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COMMITTEE REPORT
SENATE

FURTHER: FINANCE

3/22/85

Date April 2, 1985

Mr. President

The Committee on C&RA considered SB 249

supplemental appropriation to the Department of Community and Regional Affairs; efd.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

William Stungulski
H. Fischer
J. Clayton

Edna De Vries
Chairman

Do Pass it, money
Chairman recommendation
available

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3000

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

S CRA

4-2-85

3:45 pm

Appropriation
(supplemental)
(Sr. Citizens'
Tax Exemption
program)

SENATE BILL NO. 249, by Senator Rodey. Makes a supplemental appropriation in the amount of \$325,000 to the Dept. of Community & Regional Affairs for operation of the Senior Citizens' Homeowner Property Tax Exemption Program for the current fiscal year. Effective immediately.


Introduced March 22 and referred to Community & Regional Affairs and Finance.

Alaska MUNICIPAL League

TELEPHONES
(907) 586-1325
(907) 586-6526

105 MUNICIPAL WAY, SUITE 301
JUNEAU, ALASKA 99801

TO: Senator Edna DeVries, Chair
Members of Senate Community & Regional Affairs Committee

FROM: Scott A. Burgess 
Executive Director

DATE: April 2, 1985

SUBJECT: SB 249 - Supplemental Appropriation
for Senior Citizens Tax Exemption Program

The Alaska Municipal League supports the supplemental appropriation (\$325,000) to the Department of Community and Regional Affairs to fully fund the State-mandated property tax exemption program for senior citizens under AS 29.53.220 for FY85. Such funding recognizes the State's commitment to local municipalities and to our senior citizens.



Official Business

Alaska State Legislature

Senator DeVries

Community & Regional Affairs Committee

Pouch V
State Capitol
Juneau, Alaska 99811

Committee Meeting - April 2, 1985

The Committee will consider two bills --

SB 249 - Approp Senior Citizen Homeowner
Tax Exemptions

CSHB 253 - Municipal Tax Exemptions; Fire
(C&RA) Facilities

SB 249-----

Makes a supplemental appropriation to the Department of C&RA of \$325,000. The appropriation is to cover reimbursement to local government for senior citizen' homeowner property tax exemptions

CSHB 253 (C&RA)-----

Permits local government to partially or wholly exempt land from a tax for fire protection; allowing the tax to be levied only on improvements (including personal property).

Public Safety -- supports the bill and attaches a zero fiscal note

Community & Regional Affairs -- is opposed to the bill and attaches a zero fiscal note

Fairbanks North Star Borough supports the bill by Resolution 85-024

The Alaska Conference of Mayors supports the bill by Resolution 84-8

April 4. SB 69 scheduled

Offered: 3/18/85
Referred: Rules

Tuesday - April 2

Original sponsors: Koponen, Davis,
Larson, et al

1 IN THE HOUSE
2
3 CS FOR HOUSE BILL NO. 253 (C&RA)
4 IN THE LEGISLATURE OF THE STATE OF ALASKA
5 FOURTEENTH LEGISLATURE - FIRST SESSION
6 A BILL
7 For an Act entitled: "An Act allowing municipalities to exempt land from
8 property taxes and from special assessments for fire
9 protection service and fire protection facilities;
10 and providing for an effective date."
11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
12 * Section 1. AS 29.53.025 is amended by adding a new subsection to
13 read:
14 (h) A municipality may by ordinance partially or wholly exempt
15 land from a tax for fire protection service and fire protection facil-
16 ities and may levy the tax only on improvements, including personal
17 property affixed to the improvements.
18 * Sec. 2. AS 29.63 is amended by adding a new section to read:
19 Sec. 29.63.066. OPTIONAL EXEMPTION. If an assessment under this
20 chapter is for a fire protection facility, a municipality may exempt
21 land and levy the assessment only on improvements, including personal
22 property affixed to the improvements.
23 * Sec. 3. This Act takes effect January 1, 1986.

*general
to section*

*full exemption not
partial*

AN ACT ALLOWING MUNICIPALITIES TO EXEMPT LAND FROM PROPERTY TAXES AND FROM SPECIAL ASSESSMENTS FOR FIRE PROTECTION SERVICE AND FIRE PROTECTION FACILITIES; AND PROVIDING FOR AN EFFECTIVE DATE.

PRIME SPONSOR: KOPONEN

CO-SPONSORS: DAVIS, LARSON, MILLER, MW, RINGSTAD, SUND, MARROU, HURLEY, FRANK TAYLOR

CURRENT STATUS: (S) C&RA

DATE		PAGE	ACTION
03/01/85	(H)	484	READ THE FIRST TIME
03/18/85	(H)	622	C&RA RPT W/CS 3DP 2NR
03/18/85	(H)	622	2 ZERO FISCAL NOTES
03/20/85	(H)	647	RLS TO CALENDAR 3/20/85
03/20/85	(H)	647	READ THE SECOND TIME
03/20/85	(H)	647	CSHB 253(C&RA) ADOPTED UNAN CONSENT
03/20/85	(H)	647	ADVANCED TO THIRD READING UNAN CONSENT
03/20/85	(H)	647	READ THE THIRD TIME
03/20/85	(H)	648	PASSED Y39 N- X1
03/20/85	(H)	648	EFFECTIVE DATE SAME AS PASSAGE

DATE		PAGE	ACTION
03/20/85	(H)	651	TRANSMITTED TO (S)
03/21/85	(S)	598	READ THE FIRST TIME C&RA RULES

Municipal
Property
Exemptions
(fire
protection)

HOUSE BILL NO. 253, by Reps. Koponen, Davis, Larson, M. W. Miller, Ringstad, Sund, Marrou and Hurley. Would allow a municipality, by ordinance, to exempt land from a tax for fire protection service and facilities and may levy the tax only on improvements, including personal property affixed to the improvements.

Amends AS 29.63 (Special Assessments and Service Areas) by adding a section providing for an optional exemption. The section states: "If an assessment under this chapter is for a fire protection facility, a municipality may exempt land and levy the assessment only on improvements, including personal property affixed to the improvements.

Provides Act takes effect January 1, 1986.

Introduced March 1 and referred to Community & Regional Affairs

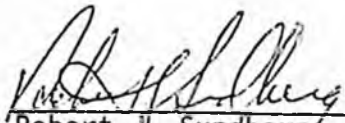
DEPARTMENT OF PUBLIC SAFETY
POSITION PAPER
HB 253

"An Act allowing municipalities to exempt land from property taxes and from special assessments for fire protection service and fire protection facilities; and providing for an effective date."

The Department of Public Safety supports the passage of this bill. It should facilitate the formation and financial support of fire service districts in areas where undeveloped land owners have resisted the creation of such districts, seeing little or no benefit for their raw land from the fire protection taxes paid.

Under the current system, certain areas unable to raise the required number of signatures on a ballot petition, have resorted to subscription fire protection. This has resulted in properties not subscribing being totally destroyed by fire. We understand that some owners were unaware of the requirement to subscribe.

Most of these areas are protected by volunteers who are willing to give their time to train and respond to emergencies. This bill may eliminate or reduce the additional duty of raising major funds for the acquisition and operation of fire and emergency services.


Robert J. Sundberg
Commissioner

3/12, 1985

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: HR 253
 Title: "An Act allowing municipalities to exempt land from property taxes."
 Sponsor: Rep. Koponen
 Requestor: House C&RA
 Date of Request: 3/11/85

FISCAL DETAIL

Agency Affected: Public Safety
 Program Category Affected: _____
 BRU, Program or Subprogram(s) Affected: Fire Prevention

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
500 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
----------------	--	--	--	--	--	--

REVENUE						
----------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Prepared By: Paul Conger Phone: 465-4338
 Division: Administrative Services Date: 3/11/85

Approved by Commissioner: Michael Clemens Date: 3-11-85
 Agency: Public Safety

Distribution (by Agency preparing fiscal note):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

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

949 E. 36TH AVENUE, SUITE 400
ANCHORAGE, ALASKA 99508
PHONE: (907) 563-1073

March 15, 1985

POSITION PAPER

RE: HB 253

SPONSOR: Representative Koponen

Program Effects of Bill

Comments

Section 1

As we read Section 1 of the bill, it provides for the optional exemption of land from the fire protection portion of municipal property taxes.

It is our understanding the intent of Section 1 is to assist certain neighborhoods which contain combinations of subdivisions and large acreage tracts in providing fire protection for their residents at a reasonable cost. We strongly support that intent and join the proponents of the bill in their determination to resolve that problem.

It is our position however, that fire protection for land is necessary to insure the preservation of agricultural crops, timber, grazing lands, livestock, and wildlife. To exempt such land from the obligation to pay for the fire protection service, and to require property improved with structures to assume the ensuing financial burden, would create a state of unfair taxation among municipal property owners.

In addition, we believe the adoption of that concept could trigger widespread litigation. We believe the concept which would allow the fire protection exemption would automatically extend to the police protection portion of the levy for the same reasons. We believe the same logic could also be found to apply in the areas of road maintenance, sewer and water maintenance and other municipal services.

HB 253
March 15, 1985
Page 2

Section 2

Section 2 of the bill optionally exempts the land of a fire protection facility from the levy of special assessments such as sewer and water improvement projects. The Department suggests Section 2 of the bill be amended to include the optional exemption of all property of such facilities rather than limiting it to the land only.

Emil Notti

Emil Notti, Commissioner

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: HB 253
 Title: Property Exempt ---
 fire protection
 Sponsor: Koponen, Davis, Larson, etc.
 Requestor: _____
 Date of Request: March 7, 1985

FISCAL DETAIL

Agency Affected: Community & Regional Affairs
 Program Category Affected: _____
 Community Development
 BRU, Program or Subprogram(s) Affected: _____
 BRU: Local Government Assistance
 Training & Development

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		-0-	-0-	-0-		
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL		-0-	-0-	-0-		

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Prepared By: Michael W. Worley
 Division: Municipal & Regional Assistance
 Approved by Commissioner: *Kevin Rost*
 Agency: Community & Regional Affairs

Phone: 465-4750
 Date: March 14, 1985
 Date: 3/15/85

Distribution (by Agency preparing fiscal note):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

7/1/84

RESOLUTION NO. 85-024

A RESOLUTION IN SUPPORT OF HOUSE BILL NO. 253,
"AN ACT ALLOWING MUNICIPALITIES TO EXEMPT LAND
FROM PROPERTY TAXES AND FROM SPECIAL ASSESSMENTS
FOR FIRE PROTECTION SERVICE . . ."

WHEREAS, the Fairbanks North Star Borough has a large portion
of its population unprotected by Fire Service Districts; and

WHEREAS, the Fairbanks North Star Borough Fire Service Areas
have had difficulty in getting total acceptance of proposals to create such
Fire Service Districts, largely because larger land owners have not been
able to be a part of the process; and

WHEREAS, the Fairbanks North Star Borough has supported
differential land and improvement taxation for the past five years, and has
investigated many potential taxation methods in order to provide safety and
protection to areas of the Borough through equitable taxation; and

WHEREAS, the Assembly of the Fairbanks North Star Borough
has reiterated its position during public meetings and public hearings in
support of taxation only on improvements, including personal property
affixed to the improvements upon the lands, and exemption of the — local
assessment upon the land value. option

NOW, THEREFORE, BE IT RESOLVED by the Assembly of the
Fairbanks North Star Borough that we urge adoption of House Bill No. 253
to allow municipalities to exempt land from property taxes and from special
assessments for fire protection services and fire protection facilities.

PASSED AND APPROVED THIS 14TH DAY OF MARCH, 1985.

Sandra Scott Stinger
Presiding Officer

ATTEST:

Mona Lisa Spuler
Clerk of the Assembly

IMPACT OF EXEMPTING LAND VALUES FROM FSA TAXATION

1. Base Data - 1984 Assessment Rolls

FSA	LAND VALUE	IMPROVEMENT VALUE	ADJUSTED IMPROVEMENT VALUE	TOTAL	ADJUSTED TOTAL
Ester	10,433,746	13,498,254	11,931,966	23,932,000	22,865,712
Moose Creek	3,184,263	8,493,574	7,769,483	11,677,837	10,953,706
North Star	96,788,609	174,184,559	158,217,867	270,973,588	255,006,476
Steese	38,588,738	77,258,132	70,193,744	115,846,370	108,782,482
University	62,417,016	173,406,962	158,021,234	235,823,978	220,438,250

2. Tax Data - 1984

FSA	MILL LEVY	TAX GENERATION LAND	TAX GENERATION ADJUSTED IMPROV.	TOTAL
Ester	1	10,434	11,932	22,366
Moose Creek	1	3,184	7,789	10,953
North Star	1	96,789	158,218	255,007
Steese	2	77,177	140,387	217,564
University	2	124,834	316,042	440,876

3. Required mill rate to generate equal revenue with all land exempt

FSA	MILL LEVY	YIELD
Ester	1.9	22,671
Moose Creek	1.4	10,877
North Star	1.6	253,149
Steese	3.1	217,600
University	2.8	442,450

RESOLUTION OF THE ALASKA CONFERENCE OF MAYORS
84-8

A RESOLUTION REQUESTING THE LEGISLATURE AND
GOVERNOR TO CHANGE AS 29.53.025 CONCERNING
OPTIONAL EXEMPTIONS

WHEREAS, the creation of fire service areas is essential to the well being of the citizens of the State of Alaska; and

WHEREAS, fire service areas are created primarily to protect improvements upon land; and

WHEREAS, resource development and processing such as agriculture in interior Alaska requires large parcels of land for cultivation; and

WHEREAS, resource development is important to diversify and stabilize the Alaska economy; and

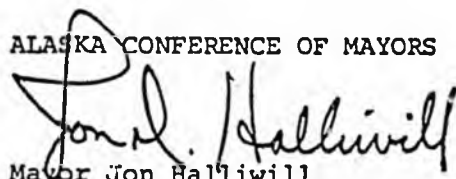
WHEREAS, the industries should not be penalized by not having proper fire protection due to large land holdings; and

WHEREAS, equity would dictate that the costs of fire protection be paid based on the value of the improvements being protected:

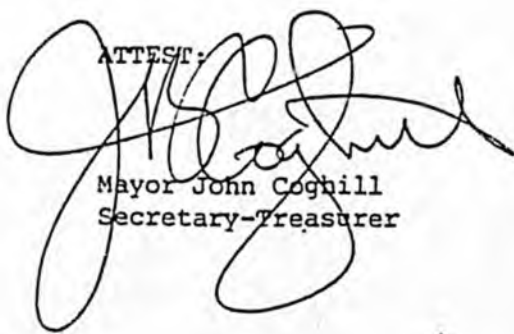
NOW, THEREFORE, BE IT RESOLVED by the Mayors' Conference that the Alaska State Legislature and the Governor be requested to amend AS 29.53.025 allowing municipalities to optionally exempt land values from fire service assessments.

ADOPTED this 16th day of November, 1984.

ALASKA CONFERENCE OF MAYORS


Mayor Jon Halliwill
President

ATTEST:


Mayor John Coghill
Secretary-Treasurer

revenue lost to the municipality by reason of the exemption authorized in those provisions may be reimbursed to the municipality by the state."

The 1977 amendment, in subsection (e), deleted "up to and including an assessed value limit determined no later than January 15 of each year by the commissioner of the Department of Community and Regional Affairs" from the end of the first sentence and deleted the former second

sentence, which read "The assessed value limit is the upper limit of the third quartile class in a frequency distribution of previous year assessed values in the state."

The first 1980 amendment, added paragraph (7) of subsection (a) and subsection (j).

The second 1980 amendment, added paragraph (8) of subsection (a).

NOTES TO DECISIONS

Strict construction.

The courts must narrowly construe statutes granting tax exemptions. *Greater Anchorage Area Borough v. Sisters of Charity of House of Providence*, Sup. Ct. Op. No. 1299 (File No. 2445), 553 P.2d 467 (1976).

Burden of showing eligibility for exemption. — A taxpayer claiming a tax exemption has the burden of showing that the property is eligible for the exemption. *Greater Anchorage Area Borough v. Sisters of Charity of House of Providence*, Sup. Ct. Op. No. 1299 (File No. 2445), 553 P.2d 467 (1976).

Exclusive use for nonprofit religious, etc., purposes must be shown. In order to qualify for an exemption, the taxpayer must show not benefits, but exclusive use for nonprofit religious, charitable, cemetery, hospital or educational purposes. *Greater Anchorage Area Borough v. Sisters of Charity of House of Providence*, Sup. Ct. Op. No. 1299 (File No. 2445), 553 P.2d 467 (1976).

When the property in question is used even in part by nonexempt parties for their private business purposes, there can be no exemption. *Greater Anchorage Area Borough v. Sisters of Charity of House of Pro-*

vidence, Sup. Ct. Op. No. 1299 (File No. 2445), 553 P.2d 467 (1976).

Actual use rather than owner's use should be analyzed in determining eligibility for an exemption. *Greater Anchorage Area Borough v. Sisters of Charity of House of Providence*, Sup. Ct. Op. No. 1299 (File No. 2445), 553 P.2d 467 (1976).

Office space rented to doctors engaged in private practice. — Office space in a building partially used exclusively for nonprofit hospital purposes, rented to doctors engaged in the private practice of medicine by a nonprofit charitable and religious corporation, was not exempt from taxation. *Greater Anchorage Area Borough v. Sisters of Charity of House of Providence*, Sup. Ct. Op. No. 1299 (File No. 2445), 553 P.2d 467 (1976).

While the use of office space by doctor-tenants in conducting their private practices does provide incidental benefits to the adjacent hospital, the office space is not used exclusively for hospital purposes. *Greater Anchorage Area Borough v. Sisters of Charity of House of Providence*, Sup. Ct. Op. No. 1299 (File No. 2445), 553 P.2d 467 (1976).

Sec. 29.53.025. Optional exemptions and exclusions. (a) Municipalities may exclude or exempt or partially exempt residential property from taxation by ordinance ratified by the voters at a regular or special election. An exclusion or exemption authorized by this section may not exceed \$10,000 for any one residence.

(b) Municipalities may by ordinance

(1) classify boats and vessels for purposes of taxation and may establish the assessed valuation of boats and vessels on the basis of their registered or certificated net tonnage; a tax based upon a tonnage valuation shall not exceed \$5 a year for a boat or vessel of less than five net tons and shall not exceed \$15 a year for a boat or vessel of more than five net tons;

(2) classify and exempt from taxation

(A) the household furniture over \$500 in value and the effects of the head of a family or a householder; and

(B) the property of an organization not organized for business or profit-making purposes and used exclusively for community purposes, provided that income derived from rental of such property does not exceed the actual cost to the owner of the use by the renter; and

(C) historic sites, buildings and monuments;

(D) land of a nonprofit organization used for agricultural purposes if rights to subdivide the land are conveyed to the state and the conveyance includes a covenant restricting use of the land to agricultural purposes only; rights conveyed to the state under this subparagraph may be conveyed by the state only in accordance with AS 38.05.069(c).

(c) The provisions of (a) of this section notwithstanding,

(1) a home rule or first or second class borough may, by ordinance, adjust its property tax structure in whole or in part to the property tax structure of a city within it, including but not limited to, excluding personal property from taxation, establishing exemptions, and extending the redemption period;

(2) a home rule or first class city shall have the same power to grant exemptions or exclude property from borough taxes that it has as to city taxes, provided that the exemptions or exclusions have been adopted as to city taxes and further provided that the city appropriate to the borough sufficient money to equal revenues lost by the borough because of the exemptions or exclusions, the amount to be determined annually by the assembly without weighted voting;

(3) a home rule or general law city within an organized borough may, by ordinance, adjust its property tax structure in whole or in part to the property tax structure of the borough, including but not limited to exempting or partially exempting property from taxation.

(d) Exemptions or exclusions from property tax which have been granted by home rule municipalities in addition to exemptions authorized or required by law, and which are in effect on September 10, 1972 and not later withdrawn, are not affected by this Act.

(e) Municipalities may by ordinance classify and exempt or partially exempt from taxation privately owned land, wet land and water areas for which a scenic, conservation, or public recreation use easement is granted to a governmental body. To be eligible for a tax exemption, or partial exemption, the easement must be in perpetuity. However, the easement is automatically terminated before an eminent domain taking of fee simple title or less than fee simple title to the property so that the property owner is compensated at a rate which does not reflect the easement grant.

(f) A municipality may by ordinance exempt from taxation all or any part of the increase in assessed value of improvements to real property if an increase in assessed value is directly attributable to alteration of

the natural features of the land or new maintenance, repair or renovation of an existing structure and if the alteration, maintenance, repair or renovation, when completed, enhances the exterior appearance or aesthetic quality of the land or structure. No exemption may be allowed under this subsection for the construction of an improvement to a structure if the principal purpose of the improvement is to increase the amount of space for occupancy or nonresidential use within the structure or for the alteration of land as a consequence of construction activity. An exemption provided in this subsection may continue for up to four years from the date the improvement is completed or from the date of approval for the exemption by the local assessor, whichever is later.

(g) A municipality may by ordinance exempt from taxation all or any part of the increase in assessed value of improvements to a single family dwelling if the principal purpose of the improvement is to increase the amount of space for occupancy. An exemption provided in this subsection may continue for up to two years from the date the improvement is completed or from the date of approval of an application for the exemption by the local assessor, whichever is later. (§ 2 ch 118 SLA 1972; am § 2 ch 1 FSSLA 1973; am § 1 ch 33 SLA 1975; am § 1 ch 111 SLA 1976; am § 1 ch 262 SLA 1976; am § 1 ch 95 SLA 1977; am § 31 ch 94 SLA 1980)

Effect of amendments. — The 1973 amendment added the second sentence of subsection (a).

The 1975 amendment added subsection (e).

The first 1976 amendment added paragraph (3) of subsection (c).

The second 1976 amendment added

paragraph (2)(D) of subsection (b).

The 1977 amendment added subsections (f) and (g).

The 1980 amendment deleted "adopted without weighted voting" near the beginning of paragraph (1) of subsection (c).

Sec. 29.53.035. Farm or agricultural lands. (a) Farm use lands included in a farm unit and not dedicated or being used for nonfarm purposes shall be assessed on the basis of full and true value for farm use, and shall not be assessed as if subdivided or used for some other nonfarm purpose. The assessor shall maintain records valuing the farm use land for both full and true value and farm use value. Should the farm use land be sold, leased, or otherwise disposed of for uses incompatible with farm use or be converted to a use incompatible with farm use by the owner, the owner is liable to pay an amount equal to the additional tax at the current mill levy together with eight per cent interest for the preceding seven years, as though the land had not been assessed for farm use purposes. Payment by the owner shall be made to the state to the extent of its reimbursement for revenue loss under (e) of this section for the preceding seven years. The balance of the payment shall be made to the city or borough.

Original sponsors: Sturgulewski and Rodey

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IN THE SENATE

BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

CS FOR SENATE BILL NO. 204 (C&RA)
IN THE LEGISLATURE OF THE STATE OF ALASKA
FOURTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to contracts for architectural,
engineering, and land surveying services; and provid-
ing for an effective date "

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

* Section 1. AS 36.90 is amended by adding a new section to read:

Sec. 36.90.100. COMPLIANCE OF CONTRACTS WITH PROFESSIONAL REGIS-
TRATION REQUIREMENTS. The state or a political subdivision of the
state may not award a contract for architectural, engineering, or land
surveying services to

(1) an individual who is not registered under AS 08.48 to
perform the architectural, engineering, or land surveying services
required by the contract;

(2) a partnership that is not qualified under AS 08.48.251
to provide the architectural, engineering, or land surveying services
required by the contract; or

(3) a corporation that is not authorized under AS 08.48.241
to offer the architectural, engineering, or land surveying services
required by the contract.

* Sec. 2. AS 36.98 is amended by adding a new section to read:

Sec. 36.98.043. ARCHITECTURAL, ENGINEERING, AND LAND SURVEYING
CONTRACTS. (a) Notwithstanding the provisions of AS 36.98.010(3) and
36.98.040, a state agency shall negotiate a contract with the most
qualified and suitable firm or person of demonstrated competence for
architectural, engineering, or land surveying services. The state

1 agency shall award a contract for those services at fair and reason-
2 able compensation as determined by the state agency, after considera-
3 tion of the estimated value of the services to be rendered, and the
4 scope, complexity, and professional nature of the services.

5 (b) If negotiations with the most qualified and suitable firm or
6 person under (a) of this section are not successful, the state agency
7 shall negotiate a contract with other qualified persons or firms of
8 demonstrated competence, in order of public ranking. The state agency
9 may reject all or part of a proposal.

10 (c) This section does not apply to contracts awarded in a situa-
11 tion of public necessity if the person responsible for execution of
12 the contract on behalf of the state agency certifies in writing that a
13 situation of public necessity exists.

14 (d) Notwithstanding the other provisions of this section, a
15 state agency may include price as a factor in selecting architectural,
16 engineering, and land surveying services when, in the judgment of the
17 state agency, the scope, nature, and amount of services required are
18 sufficiently defined to reasonably enable firms and individuals making
19 proposals to compete with a substantially equal understanding and
20 interpretation of the services required. In order to include price as
21 a factor in selection, the state agency shall involve in the evalua-
22 tion of the proposals at least one person who is registered in the
23 state to perform the architectural, engineering, or land surveying
24 services that are the primary services to be provided by the contract.

25 (e) The consideration of price under (d) of this section as a
26 factor in the selection of architectural, engineering, and land sur-
27 veying services may not exceed 20 percent of the scoring formula used
28 in evaluating proposals. The state agency shall base the evaluation
29 of price on a previously established schedule that correlates

objection

1 ~~objectively~~ with the points scored.

2 (f) This section does not apply to a contract that incorporates
3 both design and construction services.

4 * Sec. 3. This Act applies to requests for bids or proposals for archi-
5 tectural, engineering, and land surveying services issued after the effec-
6 tive date of this Act.

7 * Sec. 4. This Act takes effect immediately in accordance with AS 01.-
8 10.070(c).
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Alaska State Legislature

SENATOR
ARLISS STURGULEWSKI
Chairman, Senate Resources Committee
Vice-Chairman, Senate Health, Education and Social Services Committee
Member, Senate Community and Regional Affairs Committee



2957 SHELDON JACKSON STREET
ANCHORAGE, ALASKA 99508

While in Juneau
POUCH V
JUNEAU, ALASKA 99811
(907) 465-3818

Senate

MEMORANDUM

18 April 1985

TO: Senator Arliss Sturgulewski

FROM: Melissa Aber Fouse

RE: Committee Substitute for SB 204

This proposed committee substitute for Senate Bill 204 incorporates solutions to most of the questions raised during the Community & Regional Affairs committee meeting held 16 April.

We have addressed the issue raised by the AIA and the Department of Transportation regarding under what circumstances price may be considered as a factor in evaluation proposals by adopting the language as proposed by DOT (which is incorporated in CSHB 278 (L&C), with the addition of:

- limiting the consideration of price to no more than 20% of the evaluation of a proposal,
- requiring that the evaluation formula for proposals be set out prior to the evaluation itself; and
- requiring that the schedule for evaluation objectively correlates price with points scored.

The concerns raised by the Department of Commerce, Division of Occupational Licensing are addressed by a new section which amends the miscellaneous provisions chapter of Title 36 stating that neither state agencies nor municipalities may contract for these services with an entity which is not registered under Title 08.

There had been a question regarding the applicability of this legislation to "design-build" contracts. We are told that the identifying characteristic of "design-build" contracts is that they include both design and construction services in a single contract. We have stated that this section does not apply to such contracts.

Local hire provisions were discussed during the committee meeting. It has been interpreted by the Attorney General that the current 95% employment requirement does not apply to professional services contracts, but only to those workers belonging to crafts. In order to include all professional services, it would be necessary to amend the professional services contracting section of Title 36. Because this is a complex issue, it may be better addressed in separate legislation.



Official Business

Alaska State Legislature Senate

Senator Edna DeVries, Chairman
Members
Senator Ferguson, Vice Chairman
Senator English
Senator Sturgulewski
Senator V. Fischer

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Juneau, Alaska 99811

Committee on Community and Regional Affairs

4/17/85

Edna,

Vic Fischer will not make the meeting today.....

HB 253 tax exemptions for fire service districts is first on the agenda....

Rep Koponen is suppose to be present to testify

Mike Worley, Assessor is to be there also

HB 72 == Title 29 revisions

Talked to Ziegler's office ...

He has agreed not to offer the Wrangell amendments at this time

Jeff Smith, Dept C&RA says his department will speak on behalf of Senator Ferguson's amendment that will be offered by Sen Sturgulewski

Goll may be present

Melissa says there will be a CS for SB 204--

(contracting for Arch, Engineering, Survey services -- however, it is not ready yet....

Tam Cook will be present to give very overview of Hec/Senate differences before you begin debate,

3/11/85 1:30p

Cook

Atch 2A

A M E N D M E N T #1A

Offered in the SENATE

TO: SB 142

By the Community and Regional

Affairs Committee

Page 1, after line 8, insert a new bill section to read:

"* Section 1. PURPOSE. The legislature finds that the municipal code contains many provisions that have created problems for municipalities that must function under AS 29 and that the title is poorly organized and difficult for people to use. Therefore, it is the purpose of the legislature to revise and reorganize the municipal code to permit local government to function more effectively. Except as expressly provided, the legislature does not intend by this Act to alter or affect in any way the relationship or balance of authority between the state and home rule or general law municipalities with respect to the timing or manner of resource development under AS 31, AS 38, or other provisions of law. Except as expressly provided, the legislature does not intend by this Act to increase or reduce the authority of state agencies to carry out their functions under other titles."

Renumber following bill sections accordingly.

HCRA #6

Atch 2b

A M E N D M E N T

Offered in the HOUSE

TO: HB 72

Page 53, line 26, after "PROHIBITIONS." insert:

"(a) A person may not be in any way favored or discriminated against with respect to municipal employment because of the person's race, color, sex, creed, national origin or, unless otherwise contrary to law, because of the person's political opinions or affiliations."

Reletter following subsections accordingly.

Page 53, line 29:

Delete "section" and insert "subsection"

Atch 2c

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

COPY

POUCH Y STATE CAPITAL
JUNEAU ALASKA 99811
907 465 3800

MEMORANDUM

March 14, 1985

SUBJECT: Municipal Code Revision
(CSSB 142 (C&RA))

TO: Senator Edna DeVries
Chair, Community & Regional Affairs Committee

FROM: Tamara Brandt Cook
Deputy Director
Division of Legal Services

Here is the committee substitute that you requested. It incorporates all changes adopted by the House Community and Regional Affairs Committee in the house version of the municipal code revision with the exception of the change to Section 29.20.630. This committee substitute includes the purpose clause adopted by your committee and changes the population requirement for incorporation of a first class or home rule city from 600 to 400 residents. In addition, I have made two technical changes. Section 29.45.030(1) contains a citation to AS 19.70.081 which I have corrected to read AS 18.70.081. This cross-reference appears in existing law, and there is, in fact, no AS 19.70.081. Some changes were made in Section 29.45.080 in earlier versions of the municipal code revision bill to clarify that language. Mary Nordale, Commissioner of the Department of Revenue, has indicated to me that these changes create practical problems for the department in implementing its responsibilities under other provisions of law. Since no substantive change has ever been intended to be made to this section and since the attempt at clarifying the language has apparently failed, I have, as a drafting matter and with the permission of Yvonne Alford, conformed this section to the language that appears in existing law.

Please contact me if I can be of further assistance.

TBC:csh
c3/049

Other than date changes, this House amendment adopts the technical amendments recommended by counsel and included in CSSB 142.

HB 72

The Finance Committee has considered HOUSE BILL NO 72 (municipal government; effective date), recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 72 (C&RA) (page 538) with the following amendment:

Amendment No. 1 by the Finance Committee:

- Page 10, line 27:
Delete "June 30, 1986" and insert "December 31, 1985"
- 11, line 2:
Delete "July 1, 1986" and insert "January 1, 1986"
- Page 11, line 3:
Delete "June 30, 1986" and insert "December 31, 1985"
- Page 11, line 20:
Delete "June 30, 1986" and insert "December 31, 1985"
- Page 12, line 21:
Delete "June 30, 1986" and insert "December 31, 1985"
- Page 12, line 24:
Delete "June 30, 1986" and insert "December 31, 1985"
- Page 105, line 28:
Delete "AS 19.70.081" and insert "AS 18.70.081"
- Page 114, line 8:
Before "property" insert "taxable"
- Page 114, line 12:
Before "property" insert "taxable"
Delete "under this chapter and"
- Page 114, line 18:
Before "property" insert "taxable"
Delete "under this chapter and"

date change

Alaska State Legislature

House of Representatives

Committee on
Community & Regional Affairs

LETTER OF INTENT
to
CSHB 72 (C&RA)

It is not the intent of the House Community and Regional Affairs Committee in adopting AS 29.53.045 as the renumbered section 29.45.080 in CSHB 72 (C&RA) to alter the substance or effect of that provision.

Peter Goll
Chairman

Peter Goll

R. C. E. J. J. J.

Mac [unclear]

[unclear]

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-4833



Official Business

Alaska State Legislature

Senate

Committee on
Community and Regional Affairs

March 14, 1985

Letter of Intent to Accompany Committee Substitute for
Senate Bill 142

It is not the intent of the Legislature through the passage of CSSB 142 to change the taxing provisions for electric and telephone cooperatives as set forth by AS 10.25-540-560; nor is it the intent of the Legislature to change present statute provisions covering public utility access to municipal rights of way as set forth by AS 42.05.251.

SENATE COMMITTEE ON COMMUNITY AND REGIONAL AFFAIRS

Edna DeVries

Senator Edna DeVries, Chairman

Senator Edna DeVries, Chair
Members
Senator Ferguson, Vice Chair
Senator Coghill
Senator Sturgulewski
Senator V. Fischer

Pouch V
Juneau, Alaska 99811

Atch #2 f

AN ACT RELATING TO MUNICIPAL GOVERNMENT

CSHB 72 (C&RA) Page 2 of 2

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Page 1 of 2

Revision Date: 3/15/85

REQUEST

Bill/Resolution No.: CSHB 72 (C&RA)
Title: An Act Relating to
Municipal Government
Sponsor: Rules/Governor
Requestor: Senate C&RA Committee
Date of Request:

FISCAL DETAIL

Agency Affected: Community & Regional Affairs
Program Category Affected: Community Development
Sponsor: BRU, Program or Subprogram(s) Affected:
Requestor: Community Assistance Grants
Date of Request: Component: Organizational Grants

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS		-0-	400.0	350.0		
800 MISCELLANEOUS						
TOTAL OPERATING		-0-	400.0	350.0		

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
FEDERAL FUNDS		-0-	400.0	350.0		
OTHER						
TOTAL		-0-	400.0	350.0		

POSITIONS:

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
FULL-TIME		-0-	-0-	-0-		
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

SEE ATTACHED ANALYSIS

Prepared By: Doug Griffin, Deputy Director Phone: 465-4750
Division: Municipal & Regional Assistance Date: 3/15/85
Approved by Commissioner: [Signature] Date: 3/15/85
Agency: Community & Regional Affairs

ANALYSIS: This bill commits the State to paying increased levels of transitional assistance to newly incorporated cities and boroughs. However, given the increasingly complex requirements for incorporation, the fact that the bill does not become effective until January 1, 1986 (half way through FY 86), and the ability to request supplemental funding to pay transitional grants after the fact on a reimbursement basis, assumptions have been changed to produce a zero fiscal effect for FY 86. This will prevent money from being tied up to address incorporations which may not occur.

The Legislature does need to acknowledge that the bill does carry possible increased financial obligations, but it is impossible to predict when these added costs will be borne by the State. For this reason, the fiscal note reflects no additional cost for FY 86, but assumptions for future years are included as follows:

Assumptions: FY 86 - no incorporations
FY 87 - two cities and one borough incorporate
FY 88 - two cities incorporate

Program Summary: The only portion of this bill which will create fiscal impact is Sec. 29.05.180-190 which provides additional transitional assistance through increased organizational grants. The Department is also required to provide additional assistance to newly formed cities and boroughs in setting up a sales tax collection system and tax rolls for property taxation. It is difficult to gauge whether this type of assistance will in fact be requested. If it is requested, additional work will be required of the State Assessor and technical assistance sections of the Division of Municipal and Regional Assistance. Given this uncertainty, possible costs for this type of technical assistance are not reflected in this fiscal note.

Computations:

Grants in FY 86..... -0-
Grants in FY 87..... 400.0
(2 cities @ \$50,000 per -- first year grant)
(1 borough @ \$300,000 per -- first year grant)
Grants in FY 88..... 350.0
(2 cities @ \$50,000 per -- first year grant)
(2 cities @ \$25,000 per -- second year grant)
(1 borough @ 200,000 per -- second year grant)

Economic Impact: The economic impact on State and local governments will be limited.

Impact on Local Governments: This bill is strongly supported by the Alaska Municipal League and most municipalities of the State. Impacts will generally be positive, particularly for newly incorporated municipalities.



Official Business

Alaska State Legislature

Senate

Committee on Community and Regional Affairs

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Members:
Senator Ferguson, Vice Chairman
Senator Coghill
Senator Sturgulewski
Senator V. Fischer

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Juneau, Alaska 99811

Committee Meeting 4/17/85 ----

CSHB 253 (C&RA) -- An Act allowing municipalities to exempt certain land from property taxes and from special assessments for fire protection service and fire protection facilities

Heard April 2 -- no action taken -- heard testimony from Borough Mayor Bill Allen, Rep. Koponen, State Assessor, Mike Worley

See Atch #1

CSHB 72 (C&RA) am -- Title 29 revisions

Following is a summary of differences between this bill and the bill that passed out of committee March 12 (CSSB 142)

- 1) Does not include Committee amendment #1a, "Purpose Clause"(see atch #2a)
- 2) Includes HC&RA amend #6 (Prohibition against Discrimination) see atch #2b
- 3) Requires 600 population for incorporation as first class or home rule (changed to 400 in SB142)
- 4) Includes one amendment passed on House floor that deals with technical changes only (see atch #2c)
- 5) Includes a letter of intent that was rendered irrelevant by the passage of the House amendment. (see atch #2d)
- 6) Does not include committee Letter of Intent. (see atch #2e)
- 7) A revised fiscal note has been attached to both the House and the Senate bill (see atch #2f)

Offered: 3/18/85
Referred: Rules

Atch #1

Original sponsors: Koponen, Davis,
Larson, et al

1 IN THE HOUSE

BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

2

CS FOR HOUSE BILL NO. 253 (C&RA)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act allowing municipalities to exempt land from

7

property taxes and from special assessments for fire

8

protection service and fire protection facilities;

9

and providing for an effective date."

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

11 * Section 1. AS 29.53.025 is amended by adding a new subsection to
12 read:

13

(h) A municipality may by ordinance partially or wholly exempt

14

land from a tax for fire protection service and fire protection facil-

15

ities and may levy the tax only on improvements, including personal

16

property affixed to the improvements.

17

* Sec. 2. AS 29.63 is amended by adding a new section to read:

18

Sec. 29.63.066. OPTIONAL EXEMPTION. If an assessment under this

19

chapter is for a fire protection facility, a municipality may exempt

20

land and levy the assessment only on improvements, including personal

21

property affixed to the improvements.

22

* Sec. 3. This Act takes effect January 1, 1986.

CSHB 253 (C&RA)-----

Permits local government to partially or wholly exempt land
from a tax for fire protection; allowing the tax to be levied
only on improvements (including personal property).

Public Safety -- supports the bill and attaches a zero fiscal
note

Community & Regional Affairs -- is opposed to the bill and
attaches a zero fiscal note

Fairbanks North Star Borough supports the bill by Resolution 85-024

The Alaska Conference of Mayors supports the bill by Resolution 84-8