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SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of _____ 5-DAY NOTICE
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER: FINANCE

**FISCAL NOTE(S) ATTACHED _____ **
IN ACCORDANCE WITH AS 24.08.035
(see below)

1/12/88 DATE TURNED INTO OFFICE _____
Mr. President:

C&RA Committee considered SB 337

amending notice requirements relating to the municipal
assistance program; efd

and recommended:

replace with CS for SB 337 same title
 attached amendment(s) and new title

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted and attached

** Committee attached or adopted fiscal note(s)
 zero fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Mr. [Signature]
Tim Kelly

Artis Stankiewicz Do Pass.
Chairman signature and recommendation

Committee Backup Attached

Original sponsor: Jones

1 IN THE SENATE

BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 337 (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 new subsections to read:

17 (c) The governing body of a municipality with a population of
18 20,000 or more that levies a property tax shall furnish a notice
19 describing use of the state aid provided under (a) of this section.
20 Notice under this subsection shall be provided by furnishing a copy of
21 the notice with each tax statement mailed for the fiscal year for
22 which aid is received.

23 (d) The governing body of a municipality with a population of
24 less than 20,000 that levies a property tax shall furnish a notice
25 describing use of the state aid provided under (a) of this section.
26 Notice under this subsection shall be provided

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

29 (2) by publishing in a newspaper of general circulation in

1 the municipality a copy of the notice once each week for three succes-
2 sive weeks, with the first publication to occur not later than 45 days
3 after the final adoption of the municipality's budget.

4 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).
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5-1370B
Chenoweth
3/10/88

Original sponsor: Jones

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27 Munc less 20,000 have option
28 Munc ↑ 20k no option
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Alaska State Legislature

ARLISS STURGULEWSKI, Chairman
TIM KELLY, Vice Chairman
RICK HALFCHEK
MIKE SZYMANSKI
FRED ZHAROFF



P. O. BOX V
JUNEAU, ALASKA 99811
(907) 465-4989

Senate Community and Regional Affairs Committee

March 14, 1988

TO: Senate Community and Regional Affairs Committee Members

FROM: Senate C&RA Staff *MZ*

RE: CS for SB 337 (C&RA) - "An Act amending notice requirements relating to the municipal assistance program."

At the last meeting, the committee considered this bill. Progress stalled over discussion of a population threshold below which the new language would apply. The new CS would allow the alternate use of notification to taxpayers by advertisements in newspapers in municipalities with populations under 20,000.

Municipalities with populations greater than 20,000 would continue to be required to furnish notification of the use of state aid to each taxpayer.

5-1370B
Chenoweth
3/14/88

Original sponsor: Jones

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BY THE COMMUNITY AND REGIONAL
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FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An act amending notice requirements
..municipal assistance program.."
Sponsor: Jones
Requestor: _____

Agency Affected: Community & Regional Affairs
BRU: Municipal Assistance
Components: _____

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: 3/10/88
Approved by Commissioner: Walter C. Hoffmann Date: 3-10-88
Agency: Community & Regional Affairs

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

Alaska State Legislature

ARLISS STURGULEWSKI, Chairman
TIM KELLY, Vice Chairman
RICK HALFORD
MIKE SZYMANSKI
FRED ZHAROFF



P. O. BOX V
JUNEAU, ALASKA 99811
(907) 465-4989

Senate Community and Regional Affairs Committee

March 10, 1988

TO: Senate Community and Regional Affairs Committee Members

FROM: Senate C&RA Staff *ME*

RE: CS for SB 337 (C&RA) - "An Act amending notice requirements relating to the municipal assistance program."

Existing law requires municipalities which levy a property tax to include a statement of how state aid is used with each tax statement. SB 337 will allow the alternative use of newspaper advertisements to give the same message. The proposed CS clarifies that this applies only to communities that levy property taxes.

The bill is supported by Community and Regional Affairs, who suggested the proposed change. The bill is also supported by the Alaska Municipal League, the City of Wrangell, and the City of Petersburg. The bill has a zero fiscal note.

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

January 21, 1988

POSITION PAPER

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

RE: Senate Bill 337

SPONSOR: Senator Jones

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;

Senate Bill 337
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

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An act amending notice requirements
..municipal assistance..effective date
Sponsor: Senator Jones
Requestor: _____

Agency Affected: Community & Regional Affairs
BRU: Municipal Assistance
Components: _____

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						
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REVENUE						
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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 Phone: 465-4750
Division: Municipal & Regional Assistance Date: _____

Approved by Commissioner: Remond Henderson for David Hoff Date: _____
Agency: Community & Regional Affairs

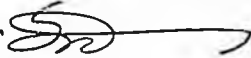
- Distribution (by preparer):
- Legislative Finance
 - Legislative Sponsor
 - Requestor
 - Office of Management and Budget
 - Impacted Agency(ies)

Alaska MUNICIPAL League

TELEPHONE
(907) 586-1325

105 MUNICIPAL WAY, SUITE 301
JUNEAU, ALASKA 99801

TO: Senator Arliss Sturgulewski, Chair
Members of the Senate Community and Regional Affairs Committee

FROM: Scott A. Burgess, Executive Director 

DATE: February 17, 1988

SUBJECT: SB 337 - Taxpayer Notice

On behalf of its 135 member municipalities, the Alaska Municipal League supports SB 337 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 SB 337 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 logical 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 SB 337.

Again, the Alaska Municipal League supports SB 337 and the taxpayer notice options it would allow or clarify.

SAB:ph1

cc: Senator Lloyd Jones



ADOPTED AUGUST 1972

CITY of WRANGELL, ALASKA

INCORPORATED JUNE 15, 1903

BOX 531, 99929

(907) 874-2381

January 20, 1988

Senator Lloyd Jones
Alaska State Legislature
P. O. Box V M/S 3100
Juneau, Alaska 99811

RE: Senate Bill No. 337, Municipal Assistance
Amending Notice Requirements

Dear Senator Jones:

The City of Wrangell supports Senate Bill No. 337 which would amend the municipal assistance notice requirements.

We do not object to providing notice to the public of the use of municipal assistance funds, however, we do object to the manner in which the notice is given. The present notice requirements in AS 29.60.370(b) provides that notice be furnished with each (property) tax statement. This requirement not only increases the costs of preparing and mailing statements, it can be next to impossible when statements are prepared on a computer in sealed mailing envelopes. In addition, this manner of reporting reaches a select group of the public (taxpayers) when it appears the notice should be given to the general public. This amendment would not only provide notice to a greater number of people, it would also reduce costs.

Your continued support of this amendment will be appreciated.

Sincerely,

A handwritten signature in cursive script, appearing to read "Joyce Rasler".

Joyce Rasler
City Manager



City of Petersburg
P. O. Box 329
Petersburg, Alaska 99833

January 26, 1988

Senator Lloyd Jones
Room 9, Capital Building
P. O. Box V
Juneau, Ak. 99811

RE: Comments on Senate Bill 337

Dear Senator Jones,

I have recently spoken with members of your staff concerning the proposed legislation, Senate Bill 337. My staff and I strongly support the action of this bill which would allow municipalities to notify taxpayers via local newspapers of the use of Municipal Assistance revenues rather than having to enclose this notice with the tax statements.

Some of the problems encountered in complying with the current law is that these revenues are not received until mid-June. The law does not state specifically but we have assumed that current revenues are the ones that should be addressed in the notice. When these revenues aren't received until so late in the fiscal year they are usually a part of our balance forward monies and are utilized in the next fiscal year. At this point, the budget for the new year may or may not be finalized, therefore it becomes a real time crunch to assemble and have printed accurate information for the taxpayer. Then these notices have to also be enclosed with tax statements which must be mailed by July 1. The provision of being able to print this notice in a local paper and within a given amount of time following the mailing of the tax statements would give municipalities the time needed to correctly assess the information needed and to send the paper this notice.

It would be helpful if there could be some clarification as to what the content of this notice should be. There is no mention in AS29.60.350---.375 that these revenues have any special use requirements other than in Sec. 29.60.370(b) which states "the intent is to reduce tax levies". It then goes on to state that the notice should "describe the use of this increased aid". In our municipality, property tax is a part of our general fund revenues and as such are used for general government operation. If the intent of municipal assistance is to reduce tax levies then that money also becomes a part of the city's operation of general government and as such would have no specific identifiable use. The

Senator Jones
Page 2

term "increased aid" is also hard to positively interpret. Does this mean the total municipal assistance revenues received or the difference between the base amount of assistance(1978) and the current receipts?

One last comment in favor of being able to publish the notice in the newspaper. We received a lot of questions from the public on the notice that we included in the tax statements. They were confused as to what to do about or with it. Even though it was titled "Notice To Taxpayer" and mentioned that it was "to inform the taxpayer of the use of monies received from the State for municipal assistance" people still felt that there was something that they needed to do about it but didn't know what. Being able to publish the notice would certainly help this situation.

I appreciate this opportunity to comment on this legislation.

Sincerely,

A handwritten signature in cursive script that reads "Jodell Jones".

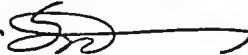
Jodell Jones, City Treasurer

Alaska MUNICIPAL League

TELEPHONE
(907) 586-1325

105 MUNICIPAL WAY, SUITE 301
JUNEAU, ALASKA 99801

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