

COMMITTEE REPORT

HOUSE

3/12/81

FURTHER:

(11)

Date. April 11 1981

Mr. Speaker:

The Committee on FINANCE has had HB 4

"An Act providing for reimbursement of taxes paid to a municipality for real property owned and occupied as a permanent place of abode; 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 HB 4 (FIN) same title
 new title
- and recommends individual recommendations
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]
[Signature]
[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature] No Rec
[Signature] No Rec
[Signature] No Rec
[Signature] No Rec
[Signature] No Rec

[Signature]

CHAIRMAN

Original sponsors: Miller, Duncan,
Brown, et al

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 4 (Finance)

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 municipal taxes and state aid for
7 municipal tax reduction; and providing for an effective
8 date."

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

10 * Section 1. AS 29 is amended by adding a new chapter to read:

11 CHAPTER 92. STATE AID FOR MUNICIPAL TAX REDUCTION.

12 Sec. 29.92.010. STATE AID FOR MUNICIPAL TAX REDUCTION. (a)

13 During each fiscal year the Department of Community and Regional Affairs
14 shall compute an entitlement for each qualified municipality to be used
15 to reduce taxes levied by the municipality.

16 (b) The annual entitlement computed for each municipality is
17 determined by the application of the formula

18 Entitlement = 8.76 x per capita value x P

19 where:

20 per capita value = the full value of taxable real and personal
21 property within all the school districts in the state determined
22 in accordance with AS 14.17.140, excluding the assessed value of
23 oil and gas exploration, production and pipeline transportation
24 property subject to taxation under AS 43.56, divided by the popula-
25 tion of the state;

26 and

27 P = the total population of the municipality during the year for
28 which the entitlement is being computed.

29 Sec. 29.92.020. QUALIFICATIONS. (a) A municipality which does

1 not levy property or sales and use taxes qualifies for an entitlement
2 under this chapter. Subject to (b) of this section, to qualify for an
3 entitlement a municipality which levies taxes must collect no more from
4 the levy of taxes, excluding taxes levied on oil and gas production and
5 pipeline property under AS 29.53.045, than the amount of money collected
6 in 1980 from the levy of taxes on all sources, excluding taxes levied
7 under AS 29.53.045, reduced by the amount of the entitlement.

8 (b) Subject to other provisions of AS 29.53, a municipality may
9 increase the amount of money collected from the levy of taxes each year
10 and still be eligible for an entitlement if

11 (1) the amount of money collected per capita from the levy
12 of taxes, excluding taxes levied under AS 29.53.045, is not more than
13 two percent plus the annual percent of increase in the consumer price
14 index greater than the amount of money collected per capita from the
15 levy of taxes, excluding taxes levied under AS 29.53.045, during the
16 previous year;

17 (2) the amount of money collected from the levy of taxes is
18 greater than the amount permitted under (1) of this subsection and the
19 increase in the rate of levy is approved by the voters who are subject
20 to the increase;

21 (3) a new tax is levied which has been approved by the
22 voters who are subject to the new tax.

23 Sec. 29.92.030. DETERMINATION OF POPULATION. For purposes of
24 this chapter, the population of a municipality shall be determined from
25 the latest figures of the United States Bureau of the Census or other
26 population data which in the judgment of the department is reliable.
27 For purposes of determining the population of a home rule or general
28 law borough, the population of each city located within the boundaries
of the borough shall be subtracted from the population of the borough.

1 the municipality, by posting a copy of the notice in three public
2 places not later than 45 days after the final adoption of the munici-
3 pality's budget.

4 Sec. 29.92.060. DEFINITIONS. In this chapter

5 (1) "consumer price index" means the most recent consumer
6 price index for Anchorage published by the United States Department of
7 Labor, Bureau of Labor Statistics;

8 (2) "department" means the Department of Community and
9 Regional Affairs;

10 (3) "municipality" means a home rule or general law city or
11 borough, or a unified municipality incorporated under the laws of the
12 state.

13 * Sec. 2. This Act takes effect July 1, 1981.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 4 (Finance)

Title An Act relating to Municipal tax reduction

Requested by House Finance

Date April 13, 1981

II. FISCAL DETAIL

Agency Affected Community & Regional Affairs

Program Category Affected Development

BRU, Program, or Subprogram(s) Affected State Assessor

(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		25.5	28.1	30.9	34.0	37.4
200 TRAVEL		3.9	4.3	4.7	5.2	5.7
300 CONTRACTUAL		3.8	4.2	4.6	5.1	5.6
400 COMMODITIES		1.0	1.1	1.2	1.3	1.4
500 EQUIPMENT		.8	.2	.2	.2	.2
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		106,168.2	116823.5	128,505.9	138056.5	164,287.2
TOTAL		106,203.2	116861.4	128,547.5	138102.3	164,337.5

FUNDING (Thousands of Dollars)

GENERAL FUND		106,203.2	116861.4	128,547.4	138102.3	164,337.5
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		1	1	1	1	1
PART TIME						
TEMPORARY						

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

Assumptions:

An application process will be established.

Local government assistance staff will travel to four meetings per year to explain the program and answer question (Alaska Municipal League Convention, Municipal Finance Officer Meeting, etc.)

Administration costs will increase 10% per year.

The average per capita value will increase approximately 19% per year (based on a three year average).

IV. DATE April 13, 1981

PREPARED BY Terry L. Earley

AGENCY Community & Regional Affairs

PHONE 465-4730

Original: Legislative Finance

Personal Services

1. Accountin Clerk III	
Range 10 step A salary	\$18,768
Benefits	6,504
Total	25,504

Travel

7 trips @ \$550 (including per deim)	\$3,850
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Contractual

Office Space (150 square ft. @ 1.50/month)	\$2,700
Telephone	500
Printing	500
Postage	100

Commodities

1,000

Equipment

Desk, chair & calculator	800
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Grants and Claims

Boroughs (includes cities within)	91,059,022
Home Rule & First Class Cities (outside Boroughs)	6,037,446
Second Class Cities	9,071,761

Total (for breakdown see attached tax analysis)	106,168,229
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TAX ANALYSIS - BASED ON CENSUS POPULATION

FSP	Municipality	1		2		3		4		5		6		7		8		9	
		CURRENT TAX PROPERTY	CURRENT TAX SALES	TOTAL LOCAL TAX	GRUSSENDORF PLAN	BALANCE DUE	CURRENT AVERAGE MILL RATE	CURRENT SALES TAX RATE	NEW MILL	NEW SALES TAX	PER/CAPITA REVENUE								
13992	Anchorage	12,683,791	-00-	2,683,791	1,845,329	2,230,499	12.06	0	4.35	-0-	417.74								
1093	BRISTOL BAY	3,461,776	2,146,445	2,492,621	3,015,933	2,191,028	9.4	3	5.52	2.6	2301.59								
50542	FAIRBANKS NSB	3,703,543	5,483,308	9,186,851	8,505,336	10,681,515	10.78	2	5.96	1.1	356.64								
22538	FAIRBANKS CITY	4,491,546	5,732,333	10,223,879	6,276,382	3,947,497	8.1	3	5.00	1.8	453.63								
719	NORTH Pole City	1,988,222	2,912,433	4,900,655	2,002,277	2,898,338	3.8	3	2.25	1.8	681.59								
53799	- Composite -	13,393,911	15,068,894	29,900,795	14,981,945	4,918,850					555.78								
689	HAINES BOROUG	50,335	11,911,711	1,695,066	1,918,722	2,236,677	5.5	1	0	0	200.60								
906	HAINES C.T.	130,400	2,762,722	4,666,722	2,773,666	1,293,066	6.3	3	2.0	9.5	408.31								
1535	COMPOSITE	180,735	3,954,433	5,761,788	4,692,388	1,069,440					341.95								
17423	JUNEAU	6,559,905	3,296,441	9,856,346	5,425,626	4,430,720	12.20	3/1	4.85	9.6	505.90								
2100	KENAI PEN	6,331,518	3,187,688	9,519,206	3,870,872	5,648,334	2.50	2	2.46	1.17	379.67								
2211	HOMER	880,196	3,415,066	1,221,702	6,157,199	6,059,833	7.70	1	3.83	5.0	552.56								
2326	KENAI	1,601,392	1,279,831	2,881,223	1,204,704	1,676,519	13.09	3	7.59	1.73	666.02								
473	SELDOVIA	756,866	33,603	1,092,899	1,317,211	2,243,322	15.00	1	0.00	0.00	231.05								
492	SEWARD	542,214	00	542,214	512,960	292,544	12.50	0	.5	0.00	294.36								
520	SOLDOTNA	723,162	6,087,744	1,336,936	6,460,744	6,908,622	8.4	2	3.7	1	576.27								
572	Composite	10,159,168	5,451,402	5,610,570	6,482,051	8,628,519					622.63								
4079	KETCHIKAN GATEWAY	1,387,044	1,326,441	2,713,485	1,141,490	1,571,995	3.8	1.5	2.19	.87	239.14								
7242	Ketchikan C.	1,813,735	1,742,470	3,556,205	2,018,423	1,537,782	10.0	2.5	4.31	1.08	490.65								
11347	COMPOSITE	3,200,779	3,068,911	6,269,690	3,159,913	3,109,777					552.54								

TAX ANALYSIS - BASED ON CENSUS POPULATION

		1	2	3	4	5	6	7	8	9	10
		CURRENT TAX PROPERTY	CURRENT TAX SALES	TOTAL LOCAL TAX	GRYSSEN DOOF PLAN	BALANCE DUE	CURRENT AVERAGE MILL RATE	CURRENT SALES TAX RATE	NEW MILL RATE	NEW SALES TAX RATE	SUCCESS PER/CAP REVE
5171	KODIAK ISLAND	1905949	00	1905949	1440020	465929	1130	00	258	00	19219
4746	KODIAK CITY	724600	2460509	3185109	1321666	1863443	320	50	188	292	671.11
4717	COMPOSITE	2630549	2460509	5091058	2761686	2329372					51337
254	MAT - 54 BOROUGHS	6161857	00	6161857	3858062	2303795	82	0	276	0	343.51
143	Palmer	253807	407806	666613	596783	69830	147	2	337	21	311.07
343	Houston	0	0	0	109443	<109443>	0	0	0	0	0
248	Wasilla	0	0	0	431087	<431087>	0	0	0	0	0
2938	COMPOSITE	6420364	407806	6828170	4995375	1832795					380.65
1195	NORTH SLOPE	52444955	2115627	54560582	332783	4227799	10.2	3	89	1	1315.52
410	BORROW	0	149170	149170	690871	<5417017>	0	3	0	0	62.11
15	ANALYUAK PAS.	0	00	00	54304	<543047>	0	0	0	0	0
25	KAKTOVIK	0	00	00	45949	<459497>	0	0	0	0	0
161	POINT HOPE	0	1548	1548	128379	<1268317>	0	2	0	0	336
174	WAINWRIGHT	0	31183	31183	112506	<813247>	0	3	0	0	77.19
170	COMPOSITE	52444955	2297528	54742483	1364792	5337769.0					13159.38
179	Sitka	959728	2119403	3079131	2163511	915620	350	4	92	119	396.34
TOTALS (BOROUGHs)		3980061 113980091	3150772	27130833	91059072	116071814					

Prepared By	Initials	Date
Approved By		

TAX ANALYSIS - BASED ON CENSUS POPULATION

3	4	5	6	7	8	9	10	
MUNICIPALITY	CURRENT TAX SALES	TOTAL Local TAX	GRUSSENDORF PLAN	BALANCE DUE	CURRENT AVG Mill Rate	CURRENT SALES TAX RATE	NEW Mill Sales Tax Rate	CURRENT PER/Assessable Revenue
Home Rule Cities								
1454 Cordova	525999	868286	1374285	545542	328743	150	4	848 24 701.52
3173 Valdez	9674456	0	9674456	883617	8790839	60	0	50 0 3048.99
3174 Wrangell	552720	653125	1205845	605416	600429	114	5	45 248 554.67
FIRST CLASS								
522 CRAIG	68016	107983	175999	145367	30632	12	3	14 5 337.16
1535 DILLINGHAM	320095	422544	742639	427467	315172	10	3	28 128 483.80
766 GALENA	0	60248	60248	213315	<1530677	0	3	0 0 78.65
577 Hoonah	0	74238	74238	188531	<1142937	0	3	0 0 109.66
303 Hydaburg	0	0	0	84379	<843797	0	0	0 0 0
547 Kake	0	57424	57424	52329	<949057	0	3	0 0 104.93
162 King Cove	55356	89116	144472	128658	15814	12	1	12 11 312.71
321 Klawock	0	12072	12072	89392	<773207	0	2	0 0 37.60
471 Kasaan	55000	71000	126000	131164	<51647	10	3	0 0 276.51
2273 Nome	587127	563672	1150799	632985	517814	15	3	41 135 506.29
130 Pelican	34953	71133	106086	50126	55960	75	3	33 158 589.37
2500 Petersburg	725390	925820	1651210	779744	871466	124	5	62 269 539.72
379 Saint Mary's	0	0	0	105544	<1055447	0	0	0 0 0
319 Sand Point	0	63144	63144	172379	<1092357	0	3	0 0 102.01
767 Shugway	324571	252859	577430	214151	363279	81	3	45 19 750.88
1301 Unalakleet	452680	1117657	1570337	362302	1208035	140	1	63 8 1207.02
149 Yakutat	137679	53364	191043	125038	66005	137	2	52 7 425.48
Totals	13494042	5463685	8957727	6037446	2920281			

TAX ANALYSIS

(Based on Census population)

Second Class cities

<u>CITY</u>	<u>POP</u>	<u>GRUSSENDORF PLAN</u>	<u>LOCAL CURRENT</u>	<u>DIFFERENCE</u>
AKHIOK	105	29,240	0	<29,240>
AKIACHAK	438	121,974	\$15,817	<106,157>
AKIAK	198	55,139	16,698	<38,441>
AKOLMUIT	641	178,506	32,334	<146,172>
AKUTAN	169	47,063	29,074	<17,989>
ALAKANUK	522	145,367	77,120	<68,247>
ALEKNAGIK	154	42,886	5,072	<37,814>
ALLAKAKET	163	45,392	0	<45,392>
AMBLER	192	53,468	9,960	<43,508>
ANDERSON	517	143,974	29,292	<123,682>
ANGDON	465	129,493	17,625	<111,868>
ANIAK	341	94,962	18,171	<76,791>
ANUIK	114	31,746	0	<31,746>
ATMAUTLUAK	219	60,987	1,200	<59,787>
BETHEL	3576	995,844	959,645	<36,199>
BEVIG Mission	138	38,430	4,532	<33,898>
BUCKLAND	177	49,290	19,509	<29,781>
CHEFOINAK	230	64,050	23,918	<40,131>
CHEVAK	466	129,772	53,510	<76,262>
CHUATHBALUK	105	29,240	0	<29,240>
CLARK'S POINT	79	22,000	15,305	<6,695>
DEERING	150	41,772	5,293	<36,479>
DELTA JUNCTION	945	263,164	0	<263,164>
DIOMEDE	139	38,709	0	<38,709>
EAGLE CITY	110	30,633	0	<30,633>
EEL	228	63,493	9,555	<53,938>
EKLONK	77	21,442	3,882	<17,560>
ELIM	211	58,759	9,198	<49,561>
ENIMONAK	567	157,893	135,727	<22,171>
FORT Yukon	619	172,379	109,354	<63,025>
Fortuna ledge	262	72,962	7,290	<65,672>

TAX ANALYSIS

(CONT)

<u>City</u>	<u>POP</u>	<u>GRUSSENDORF PLAN</u>	<u>LOCAL CURRENT</u>	<u>DIFFERENCE</u>
GAMBELL	445	123924	21240	<1026847
GOLOVIN	87	24228	2700	<215287
GOODNEWS BAY	168	46785	0	<467857
GRAYLING	209	58202	0	<582027
Holy Cross	241	67114	7728	<593857
HOOPER BAY	627	174607	35980	<1386277
HUGHES	73	20329	4000	<163297
HUSLIA	188	52354	10223	<421317
KACHNIAK	403	112227	11726	<1005017
KALTAG	247	68785	0	<687857
KASAAKI	25	6962	0	<69627
KIANA	345	96076	11581	<844957
KIVALINA	460	128101	7464	<1206377
KOBYK	62	17266	3252	<140147
KOTLIK	293	81595	24975	<566207
KOTZEBUE	2054	571,998	694913	122915
KOYUK	188	52354	3674	<486807
KOYUKYK	98	27,291	0	<272917
KUPREANOF	47	13,089	1208	<118817
KWETHLUK	454	126430	26239	<1001917
LARSEN BAY	168	46785	0	<467857
LOWEE KALSKAG	246	68506	0	<685067
MANOKOTAK	294	81873	8488	<733857
MCGRATH	355	98,860	10831	<880297
MEKOLYUK	160	44557	37772	<67857
QUINTAIL VILLAGE	583	162354	0	<1623547
NAPAKIAK	262	72962	33092	<398707
NAPASKIAK	244	67949	0	<679497
NEWHALEN	27	24228	2250	<219787
NEW STUYANOK	331	92177	5016	<871617
NEWTON	131	36481	6300	<301817
NIGHTMUTE	119	33139	3140	<299997
NIKOLAI	91	25342	0	<253427
	2785	2,724,930	27783	2151137

TAX ANALYSIS

CONT

City	POP	GRUSSENDORF PLAN	LOCAL CURRENT	DIFFERENCE
VONDALTON	173	48177	0	<48177>
VOORUIK	492	137012	33431	<103581>
WALATO	350	97468	14642	<82844>
WUIQSUIT	208	57923	0	<57923>
OLD HARBOR	340	94683	4676	<90007>
DUZINKIE	173	48177	0	<48177>
Pilot Station	325	90506	28548	<61958>
PLATINUM	55	15316	0	<15316>
Point Hope	464	129,215	25013	<104202>
PORT ALEXANDER	86	23949	5951	<17998>
PORT HEIDEN	92	25620	5166	<20454>
PORT LIONS	215	59873	42361	<17512>
Quinhagak	412	114734	24647	<90087>
RUBY	197	54861	6857	<48004>
RUSSIAN MISSION	169	47063	4635	<42328>
SAINT MICHAEL	239	66557	16129	<50428>
SAINT PAUL	551	153,442	140508	<12934>
SAUDONIA	491	136,734	21967	<114767>
SAXMAN	273	76,025	19765	<56260>
SAMMON BAY	250	69,620	19143	<50477>
SELAWIK	361	100,531	0	<100531>
SHAGELUK	131	36481	0	<36481>
SHAKTOOLIK	164	45670	3000	<42670>
SHELDON POINT	103	28683	0	<28683>
SISHIMARIEF	394	109721	12683	<97038>
SHUNGNAK	202	56253	14010	<42243>
TEBBINS	331	92177	9160	<83017>
TANANA	338	94126	12682	<75438>
TELLER	212	59038	7107	12067
TENALIEK BAY	132	38430	4047	<34383>
TOSIAK	470	130886	5357	<125529>
TOKSOOK BAY	333	92734	29481	<63253>
TULYKSAK	236	65721	9492	<56229>
	5962	2427406	590,420	<170,942>

TAX ANALYSIS

(CONT)

<u>CITY</u>	<u>POP</u>	<u>GEUSSENDOFF PLAN</u>	<u>LOCAL CURRENT</u>	<u>DIFFERENCE</u>
TUNUNAK	298	82987	17498	< 65489 >
UNALAKLEET	623	173493	77025	< 96468 >
UPPER KALSRAE	129	35924	0	< 35924 >
WALEB	133	37038	1680	< 35358 >
WHITE MOUNTAIN	125	34810	17777	< 17033 >
WHITTIER	198	55139	325680	270541
Page 4	1506	419391	439660	20269
Page 3	8968	2,497,406	590,464	< 1,906,942 >
Page 2	9785	2,724,930	973,793	< 1,751,137 >
Page 1	12317	3,430,034	1,599,182	< 1,830,852 >
<u>TOTAL (2nd Class)</u>	<u>32576</u>	<u>9,071,761</u>	<u>3,603,099</u>	<u>< 5468662 ></u>
<u>TOTAL (Hrd 1st)</u>	<u>—</u>	<u>6,037,446</u>	<u>18,957,727</u>	<u>12,920,281</u>
<u>BOBROUGHS</u>		<u>91,059,022</u>	<u>20,130,723</u>	<u>116,071,211</u>
<u>AND TOTALS</u>		<u>15,168,229</u>	<u>229,691,659</u>	<u>123,523,430</u>



Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Rep. Ben Grussendorf
Chairman
465-3870

Sectional Analysis
CSHB 4 (Fin) Work draft copy

"An Act relating to municipal taxes and state aid for municipal tax reduction; and providing for an effective date."

Section 1:

Sec. 29.92.010. STATE AID FOR MUNICIPAL TAX REDUCTION

Amends Title 29 and directs the Department of Community & Regional Affairs to administer the funds to the municipalities and compute the entitlements due to the municipalities.

Explains the formula used in calculating the entitlements:

Entitlement = Average Millage Rate for 1980 (8.76) X Per Capita Value (full value of taxable real and personal property throughout the State divided by the population of the State; 1980 per capita value is \$31,790) X P (population of the municipality)

This would result in a 1980 Entitlement of 8.76 X \$31,790 or \$278.48 X population.

Sec. 29.92.020. QUALIFICATIONS

A municipality which does not levy property or sales and use taxes may qualify for an entitlement. Unorganized boroughs will not qualify; incorporated communities will qualify.

A municipality must collect no more from the levy of taxes than the amount collected in 1980 and reduce that amount by the amount of the entitlement.

A municipality may increase the amount of money collected from the levy of taxes and still be eligible for an entitlement if:

1. the amount collected is not more than 5% plus the annual percent of increase in the consumer price index based on the previous year's collections from the levy of taxes;
2. if the amount levied is greater than the percentage limit, the rate of levy must be approved by the voters who are subject to the increase;
3. if a new tax is levied which has been approved by the voters subject to the increase

Sec. 29.92.030. DETERMINATION OF POPULATION

The population of a municipality will be calculated by using the latest figures of the U. S. Bureau of Census or other population data which the Department of Community & Regional Affairs determines is reliable.

The population of each city located within the boundaries of a borough shall be subtracted from the population of the borough.

Sec. 29.92.040. MUNICIPAL TAX REDUCTION ACCOUNT

Money to carry out the provisions of this chapter shall be appropriated to the account and distributed by the Department of Community & Regional Affairs. If the amount appropriated is not sufficient to finance all entitlements, the funds shall be distributed pro rata.

Sec. 29.92.050. NOTICE TO TAXPAYERS

The governing body shall provide notification of property taxes that have been paid by the state:

_____ total amount of taxes due before entitlements minus
_____ amount of the reduction (paid by the State) equals
_____ amount of taxes remaining after State aid

The governing body shall provide notification of sales and use taxes that have been paid by the State. The notification shall be published in a newspaper of general circulation or posted in three public places.

Sec. 29.92.060. DEFINITIONS

Consumer Price Index (CPI) for Anchorage based on U. S. Department of Labor; Bureau of Statistics

Department refers to the Department of Community & Regional Affairs to administer the program.

Municipality is defined again for purposes of the formula in determining qualifications for entitlements

Section 2

AS 29.53.025(a) is amended:

Removes limit for exemptions of residential property in municipalities if ratified by the voters.

Section 3:

July 1, 1981 - Effective date

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M

April 7, 1981

SUBJECT: CSHB 4 (Finance) State aid for municipal
tax reduction

TO: Representative Sam Cotten
Chairman, House Finance Committee

FROM: Tamara Brandt Cook
Legislative Counsel *TBC*

Here is a draft of the committee substitute you requested dealing with state aid for municipal tax reduction. Section 2 of this draft violates the single subject rule contained in Article II, sec. 13

"Every bill shall be confined to one subject unless it is an appropriation bill or one codifying, revising, or rearranging existing laws."

While this committee substitute deals with a program of state aid for municipalities, section 2, relating to municipal property taxes, has nothing to do with the program of state aid.

TBC:jdn

Corrected

Original sponsors: Miller, Duncan,
Brown, et al

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 4 (Finance)

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 municipal taxes and state aid for
7 municipal tax reduction; and providing for an effective
8 date."

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

10 * Section 1. AS 29 is amended by adding a new chapter to read:

11 CHAPTER 92. STATE AID FOR MUNICIPAL TAX REDUCTION.

12 Sec. 29.92.010. STATE AID FOR MUNICIPAL TAX REDUCTION. (a)

13 During each fiscal year the Department of Community and Regional Affairs
14 shall compute an entitlement for each qualified municipality to be used
15 to reduce taxes levied by the municipality.

16 (b) The annual entitlement computed for each municipality is
17 determined by the application of the formula

18 Entitlement = 8.76 x per capita value x P

19 where:

20 per capita value = the full value of taxable real and personal
21 property within all the school districts in the state determined
22 in accordance with AS 14.17.140, excluding the assessed value of
23 oil and gas exploration, production and pipeline transportation
24 property subject to taxation under AS 43.56, divided by the popula-
25 tion of the state;

26 and

27 P = the total population of the municipality during the year for
28 which the entitlement is being computed.

29 Sec. 29.92.020. QUALIFICATIONS. (a) A municipality which does

1 not levy property or sales and use taxes qualifies for an entitlement
2 under this chapter. Subject to (b) of this section, to qualify for an
3 entitlement a municipality which levies taxes must collect no more from
4 the levy of taxes, excluding taxes levied on oil and gas production and
5 pipeline property under AS 29.53.045, than the amount of money collected
6 in 1980 from the levy of taxes on all sources, excluding taxes levied
7 under AS 29.53.045, reduced by the amount of the entitlement.

8 (b) Subject to other provisions of AS 29.53, a municipality may
9 increase the amount of money collected from the levy of taxes each year
10 and still be eligible for an entitlement if ^{per capita}

11 (1) the amount of money collected ^{per capita} from the levy of taxes,
12 excluding taxes levied under AS 29.53.045, is not more than ^{two} ~~five~~ percent
13 plus the annual percent of increase in the consumer price index greater
14 than the amount of money collected ^{per capita} from the levy of taxes, excluding
15 taxes levied under AS 29.53.045, during the previous year;

16 (2) the amount of money collected from the levy of taxes is
17 greater than the amount permitted under (1) of this subsection and the
18 increase in the rate of levy is approved by the voters who are subject
19 to the increase;

20 (3) a new tax is levied which has been approved by the
21 voters who are subject to the new tax.

22 Sec. 29.92.030. DETERMINATION OF POPULATION. For purposes of
23 this chapter, the population of a municipality shall be determined from
24 the latest figures of the United States Bureau of the Census or other
25 population data which in the judgment of the department is reliable.
26 For purposes of determining the population of a home rule or general
27 law borough, the population of each city located within the boundaries
28 of the borough shall be subtracted from the population of the borough.

29 Sec. 29.92.040. MUNICIPAL TAX REDUCTION ACCOUNT. The municipal

1 tax reduction account is established in the department. Money to carry
2 out the provisions of this chapter shall be appropriated to the account
3 and distributed by the department as authorized under AS 29.92.010. If
4 the amount appropriated to the account is not sufficient to finance all
5 entitlements, the amount appropriated shall be distributed pro rata
6 among qualified municipalities.

7 Sec. 29.92.050. NOTICE TO TAXPAYER. (a) If a municipality
8 levies real or personal property taxes, the governing body shall provide
9 the following information with the ~~assessment notice~~ ^{Tax Statement}:

10 (1) the total amount of taxes payable before the amount is
11 reduced as a result of the receipt by the municipality of an entitlement
12 under this chapter;

13 (2) the amount of a reduction in taxes payable as a result
14 of the receipt of an entitlement; and

15 (3) the amount of taxes payable by the taxpayer.

16 (b) A municipality which levies a sales and use tax shall provide
17 the following notice:

18 "NOTICE TO TAXPAYER

19 For the current fiscal year, the (city) (borough) estimates expend-
20 itures to provide municipal services total \$ _____.

21 The State of Alaska has provided \$ _____ as state aid for
22 municipal tax reduction (AS 29.92)."

23 Notice shall be provided by

24 (1) publishing in a newspaper of general circulation a copy
25 of the notice once each week for a period of three successive weeks,
26 with publication to occur not later than 45 days after the final adop-
27 tion of the municipality's budget; or

28 (2) if there is no newspaper of general circulation within
29 the municipality, by posting a copy of the notice in three public

1 places not later than 45 days after the final adoption of the munici-
2 pality's budget.

3 Sec. 29.92.060. DEFINITIONS. In this chapter

4 (1) "consumer price index" means the most recent consumer
5 price index for Anchorage published by the United States Department of
6 Labor, Bureau of Labor Statistics;

7 (2) "department" means the Department of Community and
8 Regional Affairs;

9 (3) "municipality" means a home rule or general law city or
10 borough, or a unified municipality incorporated under the laws of the
11 state.

12 * ~~Sec. 2. AS 29.53.025(a) is amended to read:~~

13 (a) ~~Municipalities~~ may exclude or exempt or partially exempt
14 residential ~~property~~ from taxation by ordinance ratified by the voters
15 at a regular or special election. [AN EXCLUSION OR EXEMPTION AUTHORIZED
16 BY THIS SECTION MAY NOT EXCEED \$10,000 FOR ANY ONE RESIDENCE.]

17 * Sec. ~~3~~. This Act takes effect July 1, 1981.

18 2

Sec. 29.92. OSS. RESIDENTIAL PROPERTY
EXEMPTION.

Notwithstanding AS 29.53.025(a), a municipality ~~which~~ ^{qualifies for} ~~participate~~ in state aid for municipal tax reduction (AS 29.92) may exclude or exempt or partially exempt residential property from taxation by ordinance.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 4 (Finance)

Title An Act relating to Municipal tax reduction

Requested by House Finance

Date April 13, 1981

II. FISCAL DETAIL

Agency Affected Community & Regional Affairs

Program Category Affected Development

BRU, Program, or Subprogram(s) Affected State Assessor

(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		25.5	28.1	30.9	34.0	37.4
200 TRAVEL		3.9	4.3	4.7	5.2	5.7
300 CONTRACTUAL		3.8	4.2	4.6	5.1	5.6
400 COMMODITIES		1.0	1.1	1.2	1.3	1.4
500 EQUIPMENT		.8	.2	.2	.2	.2
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		106,168.2	116823.5	128,505.9	138056.5	164,287.2
TOTAL		106,203.2	116861.4	128,547.5	138102.3	164,337.5

FUNDING (Thousands of Dollars)

GENERAL FUND		106,203.2	116861.4	128,547.4	138102.3	164,337.5
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		1	1	1	1	1
PART TIME						
TEMPORARY						

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

Assumptions:

An application process will be established.

Local government assistance staff will travel to four meetings per year to explain the program and answer question (Alaska Municipal League Convention, Municipal Finance Officer Meeting, etc.)

Administration costs will increase 10% per year.

The average per capita value will increase approximately 19% per year (based on a three year average).

IV. DATE April 13, 1981

PREPARED BY Terry L. Farley

AGENCY Community & Regional Affairs

Original: Legislative Finance

PHONE 465-4730

Personal Services

1. Accountin Clerk III	
Range 10 step A salary	\$18,768
Benefits	6,504
Total	25,504

Travel

7 trips @ \$550 (including per deim)	\$3,850
--------------------------------------	---------

Contractual

Office Space (150 square ft. @ 1.50/month)	\$2,700
Telephone	500
Printing	500
Postage	100

Commodities

1,000

Equipment

Desk, chair & calculator	800
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Grants and Claims

Boroughs (includes cities within)	91,059,022
Home Rule & First Class Cities (outside Boroughs)	6,037,445
Second Class Cities	<u>9,071,761</u>

Total (for breakdown see attached tax analysis)	106,168,229
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TAX ANALYSIS - BASED ON CENSUS POPULATION

SP	Municipality	2		3		4		5		6		7		8		9		10
		CURRENT TAX PROPERTY	CURRENT TAX SALES	TOTAL LOCAL TAX	GRUSSENDORF PLAN	BALANCE DUE	CURRENT AVERAGE MILL RATE	CURRENT SALES TAX RATE	NEW MILL	NEW SALES TAX	PER/CAPITA '20-20							
13992	Anchorage	72683791	-00-	72683791	48453292	4230499	1206	0	435	-0-	417.74							
1093	BRISTOL BAY	346176	2146445	2492621	301593	2191028	94	3	552	2.6	2301.59							
30542	FAIRBANKS NSB	3703543	5483308	9186851	8505336	10681515	1078	2	596	1.1	356.64							
22538	FAIRBANKS CITY	4491546	5732333	10223879	6276382	3947497	8.1	3	500	1.8	453.63							
719	NORTH Pole City	198822	291243	490065	200227	289838	3.8	3	225	1.8	681.59							
13799	- Composite -	8393911	11506884	29900795	14781945	4918850					555.78							
139	HAINES BORDUG	50335	119171	169506	191872	< 22366 >	55	1	0	0	200.60							
901	HAINES C.T.	130400	276272	406672	277366	129306	6.3	3	20	95	408.31							
1385	COMPOSITE	180735	395443	576178	469238	106940					341.95							
17423	JUNEAU	6559905	3296441	9856346	5425626	4430720	1220	3/1	485	96	505.90							
3700	KENAI PEN	6331518	3187688	9519206	3870872	5648334	250	2	246	1.17	379.67							
211	HOMER	880196	341506	1221702	615719	605983	7.70	1	383	50	552.56							
326	KENIA	1601392	1279831	2881223	1204704	1676519	1309	3	759	1.73	666.02							
473	SELDOVIA	75686	33603	109289	131721	< 22432 >	1500	1	00	00	231.05							
1012	SEWARD	542214	00	542214	512960	29254	1250	0	.5	00	294.36							
2320	SOLDOTNA	723162	608774	1336936	646074	690862	8.4	2	3.7	1	576.27							
2572	Composite	0159168	5451402	5610570	6982051	8628519					622.63							
1077	KETCHIKAN GATEW	1387044	1326441	2713485	1141490	1571995	38	1.5	219	.87	239.19							
7142	Ketchikan C.	1813735	1742470	3556205	2018423	1537782	100	2.5	431	1.08	490.65							
11347	COMPOSITE	3200779	3068911	6269690	3159913	3109777					552.54							

TAX ANALYSIS - BASED ON CENSUS POPULATION

	1	2	3	4	5	6	7	8	9	10	
	CURRENT TAX PROPERTY	CURRENT TAX SALES	TOTAL LOCAL TAX	GRUSSEN DOEF PLAN	BALANCE DUE	CURRENT AVERAGE MILL RATE	CURRENT SALES TAX RATE	NEW MILL RATE	NEW SALES TAX RATE	CURRENT PER/CAP REVENUE	
5171	KODIAK ISLAND	19059.49	00	19059.49	1440020	465929	1.130	00	258	00	19219
1776	KODIAK CITY	724600	2460509	3185109	1321666	1863443	3.20	50	188	292	671.11
1717	COMPOSITE	2630549	2460509	5091058	2761686	2329372					513.37
254	MAT-S4 BOROUGH	6161857	00	6161857	3858062	2303795	.82	0	276	0	343.51
143	Palmer	253807	407806	666613	596783	69830	1.47	2	3.37	21	311.07
393	Houston	0	0	0	109443	1094437	0	0	0	0	0
148	Wasilla	0	0	0	431087	4310877	0	0	0	0	0
358	COMPOSITE	6420364	407806	6828170	4995375	1832795					380.65
195	NORTH SLOPE	2444955	2115627	4560582	332783	4227799	10.2	3	89	1	1315.52
100	BORROW	0	149170	149170	690871	5417017	0	3	0	0	62.11
75	ANAKTOUK PAS.	0	00	00	54304	543047	0	0	0	0	0
65	KAKTOVIK	0	00	00	45949	459497	0	0	0	0	0
161	POINT HAZE	0	1548	1548	128379	1268317	0	2	0	0	3.36
104	WADSWORTH	0	31183	31183	112506	813247	0	3	0	0	77.19
100	COMPOSITE	2444955	2297528	4742483	1364792	5377694					1315.938
100	SITKA	959728	2119403	3079131	2163511	915620	3.50	4	92	119	396.34
	TOTALS (BOROUGHS)	3980064 173780061	3150772	207130833	97059022	16071814					

Initials _____ Date _____
 Prepared By _____
 Approved By _____

TAX ANALYSIS - BASED ON CENSUS POPULATION

SP	MUNICIPALITY	CURRENT TAX PROPERTY	CURRENT TAX SALES	TOTAL Local TAX	GRUSSENDORF PLAN	BALANCE DUE	CURRENT AUG Mill Rate	CURRENT SALES TAX RATE	New Mill	New Sales Tax Rate	CURRENT PER Capita Revenue
1454	Cordova	555999	868286	1374285	545542	828743	15.0	4	8.48	2.4	701.52
3173	Valdez	9674456	0	9674456	883617	8790839	6.0	0	5.0	0	3048.99
2174	Wrangell	552720	653125	1205845	605416	600429	11.4	5	4.5	2.48	554.67
FIRST CLASS											
522	CRAIG	68016	107983	175999	145367	30632	12	3	1.4	5	337.16
1535	DILLINGHAM	320095	422544	742639	427467	315172	10	3	28	1.28	483.80
766	GALENA	0	60248	60248	213315	<153067>	0	3	0	0	78.65
577	Hoonah	0	74238	74238	188531	<114293>	0	3	0	0	109.66
303	Hydaburg	0	0	0	84379	<84379>	0	0	0	0	0
547	Kake	0	57424	57424	152329	<949057>	0	3	0	0	104.93
462	King Cove	55356	89116	144472	128658	15814	12	1	12	11	312.71
321	Klawock	0	12072	12072	89392	<773207>	0	2	0	0	37.60
571	Kenai	55000	71000	126000	131164	<51647>	10	3	0	0	276.51
273	Nome	587127	563672	1150799	632985	517814	15	3	41	1.35	506.29
30	Pelican	34953	71133	106086	50126	55960	7.5	3	3.3	1.58	589.37
300	Petersburg	725390	925820	1651210	779744	871466	12.4	5	6.2	2.69	589.72
379	Saint Michaels	0	0	0	105544	<105544>	0	0	0	0	0
319	Sand Point	0	63144	63144	172379	<109235>	0	3	0	0	102.01
709	Skagway	324571	252859	577430	214151	363279	8.1	3	4.5	1.9	750.88
1301	Unalaska	452680	1117657	1570337	362302	1208035	14.0	1	6.3	8	1207.02
447	Yakutat	137679	53364	191043	125038	66005	13.7	2	5.2	7	425.48
Totals		3494042	5463685	8957727	6037446	2920281					

TAX ANALYSIS
(Based on Census population)

Second Class cities

<u>CITY</u>	<u>POP</u>	<u>GRUSSENDORF PLAN</u>	<u>LOCAL CURRENT</u>	<u>DIFFERENCE</u>
AKHIOK	105	29,240	0	<29,240>
AKIACHAK	438	121,974	15,817	<106,157>
AKIAK	198	55,139	16,698	<38,441>
AKOLMUIT	641	178,506	32,334	<146,172>
AKUTAN	169	47,063	29,074	<17,989>
ALAKANUK	522	145,367	77,120	<68,247>
ALEKNAGIK	154	42,886	5,072	<37,814>
ALLAKAKET	163	45,392	0	<45,392>
AMBLEE	192	53,468	9,960	<43,508>
ANDERSON	517	143,974	29,292	<123,682>
ANGDON	465	129,493	17,625	<111,868>
ANIAK	341	94,962	18,171	<76,791>
ANUIK	114	31,746	0	<31,746>
ATMAUTLUK	219	60,987	1200	<59,787>
BETHEL	3576	995,844	959,645	<36,199>
BEVIG MISSION	138	38,430	4,532	<33,898>
BUCKLAND	177	49,290	19,509	<29,781>
CHEFOINAK	230	64,050	23,918	<40,131>
CHEVAK	466	129,772	53,510	<76,262>
CHUATHBALUK	105	29,240	0	<29,240>
CLARK'S POINT	79	22,000	15,305	<6,695>
DEERING	150	41,772	5,293	<36,479>
DELTA JUNCTION	945	263,164	0	<263,164>
DIOMEDE	139	38,709	0	<38,709>
EAGLE CITY	110	30,633	0	<30,633>
EEK	228	63,493	9,555	<53,938>
ERLICK	77	21,442	3,872	<17,570>
ELIM	211	58,759	8,098	<50,661>
EMMONS RAK	567	157,898	135,727	<22,171>
FORT Yukon	619	172,379	109,354	<63,025>
Fort Yukon ledge	262	72,962	7,290	<65,672>

TAX ANALYSIS

(Cont) ²

<u>City</u>	<u>POP</u>	<u>G. RUSSENDORF PLAN</u>	<u>LOCAL CURRENT</u>	<u>DIFFERENCE</u>
GAMBELL	445	123924	21240	<1026847
GOLOVIN	87	24228	2700	<215287
GOODNEWS BAY	168	46785	0	<467857
GRAYLING	209	58202	0	<582027
Holy Cross	241	67114	7728	<593857
HOOPER BAY	627	174607	35980	<1386277
HUGHES	73	20329	4000	<163297
HUSLIA	188	52354	10223	<421317
KACHMAK	403	112227	11726	<1005017
KALTAG	247	68785	0	<687857
KASAAKI	25	6962	0	<69627
KIANA	345	96076	11581	<844957
KIVALINA	460	128101	7464	<1206377
KOBYK	62	17266	3252	<140147
KOTLIK	293	81595	24975	<566207
KOTZEBUE	2054	571,998	694913	122915
KOYUK	188	52354	3674	<486807
KOYUKYK	98	27,291	0	<272917
KUPREANOF	47	13,089	1208	<118817
KWETHLUK	454	126430	26239	<1001917
LARSEN BAY	168	46785	0	<467857
LOWEE KALSKAG	246	68506	0	<685067
MANOKOTAK	294	81873	8488	<733857
MCGRATH	355	98,860	10831	<880297
MEKOLYUK	160	44557	37772	<67857
QUINTAIL VILLAGE	583	162354	0	<1623547
NAPAKIAK	262	72962	33092	<398707
NAPAKIAK	244	67949	0	<679497
NEWHALEN	27	24228	2250	<219787
NEW STUYANOV	331	92177	5016	<871617
NEWTOK	131	36481	6300	<301817
NIGHTMUTE	119	33139	3140	<299997
NIKOLAI	91	25342	0	<253427
	9785	2,724,930	27773	<1,511,137

TAX ANALYSIS

Cont

City	POP	GRUSSENDORF PLAN	LOCAL CURRENT	DIFFERENCE
VON DALTON	173	48177	0	<48177 >
VOORUIK	492	137012	33431	<103581 >
NYLATO	350	97468	14642	<82844 >
NUIQSUIT	208	57923	0	<57923 >
OLD HARBOR	340	94683	4676	<90007 >
DUZINKIE	173	48177	0	<48177 >
Pilot Station	325	90506	28548	<61958 >
PLATINUM	55	15316	0	<15316 >
Point Hope	464	129,215	25013	<104202 >
PORT ALEXANDER	86	23949	5951	<17998 >
PORT HEIDEN	92	25620	5166	<20454 >
PORT LIONS	215	59873	42361	<17512 >
Quinhagak	412	114734	24647	<90087 >
RUBY	197	54861	6857	<48004 >
RUSSIAN MISSION	169	47063	4635	<42328 >
SAINT MICHAEL	239	66557	16129	<50428 >
SAINT PAUL	551	153,442	140508	<12934 >
SAUDONGA	491	136,734	21967	<114767 >
SAXMAN	273	76,025	19765	<56260 >
SAMMON BAY	250	69,620	19143	<50477 >
SELAWIK	361	100,531	0	<100531 >
SHAGELUK	131	36481	0	<36481 >
SHAKTOOLIK	164	45670	3000	<42670 >
SHELDON POINT	103	28683	0	<28683 >
SHISHMARNEF	394	109721	12683	<97038 >
SHUNGNAK	202	56253	14010	<42243 >
TEBBINS	331	92177	9160	<83017 >
TANANA	338	94126	18682	<75438 >
TELLER	212	59038	7107	12069
TENARUK STATION	138	38430	4047	<34383 >
TOSIAK	470	130886	5357	<125529 >
TOKSOOK BAY	333	92734	29481	<63253 >
TULYKSAK	236	65721	9492	<56229 >
	5962	2497102	570,460	<1926942 >

TAX ANALYSIS

(CONT.)

<u>CITY</u>	<u>POP</u>	<u>GRUSSENDORF PLAN</u>	<u>LOCAL CURRENT</u>	<u>DIFFERENCE</u>
TYNUNAK	298	82987	17498	< 65489 >
UNALAKLEET	623	173493	77025	< 96468 >
UPPER KALSAG	129	35924	0	< 35924 >
WALES	133	37038	1680	< 35358 >
WHITE MOUNTAIN	125	34810	17777	< 17033 >
WHITTIER	198	55139	325680	270541
Page 4	1506	419391	439660	20269
Page 3	8968	2,497,406	590,464	< 1,906,942 >
Page 2	9785	2,724,930	973,793	< 1,751,137 >
Page 1	12317	3,430,034	1,599,182	< 1,830,852 >
<u>TOTAL (2nd class)</u>	<u>32512</u>	<u>9,071,761</u>	<u>3,603,079</u>	<u>< 5468662 ></u>
<u>TOTAL (Hrd 1st)</u>	<u>---</u>	<u>6,037,446</u>	<u>18,957,727</u>	<u>12,920,281</u>
<u>ORBUGHS</u>	<u>---</u>	<u>91,059,022</u>	<u>207,130,733</u>	<u>116,071,711</u>
<u>GRAND TOTALS</u>	<u>---</u>	<u>15,168,229</u>	<u>229,691,659</u>	<u>123,523,430</u>

Original sponsors: Miller, Duncan,
Brown, et al

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 4 (Finance)

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 municipal taxes and state aid for
7 municipal tax reduction; and providing for an effective
8 date."

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

10 * Section 1. AS 29 is amended by adding a new chapter to read:

11 CHAPTER 92. STATE AID FOR MUNICIPAL TAX REDUCTION.

12 Sec. 29.92.010. STATE AID FOR MUNICIPAL TAX REDUCTION. (a)

13 During each fiscal year the Department of Community and Regional Affairs
14 shall compute an entitlement for each qualified municipality to be used
15 to reduce taxes levied by the municipality.

16 (b) The annual entitlement computed for each municipality is
17 determined by the application of the formula

18 Entitlement = 8.76 x per capita value x P

19 where:

20 per capita value = the full value of taxable real and personal
21 property within all the school districts in the state determined
22 in accordance with AS 14.17.140, excluding the assessed value of
23 oil and gas exploration, production and pipeline transportation
24 property subject to taxation under AS 43.56, divided by the popula-
25 tion of the state;

26 and

27 P = the total population of the municipality during the year for
28 which the entitlement is being computed.

29 Sec. 29.92.020. QUALIFICATIONS. (a) A municipality which does

1 not levy property or sales and use taxes qualifies for an entitlement
2 under this chapter. Subject to (b) of this section, to qualify for an
3 entitlement a municipality which levies taxes must collect no more from
4 the levy of taxes, excluding taxes levied on oil and gas production and
5 pipeline property under AS 29.53.045, than the amount of money collected
6 in 1980 from the levy of taxes on all sources, excluding taxes levied
7 under AS 29.53.045, reduced by the amount of the entitlement.

8 (b) Subject to other provisions of AS 29.53, a municipality may
9 increase the amount of money collected from the levy of taxes each year
10 and still be eligible for an entitlement if

11 (1) the amount of money collected from the levy of taxes,
12 excluding taxes levied under AS 29.53.045, is not more than five percent
13 plus the annual percent of increase in the consumer price index greater
14 than the amount of money collected from the levy of taxes, excluding
15 taxes levied under AS 29.53.045, during the previous year;

16 (2) the amount of money collected from the levy of taxes is
17 greater than the amount permitted under (1) of this subsection and the
18 increase in the rate of levy is approved by the voters who are subject
19 to the increase;

20 (3) a new tax is levied which has been approved by the
21 voters who are subject to the new tax.

22 Sec. 29.92.030. DETERMINATION OF POPULATION. For purposes of
23 this chapter, the population of a municipality shall be determined from
24 the latest figures of the United States Bureau of the Census or other
25 population data which in the judgment of the department is reliable.
26 For purposes of determining the population of a home rule or general
27 law borough, the population of each city located within the boundaries
28 of the borough shall be subtracted from the population of the borough.

29 Sec. 29.92.040. MUNICIPAL TAX REDUCTION ACCOUNT. The municipal

1 tax reduction account is established in the department. Money to carry
2 out the provisions of this chapter shall be appropriated to the account
3 and distributed by the department as authorized under AS 29.92.010. If
4 the amount appropriated to the account is not sufficient to finance all
5 entitlements, the amount appropriated shall be distributed pro rata
6 among qualified municipalities.

7 Sec. 29.92.050. NOTICE TO TAXPAYER. (a) If a municipality
8 levies real or personal property taxes, the governing body shall provide
9 the following information with the ~~assessment notice~~ ^{Tax Statement}:

10 (1) the total amount of taxes payable before the amount is
11 reduced as a result of the receipt by the municipality of an entitlement
12 under this chapter;

13 (2) the amount of a reduction in taxes payable as a result
14 of the receipt of an entitlement; and

15 (3) the amount of taxes payable by the taxpayer.

16 (b) A municipality which levies a sales and use tax shall provide
17 the following notice:

18 "NOTICE TO TAXPAYER

19 For the current fiscal year, the (city) (borough) estimates expend-
20 itures to provide municipal services total \$ _____.

21 The State of Alaska has provided \$ _____ as state aid for
22 municipal tax reduction (AS 29.92)."

23 Notice shall be provided by

24 (1) publishing in a newspaper of general circulation a copy
25 of the notice once each week for a period of three successive weeks,
26 with publication to occur not later than 45 days after the final adop-
27 tion of the municipality's budget; or

28 (2) if there is no newspaper of general circulation within
29 the municipality, by posting a copy of the notice in three public

1 places not later than 45 days after the final adoption of the munici-
2 pality's budget.

3 Sec. 29.92.060. DEFINITIONS. In this chapter

4 (1) "consumer price index" means the most recent consumer
5 price index for Anchorage published by the United States Department of
6 Labor, Bureau of Labor Statistics;

7 (2) "department" means the Department of Community and
8 Regional Affairs;

9 (3) "municipality" means a home rule or general law city or
10 borough, or a unified municipality incorporated under the laws of the
11 state.

12 * Sec. 2. AS 29.53.025(a) is amended to read:

13 (a) Municipalities may exclude or exempt or partially exempt
14 residential property from taxation by ordinance ratified by the voters
15 at a regular or special election. [AN EXCLUSION OR EXEMPTION AUTHORIZED
16 BY THIS SECTION MAY NOT EXCEED \$10,000 FOR ANY ONE RESIDENCE.]

17 * Sec. 3. This Act takes effect July 1, 1981.

Original sponsors: Miller, Duncan,
Brown, et al

Offered: 3/12/81
Referred: Finance

1 IN THE HOUSE

BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 4 (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 providing relief from property taxes to owners
7 and renters; and providing for an effective date."

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

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

10 ARTICLE 6. REIMBURSEMENT OF PROPERTY TAXES.

11 Sec. 29.53.500. REIMBURSEMENT OF TAX ON PLACE OF ABODE. (a)

12 During each calendar year, a person is eligible to receive reimburse-
13 ment for taxes paid to a municipality for real property owned and
14 occupied as his place of abode if he

15 (1) applies to the Department of Community and Regional
16 Affairs for reimbursement; and

17 (2) presents proof that the property taxes were paid.

18 (b) A person may claim only one dwelling as his place of abode.

19 Sec. 29.53.510. DUTIES OF DEPARTMENT. The Department of Community
20 and Regional Affairs shall

21 (1) adopt regulations under the Administrative Procedure Act
22 (AS 44.62) establishing procedures for applying for reimbursement of
23 property taxes under AS 29.53.500;

24 (2) annually request the legislature for appropriations for
25 reimbursements under AS 29.53.500;

26 (3) pay the reimbursements authorized by AS 29.53.500 from
27 annual appropriations made for that purpose;

28 (4) prescribe and furnish an application form for applying
29 for reimbursement of property taxes under AS 29.53.500 which contains a

1 statement of eligibility in substantially the following form:

2 I certify that I am occupying the premises for which tax
3 reimbursement is claimed as my place of abode and that my
4 claim for reimbursement is based on taxes paid to a munici-
5 pality that were levied on my place of abode during the
6 year _____. I also understand that a false claim of eligi-
7 bility to receive reimbursement for taxes is a criminal
8 offense.

9 _____
10 (signature of individual)

11 Sec. 29.53.520. DEFINITION. In AS 29.53.500 - 29.53.520 "abode"
12 means a dwelling, a dwelling unit in a multiple unit dwelling, or, if a
13 building is used for commercial purposes and as a dwelling, the portion
14 of the building used as a dwelling; and, as determined by the local
15 assessor, includes lots and outbuildings or a portion of lots and
16 outbuildings necessary to convenient use of the dwelling, limited to
17 not more than one acre if the dwelling is located in an urban area or
18 five acres if the dwelling is located in a rural area.

19 * Sec. 2. AS 29.73.060(a) is amended to read:

20 (a) A resident of the state [65 YEARS OF AGE OR OLDER] who rents
21 a permanent place of abode is eligible for tax equivalency payments
22 from the state through the Department of Community and Regional Affairs.

23 * Sec. 3. AS 29.73.060(c) is amended to read:

24 (c) To obtain tax equivalency payments the eligible person [RESI-
25 DENT] must apply to the Department of Community and Regional Affairs
26 [DEPARTMENT] for payment for the preceding year by March 1 [JANUARY 15]
27 of each year on forms and in the manner prescribed by the department.
28 Each applicant shall submit with the application rental receipts or, if
29 rental receipts are not available, other evidence satisfactory to the

1 department for determination of the fact of payment of rent and the
2 amount paid.

3 * Sec. 4. AS 29.73.060(b) is amended to read:

4 (b) For purposes of determining payments to eligible persons, the
5 department shall calculate a property tax equivalent percentage for
6 each home rule or general law municipality which levies a general
7 property tax at the rate of one percent per mil. The property tax
8 equivalent percentage applied to the annual rent, exclusive of any
9 utilities included in the rent, charged to the applicant equals the
10 property tax equivalency payment payable under this section.

11 * Sec. 5. AS 29.73.060(d) is amended to read:

12 (d) If two or more persons occupy a residence as tenants, not all
13 of whom are eligible for tax equivalency payments under this section,
14 the assessor shall determine equitable partial payments to be made to
15 the eligible tenants. [HOWEVER, TAX EQUIVALENCY PAYMENTS TO AN ELIGIBLE
16 APPLICANT MAY NOT BE REDUCED BECAUSE THE SPOUSE IS LESS THAN 65 YEARS
17 OF AGE.] If all occupants in a residence are eligible for tax equiva-
18 lency payments under this section, the occupants shall decide between
19 and among themselves which shall receive payment.

20 * Sec. 6. AS 29.73.060 is amended by adding a new subsection to read:

21 (e) The Department of Community and Regional Affairs shall pre-
22 scribe and furnish an application form for applying for tax equivalency
23 payments which contains a statement of eligibility in substantially the
24 following form:

25 I certify that my claim for a tax equivalency payment is
26 based upon rent paid for my place of abode during the year
27 _____. I also understand that a false claim of eligibility
28 to receive a tax equivalency payment is a criminal offense.

(signature of individual)

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* Sec. 7. This Act is retroactive to January 1, 1981, and authorizes reimbursement of property taxes paid for a place of abode after December 31, 1980, and tax equivalency payments for rent paid on a place of abode after December 31, 1980.

* Sec. 8. This Act takes effect immediately in accordance with AS 01.10.-070(c).

4/3/81 am meeting

AMENDMENTS TO CSHB 4 (State Affairs)

By Meekins

Moved
WITHDRAWN

Page 2, line 2 delete "am occupying" insert "occupied"

Moved
PASSED

Page 4, line 2 delete "1981" insert "1980" URBAN Rip-off
15 MONTHS

TACTIC: Rape
STATE WEALTH

Advised
4/3/81

Page 2 LINE 9

#1

Moved: No Action

ALASKAN RESIDENTS LIVING OUTSIDE AREAS THAT HAS

No Property taxes will BE ELIGIBLE TO RECEIVED \$250
THROUGH THE DEPT. OF CEA TO THEIR RESPECTIVE COMMUNITIES

~~RESOURCES~~

~~TO PROVIDE HOUSING SERVICE AS AREAS THAT CHANGE~~

PROPERTY TAX, OR DIRECT PAYMENTS TO THE COMMUNITY RESIDENTS

By LOCAL ELECTION APPROVAL.

Moved: No Action

#2

#2 ONLY REVENUES DERIVED FROM RESOURCES WITHIN 100 MILES OF
COMMUNITY OR WITHIN BOROUGH BOUNDARIES, WHICHEVER IS
GREATER; MAY BE USED TO FUND TAX RELIEF AS PROPERTY
TAX.

- A. Help develop Resources and Locals
- B. why have the hard areas ^{for their resources} if we are not
going to trust ^{the residents} Equal in funds derived from their own's resources.

Introduced: 2/4/81
Referred: Community & Regional
Affairs and Finance

BY MILLER, DUNCAN, BROWN, BEIRNE,
BETTISWORTH, BUCHHOLDT, FULLER,
GARDINER, HURLBERT, MARTIN, MEEKINS,
MOSS, PHILLIPS, ROGERS, SMITH, ZHAROFF,
ABOOD, CLOCKSIN AND GRUSSENDORF

1 IN THE HOUSE

2 HOUSE BILL NO. 4

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 of taxes paid to a
7 municipality for real property owned and occupied as a
8 permanent place of abode; and providing for an effec-
9 tive date."

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

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

12 ARTICLE 6. REIMBURSEMENT OF PROPERTY TAXES.

13 Sec. 29.53.500. REIMBURSEMENT OF TAX ON PERMANENT PLACE OF ABODE.

14 During each calendar year, a resident is eligible to receive reimburse-
15 ment for taxes paid to a municipality for real property owned and
16 occupied as his permanent place of abode if he

17 (1) applies to the Department of Revenue for reimbursement;

18 and

19 (2) presents proof that the property taxes were paid.

20 Sec. 29.53.510. DUTIES OF DEPARTMENT OF REVENUE. The Department
21 of Revenue shall

22 (1) adopt regulations under the Administrative Procedure Act
23 (AS 44.62) establishing procedures for applying for reimbursement of
24 property taxes under AS 29.53.500;

25 (2) annually request the legislature for appropriations for
26 reimbursements under AS 29.53.500; and

27 (3) pay the reimbursements authorized by AS 29.53.500 from
28 annual appropriations made for that purpose.

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

1 (5) administer the program of reimbursement to residents for
2 property taxes paid for a permanent place of abode (AS 29.53.500 -
3 29.53.510).

4 * Sec. 3. This Act is retroactive to January 1, 1980, and authorizes
5 reimbursement of property taxes paid for a permanent place of abode after
6 December 31, 1979.

7 * Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-
8 070(c).

HOUSE FINANCE COMMITTEE Meeting
Thursday, April 2, 1981
1:35 p.m.

Amendment History CSHB 4 (C&RA)

- Amendment #1 - Malone (FAILED: 3 in favor; 7 opposed)
Cotten-Meekins objected
(see attached)
- Amendment #2 - Carney (FAILED: 4 in favor; 5 opposed)
p 2, l 12: After "means a dwelling" insert
"and property of record upon which it is
situated"
p 2, l 15: After "assessor" delete thru l 18
- Amendment #3 - Rogers (WITHDRAWN) am to Carney am
p 2, l 12: After "means a dwelling" insert
"and outbuildings necessary to convenient
use of the dwelling"; then Carney am
- Amendment #4 - Malone (PROPOSED; NOT MOVED)
(see attached)
- Amendment #5 - Rogers (FAILED: 1 in favor; 7 opposed)
p 1, l 13: After "municipality for" insert
"residential improvements to"
p 2, l 12: After "means a dwelling" insert
"and outbuildings necessary to convenient
use of the dwelling"
p 2, l 15: After "assessor" delete remainder
of line
p 2, l 16, 17, 18: Delete
Cotten objected
- Amendment #6 - Cotten (AMENDED by Malone)
p 2, l 17: Delete all 17
p 2, l 18: After "five acres." delete remainder
of line
- Amendment #7 - Rogers (WITHDRAWN) am to Cotten am
Between lines 18 & 19: Add "For purposes of
this section, 'urban' means municipality
with a population greater than 100,000."
- Amendment #8 - Malone (PASSED: 6 in favor) ^{am to Cotten am #6}
p 2, l 17: After "more than" insert
"one-hundred and sixty acres."
p 2, l 17 & 18: Delete
- Amendment #9 - Carney (PROPOSED: NOT MOVED)
p 2, l 12: After "means a dwelling" insert
"and (property/parcel) of record"

NOW BEFORE THE HOUSE FINANCE COMMITTEE April 3, 1981

Sec. 29.53.520. DDEFINITION. In AS 29.53.500 - 29.53.520 "abode" means a dwelling, a dwelling unit in a multiple unit dwelling, ^{lot or tract} or, if a building is used for commercial purposes and as a dwelling, the portion of the building used as a dwelling; and, as determined by the local assessor, includes lots and outbuildings or a portion of lots and outbuildings necessary to convenient use of the dwelling, limited to not more than one-hundred and sixty acres.

PLUS

Consideration of Carney's Amendment #9

CSHB 4

by Malone

/

Pl L10

Delete all existing material and insert:

ARTICLE 6

29-53-500 Local Tax Credit

- an annual*
- (a) Each eligible person may apply for ~~the~~ local tax credit of \$250.
 - (b) A resident of the State is eligible for the local tax credit from the State through the Department of Community and Regional Affairs.
 - (c) The Department of Community and Regional Affairs shall adopt regulations for application for and payment of the local tax payment.

AMENDMENT CSHB 4

2

by Malone

P1 L18-19

add a new subsection (c)

- (c) a municipality may adopt automatic reimbursement procedures in consultation with the department. An eligible person may apply for automatic reimbursement to that person on forms provided by the municipality as provided in this section.

*With amendment
proposed only
not moved*

P2 L10

add a new subsection (c)

- (c) develop and provide for automatic reimbursement procedures in cooperation with participating municipalities.

P2 L16-17-18

Delete existing language after the word "dwelling", and insert:

limited to not more than one hundred and sixty
acres.

Malone

CSHB 4

by Malone

/

PL L10

Delete all existing material and insert:

ARTICLE 6

29-53-500 Local Tax Credit

an annual

- (a) Each eligible person may apply for local tax credit of \$250.
- (b) A resident of the State is eligible for the local tax credit from the State through the Department of Community and Regional Affairs.
- (c) The Department of Community and Regional Affairs shall adopt regulations for application for and payment of the local tax payment.

1st amendment failed

Conroy - [2nd amendment] p 2, l 12 (failed)

After "means a dwelling," insert "and property of record upon which it is situated,"

p 2, l 15:

After "assessor" delete three line 18.

4/3/81

AMENDMENTS TO CSHB 4 (State Affairs)

By Meekins

moved: WITHDRAWN

#1
Page 2, line 2 delete "am occupying" insert "occupied"

moved: PASSED

#2
Page 4, line 2 delete "1981" insert "1980"

Amendment 6 - Catter

page 2, delete all line 17 + after "five acres"
delete remainder line 18.

Amendment 7 - Rogers & Metherton

page 2, between lines 18-19, add:

"For purposes of this section, urban means a
municipality with a population greater than
100,000."

HOUSE FINANCE COMMITTEE Meeting
Thursday, April 2, 1981
1:35 p.m.

Amendment History CSHB 4 (C&RA)

- Amendment #1 - Malone (FAILED: 3 in favor; 7 opposed)
Cotten-Meekins objected
(see attached)
- Amendment #2 - Carney (FAILED: 4 in favor; 5 opposed)
p 2, l 12: After "means a dwelling" insert
"and prooerty of record upon which it is
situated"
p 2, l 15: After "assessor" delete thru l 18
- Amendment #3 - Rogers (WITHDRAWN) am to Carney am
p 2, l 12: After "means a dwelling" insert
"and outbuildings necessary to convenient
use of the dwelling"; then Carney am
- Amendment #4 - Malone (PROPOSED; NOT MOVED)
(see attached)
- Amendment #5 - Rogers (FAILED: 1 in favor; 7 opposed)
p 1, l 13: After "municipality for" insert
"residential improvements to"
p 2, l 12: After "means a dwelling" insert
"and outbuildings necessary to convenient
use of the dwelling"
p 2, l 15: After "assessor" delete remainder
of line
p 2, l 16, 17, 18: Delete
Cotten objected
- Amendment #6 - Cotten (AMENDED by Malone)
p 2, l 17: Delete all 17
p 2, l 18: After "five acres." delete remainder
of line
- Amendment #7 - Rogers (WITHDRAWN) am to Cotten am
Between lines 18 & 19: Add "For purposes of
this section, 'urban' means municipality
with a population greater than 100,000."
- Amendment #8 - Malone (PASSED: 6 in favor)
p 2, l 17: After "more than" insert
"one-hundred and sixty acres."
p 2, l 17 & 18: Delete
- Amendment 9 - Carney (PROPOSED: NOT MOVED)
p 2, l 12: After "means a dwelling" insert
"and (property/parcel) of record"

NOW BEFORE THE HOUSE FINANCE COMMITTEE April 3, 1981

Sec. 29.53.520. DDEFINITION. In AS 29.53.500 - 29.53.520 "abode" means a dwelling, a dwelling unit in a multiple unit dwelling, or, if a building is used for commercial purposes and as a dwelling, the portion of the building used as a dwelling; and, as determined by the local assessor, includes lots and outbuildings or a portion of lots and outbuildings necessary to convenient use of the dwelling, limited to not more than one-hundred and sixty acres.

PLUS

Consideration of Carney's Amendment #9

CSHB 4

by Malone

/

Pl L10

Delete all existing material and insert:

ARTICLE 6

29-53-500 Local Tax Credit

- (a) Each eligible person may apply for ^{an annual} local tax credit of \$250.
- (b) A resident of the State is eligible for the local tax credit from the State through the Department of Community and Regional Affairs.
- (c) The Department of Community and Regional Affairs shall adopt regulations for application for and payment of the local tax payment.

AMENDMENT CSHB 4

2

by Malone

P1 L18-19

add a new subsection (c)

- 4th amendment
proposed only
not moved*
- (c) a municipality may adopt automatic reimbursement procedures in consultation with the department. An eligible person may apply for automatic reimbursement to that person on forms provided by the municipality as provided in this section.

P2 L10

add a new subsection (c)

- (c) develop and provide for automatic reimbursement procedures in cooperation with participating municipalities.

P2 L16-17-18

Delete existing language after the word "dwelling", and insert:

limited to not more than one hundred and sixty
acres.

4/2/81

Regers
1 am #5
filed

page 1 line 13

after "municipality for"

insert "residential improvements to"

page 2 line 12

after "means a dwelling" insert

and outbuildings necessary to convenient
use of the dwelling"

page 2 lines 15-18 after "assessor"
delete all language.

3rd
amendment
withdrawing

P2 L16-17-18

Amendment #8

4-2-81

Mudone
2m
to Cotton
am
Passed

Delete existing language after the word "dwelling", and insert:

~~and~~ ~~not~~ (five acres) - Cotton am
limited to not more than one hundred and sixty acres.

Amendment #9

proposed

"7nd (^{parcel}~~property~~) of record" - Carney
ok

1 12, p 2 (first dwelling)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB A
Title Providing for reimbursement of Property Tax and Rental Equivalence payments
Requested by _____ Date March 17, 1981

II. FISCAL DETAIL

Agency Affected Department of 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		156.0	168.5	182.0	195.6	212.3
200 TRAVEL		18.0	19.4	21.0	22.7	24.5
300 CONTRACTUAL		403.8	269.3	290.8	314.1	339.2
400 COMMODITIES		2.5	2.7	2.9	3.1	3.4
500 EQUIPMENT		6.2	1.2	1.2	1.2	1.2
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		105615.0	105365.0	105365.0	105364.0	105365.0
TOTAL		106201.5	105826.1	105629.9	105902.7	105945.6

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND		106201.5	105826.1	105629.9	105902.7	105945.6
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME		9	6	6	6	6
PART TIME		8	1	1	1	1
TEMPORARY						

*Number of positions encompass both DCRA and Department of Revenue

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

See Attached

IV. DATE March 17, 1981 PREPARED BY Terry L. Earley
AGENCY Community & Regional Affairs
Original: Legislative Finance PHONE 465-4730
Budget and Management

Analysis

This fiscal note provides for the Department of Community and Regional Affairs to administer the program. The contractual services section provides for the Department of Revenue to render assistance in the area of receiving applications and disbursing the checks.

Personal Services

Appraiser I, Rg. 16 @ \$27,492	
Fringe Benefits = 9,074	
3 positions x 35,565 =	109,698
Clerk Typist III* Rg. 8 @ \$16,716	
Fringe Benefits = 6,411	
2 positions x 23,127 =	46,254
Total	<u>155,952</u>

*one of these clerical positions would provide administrative support.

Note: Approximately 1 clerk II position and 1/4 of a Project Assistant are currently allocated to the Senior Citizen's Renters program. It is assumed by this fiscal note that their time would be transferred to this program.

Travel

36 Trips @ 500 (includes per diem) = 18,000

Contractual

Office Rent	
5 positions @ 150 sq ft = 750 sq ft	
750 sq ft @ \$1.50 = 1125 x 12 months =	13,500
Telephone (including Zenith line) =	5,000
Word processing equipment	
2 mag cards @ 384 = 768	
768 x 12 months =	9,216
Postage	1,000
Advertising	7,500

Reimbursable Services Agreement
 Department of Revenue

Start up Cost:

Position: 1 PPT R18 for 4 mm, systems design, \$2640/mo plus 25%	13.2
1 PPT R17 for 4mm, programming, \$2455/mo plus 25%	12.3
1 PFT R8 Scanner, batching, preedit, warrant control @ \$1393/mo plus 25%	20.9
2 PPT R8 scanner for 4mm each: data capture, inquiry and mail @ \$1393/mo plus 25%	14.0
2 PFT R8 scanners, data capture @ \$1393/mo plus 25%	41.8

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	5.4

Continuing costs

Positions: 1 PPT R18 for 2mm, systems design	7.1
1 PPT R17 for 2mm, programming	5.5
1 PFT R8 scanner	22.5
2 PPT R8 scanner for 9 mos each	33.8

Other Expenditures:

Postage, forms distribution, Pre-addressed @ .18	32.7
181,500 payments @ .18	32.7
Forms, 200,000 @ \$80	16.0
Miscellaneous contractual	2.2
Commodities	1.7

Equipment Rental, data capture:

2 CRT @ 80/mo X 9 = 1.4	
1 controller @ 705/mo X 9 = 6.3	10.2
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 3.0 22.0
Commodities 1.5

R.S.A. TOTAL 367,600

TOTAL CONTRACTUAL 403,816

Commodities

TOTAL 2,250

Equipment

5 Desks @ 524 2,620
5 Chairs @ 131 655
4 Calculator @ 178 712
6 File Cabinets @ 254 1,584
4 Book Case @ 103 412
1 Storage Cabinet @ 184 184

TOTAL 6,167

Grants and Claims

Refunds are based on estimated local residential tax levies of \$82,060,000 for 1981 (FY 82) on 100,000 parcels of real estate. Also an estimated 55,000 renters being eligible for refunds averaging \$350 and 3700 mobile homeowners who get refunds under homeowners being eligible for refunds averaging \$150 under the renters section.

Refunds 105,365,000

This fiscal note assumes financial aid to municipalities for one time cost associated with splitting tax levies and to establish rental file.

Financial Aid 250,000
Total Grants & Claims 105,615,000

It is assumed that assessments will continue to increase at about 11% per year; also that the number of eligible applicants will increase at approximately 10% per year; and finally a 12% increase for adjustments to local taxbase. However it is also assumed that the increase in state shared revenues will reduce local levies at least sufficient to offset the increases listed here. Due to the fact that the estimates for grant purpose are based on very little information the appraisal staff proposed here would be responsible to make more accurate estimates for future years.

8% per inflation is projected for FY 83 and future years.

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, Governor

POUCH B
JUNEAU, ALASKA 99811
PHONE: (907) 465-4700

March 17, 1981

Jay Hogan, Director
Legislative Finance Division
Room 504 Capitol Building
Pouch WF
Juneau, Alaska 99811

Dear Jay:

RE: COMMITTEE SUBSTITUTE FOR HOUSE BILL #4

This Department has prepared a fiscal note for C.S.H.B #4. This fiscal note includes both the costs of our Department and the Department of Revenue for operation of this program.

It is our understanding that there will be legislative pressure to get the checks for property tax refund, mandated by Committee Substitute for House Bill #4, into the mail as soon as possible.

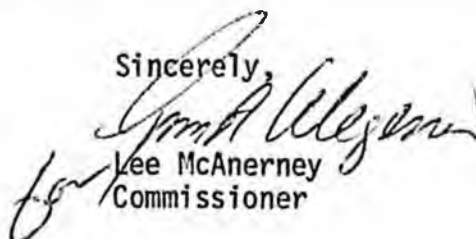
Although the fiscal note shows all costs beginning with Fiscal Year 1982, the bill is actually retroactive to January 1, 1981. The first checks could be mailed in early August of 1981. However, that would require start up of funding in FY 81.

If it is the intention of the legislature to get the checks out as soon as August 1, then a supplemental appropriation of \$233,000 would be necessary. The supplemental would need to have an approximate effective date of May 1. If that were to happen, then an equivalent amount could be deducted from the projected FY 82 costs on the fiscal note that has been submitted.

Basically, it is our intent to make the sponsors of this legislation aware that we can get the checks out in a very timely fashion if they so desire. We can also start the program on July 1 and get the checks out with a two or three month delay.

If I can be of any further service, please contact me or State Assessor Terry Earley at 465-3730.

Sincerely,


Lee McAnerney
Commissioner

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 4

Title Providing for reimbursement of Property Tax and Rental Equivalence payments

Requested by _____ Date March 17, 1981

II. FISCAL DETAIL

Agency Affected Department of 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		156.0	168.5	182.0	196.6	212.3
200 TRAVEL		18.0	19.4	21.0	22.7	24.5
300 CONTRACTUAL		467.0	269.3	290.8	314.1	339.2
400 COMMODITIES		2.5	2.7	2.9	3.1	3.4
500 EQUIPMENT		6.2	1.2	1.2	1.2	1.2
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		105615.0	105365.0	105365.0	105364.0	105365.0
TOTAL		106264.7	105826.1	105629.9	105902.7	105945.6

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND		106264.7	105826.1	105862.9	105902.7	105945.6
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME		6	6	6	6	6
PART TIME		11	4	4	4	4
TEMPORARY						

*Number of positions encompass both DCRA and Department of Revenue

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

See Attached

IV. DATE March 17, 1981

PREPARED BY Terry L. Earley

AGENCY Community & Regional Affairs

PHONE 465-4730

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

Analysis

This fiscal note provides for the Department of Community and Regional Affairs to administer the program. The contractual services section provides for the Department of Revenue to render assistance in the area of receiving applications and disbursing the checks.

Personal Services

Appraiser I, Rg. 16 @ \$27,492	
Fringe Benefits = 8,074	
3 positions x <u>36,566</u> =	109,698
Clerk Typist III* Rg. 8 @ \$16,716	
Fringe Benefits = 6,411	
2 positions x <u>23,127</u> =	46,254
Total	<u>155,952</u>

*one of these clerical positions would provide administrative support.

Note: Approximately 1 clerk II position and 1/4 of a Project Assistant are currently allocated to the Senior Citizen's Renters program. It is assumed by this fiscal note that their time would be transferred to this program.

Travel

36 Trips @ 500 (includes per diem) =	<u>18,000</u>
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Contractual

Office Rent	
5 positions @ 150 sq ft = 750 sq ft	
750 sq ft @ \$1.50 = 1125 x 12 months =	13,500
Telephone (including Zenith line) =	5,000
Word processing equipment	
2 mag cards @ 384 = 768	
768 x 12 months =	9,216
Postage	1,000
Advertising	7,500

Reimbursable Services Agreement
Department of Revenue

Start up Cost:

Position: 1 PPT R18 for 4 mm, systems design, \$2640/mo plus 25%	13.2
1 PPT R17 for 4mm, programming, \$2455/mo plus 25%	12.3
1 PFT R8 Scanner, batching, preedit, warrant control @ \$1393/mo plus 25%	20.9
2 PPT R8 scanner for 4mm each: data capture, inquiry and mail @ \$1393/mo plus 25%	14.0
2 PFT R8 scanners, data capture @ \$1393/mo plus 25%	41.8

Other Expenditures:

Postage: Forms distribution	20.0
165,000 payments	29.7
Forms: 200,000 @ \$50/m	10.0
miscellaneous contractual	2.0
Commodities	1.5

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	15.0
data capture and inquiry	5.4

Continuing costs

Positions: 1 PPT R18 for 2mm, systems design	7.1
1 PPT R17 for 2mm, programming	5.6
1 PFT R8 scanner	22.6
2 PPT R8 scanner for 9 mos each	33.8

Other Expenditures:

Postage, forms distribution, Pre-addressed @ .18	32.7
181,500 payments @ .18	32.7
Forms, 200,000 @ \$80	16.0
Miscellaneous contractual	2.2
Commodities	1.7

Equipment Rental, data capture:

2 CRT @ 80/mo X 9	= 1.4	
1 controller @ 705/mo X 9	= 6.3	10.3
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	3.0	22.0
Commodities	1.5	

P.S.A. TOTAL	<u>430,800</u>
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TOTAL CONTRACTUAL	<u>467,016</u>
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Commodities

TOTAL	<u>2,250</u>
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Equipment

5 Desks @ 524	2,620
5 Chairs @ 131	655
4 Calculator @ 178	712
6 File Cabinets @ 264	1,584
4 Book Case @ 103	412
1 Storage Cabinet @ 184	184

TOTAL	<u>6,167</u>
-------	--------------

Grants and Claims

Refunds are based on estimated local residential tax levies of \$82,060,000 for 1981 (FY 82) on 100,000 parcels of real estate. Also an estimated 65,000 renters being eligible for refunds averaging \$350 and 3700 mobile homeowners who get refunds under homeowners being eligible for refunds averaging \$150 under the renters section.

Refunds	105,365,000
---------	-------------

This fiscal note assumes financial aid to municipalities for one time cost associated with splitting tax levies and to establish rental file.

Financial Aid	250,000
Total Grants & Claims	<u>105,615,000</u>

It is assumed that assessments will continue to increase at about 11% per year; also that the number of eligible applicants will increase at approximately 10% per year; and finally a 12% increase for adjustments to local taxbase. However it is also assumed that the increase in state shared revenues will reduce local levies at least sufficient to offset the increases listed here. Due to the fact that the estimates for grant purpose are based on very little information the appraisal staff proposed here would be responsible to make more accurate estimates for future years.

8% per inflation is projected for FY 83 and future years.

AMENDMENT

OFFERED IN THE HOUSE

BY: House CRA

TO: Committee Substitute

HOUSE BILL No. 4

SENATE BILL No. _____

PAGE: 3

LINE: 9

after the word 'utilities' insert;
and other services.

CSHB 4

by Malone

/

Pl L10

Delete all existing material and insert:

ARTICLE 6

29-53-500 Local Tax Credit

- (a) Each eligible person may apply for ^{an annual} local tax credit of \$250.
- (b) A resident of the State is eligible for the local tax credit from the State through the Department of Community and Regional Affairs.
- (c) The Department of Community and Regional Affairs shall adopt regulations for application for and payment of the local tax payment.

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

March 17, 1981

to: House Finance Committee

from: Ginny Chitwood, AML Executive Director *GC*

re: SB 125 - Supplemental Appropriation for Revenue
Sharing and Municipal Assistance

Alaska Municipal League urges your favorable consideration of SB 125, which raises the revenue sharing appropriation to an amount almost high enough to fund the "125% hold harmless" provision and increases the municipal assistance fund appropriation to the minimum level authorized by law. If SB 125 is adopted before they finish budget deliberations, municipal officials have pledged to use this extra, unanticipated funding to reduce local taxes. Attached to this memo are minutes from the Alaska Conference of Mayors meeting and resolutions adopted by the City of Petersburg and the City & Borough of Juneau, promising to pass on the proceeds to the local taxpayers. In addition, there is an ordinance adopted by the Council of the City of Fairbanks, which suspends the sales tax effective April 1 if SB 125 has been adopted by that date. (April 1 was selected because that is the beginning of a quarterly reporting period for sales tax.)

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

STATE REVENUE SHARING WITH MUNICIPALITIES

Title 29, Chapter 88. Municipal Tax Resource Equalization:

This chapter provides for revenue sharing to municipalities based on the formula - population times millage rate equivalent. Millage rate equivalent is determined by multiplying the sum of the locally generated revenue of the municipality by one-tenth of one percent of the full and true value of assessed property in the municipality. (The former revenue sharing program provided for per capita grants based on services provided, such as police, fire, planning, etc.)

Title 29, Chapter 89. State Aid For Miscellaneous Municipal Purposes:

Road Maintenance. Provides \$2,500 a mile for each mile of road, street or highway maintained by the local government and \$1,500 a mile for ice roads. (same provision as former program except amounts per mile increased.)

Health Facilities and Hospitals. For municipally operated and non-profit hospitals, provides \$1,000 per bed or \$75,000 a hospital with 10 beds or more, or \$25,000 a hospital with less than 10 beds. This money goes to the hospitals; there is no discretion on the part of the municipality on how the money should be spent. For a municipally operated health facility, provides \$1,000 per bed or \$4,000 per health facility, with the restriction that the money must be used for expenses of health facilities or operation and maintenance of health facilities. (same as former program)

Volunteer Fire Departments in Unorganized Borough. Provides \$10 per capita for population served by a volunteer fire department in the unorganized borough. (Former program contained a per capita amount for all fire departments. Since expenses for fire departments in organized municipalities are included in the Chapter 88 formula, this section applies only to departments in the unorganized borough.)

Native Village Governments. Provides \$25,000 to each native village government. (new provision)

Title 29, Chapter 90. State Aid for Hospital Construction:

"If construction of a hospital began after January 1, 1968,

and state matching aid for construction approved for payment to the municipality or other hospital sponsor constitutes less than 25 percent of the total project cost, the department shall pay to the municipality or other hospital sponsor each fiscal year \$2,500 a bed for the maximum number of beds provided for in the construction design of the facility or five percent of the total project cost, whichever is greater. State aid provided for in this section shall continue until the municipality or other hospital sponsor has received an amount which, combined with state matching money for construction of the hospital, equals 25 percent of the total project cost. Money received for construction may not be used for any other purpose." (emphasis added) (Same provision in former program; most of the money goes to a private hospital in Anchorage and a private hospital in Fairbanks.)

Title 29, Chapter 95. Administration of Municipal Financial Assistance Programs: Provides for a \$25,000 minimum entitlement and for cost of living differentials.

Temporary and Special Acts, Chapter 155.

Hold Harmless. Provides that for the 1st five years no municipality may receive less than 125% of what it was entitled to receive under the former program; further provides for proration of payments if appropriation is not sufficient to cover hold harmless provision. (The 33½ million appropriated last year for FY 81 revenue sharing was not sufficient to cover hold harmless provision. The supplemental amount in SB 125 almost covers deficit.)

	<u>FY 81</u>	<u>with SB 125</u>
Chapter 88 - Tax Resource Equalization	\$13,242,132	\$32,248,645
Chapters 88 & 89 - Misc. and Hospital	13,750,176	18,333,280
Chapter 95 - Minimum Entitlement Add On	1,502,161	1,889,491
Chapter 155 - Hold Harmless Add On	<u>5,005,529</u>	<u>208,582</u>
Totals	\$33,500,000	\$52,680,000



TELEPHONES
(907) 586-1325
586-6526

204 N FRANKLIN ST.
JUNEAU, ALASKA 99801

MUNICIPAL ASSISTANCE FUND

The municipal assistance fund was created in 1978 when the legislature repealed the gross business license tax. Under that program, municipalities were guaranteed 60% of the proceeds. This funding was automatic - not subject to legislative appropriation or gubernatorial veto. Although municipalities were assured that they would benefit from the change from a guaranteed share of the business license tax to an appropriated share of the corporate income tax, local governments have received less. In FY 79, the last year under the old program, municipalities received \$13,400,000. The level for FY 80 was reduced to \$11,400,000 and will remain there without the supplemental.

"AS 43.20.016. Sharing of corporate income tax revenue with municipalities. (a) There is established within the Department of Revenue the municipal assistance fund. The legislature may appropriate to the fund during each fiscal year an amount equal to or greater than 10 per cent of the income tax revenue received by the state under sec. 11(e) of this chapter and ch. 21 of this title for the previous fiscal year."

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

The Alaska Conference of Mayors met in Juneau on February 5 & 6, 1981 and adopted the following provisions:

FY 81 Supplemental (SB 125). The Alaska Conference of Mayors pledged to use any supplemental funding for tax relief.

Mobile Home Financing. The Conference of Mayors urges supplemental appropriation to the Alaska Housing Finance Corporation for mobile home loans in order to ease the serious statewide housing shortage.

High Unemployment Rate. The Conference of Mayors supports state funding for capital projects in order to alleviate the serious unemployment problem in the state by providing both construction jobs and operation and maintenance jobs when the projects are completed; urges the Legislature and Governor to approve funding early enough to get projects "on the street" this construction season.

In Lieu Of Bonds. The Conference of Mayors urges speedy passage of SB 13, making direct appropriations for projects approved by voters in lieu of selling bonds; additionally supports state interim financing for municipal bonds that have been authorized by the voters but cannot be sold because of the bond market.

Permanent Fund. The Conference of Mayors urges the Legislature to create special endowments for fundamental services, such as those provided by local governments instead of increasing the Permanent Fund, in order to lessen the risk of the federal government devising methods of taking away the state's money.

School Support. The Conference of Mayors endorses the concept of 100% state funding for schools, both operating and construction.

Communities represented at those meetings include the Municipality of Anchorage, the City of Angoon, the City of Fairbanks, Fairbanks North Star Borough, the City of Haines, Haines Borough, the City of Homer, the City of Hoonah, the City and Borough of Juneau, the City of Kenai, Kenai Peninsula Borough, Kodiak Island Borough, the City of Nenana, the City of Nome, North Slope Borough, the City of Petersburg, the City of Sand Point, the City of Seldovia and the City of Wrangell.

Bill Overstreet, President
Leo Rasmussen, Vice President
George Sullivan, Secretary/Treasurer

Resolution 870-R

Whereas the City Council of the City of Petersburg supports the use of unanticipated funds for tax relief, and

Whereas the City Council of the City of Petersburg is in agreement with the passage of Senate Bill 125 am, and

Whereas the City Council of the City of Petersburg promises to use the supplemental funds to cut local taxes.

Therefore Be It Resolved to endorse the House version of Senate Bill 125 as amended.

Passed and Approved by the City Council of the City of Petersburg,

Alaska, this 23rd day of February, 1981.

Richard T. H.
Mayor

Attest:

J. M. [Signature]
City Clerk

Presented by: The Manager
Introduced: 02/19/81
Drafted by: G.L.S.

RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 735

A RESOLUTION URGING THE LEGISLATURE TO PASS
SENATE BILL 125 AND STATING THE INTENT
OF THE ASSEMBLY TO USE ITS ENTITLEMENT TO
REDUCE PROPERTY TAXES IN THE COMING FISCAL YEAR.

WHEREAS, prior to 1978, the State of Alaska levied a business license tax and refunded to each municipality 60 percent of the revenues derived from that tax within the municipality, and

WHEREAS, in 1978 the legislature repealed the business license tax causing a loss to municipalities of this dedicated revenue, and

WHEREAS, the same legislature provided that in lieu of the business license tax revenues, the legislature would appropriate to a municipal assistance fund an amount equal to or greater than 10 percent of the corporate income tax revenue received by the State during the previous fiscal year for distribution to municipalities, and

WHEREAS, AS 43.20.016(b) and (c) provide that if sufficient funds are appropriated to the municipal assistance fund, a municipality will receive a base allocation equal to the amount it received in business license tax refunds during fiscal year 1978, and that the excess of the amount needed to make a base distribution to all municipalities would be distributed on the basis of population, and

WHEREAS, AS 43.20.016(d) sets forth the intent of the legislature that to the extent distribution to a municipality from the municipal assistance fund constitutes an increase in state aid to the municipality, the municipality will reduce property tax levies in reasonable proportion to the amount of the increase, and

WHEREAS, Senate Bill 125 which has passed the senate appropriates to the municipal assistance fund an amount which would constitute an increase in state aid, and

WHEREAS, because municipal budgets and tax levies are usually established before it is known how much state aid municipalities will receive, it is difficult or impossible for

municipalities to reduce property tax levies with any certainty that such reductions will be met by anticipated state aid;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

1. That the House of Representatives of the State of Alaska is urged to speedily consider and pass Senate Bill 125 so that the assembly may reduce real property levies for the coming fiscal year with the certainty that state aid will be available to make up the revenue loss.

2. That it is the intent of the assembly to use its distribution from the municipal assistance fund which is in excess of the amount it would have received from a business license tax refund for the purpose of providing a reduction in the real property tax levy which is in reasonable proportion to the increase.

3. That copies of this resolution be sent to The Honorable Jay Hammond, Governor of the State of Alaska and to each member of the Alaska State Legislature.

Adopted this 19th day of January, 1981.



Mayor

Attest:

Clerk

ORDINANCE NO. 3935, As Amended

AN ORDINANCE TO STAY THE ENFORCEMENT OF
CHAPTER 5, TAXATION, ARTICLE II, SALES TAX,
OF THE FAIRBANKS CODE OF ORDINANCES, AND
PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Fairbanks presently levies a sales tax on retail goods and services in the amount of three percent (3%); and

WHEREAS, revenues from sales tax since fiscal year 1977 have been, on the average, approximately 6 million dollars per annum, and have proved a greater fiscal stability for the City of Fairbanks; and

WHEREAS, a reasonable degree of certainty exists that the Alaska State Legislature intends to share and distribute state revenues with political subdivisions of the state; and

WHEREAS, it appears that approximately, and at least, seven (7) million dollars of state revenues shall be shared with the City of Fairbanks; and

WHEREAS, it is the intent of the city council to substantially reduce the property tax at the statutory time to set the mill rate in May, and

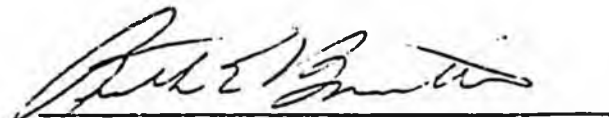
WHEREAS, it is the sense of the council that the immediate and most direct method of infusing of said revenues into the Fairbanks economy is by suspending the municipal sales tax when the City receives state-shared revenue funds;

NOW, THEREFORE, BE IT ENACTED BY THE CITY COUNCIL OF FAIRBANKS, ALASKA, AS FOLLOWS:

Section 1. That the levy of all sales taxes heretofore imposed pursuant to FGC §5.200, et seq., shall be stayed effective April 1, 1981, if the state Legislature adopts supplemental state revenue sharing and municipal assistance for the current fiscal year in an amount that would entitle the City of Fairbanks to at least \$4.5 million, and the measure has become law by April 1, 1981.

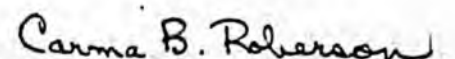
Section 2. That the duration of the stay of enforcement shall be determined by a period of time equal to that period of time during which the State of Alaska continues to share its revenue funds with the City of Fairbanks in an amount of at least \$10 million per annum, or unless sooner revoked by a vote of at least four members of the city council.

Section 3. That the effective date of this ordinance shall be the 13th day of March, 1981.


RUTH E. BURNETT, Mayor

ADOPTED: March 9, 1981

ATTEST:


CARMA B. ROBERSON, City Clerk

4B
4

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 4
 Title Reimbursement of Taxes Paid to a Municipality for Real Property Owned
 Requested by Community & Regional Affairs Committee Date 2-4-81

II. FISCAL DETAIL

Agency Affected _____ Revenue _____
 Program Category Affected _____ General Government
 BRU, Program, or Subprogram(s) Affected _____ Administration & Support, Management 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)

COSTS OF ADMINISTRATION

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES	81.4	50.3	54.3	58.6	63.3	68.4
200 TRAVEL						
300 CONTRACTUAL	63.8	38.0	41.0	44.3	47.8	51.6
400 COMMODITIES	1.0	1.0	1.1	1.2	1.3	1.4
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	146.2	89.3	96.4	104.1	112.4	121.4

FUNDING (Thousands of Dollars)

GENERAL FUND	146.2	89.3	96.4	104.1	112.4	121.4
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME	9/34mm	8/21mm	8/21mm	8/21mm	8/21mm	8/21mm
TEMPORARY						

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

Assumption:

- 100,000 Applicants.
- FY 81 funding to be requested by supplemental with residuals carrying into FY 82 to complete initial processing.

(continued on next page)

IV. DATE 2-20-81 PREPARED BY Donald Barnes
 AGENCY Revenue
 PHONE 2313

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

Positions - FY 81:

1. Two PPT Systems Analysts, four months each, to design and program refunds = 26.4
2. Four PPT clerical, four months each, and two PPT clerical, three months each, to process applications and payments. One PPT clerical, four months, to answer inquiries and telephone = 45.4
3. Overtime and shift differential = 9.6

Contractual:

Data Processing Chargeback = 44.9

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 4

Title Reimbursement of Taxes Paid to a Municipality for Real Property Owned

Requested by Community & Regional Affairs Committee

Date 2-4-81

II. FISCAL DETAIL

Agency Affected _____ Revenue _____

Program Category Affected _____ General Government _____

BRU, Program, or Subprogram(s) Affected Administration & Support, Management 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)~~ (Millions of Dollars)

NEEDED APPROPRIATIONS FOR REIMBURSEMENTS

	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	82.0	82.0	82.0	82.0	82.0	82.0
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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



IV. DATE 2-20-81

PREPARED BY Donald Barnes

AGENCY Revenue

PHONE 2313

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)