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STATE OF ALASKA
THE LEGISLATURE

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JUNEAU, ALASKA 99811
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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

House C+RA

1-27-88

3:00p.m.



Official Business

COMMITTEE:

HOUSE COMMUNITY & REGIONAL AFFAIRS

DATE: Wed., January 27, 1988

SIGN-IN

Subject of meeting:

(A)

*EO 69 Reassignment of housing assistance functions of the DCRA

*HB 335 Taxpayer Notice

NAME (PLS PRINT)	YOUR TITLE & ADDRESS	PHONE	REPRESENTING	DO YOU WANT TO TESTIFY?
Jim PLASMAN	POB BHI JUNO	4750	DCRA	B. 79 Yes
Marla Huss	217 2nd St. Suite 200	463-3529	K P Boronogi	HB 335 no
Scott Burgess	" " "	6-1325	AML	HB 335 Yes
Rep. Taylor				

File Contents

HB 335 - Taxpayer Notice

<u>No.</u>	<u>Description</u>
1.	Bill - HB 335
2.	Position Paper - DCRA
3.	Bill Review - CRA Staff
4.	Letter to Com. Hoffman from Rasler
5.	Letter to Rep. Taylor from Rasler
6.	Fiscal Note - DCRA
7.	AML ltr.
8.	AS 29.45.020
9.	Con Rpt

HOUSE COMMITTEE REPORT **9** HB 335

(5)

Date referred: 1/11/88

FURTHER REFERRALS: Finance

JAN 27 1987

DATE: _____

The Community and Regional Affairs Committee has considered HB 335

"An Act amending notice requirements relating to the municipal assistance program; and providing for an effective date."

RECOMMENDS:

- replace with CS HB 335 (CRA) the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

[Handwritten Signature]

SIGNING OTHER RECOMMENDATIONS:

Zawacki _____
 Collins _____
 Springer _____

[Handwritten Signature]

 Chairman's signature

Original sponsor: Taylor

1 IN THE HOUSE

BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 335 (C&RA)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act amending notice requirements relating to the
7 municipal assistance program; and providing for an
8 effective date."

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

10 * Section 1. AS 29.60.370(b) is amended to read:

11 (b) The intent of (a) of this section is that a municipality
12 that levies property taxes reduce those levies in reasonable propor-
13 tion to the amount of increased state aid received by the municipal-
14 ity. [THE GOVERNING BODY OF EACH MUNICIPALITY SHALL FURNISH A NOTICE
15 WITH EACH TAX STATEMENT DESCRIBING ITS USE OF THIS STATE AID.]

16 * Sec. 2. AS 29.60.370 is amended by adding a new subsection to read:

17 (c) The governing body of each municipality that levies and
18 collects property taxes shall furnish a notice describing use of the
19 state aid provided under (a) of this section. Notice shall be pro-
20 vided

21 (1) by furnishing a copy of the notice with each tax state-
22 ment mailed for the fiscal year for which aid is received; or

23 (2) by publishing in a newspaper of general circulation in
24 the municipality a copy of the notice once each week for three succes-
25 sive weeks, with the first publication to occur not later than 45 days
26 after the final adoption of the municipality's budget.

27 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

January 21, 1988

POSITION PAPER

(2) HB 335

STEVE COWPER, GOVERNOR

- P.O. BOX B
JUNEAU, ALASKA 99811-2100
PHONE: (907) 465-4700
- 949 E. 36TH AVENUE, SUITE 400
ANCHORAGE, ALASKA 99508-4302
PHONE: (907) 563-1073

JAN 22 1987

RE: House Bill 335

SPONSOR: Representative Taylor

Program Effects of Bill

Under existing law, municipalities which levy a property tax must furnish a notice of the use of increased state aid received under the Municipal Assistance Program by including a statement of how the aid was used with each tax statement. This bill would allow such notice to be given alternatively by publication in a newspaper of general circulation in the municipality. This amendment would not have a fiscal effect on the program.

Comments

The Department supports the bill, with one minor proposed change to make it consistent with the coverage of the existing requirement, as described below. The required notice was not a significant issue in the past because the requirement is not made a condition of receipt of municipal assistance entitlements. However, with the adoption of the state single audit regulations, failure to comply with the municipal assistance notice requirement gave rise to an audit finding of non-compliance for a municipality if it failed to meet the requirement.

The requirement in its present form has caused problems because it does not give the option of publication in a local newspaper, which is allowed for the revenue sharing taxpayer notice. Strict compliance with the municipal assistance requirement of furnishing the notice with the tax statements has created hardship for municipalities in the following ways:

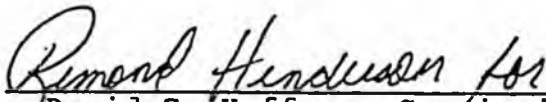
- inability to determine the amounts to be reported in time to include it with the tax statement;

House Bill 335
January 21, 1988
Page Two

- confusion over what the tax notice should include;
- confusion between the municipal assistance and revenue sharing requirements;
- hardship from interruption of automated tax statement procedures to include municipal assistance notice by hand; and
- difficulty in reporting by a city within a borough, where the city levies a separate tax, but the tax administration (including distribution of tax statements) and collection is by the borough.

The proposed bill, which would allow giving notice through publication in a local newspaper, in the manner of the revenue sharing taxpayer notice requirements at AS 29.45.020(b), would alleviate these problems and still serve the objective of the law of giving notice to residents of the direct benefits of the state assistance that they have received.

It should be noted that the department has interpreted this requirement to apply only to those municipalities which levy a property tax, as those are the only ones which distribute a tax statement. The department suggests that the language in the bill clarify this point by adding language which would make this requirement applicable to municipalities that levy a property tax. To extend the requirement to all municipalities would greatly expand the coverage of the requirement with potential hardship to smaller municipalities which do not have ready access to a newspaper of general circulation.



David G. Hoffman, Commissioner

Bill Review

HB 335 - "An Act amending notice requirements relating to the municipal assistance program; and providing for an effective date."

Review:

*Section 1. AS 29.60.370(b) Last sentence (Lines 14-15) is deleted from this section. It is amended and added to
*Section 2, AS 29.60.370(c) (Lines 16-25).

The addition of (c) (2), (Lines 22-25), provides an alternative way of providing notice of use of state aid to municipalities to taxpayers.

DCRA supports HB 335 (position paper). DCRA stated "...with the adoption of the state single audit regulations, failure to comply with municipal assistance notice requirement gave rise to an audit finding of non-compliance for a municipality if it failed to meet the requirement." (Jan. 22, 1988, Position Paper) The City of Wrangell supports HB 335 amendments.

No doubt municipalities have provided means of notification -thus publication of state aid to a municipality in a newspaper facilitates legal notice requirements.



ADOPTED AUGUST 1972

CITY of WRANGELL, ALASKA

INCORPORATED JUNE 15, 1903

BOX 531, 99929 (907) 874-2381

July 29, 1987

David G. Hoffman, Commissioner
Dept. of Community & Regional Affairs
P. O. Box B
Juneau, Alaska 99811-2100

RE: Municipal Assistance Program

Dear Mr. Hoffman:

We are in receipt of your letter dated July 20, 1987, transmitting final payment for the FY 87 Municipal Assistance Program.

The City of Wrangell has not furnished a notice with tax statements describing the use of increased state aid. Wrangell is a home rule ³¹⁰ municipality located outside any organized Borough and AS 29.60.030(b) is not applicalbe per AS 29.10.200. The City will, as an act of good faith, publish a notice to taxpayers regarding use of the funds.

At the time the State began the Revenue Sharing Program, a similar notice was required to be mailed with tax statements. This requirement was later amended by the Legislature to allow the notice to be mailed with tax statements or to be published. Because so many taxing jurisdictions prepare tax statements by computer that are sealed in mailers, we would like to suggest an amendment that would allow the option for the notice to be published by all taxing jurisdictions. Such an amendment would greatly reduce the time and cost of the present requirement.

Sincerely,

Joyce Rasler
City Manager

cc: Senator Lloyd Jones
Rep. Robin Taylor
Rep. John Sund
Petersburg City Manager
Cordova City Manager
City Attorney Stahla

5 HB 335



CITY of WRANGELL, ALASKA

INCORPORATED JUNE 15, 1903

BOX 531, 99929 (907) 874-2381

January 21, 1988

Representative Robin Taylor
House of Representatives
P.O. Box V
Juneau, AK 99811

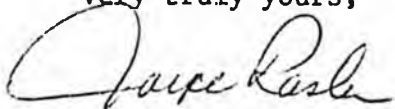
Re: House Bill No. 335
Municipal Assistance Program Notice

Dear Representative Taylor:

The City of Wrangell supports House Bill No. 335, which would amend the notice requirements on the Municipal Assistance Program.

We believe the requirement that notice of the use of the funds be mailed with tax statements is time consuming and costly to taxing jurisdictions. Our tax statements are prepared by computer and come from the computer sealed in the mailing envelope. In addition, even renters are affected by tax levies and State funding and should receive notice. This can easily be done by publishing notice. This amendment would allow the local governing body the option of mailing or publishing the notice as is now allowed for State Revenue Sharing (Sec. AS 29.45.020).

We urge approval of this amendment.

Very truly yours,

Joyce Rasler
City Manager

JR:fv

cc: Representative John Sund

STATE OF ALASKA
1988 LEGISLATIVE SESSION

BILL VERSION: HB 335
PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Community & Regional Affairs
Title: "An act amending notice requirements
..municipal assistance..effective date" BRU: Municipal Assistance
Sponsor: Representative Taylor Components: _____
Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

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

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Jim Plasman, Deputy Director
Division: Municipal & Regional Assistance Phone: 465-4750
Date: _____

Approved by Commissioner: Ronald Henderson for David Hoffman Date: _____
Agency: Community & Regional Affairs

- Distribution (by preparer):
- Legislative Finance
 - Legislative Sponsor
 - Requestor
 - Office of Management and Budget
 - Impacted Agency(ies)

JAN 25 1987


Alaska
MUNICIPAL
League

(7) HB 335

TELEPHONE
(907) 586-1325

105 MUNICIPAL WAY, SUITE 301
JUNEAU, ALASKA 99801

TO: Representative Henry Springer, Chair
Members of the House Community and Regional Affairs Committee

FROM: Scott A. Burgess, Executive Director 

DATE: January 27, 1988

SUBJECT: HB 335 - Taxpayer Notice

On behalf of its 135 member municipalities, the Alaska Municipal League supports HB 335 allowing the options of individual notice or newspaper notice to taxpayers regarding municipal assistance program payments. This legislation will provide consistency within the Statute (Title 29) and substantial savings of time and money for the municipalities and the taxpayers while meeting the intent of adequate notice.

Amending AS 29.60.370 as proposed by HB 335 will bring it into conformance with AS 29.45.020. Taxpayer Notice (a). Publication in a "newspaper of general circulation" may be much more efficient than individual notices for some municipalities who choose that option and, therefore, less expensive. An added benefit of the newspaper notice is informing non-taxpayers the cost of government and the amount of state assistance.

I do not know if the inconsistency between the two sections is intentional or a result of the fact that municipal assistance use to be addressed in Title 43 under the Department of Revenue before it was brought under the Department of Community and Regional Affairs and Title 29 under the "Title 29 Rewrite" legislation in 1985. The subject section does deal with "Increased Assistance" but that does not seem to be critical to not allowing the option, and, unfortunately, municipal assistance has not increased in several years! Adequate notice, consistency and some cost savings would be achieved with the passage of HB 335.

Again, the Alaska Municipal League supports HB 335 and the taxpayer notice options it would allow or clarify.

1 IN THE HOUSE

BY TAYLOR

2 HOUSE BILL NO. 335

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

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24 sive weeks, with the first publication to occur not later than 45 days
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