - eliminate "spend" and substitute therefore: "use".



Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

March 31, 1981

Rep. Ben Grussendorf
Chairman
465-3870

Pouch V
State Capitol
Juneau, Alaska 99811

The following table shows the amount of reimbursement due each citizen in these areas under HB 367:

Location	Sales Tax Revenue	Population	Total (Times Dependents)
Sitka	2,119,403	8787	241.19
Fairbanks NSB	11,506,884	53,799	213.88
Juneau	3,296,452	19,483	169.19
Kenai	1,928,039	25,072	76.90
Nenana	71,000	471	150.74
Ketchikan	3,068,911	11,347	270.46
Nome	563,673	2273	247.98

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH 5
JUNEAU, ALASKA 99811

March 31, 1981

The Honorable Ben Grussendorf
Chairman
House Community and Regional
Affairs Committee
Room 118 - Capitol Building
Juneau, Alaska

Dear Mr. Grussendorf:

Re: House Bill No. 367

House Bill No. 367, an Act providing for reimbursement for sales and use taxes paid to a municipality, was introduced in the House on March 19, 1981 and was referred to the House Community and Regional Affairs and Finance Committees.

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Sincerely,



R. D. Stevenson
Special Assistant

RDS/rdh

cc: The Honorable Samuel R. Cotten
Chairman
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Joseph K. Donohue
Deputy Commissioner
Department of Revenue

Gary L. Jenkins, Director
Audit Division
Department of Revenue

Phil Wall, Director
Administrative Services Division
Department of Revenue

Bill Yankee
Research Section
Department of Revenue

Fred Boetsch, Director
Enforcement Division
Department of Revenue

First Year Costs:

Position:

1 PPT R18 for 4mm, systems design, \$2640/mo plus 25%	13.2
1 PPT R17 for 4mm, programming, \$2455/mo plus 25%	12.3
1 PFT R 8 scanner, batching, pre-edit, warrant control @ \$1393/mo plus 25%	20.9
2 PPT R8 scanner for 4mm each: data capture, inquiry and mail @ 41393/mo plus 25%	14.0
2 PFT R8 scanners, data capture @ \$1393/mo plus 25%	<u>41.8</u>

102.2

Other Expenditures:

Contractual-

Postage:

forms distribution	20.0
165,000 payments @ .18	29.7

Forms:

200,000 @ \$50/m	10.0
------------------	------

Miscellaneous:

Phones, toll calls	2.0
--------------------	-----

Equipment rental, data capture:

2 CRT @ \$80/mo X 4	.6
2 CRT @ \$80/mo X 12	1.9
1 controller @ \$705/mo X 12	8.5
1 printer @ \$286/mo X 12	3.4

D.P. Chargeback:

Disk Storage:

50 million bytes at 90% of 12/mo/million X 12 mos	6.5
------------------------------------------------------	-----

Processing Charge:

development	20.0
on-going processing	16.0
data capture and inquiry	<u>5.4</u>

124.0

Commodities-

1.5

1.5

Total First Year Costs

227.7



Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Rep. Ben Grussendorf
Chairman
465-3870

Pouch V
State Capitol
Juneau, Alaska 99811

Summary - HB 367, by Vaska, Grussendorf etc.

"An Act providing for reimbursement for sales and use taxes paid to a municipality; and providing for an effective date."

Provides for reimbursement for sales and use taxes paid to a municipality. States that during each year a state resident is eligible to receive reimbursement for sales and use taxes he and his dependents paid to a home rule or general law municipality during the previous year if he has not been claimed as a dependent for federal income tax purposes the previous year; he and each dependent which he claims for purposes of reimbursement were residents of the municipality during at least a portion of the previous year; and he files an application with the Dept. of Revenue.

A resident may not apply during a single year for reimbursement paid to more than one municipality.

The Dept. of Revenue shall calculate the amount of money needed for reimbursements and request annually from the legislature an appropriation for that purpose. Provides for adoption of regulations establishing procedures for applying for reimbursement which include a graduated scale used for determining the amount of a reimbursement based on the number of dependents which an applicant has and the amount of sales and use taxes collected by the municipality in which the applicant resided during the previous year divided by the total population of the municipality.

This act is retroactive to Jan. 1, 1981 with an immediate effective date.

MAR 27 1981

This bill provides for the reimbursement of sales and use taxes paid to a municipality by residents of that municipality. The reimbursements are to be made from funds appropriated by the legislature. This bill compliments HB 4 which reimburses owners of real property for the amount of property tax paid to municipalities. Both bills are to reimburse for taxes paid beginning in 1981.

The State has different systems for collecting taxes based upon the form of the municipal incorporation. Home rule and first class cities and boroughs are given powers for a general property tax as well as sales and use taxes. Second class cities have the power to levy and collect limited property taxes plus sales and use taxes. At the present time, 24 boroughs and municipalities collect general property taxes of which 19 of these also collect sales taxes. For approximately 60 second class cities, their source of operating funds are sales taxes levied upon sales, rents and services and use taxes levied upon the storage, use or consumption of tangible personal property. Not all of the cities with the power to levy sales and use taxes do so and the rate is limited to 6%.

While the ability to levy taxes changes from municipality to municipality, the use to which these taxes are made are for the most part similar: the operation of municipal government. This bill recognizes this concept and recognizes that the form taxation takes is not significant to the taxpayer. The payment of a tax, of whatever kind, is the crucial point. The form that reimbursement takes, as sales and use taxes are collected continuously rather than through a direct billing, requires that the reimbursements be made on a per capita basis. This is the only fair method available which would not create such administrative problems as to

make the program burdensome upon the Department of Revenue. Persons seeking a reimbursement of their share of the taxes collected would have to apply for them under regulations promulgated by the Department of Revenue.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 367 (C.R.A.)
 Title "...state aid for municipal sales and use tax relief..."
 Requested by _____ Date April 13, 1981

II. FISCAL DETAIL

Agency Affected Community and Regional Affairs
 Program Category Affected General Population
 BRU, Program, or Subprogram(s) Affected Tax Relief

(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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		56.8	62.5	68.7	75.6	83.2
200 TRAVEL		15.0	16.2	17.5	18.9	20.4
300 CONTRACTUAL		3.2	3.5	3.9	4.3	4.7
400 COMMODITIES						
500 EQUIPMENT		.8	.9	1.0	1.1	1.2
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		42,164.5	46,381.0	51,019.1	56,121.0	61,733.0
TOTAL		42,240.3	46,464.1	51,110.2	56,220.9	61,842.5

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND		42,240.3	46,464.1	51,110.2	56,220.9	61,842.5
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME						
PART TIME						
TEMPORARY						

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

The Bill provides for optional relief from sales and use taxes in a total estimated amount of \$42,164,500 for the first full year. Local fiscal impact, if any, would be minimal.

(Attachment)

IV. DATE April 14, 1981 PREPARED BY Michael W. Worley, Assistant State Assessor
 AGENCY Community & Regional Affairs
 Original: Legislative Finance PHONE 465-4787
 cc: Budget and Management

Michael W. Worley

CSHB 367
Summation of Fiscal Note

Personal Services - 1 at range 16(including fringe benefits)	\$ 31,300
1 at range 10(including fringe benefits)	\$ 25,500*
Travel - 25 trips at \$600 per trip	15,000
Contractual	3,200
Equipment	800
Grants, Claims, Etc.	<u>42,164,500</u>
Total	\$42,240,300

*Necessary support staff member for Admin. Services

CSHB367 (ATTACHMENT TO FISCAL NOTE)

municipality	CURRENT TAX SERIES
Anchorage	-00-
BRISTOL BAY	2146445
FAIRBANKS NSB	5483308
FAIRBANKS CITY	5732333
NORTH Pole City	297243
- Composite -	11506884
HAINES BOROUGH	119171
HAINES CITY	276272
COMPOSITE	295443
JUNEAU	3296441
KENAI PENN	3187688
HOMER	341506
KENTIA	1279831
SELDOOTA	33603
SEWARD	00
SOLDOTNA	608774
Composite	5451402
KETCHIKAN GATEWAY	1326441
Ketchikan City	1742470
Composite	3068911

	CURRENT YEAR SALES
1 KODIAK ISLAND	00
2 KODIAK CITY	2460509
1 COMPOSITE	2460509
1 MAT-S4 BOROUGH	00
2 Palmer	407806
1 Houston	0
1 Wasilla	0
2 COMPOSITE	407806
1 NORTH SLOPE	2115627
BARROW	149170
1 ANAKTYUK PASS	00
KAKTOVIK	00
POINT HOPE	1548
WAINWRIGHT	31183
COMPOSITE	2297528
Sitka	2119403
TOTALS (BOROUGH)	33150772

MUNICIPALITY	CURRENT TAX SALES	
Home Rule Cities		
Cordova	268,286	1
Valdez	0	9
Wrangell	653,125	1
FIRST CLASS Cities		
CRAIG	107,093	
DILLINGHAM	422,544	
GALENA	60,248	
Hoonah	74,238	
Hydaburg	0	
Kake	57,424	
King Cove	89,116	
Klawock	12,072	
Niinaana	710.00	
Nome	563,672	1
Pelican	71,133	
Petersburg	925,820	1
Saint Mary's	0	
Sand Point	63,144	
Skaqway	252,859	
Unalaska	117,657	1
Yakutat	533,64	
Totals	5,463,695	18
BOROUGHS	53,150,772	
SECOND CLASS CITIES (EST.)	3,550,000	
STATE TOTAL	42,164,457	

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB # 367
 Title An Act providing for reimbursement for sales and use taxes paid to a municipality
 Requested by House Community and Regional Affairs Committee Date 3/25/81

II. FISCAL DETAIL

Agency Affected _____
 Program Category Affected _____
 BRU, Program, or Subprogram(s) Affected _____
 (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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						

TOTAL

FUNDING (Millions of Dollars)

GENERAL FUND		(47.8)	53.9	60.8	68.5	77.2
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Because of the potential for more applications for reimbursement, including dependents, than there is population for the municipalities involved, no estimate is made regarding the number of applicants. Further, it is assumed that the FY appropriations for the proposed legislation will be equal to the amount of sales tax collections in the prior calendar year even though the reimbursement applied for may be greater.

It is assumed that none of the reimbursements would take place prior to July 1, of the following year.

The appropriation for FY 1982 to refund 1981 sales tax collections is estimated to be \$47.8 million. This value was determined by inflating, to 1981, the 1979 sales tax collections of \$37.6 million estimated by the State Assessors office. The method of inflating these taxes used 10% per year as the price inflator and 2 1/2% per year as the inflator for population. Because it is impossible to forecast future sales tax rate changes, it was assumed that the rates remained as in 1979.

IV. DATE 3/30/81 PREPARED BY Bill Youker
 AGENCY Revenue Research
 PHONE 465-2173
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

MEMORANDUM


State of Alaska

TO: R. D. Stevenson
Special Assistant
Department of Revenue

DATE: March 26, 1981

FILE NO:

TELEPHONE NO:

FROM: Fred Boetsch, Director 
Division of Enforcement

SUBJECT: House Bill No. 367

I decided to follow-up my memo of March 23, regarding this Bill. I see a number of problems with the Bill if it passes in this form.

Section 29.53.500(a)(1) requires that an applicant for sales tax reimbursement has not been claimed as a dependent for federal income tax purposes the previous year. There is no way I know of that this requirement can be verified. It is possible that an individual making a claim for reimbursement of sales taxes might be claimed as a dependent on a federal income tax return by a relative living in Osgosh, Wisconsin. Even if we matched all of these applications against the entire federal file (some 100,000,000 returns), we would not be able to verify this requirement since dependents listed on a tax return are typically listed by first name only with no social security number or other identifying information. As a practical matter, therefore, this requirement cannot be verified and is meaningless.

The second requirement (29.53.500(a)(2)) provides that the applicant and the dependents being claimed for purposes of reimbursement were residents of a particular municipality during at least a portion of the previous year. Neither a definition of residency nor what portion is identified. If a person lived in Juneau proper for a month during 1980 does that mean that he could apply for a sales tax reimbursement for the entire year? If so, since he did not pay sales tax during the entire year, the tables required under 29.53.510(3)(B) would be totally out-of-whack. It is difficult enough to establish residency within the State as we know from our experience with the Permanent Fund Dividend program. A determination of residency for only a portion of a year within a particular municipality compounds the problem exponentially. I also wonder about the individual who may not be a resident of a municipality but may do all of his shopping there and, therefore, pay taxes to that particular municipality. That person would not be eligible for any reimbursement at all under this Bill.

The Bill does not address itself to the case where the total reimbursements based on the table for a particular municipality exceeded the actual collections of sales taxes by that municipality. Apparently that amount is to be used merely as a basis for calculating the table and does not actually place a limit on the total amount of monies distributed under this Bill. The basis for the payment is the number of

dependents which a person has compared to the total population of a particular municipality and related to the sales tax collections made by that municipality the previous year. That requirement in 29.53.510(3) would essentially divvy up sales taxes collected by a municipality on a per capita basis. Ideally, the total number of applicants and their dependents claimed for a particular municipality would equal the total population of the municipality and we would just be dividing up the sales taxes collected on that basis. This particular formula does not take into account the income of the individuals as do the federal sales tax tables generated by the IRS for purposes of the sales tax deduction. Obviously the amount of sales tax paid is a function of disposable income as well as the size of the family. That particular relationship is ignored by this Bill. What the Bill really does is allow a per capita payment to individuals who are residents of a particular municipality which imposes a sales tax as a pro rata share of that sales tax collected. Of course, included in the total sales tax would be sales tax paid by visitors to the community, those not residing in the community but who shop in the community, and others who would not be eligible for the per capita sharing.

I suspect that, since the amount to be shared per capita is based on the sales tax collected by the particular municipality, the Bill would be an incentive for all municipalities in the state to enact a sales tax at a very high rate. Under this Bill, no one in the Anchorage area would get any payment at all at the present time. Since the actual result of this Bill is to divvy up the sales taxes collected in a municipality among the residents on a per capita basis rather than on the basis of how much, in fact, each resident paid in sales taxes, and since there are bound to be differences in the amounts paid depending on the municipality in which one may live, it would be much simpler to make a per capita distribution to residents of the state at a fixed amount.

If, indeed, the desire is to closely approximate the amount of sales taxes an individual pays during the year, then any table should take into consideration an income level as well as the number of dependents of the applicant (question - under the Bill would a spouse be considered a dependent?). For the sake of equity and ease of administration it would then be highly desirable to establish a consistent state-wide sales tax rate so that people would not be penalized for moving from one community to another or living in one community even though they may shop in another. Residents would get a reasonable approximation of their actual sales taxes paid during the year as a reimbursement, the municipalities would gain an extra source of income, and only non-residents and visitors would leave money on the table.

cc: Joseph K. Donohue, Deputy Commissioner
Gary L. Jenkins, Director, Audit Division
Phill Wall, Director, Administrative Services
Vince Wright, Supervisor, Research Section

COMMITTEE REPORT

HOUSE

4/7/81

FURTHER: FINANCE

(7)

Date: 4/7/81

Mr. Speaker: (HESS referral waived 4/7/81)

The Committee on COMMUNITY & REGIONAL AFFAIRS has had HR 111

"An Act making a special appropriation to the Department of Revenue for the retirement of general obligation school bonds and related expenses; and providing for an effective date."

under consideration and reports it back as follows:

- 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:

CHAIRMAN

A M E N D M E N T

OFFERED IN THE HOUSE:

By: House CRA

To: _____ HOUSE BILL No. HB 311

SENATE BILL No. _____

PAGE: _____

LINE: _____

Offered the following amendments to be incorporated into a Committee Substitute:

Line 11, Page 1; Change \$260,411,000 to read "\$287,271,000"

(\$19,720,000)

Line 28, Page 1; Change the allocation for the Mat-Su Borough to reflect the increase above and read "\$40,580,000"

Change the funding information at the top of the bill to reflect increase.

Funding Information
 General Fund \$266,411,000
 Other Funds 0-
 \$266,411,000

Introduced: 3/10/81
 Referred: Health, Education &
 Social Services and Finance

IN THE HOUSE

BY THE RULES COMMITTEE BY
 REQUEST OF THE GOVERNOR

HOUSE BILL NO. 311

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act making a special appropriation to the Department of Revenue for the retirement of general obligation school bonds and related expenses; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. The sum of ^{297271.000} \$266,411,000 is appropriated from the general fund to the Department of Revenue to be allocated among the following municipalities in accordance with the following estimates and upon the determination of the commissioner of revenue of the precise amount needed by each municipality, if satisfactory arrangements have been made to use the money to provide advance funding to retire in due course the municipalities' outstanding general obligation bonds for schools:

Municipality	Allocations
Municipality of Anchorage	\$67,800,000
Bristol Bay Borough	4,000,000
City of Cordova	560,000
Fairbanks North Star Borough	23,900,000
Haines Borough	530,000
City and Borough of Juneau	3,220,000
Kenai Peninsula Borough	28,000,000
Ketchikan Gateway Borough	3,010,000
Kodiak Island Borough	14,530,000
Matanuska-Susitna Borough	14,720,000 40,540,000
City of Nenana	146,000

1	North Slope Borough	69,055,000
2	City of Petersburg	2,420,000
3	City and Borough of Sitka	2,930,000
4	City of Skagway	90,000
5	City of Valdez	25,000,000
6	City of Wrangell	1,500,000

*Sett
up
excess
account*

* Sec. 2. The sum of \$345,000 is appropriated from the general fund to the Department of Revenue for fees and expenses related to the advance funding to retire in due course the municipalities' outstanding general obligation bonds for schools.

* Sec. 3. The unexpended part of the appropriation made in sec. 1 of this Act lapses into the general fund only on the retirement in each municipality of the general obligation bonds for schools for which money was allocated to the municipality in sec. 1 of this Act.

* Sec. 4. The unexpended and unobligated part of the appropriation made in sec. 2 of this Act lapses into the general fund June 30, 1981.

* Sec. 5. This Act takes effect July 1, 1981.

Problems

1. When municipalities use cash payments - replace Ref etc.
2. New Banking

*Would save
\$ 57,244,000*



Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Rep. Ben Grussendorf
Chairman
465-3870

*Band Trust
Bank with sinking
fund -*
*Bonds cost. only 5%
while sinking fund
investments
can earn
12% + 1/2%*
*Pouch V
State Capitol
Juneau, Alaska 99811*
check out
*May AAAs
can only pay
invest more
than 1/2%
above the
Bond 6 1/2%*

*Principal
Smaller
because
the investment
earnings all*

Summary - HB 416 & HB 311

HB 416 - "An Act authorizing advance funding to retire in due course outstanding municipal general obligation bonds for schools; and providing for an effective date."

This is an authorization bill to direct the Commissioner of Revenue to provide advance funding to retire in due course the outstanding general obligation bonds issued by municipalities for schools.

HB 311 - "An Act making a special appropriation to the Department of Revenue for the retirement of general obligation school bonds and related expenses; and providing for an effective date."

This is a special appropriation bill totalling \$266,411,000. The funds will go to the Dept. of Revenue to be allocated among certain municipalities if satisfactory arrangements have been made to use the money to provide advance funding to retire the municipalities' outstanding general obligation bonds for schools.

Also appropriates \$345,000 to the Dept. of Revenue for fees and expenses related to the advance funding to retire in due course the municipalities' outstanding school bonds. Appropriation lapses June 30, 1982. Appropriations to municipalities lapse only on the retirement in each municipality of the school bonds for which the money was allocated.

July 1, 1981, effective date.

There are two identical bills in Senate CRA - SB 353 & SB 354. The Senate CRA and House CRA Committees will meet in joint session on Thursday, April 9 at 3 p.m. in the Behrends Bldg Conference Rm. The Dept. of Revenue will give a detailed explanation concerning these bills, to include breakdowns for each municipality.

*Year 2001 true
last bond would be paid
off.*

I. REQUEST
 Bill/Resolution No. HOUSE BILL NO. 416
 Title Authorizing advance funding to retire in due course outstanding municipal GO bonds for schools
 Requested by _____ Date _____

II. FISCAL DETAIL
 Agency Affected Department of Revenue
 Program Category Affected Revenue Collection and Management
 BRU, Program, or Subprogram(s) Affected Treasury Management
 (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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

This bill is in the form for authorizing legislation that gives the Commissioner of Revenue powers to provide for advance funding (defeasance) of municipal GO bonds related to school construction.

The appropriation to accomplish such advance funding is contained in a companion bill HB 311. The total fiscal impact contained in that bill \$266,411,000.

Anselm C. Staack

IV. DATE March 26, 1981 PREPARED BY Anselm C. Staack, Treasury Comptroller
 AGENCY Dept. of Revenue / Treasury Division
 PHONE 465-2351
 Original: Legislative Finance
 Budget and Management

March 25, 1981

HB 416

The Honorable Jim Duncan
Speaker of the House
Alaska State Legislature
Pouch V Juneau, AK 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill to accompany HB 311. That bill appropriates money for advance funding to retire in due course outstanding municipal general obligation bonds for schools.

Under existing law, the commissioner's general powers do not include the power to provide for advance funding to retire municipal bonds. An appropriation bill does not create substantive law, and therefore, this bill must be enacted to give the commissioner the power to perform the function for which the appropriation in HB 311 is being made.

Sincerely,

S/SSH

Jay S. Hammond
Governor

IV. DATE March 26, 1981

PREPARED BY Anselm C. Staack, Treasury Comptroller
AGENCY Dept. of Revenue / Treasury Division
PHONE 465-2351

Original: Legislative Finance

HB 311

March 10, 1981

The Honorable Jim Duncan
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill which would make a special appropriation to the Department of Revenue to provide for the retirement of the general obligation bonds issued by Alaska's local governments for public schools. Financial experts refer to the process as "defeasing" the bonds.

Providing money to handle the retirement of school bonds would significantly reduce the local governments' expenses and thereby their taxes, and would also improve their financial standing to borrow money for other capital improvements which they might determine to be necessary. It would eliminate a cash-flow problem for the local governments which arises from their having to pay debt service each year and to wait for reimbursement of 80 percent from the state.

The commissioner of revenue would work with each municipality to set up an account, which is in the nature of an escrow, into which the allocation for that municipality would be deposited. The exact amount for each would be the amount required to retire a given municipality's school bonds in due course as of the date of the deposit. The retirement of the bonds would not be accelerated. Rather, the appropriated money would be invested to earn more money, and the principal and interest would be used to retire the debts in due course over the life of the several bond issues. Because the interest earned would be used to help retire the bonds, the amount required to be appropriated is estimated to be less than would be appropriated over the life of the several issues to reimburse municipal debt service under existing law.

It is anticipated that arrangements would be completed and the money turned over to the several municipalities before July 1, 1981, and therefore, no problem with the money's lapsing should arise. Nevertheless, to avoid any question on that subject, the bill includes a specific provision that the appropriation would not lapse until the bonds are retired. The bill also would include a separate appropriation to the Department of Revenue for fees and expenses it would have to incur in setting up the program.

Sincerely,

Jay S. Hammond
Governor

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

CSHB 311 (C&RA)

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS FOR HOUSE BILL NO. 311 (C&RA)

Title Making an appropriation for advance funding to retire in due course outstanding
Reported BY municipal general obligation bonds for schools. Date 4-14-81

Requested by House Finance Committee

II. FISCAL DETAIL

Agency Affected Department of Revenue

Program Category Affected Revenue Collection and Management

BRU, Program, or Subprogram(s) Affected Treasury Management

(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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

→ MILLIONS ←
FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
(1) Defeasance Savings		(57.3)				
(2) Debt Service Cost Reduction		(44.6)	(50.6)	(51.4)	(45.9)	(30.7)

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME						
PART TIME						
TEMPORARY						

HB 416 gives the Commissioner of Revenue powers to provide for advance funding (defeasance) of outstanding school debt. CSHB 311 (C&RA) appropriates 287.3 million to accomplish this (debt outstanding as of 6/1/81) and \$354,000 for related fees.

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

Monies to be appropriated in the current FY 82 budget for the current 80% debt service coverage program would have to remain as they are related to debt service already paid and not covered in this bill.

- The savings in principal due to investments allowed in escrow set aside.
- This is the annual debt service related to the outstanding (6/1/81) in bonds that would be due in the years indicated. The cash flow of the escrow set aside makes these payments as they become due.

THE APPROPRIATION AMOUNT IS BASED ON INTEREST RATES IN EFFECT DURING THE FIRST WEEK OF APRIL 1981. THE ACTUAL AMOUNT FOR DEFEASANCE IS BASED UPON RATES IN EFFECT AT THE TIME THE TRANSACTION CLOSES. ACCORDINGLY, FOR EACH 10% DROP IN INTEREST RATES THE AMOUNT NECESSARY FOR FULL DEFEASANCE GOES UP APPROX. 6.7%.

Anselm C. Stauck

IV. DATE April 21, 1981 PREPARED BY Anselm C. Stauck, Treasury Comptroller
AGENCY Dept. of Revenue/Treasury Division
PHONE 465-2351
Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

SB 353, 354

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SENATE BILL NO. 353 & 354

Title Authorizing advance funding and making an appropriation for advance funding to

Repeal and retire in due course outstanding municipal Date 3/31/81

general obligation bonds for schools.

Requested by Senate Community & Regional Affairs and Finance Committees

II. FISCAL DETAIL

Agency Affected Department of Revenue

Program Category Affected Revenue Collection and Management

BRU, Program, or Subprogram(s) Affected Treasury Management

(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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

→ MILLIONS ←
FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
(1) Defeasance Savings		(73.6)				
(2) Debt Service Cost Reduction		(44.6)	(50.6)	(51.4)	(45.8)	(30.7)

\$57,261,000

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

SB 353 gives the Commissioner of Revenue powers to provide for advance funding (defeasance) of outstanding school debt. SB 354 appropriates \$266.4 million to accomplish this (debt outstanding as of 6/1/81) and \$354,000 for related fees.

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

Monies to be appropriated in the current FY 82 budget for the current 80% debt service coverage program would have to remain as they are related to debt service already paid and not covered in this bill.

- (1) The savings in principal due to investments allowed in escrow set aside.
- (2) This is the annual debt service related to the outstanding (6/1/81) in bonds that would be due in the years indicated. The cash flow of the escrow set aside makes these payments as they become due.

THE APPROPRIATION AMOUNT IS BASED ON INTEREST RATES IN EFFECT DURING THE SECOND WEEK OF MARCH 1981. THE ACTUAL AMOUNT FOR DEFEASANCE IS BASED UPON RATES IN EFFECT AT THE TIME THE TRANSACTION CLOSSES. ACCORDINGLY, FOR EACH 10% DROP IN INTEREST RATES THE AMOUNT NECESSARY FOR FULL DEFEASANCE GOES UP APPROX. 6.7%.

Anselm C. Staack

IV. DATE April 6, 1981

PREPARED BY Anselm C. Staack, Treasury Comptroller

AGENCY Dept. of Revenue/Treasury Division

PHONE 465-2351

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)