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STATE OF ALASKA
THE LEGISLATURE

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

May, 1986

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS date base CM 14. In order to save space copies of minutes have not been left in the files.

Jeanie Henry

Sen. Community and Regional Aff;
2/13/86, 3:45 pm.

COMMITTEE REPORT
SENATE

FURTHER: FINANCE

1/30/86

Date Feb 25, 1986

Mr. President

The Committee on C&RA considered SB 376
making appropriations to the Department of Community and Regional
Affairs to reimburse municipalities under certain programs; 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 SB 376 (C&RA)
- 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

William Stangulenti
[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS

[Signature]
[Signature]

Edna DeVine
 Chairman
[Signature]
 Chairman recommendation

Original sponsor: Community and Regional
Affairs Committee

Funding Information

General Fund \$2,321,857
Other Funds - 0 -
\$2,321,857

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

1 IN THE SENATE

2 CS FOR SENATE BILL NO. 376 (C&RA)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making appropriations to the Department of
7 Community and Regional Affairs to reimburse municipi-
8 palities under certain programs and to provide an
9 organization grant; and providing for an effective
10 date."

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

12 * Section 1. The sum of \$2,225,000 is appropriated from the general
13 fund to the Department of Community and Regional Affairs to reimburse
14 municipalities under the following programs for costs incurred in fiscal
15 year 1986:

16 Program	17 Appropriation
18 Homeowners' Property Tax Exempt on	\$2,000,000
19 (AS 29.45.030(e) - (i) and former	
20 AS 29.53.020(e) - (i))	
21 Motor Vehicle Exemption	10,000
22 (AS 29.45.030(j) and former	
23 AS 29.53.030(j))	
24 Water and Sewer Assessments	65,000
25 (AS 29.46.090 and former	
26 AS 29.63.065)	
27 Farm use	150,000
28 (AS 29.45.060 and former	
29 AS 29.53.035)	

* Sec. 2. The sum of \$46,857 is appropriated from the general fund to

1 the Department of Community and Regional Affairs to reimburse municipali-
2 ties under the water and sewer assessment program (former AS 29.63.065) for
3 costs incurred in fiscal year 1985.

4 * Sec. 3. The sum of \$50,000 is appropriated from the general fund to
5 the Department of Community and Regional Affairs for payment as a grant to
6 the City of Bettles to defray its costs of transition to city government
7 and to provide for interim government operations.

8 * Sec. 4. The appropriation made by sec. 3 of this Act shall be dis-
9 bursed in the same manner as an organization grant made under AS 29.05.180.

10 * Sec. 5. This Act takes effect immediately in accordance with AS 01.-
11 10.070(c).

MEMORANDUM

04 February 1986

TO: Senator Arliss Sturgulewski
 FROM: Melissa Aber Fouse
 RE: Funding for Municipal Tax Relief Programs

You have asked about the funding levels for the Tax Relief programs for FY 1986 and FY 1987.

The following are the estimated FY 1986 shortfalls for:

Farm Use Land Assessments Payments	\$150,000
Senior Citizen/Disabled Veteran Homeowner Payments	2,177,300
Senior Citizen/Disabled Veteran Renters Payments	96,600
Senior Citizen Special Assessments-Water/Sewer	60,000

The following are the fiscal year 1987 funding levels estimated by the Department of Community and Regional Affairs, the Governor's budget request and the estimated shortfalls for:

<u>Senior Citizens/Disabled Veterans Homeowners Property Tax Exemption</u>	
Department Estimate	\$7,842,300
Governor's Budget Request	4,008,600
Estimated Shortfall	3,833,700

<u>Senior Citizens/Disabled Veterans Renter "rebates"</u>	
Department Estimate	390,000
Governor's Budget Request	258,700
Estimated Shortfall	131,700

<u>Senior Citizens Special Assessments-Water/Sewer Deferment</u>	
Department Estimate	120,000
Governor's Budget Request	30,000
Estimated Shortfall	90,000

Senior Citizen Motor Vehicle Tax Exemption

Department Estimate	\$164,800
Governor's Budget Request	<u>117,900</u>
Estimated Shortfall	\$46,900

Senior Citizen/Disabled Veteran Rental Sales Tax

Department Estimate	\$10,000
Governors Budget Request	<u>10,000</u>
Estimated Shortfall	0

Farm Use Land Assessment

Department Estimate	\$350,000
Governor's Budget Request	<u>150,000</u>
Estimated Shortfall	200,000

Total Estimated Shortfall \$4,302,300

The Fiscal Year 1986 budget appropriated \$81,306,800 for Municipal Assistance. The proposed FY 87 budget request is \$79,674,000. Since the language in the statute authorizing municipal assistance is permissive (may appropriate up to 30% of the prior years corporate tax receipts) and revenues are declining, it can be argued that this program is fully funded.

The FY 86 funding level for Revenue Sharing was \$59,632.2, the current request for FY 87 is \$57,459,600. \$1 million of the reduction was from the hospital construction account. This amount will be about 90% pro rata.

The school construction debt reimbursement entitlement for FY 1986 was \$109,665,909. Actual state aid was \$105,345,000 for a funding level of 96.06%. The latest figures for FY 87 from the Department of Education are:

Entitlement	\$144,485,898
Governor's Request	<u>106,315,600</u>
Estimated Shortfall	42,472,598

WORK ORDER REQUEST FORM

N14 - 1889

KEYWORDS: n: municipalities

ASSIGNED TO Laurerbach

REQUEST FOR: BILL RESOLUTION RESEARCH OTHER

SUBJECT A. CGRA-Municipal Programs

REQUESTED FOR Sen. DeVries BY Yvonne EXT. 4989

* DELIVER TO Sen. DeVries Cap. 427 TAKEN BY Cook

INSTRUCTIONS, EXPLANATIONS _____

Special Appropriation to CGRA for the following municipal programs:

- 1) Homeowners program (AS 29.45.030(e)-(1) and 29.53.020(e)-(1))-\$2,000,000
- 2) Motor vehicle reimbursements (AS 29.45.030)-\$10,000
- 3) Senior Citizens Sewer and Water (AS 29.46.090)-\$65,000
- 4) Farm use (AS 29.33.035, AS 29.45.060)-\$150,000

OBTAIN

SPECIAL DRAFTING INSTRUCTIONS ATTACHED

AUTHORIZED TO CONFER WITH _____

RETURN _____

TO REQUESTER

APPROVED: TBC Director, Legal Services

REVIEWED _____

IN 1/24/86 DUE _____

TYPED - Draft _____ DATE _____

Final _____ DATE _____

PROOFED _____ DELIVERED _____

SPECIAL INSTRUCTIONS TO TYPIST/PROOFREADER

DRAFT

FINAL

Introduced: 1/30/86
 Referred: Community and Regional
 Affairs and Finance

Funding Information
 General Fund \$2,225,000
 Other Funds - 0 -
 \$2,225,000

BY THE COMMUNITY AND
 REGIONAL AFFAIRS COMMITTEE

1 IN THE SENATE

2 SENATE BILL NO. 376

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

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 12 fund to the Department of Community and Regional Affairs to reimburse
 13 municipalities under the following programs:

Program	Appropriation
Homeowners' Property Tax Exemption (AS 29.45.030(e) - (i) and former AS 29.53.020(e) - (i))	\$2,000,000
Motor Vehicle Exemption (AS 29.45.030(j) and former AS 29.53.030(j))	10,000
Water and Sewer Assessments (AS 29.46.090 and former AS 29.63.065)	65,000
Farm use (AS 29.45.060 and former AS 29.53.035)	150,000

27 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
 28 10.070(c).

C&RA Mtg - 2/13/86

SB 369 ---

SB 376 - Get bill out so that Finance can determine total of supplementals needed

Estimate program needs \$7.4 mil
Gov Inds _____ in his budget

Burgess - Supports bill -- this is a state program; therefore state should take responsibility for it - also want to warn legislature that the shortfall next yr will be worst.

Jeff
Smith

\$2 mil covers amt taken out of homeowners exemption to fund renters exemption - so both programs covered

Coghill - What about \$50,000 for Bettles.

Smiths - Came on line Dec 26, bill went into effect Jan 1st.

Coghill
add approximately \$50,000
on line 11
on line 27
new incorporation

Sturg
amend ~~46,800~~ added to FY '85 program
\$46,857.00
Anc - Homer - left holding bag

Coghill
Have problem w/ North Slope / NANA
as no problem, then Ferguson
- B/ a bill to give \$385,000
to North Slope

Sturg - Don't introduce until Ferguson returns

369 is a #1 priority for local gov. -
need to hold over and have serious
discussion w/ Dept and with Muni League

Schedule ~~370~~³⁶⁹ for next Thurs.

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

February 12, 1986

- POUCH B
JUNEAU, ALASKA 99811
PHONE: (907) 465-4700
- 949 E. 36TH AVENUE, SUITE 400
ANCHORAGE, ALASKA 99508
PHONE: (907) 563-1073

POSITION PAPER

RE: Senate Bill 376

SPONSOR:

Program Effects of Bill

Comments:

Senate Bill 376 provides for a supplemental appropriation which would fully fund the municipal property tax relief programs administered by the Department for fiscal year 1985/1986. The Department supports the passage of this bill.

With the decline in State revenues, the Department recognizes that the fiscal growth of these tax relief programs is likely to be curtailed in the future. We believe however, that a shortfall in the programs for the current year could cause undue hardships for some municipalities. Several municipalities have voiced concerns that they would not have adequate time to prepare for such shortfalls during the current fiscal year. We understand those concerns and are in favor of fully funding the shortfalls for this year.

Senate Bill 113, which is now in House Finance Committee, would curb the growth of the largest of these programs, and provide language to allow the Department to proration available funding in the only exemption program where that authority does not presently exist. We believe the adoption of that bill will resolve many of the problems associated with these programs and, at the same time, allow municipalities adequate time to prepare for possible shortfalls in the upcoming fiscal year.


Emil Notti, Commissioner

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : 2/11/86

REQUEST

Bill/Resolution No. : SB 376
 Title : An Act...C&RA reimburse municipalities
under certain programs & providing
for an effective date
 Sponsor : Senator D'Vries/Senate C&RA
 Requestor : _____
 Date of Request : _____

FISCAL DETAIL

Agency Affected : _____
BRU: Senior Citizen/Disabled Vets Tax Relief
& Aq Lands Exemption
 Components : Tax Relief

EXP' NDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

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

REVENUE						
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FUNDING : (Thousands of Dollars)

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

POSITIONS :

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

ANALYSIS : Attach a separate page if necessary

This appropriation will not increase our administrative costs for these programs.

Prepared by : Michael W. Worley *Michael Worley*
 Division : Municipal & Regional Assistance

Phone : 465-4750
 Date : 2/11/86

Approved by Commissioner : Jess Smott
 Agency : Community & Regional Affairs

Date : 2/12/86

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Introduced: 1/30/86
Referred: Community and Regional
Affairs and Finance

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Official Business

Alaska State Legislature

Senate

Pouch V
State Capitol
Juneau, Alaska 99811

Feb 13, 1986

Received telephone call from Linda Anderson, representing the North Star Borough at 2:35p today, Feb 13. Ms. Anderson advised that the North Star Borough supports both SB 369 and SB 376. Representative unable to attend hearing due to dental appointment for child.

yma/2/13/86

cc: Linda Anderson

Lauterbach
2/14/86 ✓

Original sponsor: Community and Regional
Affairs Committee

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