

HB

294

# HOUSE COMMITTEE REPORT

(5)

Date Referred: April 17, 1989

FURTHER REFERRALS: TRANSPORTATION  
FINANCE

Date of Committee Action: 3/20/90

The COMMUNITY & REGIONAL AFFAIRS Committee considered: HB 294

HOUSE BILL NO. 294 [AK RAILROAD PROPERTY TAXABLE BY MUNI'S]  
"An Act relating to taxation of property of the Alaska Railroad Corporation by municipalities; and providing for an effective date."

**RECOMMENDATIONS:**

- be replaced with CSHB 294 (C&RA)  the same title
- have 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): \_\_\_\_\_ APPROVES PREVIOUS: \_\_\_\_\_ (Date/Dept)  
(Dept)

- fiscal impact \_\_\_\_\_
- zero fiscal note (C&RA)
- zero with analysis \_\_\_\_\_
- fiscal note(s) \_\_\_\_\_
- zero fiscal note(s) \_\_\_\_\_
- zero fn/analysis \_\_\_\_\_

**SIGNING DO PASS:**

\_\_\_\_\_  
\_\_\_\_\_  
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\_\_\_\_\_  
\_\_\_\_\_

**SIGNING:**

(Check approp. column)

	Do Not Pass	No Rec	Amend
<i>Eileen P. Mechean</i>			✓
<i>Eugene Kubina</i>			✓
<i>Cheri Davis</i>	X		
<i>Richard [Signature]</i>	X		

*Eileen P. Mechean*  
Chairman's Signature

# ALASKA RAILROAD CORPORATION

## PUBLIC ENTITY LEASE POLICY

### 1. PURPOSE; APPLICATION

The purpose of this policy statement is to set forth guidelines and principles upon which the Alaska Railroad Corporation ("ARRC") will lease property to the State of Alaska and its political subdivisions. This Policy is intended to give the State and its political subdivisions information about the ARRC's policy with respect to its land program. The Policy does not create or assume a right to use of ARRC land by any public entity, but rather states the terms which shall be included in any agreement between the parties. Until their renewal, extension, assignment or termination, existing leases will not be governed by this policy.

As a public corporation established pursuant to AS 42.40, the ARRC is self-sustaining and operates without subsidy. It was the legislative intent to enhance and preserve railroad assets so as not to compromise the corporation's value in the event of a sale to the private sector. However, in recognition of the Corporation's position as a participating member within each host community, the ARRC may lease its lands to the State and its political subdivisions at less than fair market value as authorized by AS 42.40.350(d). Specific requests will be negotiated on a case by case basis, consistent with this policy statement. ARRC reserves the right to maintain compatibility with its master land use plans and guidelines in responding to specific requests. Agreements which promote the public welfare, operational safety, human health and the environment are to be encouraged.

This Policy shall control leases to eligible entities of ARRC's right-of-way and non-right-of-way lands, including any agreements for surface uses within the right-of-way which are substantially parallel to the tracks and exclude other surface uses. It does not apply to crossings of the right-of-way by roads or utilities, which will continue to be governed by permits. No annual administrative fee will be charged under public road crossing permits. In order to qualify for treatment under this Policy, an eligible entity must consult with ARRC in its initial planning process to avoid unnecessary conflicts with ARRC property usage and operations.

### 2. RESPONSIBILITY

Board of Directors - Approval of individual agreements issued under this Policy and any exceptions to the guidelines set herein, consistent with ARRC's Approval Authority Guide.

President and CEO - Interpretation of this Policy.

Vice President, Finance - Administration of this Policy.

Director, Real Estate - Implementation of this Policy.

General Counsel - Review to insure compliance with this policy statement and applicable laws and regulations.

### 3. REFERENCES

ARRC Board Rule No. 11 (ARRC Long Term Lease Policy)  
ARRC Standard Long Term Lease Form  
Alaska Statutes 42.40  
ARRC Guidelines for High Public Interest Lands  
ARRC Board Rule No. 13 (Alaska Policy on Railroad/Highway Crossings)

### 4. DEFINITIONS

#### A. Public Entity.

"Public Entity" as used in this Policy shall mean the following:

(i) The State of Alaska or any of its agencies, departments or divisions established by the Alaska Constitution or Alaska Statutes.

(ii) Political subdivisions of the State of Alaska, which shall be defined as home rule municipalities or general law municipalities (first, second and third class boroughs and first and second class cities) organized under Title 29 of the Alaska Statutes.

The following are specifically not included within the definition of Public Entity for purposes of this Policy: the United States government or its agencies or departments; non-profit corporations; school districts; tax-exempt organizations; state or federal public corporations, commissions, or boards; and the University of Alaska. Such entities are not foreclosed from negotiating agreements with ARRC outside of this Policy, consistent, however, with ARRC's statutory requirements (including specifically AS 42.40.350(d)), and the Approval Authority Guide.

#### B. Intended Property Use.

The intent of this section is to define the categories of use of the subject property intended by the Public Entity.

(i) Public Amenity Use. A use of the property for a public purpose that produces no revenues other than nominal use

fees. Use should be non-exclusive and available to the public at large. Examples of such uses include parks, greenbelts, sites of historic significance, pedestrian paths and trails.

(ii) Public Service Use. A non-revenue-generating use of the property that is required for the public safety, welfare and benefit that can stimulate economic development, or enhance tax revenues. Typical examples of Public Service Use include but are not limited to: highways, roads, airstrips, community centers, police and fire stations, certain recreational facilities, well sites, pump stations, scientific research or early warning sites, flood control sites, and qualifying communication sites.

(iii) Commercial Use. An activity that could be performed in either the public or private sector, and as to which a reasonably prudent businessperson would expect the revenues derived from the activity to cover the operating costs of the activity. To determine whether an activity meets this standard, ARRC may refer to factors considered under federal income tax regulations or other reasonably appropriate sources. Such uses can include ports, harbors, airport commercial development, parking lots, utility sub-stations, and concessions.

### C. Property Type.

The intent of this section is to establish the different categories of real property owned by ARRC, based on ARRC's use and the property's location.

(i) Operating Property. Property which is used in railroad freight, dock, and passenger operations or which is reasonably anticipated for such use.

(ii) Right-of-Way. The Right-of-Way corridor is the long narrow strip of property rights whose existence can be justified best by use for transportation, communication and/or transmission purposes in contrast to other possible uses. This property may include surface, subsurface or air rights or any combination of these rights. At the outset, Right-of-Way includes the 200-foot (less in certain locations) railroad utility corridor acquired from the federal government in full fee or as an exclusive use easement; it may be expanded to include other property acquired by ARRC for similar uses, either in fee or as a lesser estate such as a right of way easement.

(iii) Leased Land. Those parcels of land encumbered by a revenue-generating lease agreement or permit between a third party and ARRC at the time of request by the Public Entity.

(iv) Non-Operating Property. All other real property.

5. PERCENTAGE RENT FOR QUALIFYING PUBLIC ENTITY

The following chart will be consulted to calculate the percentage of fair market value rent for which a parcel of land will be made available to a Public Entity. Factors under the chart include both the use intended by the Public Entity and the type of property to arrive at a reasonable rate of return for ARRC.

<u>Type of Property</u>	<u>Public Amenity &amp; Public Service</u>	<u>Commercial</u>
ROW Operating	50%	100%
Non-Operating	NF	100%
Leased Land	100%	100%

Notes:

NF = Nominal fee to cover administrative costs.

All rents based upon above percentages, to be applied to fair market value rent as determined under paragraph 5.

In the event a parcel falls within more than one of the above property types, the category providing the greater return to ARRC shall be applied, but only if more than 25% of the parcel falls within that category.

6. DETERMINATION OF FAIR MARKET VALUE RENT

The fair market value rent to which the formula set forth in Paragraph 5 shall apply will be determined as follows:

A. Appraisal of Fair Market Value of Fee Simple Interest. ARRC will select an appraiser from a list of qualified appraisers compiled by ARRC and kept available for public inspection at its Real Estate office. The appraiser will determine, as of the date of the beginning of the applicable period, the fair market value of the fee simple interest in the property being leased, unencumbered by the Public Entity's lease, including improvements owned by ARRC and excluding improvements owned by the Public Entity.

In appropriate cases the appraiser will be instructed to value the total original parcel, the sub-parcel being appropriated for the Public Entity's use, and the effect of such appropriation on the remaining ARRC property. Use of the income approach is specifically recognized as valid in valuing the total parcel.

B. Rent Credits. It is understood that certain uses intended by a Public Entity may enhance adjoining ARRC property. In appropriate cases the appraiser will be instructed to determine the value of such enhancement and ARRC shall grant rental credits to the Public Entity in an amount not to exceed the value of the enhancement. However, the credit shall not reduce rent to an amount less than zero.

ARRC may also grant rent credits in recognition of permanent non-depreciable improvements (such as gravel fill) made to the property, to be negotiated on a case-by-case basis prior to installation. Such improvements become the property of ARRC immediately upon installation. In no event will the credit reduce rent to less than zero.

C. Rental Rate. The "rental rate" used for rent revision will remain fixed during the term of the agreement and the same rate will be employed in connection with all revisions. The rental rate will be the one in use by ARRC for commercial leases at the time the agreement is executed.

D. Fair Market Value Rent. The fair market value rent shall be the product derived from multiplying the fair market value of the property by ARRC's current rental rate.

E. Rent Revision. The rent will be revised at a minimum every five (5) years or as otherwise negotiated. The new rent established by the rent revision procedure for a particular period will not be less than the prior period's rent. A percentage rate establishing a maximum increase in rent (rent cap) to apply at the time of each revision will be predetermined and incorporated in the agreement.

## 7. AGREEMENT BETWEEN ARRC AND PUBLIC ENTITY

A. Contract Terms. The Public Entity will execute an appropriate agreement (lease or permit) with ARRC for its land use, which shall include at a minimum the following:

(i) as to Right-of-Way, appropriate restrictions and conditions on the Public Entity's use reducing the risk of safety hazard or interference with other uses of the right-of-way;

(ii) a hold harmless and indemnity for liability arising from the Public Entity's use of ARRC land;

(iii) as to land made available at less than full fair market value, an agreement by the Public Entity to stop its use of the land if such use interferes with ARRC's expansion or replacement of railroad facilities or railroad operations, or if it creates a safety hazard in the opinion of ARRC;

(iv) as to land made available at less than full fair market value, a provision allowing termination by either party on 90 days notice, except where such a provision will prevent the Public Entity from obtaining federal funds;

(v) a provision regarding compensation for the use by the Public Entity, calculated in accordance with Paragraph 5 of this Policy;

(vi) a provision placing the responsibility for compliance with land use planning and platting regulations on the Public Entity, if required by either good practice or local ordinance; and

(vii) as to land made available at less than full fair market value, a provision that compensation may increase to full fair market value in the event the character of the land's use changes to a commercial nature, whether due to the Public Entity's actions or to changes external to the premises.

B. Permit or Lease. In appropriate instances (primarily involving Right-of-Way which must remain available for uses other than the Public Entity's), ARRC will offer the Public Entity a permit rather than a lease, which will nevertheless provide for compensation to ARRC under Paragraph 5 of this Policy. In situations involving projects with federal funding, neither ARRC's standard lease nor permit may be appropriate. In such cases, the parties will negotiate an agreement in good faith and subject to ARRC Board approval.

C. Payment Terms. When requested by the Public Entity or deemed desirable by ARRC, the parties may negotiate payment of compensation (including nominal fees) for the entire term in a lump sum rather than annually, or may mutually agree to such payments at 5-year intervals. Payment for the entire term may be discounted to present value using the published Federal Reserve discount rate then in effect. Payments for a 5-year interval will not be discounted to present value.

ARRC and a Public Entity may negotiate the exchange of an interest in lands as a method of paying compensation under this Policy, subject to AS 42.40.285(1). In such event, a qualified appraiser shall determine the fair market value of both parcels (or the interests therein) proposed for exchange

under the criteria set forth above. The parties may also negotiate payment of in-kind consideration (for example, services or materials) by the Public Entity, subject to Board approval.

8. TAXATION AND ASSESSMENTS

The Public Entity will be required to pay all real property taxes and assessments of every description for which the leased property or ARRC are or become liable. In the event a tax is levied by the Public Entity against ARRC, whether on the rentals under a lease, or on the property's fee value, or on ARRC's interest in the subject property, or otherwise, the Public Entity shall pay ARRC full fair market value rent commencing as of the date the property or ARRC is made subject to such tax.

9. OWNERSHIP OF IMPROVEMENTS; TERMINATION

Subsurface improvements (except utility service connections and underground storage tanks) become the property of ARRC upon installation. Any personal property or improvements owned by the Public Entity remaining on the property upon termination must be removed at the Public Entity's expense. ARRC may, at its discretion and upon request, allow a Public Entity to leave some or all of its improvements on the property upon termination.

2931WPRE

## FISCAL NOTE

**REQUEST:**

Revision Date: \_\_\_\_\_ Agency Affected: Community & Regional Affairs  
 Title: An Act..taxation..property of the BRU: \_\_\_\_\_  
Alaska Railroad Corp. by municipalities.."  
 Sponsor: House Finance Committee Components: \_\_\_\_\_  
 Requestor: \_\_\_\_\_

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
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)**

There is no fiscal effect for FY 90.

Prepared by: Jim Plasman, Deputy Director Phone: 465-4750  
 Division: Municipal & Regional Assistance Date: 3/21/90  
 Approved by Commissioner: [Signature] Date: 21 March 90  
 Agency: Community & Regional Affairs

**Distribution (by preparer):**

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



# Alaska State Legislature

## House of Representatives Community & Regional Affairs

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#### House Bill 294

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- Item 9: Resolution - City of North Pole
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STATE OF ALASKA  
THE LEGISLATURE

POUCH Y STATE CAPITOL  
JUNEAU, ALASKA 99811  
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M

January 25, 1990

SUBJECT: Sectional Summary of HB 294, An Act relating to taxation of property of the Alaska Railroad Corporation by municipalities

TO: Representative Eileen MacLean

FROM: George Utermohle *GU*  
Legislative Counsel

This memorandum is a sectional summary of HB 294.

A summary or analysis of a bill is not an authoritative description of the contents of the bill. The bill itself is the best statement of its contents.

Section 1 of the bill states the purpose of the bill. The purpose of the bill is to allow property of the state-owned Alaska Railroad Corporation to be taxed by municipalities.

Section 2 of the bill amends AS 29.45.030(a) by eliminating the tax exempt status of Alaska Railroad Corporation property.

Section 3 of the bill adds a new section to AS 29.45 establishing procedures for collection of delinquent taxes owed to municipalities by the Alaska Railroad Corporation.

Section 4 of the bill amends AS 42.40.910(a) by providing that the property of the Alaska Railroad Corporation is subject to municipal property taxes as authorized under AS 42.-40.910(d), as added by sec. 5 of the bill.

Section 5 of the bill amends AS 42.40.910 by adding a new subsection (d) that authorizes municipalities to tax the property of the Alaska Railroad Corporation under AS 29.-45.010 - 29.45.600.

Representative Eileen MacLean  
Page 2  
January 25, 1990

Section 6 of the bill provides that the bill takes effect January 1, 1990. The effective date of the bill should be changed before the bill passes the Legislature.

GU:pl  
WKP1/040

*Alaska*  
**MUNICIPAL**  
*League*


TELEPHONE  
(907) 586-1325  
FAX 463-5400

217 SECOND STREET, SUITE 200  
JUNEAU, ALASKA 99801

March 13, 1990

MEMORANDUM

TO: Representative Eileen MacLean, Chair  
Members, House Community and Regional Affairs Committee

FROM: Scott A. Burgess, Executive Director 

SUBJECT: HB 294 - Municipal Taxation of the Alaska Railroad

The Alaska Municipal League supports HB 294 allowing municipalities to assess and levy property taxes against the Alaska Railroad Corporation property within their municipal boundaries.

The Alaska Railroad Corporation is currently exempt by state law from municipal property taxes. For three reasons, the AML feels that the Alaska Railroad should no longer enjoy this protected status: (1) the Railroad's operations impact services provided by municipalities; (2) the Railroad is in direct competition with certain private carriers; and (3) the Railroad has demonstrated solvency since its transfer to the State of Alaska and is no longer in need of special treatment to ensure its success.

I have attached several resolutions of individual municipalities supporting taxation.

The League supports HB 294, introduced during the First Session of the Sixteenth Legislature, which would amend AS 29.45.030(a) to make the real and personal property of the Alaska Railroad Corporation subject to taxation.

Attachments

sab2:hb294.rrc

By: Paul Chizmar  
Introduced: 02/22/90  
Adopted: 02/22/90  
Immediate  
Reconsideration  
Failed: 02/22/90  
Adopted: 02/22/90

RESOLUTION NO. 90-020

A RESOLUTION OF THE FAIRBANKS NORTH STAR BOROUGH ASSEMBLY  
SUPPORTING THE ELIMINATION OF THE ALASKA RAILROAD CORPORATION'S  
PROPERTY TAX LIABILITY EXEMPTION.

WHEREAS, Alaska State Statute 42.40.910 grants the real and personal property of the Alaska Railroad an exemption from all taxes special assessments by the State and municipalities; and

WHEREAS, the Railroad directly and indirectly competes with private carriers in the transportation of goods along the railbelt; and

WHEREAS, the private carriers are liable for the payment of taxes to the State and municipalities; and

WHEREAS, these tax payments place the other carriers at a relative disadvantage vis a vis the Alaska Railroad;

WHEREAS, this tax disadvantage distorts the allocation of society's resources from the most efficient mix possible; and

WHEREAS, the Alaska Railroad's property interest benefits from services provided from the local government; and

WHEREAS, the Alaska Railroad does not reimburse the local government for any of these benefits which , in fact, the Railroad is increasing fees charged to local governments for use of its right-of-ways and leasehold interests; and

WHEREAS, this disparity places an unfair burden on the local taxpayers; and

WHEREAS, a private railroad would not enjoy tax exempt status.

NOW, THEREFORE, Fairbanks North Star Borough Assembly resolves:

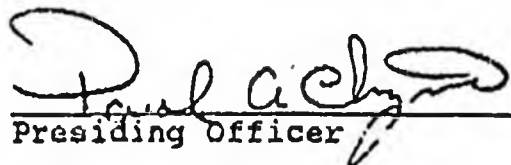
Section 1: That Alaska State Statute 42.40.910 be amended to read as follows:

A.S. 42.40.910. "Exemptions from taxation. (a) The exercise of the powers granted by this chapter shall be in all respects for the benefit of the people of the state, for their well-being and prosperity, and for the improvement of their social and economic conditions. [Subject to (b) of this section the] The real and personal property of the corporation shall be liable for property taxes levied by a Municipality. [And its assets] Its income and receipts are exempt from all taxes [and special assessments] of the State or a political subdivision of the State."


Section 2: That this resolution is effective upon passage and approval.

Section 3: That copies of the resolution shall sent to the Governor of the State of Alaska and the President and CEO of the Alaska Railroad Corporation and all members of the Alaska State Legislature.

PASSED AND APPROVED THIS 22ND DAY OF FEBRUARY, 1990.

  
\_\_\_\_\_  
Presiding Officer

ATTEST:

  
\_\_\_\_\_  
Clerk of the Assembly

MATANUSKA-SUSITNA BOROUGH  
Resolution Serial No. 90-026 AM

A RESOLUTION OF THE ASSEMBLY OF THE MATANUSKA-SUSITNA BOROUGH  
SUPPORTING THE PASSAGE OF LEGISLATION AUTHORIZING THE TAXATION OF  
ALASKA RAILROAD PROPERTY.

WHEREAS, the Alaska Municipal League (AML) has included, in its fiscal stability measures, a proposal for local taxation of Alaska Railroad Corporation property; and

WHEREAS, the real and personal property of the Alaska Railroad Corporation should be excepted from the exemption from taxation granted to public property; and

WHEREAS, House Bill 294 and Senate Bill 300 authorize the taxation of Alaska Railroad Corporation property; and

WHEREAS, the Assembly of the Matanuska-Susitna Borough supports the passage of legislation removing the exemption from taxation of Alaska railroad property; and

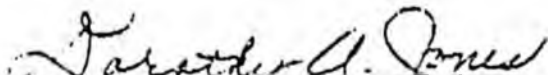
WHEREAS, the addition of such property to the tax base of local municipalities will promote the fiscal stability of local regions.

WHEREAS, the property of the Alaska Railroad places a burden upon railbelt communities for the costs of providing basic services to the railroad.

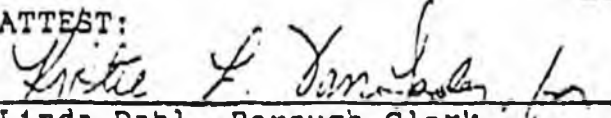
NOW, THEREFORE, BE IT RESOLVED that the Assembly of the Matanuska-Susitna Borough supports the elimination of the exemption from taxation of the real and personal property of the Alaska Railroad Corporation.

BE IT FURTHER RESOLVED that copies of this Resolution be forwarded to all members of the Alaska State Legislature, the Governor of the state of Alaska and the Alaska Municipal League.

PASSED AND APPROVED by the Assembly of the Matanuska-Susitna Borough this 30th day of February, 1990.

  
\_\_\_\_\_  
Dorothy A. Jones, Mayor

ATTEST:

  
\_\_\_\_\_  
Linda Dahl, Borough Clerk  
(SEAL)

TO: Sectt Burgess

DEPT: AML FAX #: 463-5480

FROM: J. Donald PHONE: 835-2992

CO. City of Valdez FAX #: 835-4313

Post-it brand fax transmittal memo 7871

CITY OF VALDEZ, ALASKA

RESOLUTION NO. 9018

A RESOLUTION OF CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, SUPPORTING THE ELIMINATION OF THE ALASKA RAILROAD CORPORATION'S PROPERTY TAX LIABILITY EXEMPTION

WHEREAS, Alaska State Statute 42.40.910 grants the real and personal property of the Alaska Railroad an exemption from all taxes and special assessments by the State and municipalities; and

WHEREAS, the Railroad directly and indirectly competes with private carriers in the transportation of goods along the railbelt; and

WHEREAS, the private carriers are liable for the payment of taxes to the State and municipalities; and

WHEREAS, these tax payments place the other carriers at a relative disadvantage vis a vis the Alaska Railroad; and

WHEREAS, this tax disadvantage distorts the allocation of society's resources from the most efficient mix possible; and

WHEREAS, the Alaska Railroad's property interest benefits from services provided from the local government; and

WHEREAS, the Alaska Railroad does not reimburse the local government for any of these benefits which, in fact, the Railroad is increasing fees charged to local governments for use of its right-of-ways and leasehold interests; and

WHEREAS, this disparity places an unfair burden on the local taxpayers; and

WHEREAS, a private railroad would not enjoy tax exempt status.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, that

Section 1. The City of Valdez supports the amendment of Alaska State Statute 42.40.910 to read as follows:

A.S. 42.40.910. "Exemptions from taxation. (a) The exercise of the powers granted by this chapter shall be in all respects for the benefit of the people of the state, for their well-being and prosperity, and for the improvement of their social and economic conditions. [Subject to (b) of this section the] The real and personal property of the corporation shall be liable for property taxes levied by a Municipality.

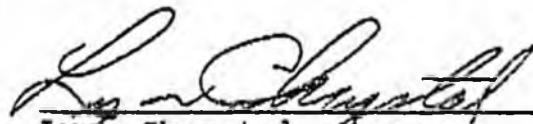
[And its assets] Its income and receipts are exempt from all taxes [and special assessments] of the State or a political subdivision of the State."

Section 2. That this resolution is effective upon passage and approval.

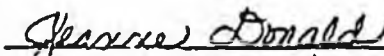
Section 3. That copies of this resolution shall be sent to the governor of the State of Alaska and the President and CEO of the Alaska Railroad Corporation, Senator Lloyd Jones Chairman of the Senate Transportation Committee, Representative Eileen MacLean Chairman of the House Community and Regional Affairs Committee, Representative Eugene Kubina, Senator Mike Szymanski, Senator Jay Kerttula and the Alaska Municipal League.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, this 5th day of March, 1990.

CITY OF VALDEZ, ALASKA

  
\_\_\_\_\_  
Lynn Chrystal, Mayor

ATTEST:

  
\_\_\_\_\_  
Jeanne Donald, City Clerk

CITY OF WHITTIER, ALASKA  
RESOLUTION NO. 151-90

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WHITTIER, ALASKA SUPPORTING THE ELIMINATION OF THE ALASKA RAILROAD CORPORATION'S PROPERTY TAX LIABILITY EXEMPTION.

WHEREAS; Alaska State Statute 42.40.910 grants the real and personal property of the Alaska Railroad an exemption from all taxes and special assessments by the State and municipalities; and

WHEREAS; the Railroad directly and indirectly competes with private carriers in the transportation of goods along the railbelt; and

WHEREAS; the private carriers are liable for the payment of taxes to the State and municipalities; and

WHEREAS; these tax payments place the other carriers at a relative disadvantage vis a vis the Alaska Railroad;

WHEREAS; this tax advantage distorts the allocation of society's resources from the most efficient mix possible; and

WHEREAS; the Alaska Railroad's property interest benefits from services provided from the local government; and

WHEREAS; the Alaska Railroad does not reimburse the local government for any of these benefits which, in fact, the Railroad is increasing fees charged to local governments for use of its right-of-ways and leasehold interests; and

WHEREAS; this disparity places an unfair burden on the local taxpayers; and

WHEREAS; a private railroad would not enjoy tax exempt status.

NOW, THEREFORE, THE WHITTIER CITY COUNCIL RESOLVES:

Section 1: That Alaska State Statute 42.40.910 be amended to read as follows:

A.S. 42.40.910. "Exemptions from taxation. (a) The exercise of the powers granted by this chapter shall be in all respects for the benefit of the people of the state, for their well-being and prosperity, and for the improvement of their social and economic conditions. (Subject to (b) of this section the) The real and personal property of the corporation shall be liable for property taxes levied by a Municipality. [And its assets] its income and receipts are exempt from all taxes [and special assessments] of the State or a political subdivision of the State."

Section 3: That copies of the resolution shall be sent to the Governor of the State of Alaska and the President and CEO of the Alaska Railroad Corporation and all members of the Alaska State Legislature.

PASSED AND APPROVED by the Whittier City Council this 5th day of March, 1990.

Georgia Buck  
Georgia Buck, Mayor

ATTEST:

Ronda Gaul  
Ronda Gaul, City Clerk

RESOLUTION 90-3

A RESOLUTION OF THE CITY OF NORTH POLE SUPPORTING  
THE ELIMINATION OF THE ALASKA RAILROAD CORPORATION'S  
PROPERTY TAX LIABILITY EXEMPTION

WHEREAS, Alaska State Statute 42.40.910 grants the real and personal property of the Alaska Railroad an exemption from all taxes and special assessments by the State and municipalities; and

WHEREAS, the Alaska Railroad directly and indirectly competes with private carriers in the transportation of goods along the railbelt; and

WHEREAS, the private carriers are liable for the payment of taxes to the State and municipalities; and

WHEREAS, these tax payments place the other carriers at a relative disadvantage in comparison to the Alaska Railroad; and

WHEREAS, this tax disadvantage distorts the allocation of society's resources from the most efficient mix possible; and

WHEREAS, the Alaska Railroad's property interests benefit from services provided by local governments; and

WHEREAS, the Alaska Railroad does not reimburse local governments for any of these benefits and, in fact, the Alaska Railroad is increasing fees charged to local governments for use of its right-of-ways and leasehold interests; and

WHEREAS, this disparity places an unfair burden on the local taxpayers; and

WHEREAS, a private railroad would not enjoy tax exempt status;

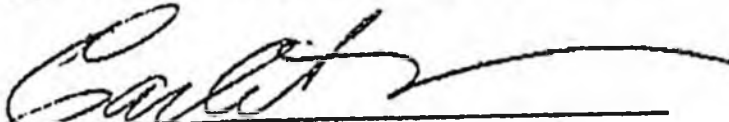
NOW, THEREFORE BE IT RESOLVED by the City Council of the City of North Pole that:

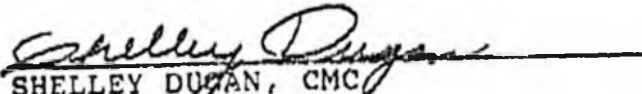
Section 1. Alaska Statute 42.40.910 be amended to read as follows:

A.S. 42.40.910. "Exemptions from taxation. (a) The exercise of the powers granted by this chapter shall be in all respects for the benefit of the people of the state, for their well-being and prosperity, and for the improvement of their social and economic conditions. (Subject to (b) of this section the) The real and personal property of the corporation shall be liable for property taxes levied by a Municipality. (And its assets) Its income and receipts are exempt from all taxes (and special assessments) of the State or a political subdivision of the State."

RESOLUTION 90-3  
PAGE TWO

PASSED AND APPROVED by a duly constituted quorum of the City Council of the City of North Pole this 5<sup>th</sup> day of March, 1990.

  
MAYOR CARLETA LEWIS

  
SHELLEY DUGAN, CMC  
CITY CLERK



INTRODUCED: March 5, 1990



## CITY OF WASILLA

290 E. HERNING AVE.  
WASILLA, ALASKA 99687  
PHONE: (907) 373-9050  
FAX: (907) 373-0789

### RESOLUTION NO. WR90-13

A RESOLUTION OF THE CITY COUNCIL OF WASILLA, ALASKA SUPPORTING MUNICIPAL TAXATION OF THE ALASKA RAILROAD.

WHEREAS, the Alaska Railroad Corporation owns and operates real estate, facilities and equipment within the corporate limits of Wasilla; and

WHEREAS, those properties and operations provide benefits to the City and its transportation system, but they also create costs for road crossings, utility service, fire protection, public safety, hazardous materials exposure, noise, smoke and other negative impacts; and

WHEREAS, the rail system was originally capitalized at no cost to the corporation; and

WHEREAS the rail right-of-way and facilities and the revenues they produce are dedicated to the exclusive use and control of the railroad corporation.

NOW, THEREFORE BE IT RESOLVED by the City Council of Wasilla, Alaska that they support placing the Alaska Railroad Corporation in the same municipal tax status as any other individual or business, to pay their fair share of municipal services.

I certify that a resolution in substantially the above form was passed by a majority of those voting at a duly called and conducted meeting of the governing body of the City of Wasilla this 26th day of February, 1990.

APPROVED:

John C. Stein, Mayor

ATTEST:

  
Erling P. Nelson, CMC  
City Clerk



Introduced by: Council Member Hayes  
Date: February 26, 1990

RESOLUTION NO. 3157

A RESOLUTION OF THE CITY OF FAIRBANKS SUPPORTING  
ALASKA LEGISLATURE SENATE BILL NO. 300

WHEREAS, Alaska State Statute 42.40.910 grants the real and personal property of the Alaska Railroad an exemption from all taxes and special assessments by the State and municipalities; and

WHEREAS, The Railroad directly and indirectly competes with private carriers in the transportation of goods along the railbelt; and

WHEREAS, the private carriers are liable for the payment of taxes to the State and municipalities; and

WHEREAS, these tax payments place the other carriers at a relative disadvantage vis a vis the Alaska Railroad; and

WHEREAS, this tax disadvantage distorts the allocation of society's resources from the most efficient mix possible; and

WHEREAS, the Alaska Railroad's property interest benefits from services provided from the local government; and

WHEREAS, the Alaska Railroad does not reimburse the local government for any of these benefits which, in fact, the Railroad is increasing fees charged to local governments for use of its right-of-ways and leasehold interests; and

WHEREAS, this disparity places an unfair burden on the local taxpayers; and

WHEREAS, a private railroad would not enjoy tax exempt status.

NOW, THEREFORE, THE CITY OF FAIRBANKS CITY COUNCIL resolves:

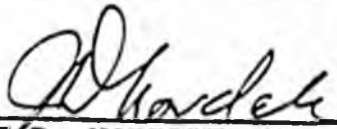
Section 1 That Alaska State Statute 42,40.910 be amended to read as follows:

A.S. 42.40.910 "Exemptions from taxation. (a) The exercise of the powers granted by this chapter shall be in all respects for the benefit of the people of the state, for their well-being and prosperity and for the improvement of their social and economic conditions. (Subject to (b) of this section the) The real and personal property of the corporation shall be liable for property taxes levied by a Municipality. [And its assets] Its income and receipts are exempt from all taxes [and special assessments], of the State or a political subdivision of the State."

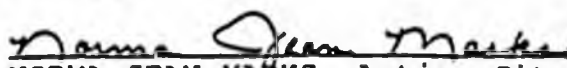
Section 2 That this resolution is effective upon passage and approval.

Section 3 That copies of the resolution shall be sent to the Governor of the State of Alaska and the President and CEO of the Alaska Railroad Corporation and all members of the Alaska State Legislature.

PASSED AND APPROVED by the City of Fairbanks City Council this 26th day of February, 1990.

  
\_\_\_\_\_  
J.D. NORDALE, Mayor

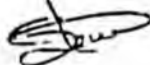
ATTEST:

  
\_\_\_\_\_  
NORMA JEAN MARKS, Acting City Clerk

# Municipality of Anchorage

## MEMORANDUM

DATE: December 21, 1988

TO: Ron Garzini, Municipal Manager  
THRU: Bob Nelson, Chief Fiscal Officer  
FROM: Steve Van Sant, Municipal Assessor 

SUBJECT: Alaska Railroad-Potential Property Tax to the Municipality of Anchorage

You have asked the question, "What would the railroad pay in taxes if it were to pay property taxes? We must try an estimate for Senator Pearce."

Short Answer: We estimate the total value of Alaska Railroad Property (real and personal) within the Municipality to be approximately \$66,679,900. At an average mill rate of 15 mills, this would yield annual revenues of approximately \$1,000,000.

More detail, as regards to our assumptions, and a copy of the ARRC Annual Report for year end December 31, 1987 are attached.

cc: Don Simmons

**TITLE:** Property Tax Liability for The Alaska Railroad Corporation  
A.S. 42.40.910 (a)

**SPECIAL LEGISLATIVE REQUEST:**

Amend the Statutes to add the following:

A.S. 42.40.910. "Exemptions from taxation. (a) The exercise of the powers granted by this chapter shall be in all respects for the benefit of the people of the state, for their well-being and prosperity, and for the improvement of their social and economic conditions. [Subject to (b) of this section the] The real and personal property of the corporation shall be liable for property taxes levied by a Municipality. [And its assets] Its income and receipts are exempt from all taxes [and special assessments] of the State or a political subdivision of the State."

**BACKGROUND/JUSTIFICATION:**

The Alaska Railroad Corporation is one of the very few government agencies in the State which is in direct competition with private enterprise, however, it claims exemption from property taxes giving it a financial advantage over private competition. Should the State sell the railroad, the private owners will be expected to pay property taxes with no other change occurring other than ownership. The Alaska Railroads property interest benefits from all services provided on a local level and the exemption of this property places undue burden on the remaining taxpayers. The Alaska Railroad is currently instituting a drastic increase of fees for use of its right of way and leasehold interests to Municipalities along the railbelt.

**STAFF CONTACT:** Bob Nelson, Chief Fiscal Officer, 343-6610



COMMUNITY AND REGIONAL AFFAIRS  
TESTIMONY ON ARRC PERSONAL & REAL PROPERTY TAXES

HB-294

MAY 2, 1989

Madam Chairman and members of the Committee. I am Marv Yetter, Vice President of Finance for the Alaska Railroad Corporation (ARRC), and am here today to testify on HB-294, ARRC personal and real property taxes by municipalities.

- Should the ARRC pay personal and real property taxes to municipalities?
- Will the municipalities continue to expect free land use and other free services from the ARRC?
- Will the State of Alaska continue to expect dividends from ARRC?

Before we answer these questions, we must determine what is the objective of ARRC paying taxes. If the objective is to raise additional funds for state and municipal governments, then HB-294 will actually reduce the funds available to these governments and increase the profits of ARRC. How is this possible?

Let's look at the actual cash value of the annual dividends paid to state and municipal governments by the ARRC:

Current in Place

<u>Number</u>	<u>Type</u>	<u>Current Fees</u>	<u>Annual FMV Fees</u>
33	Leases	\$195,726	\$767,100
35	Permits - Land	4,120	1,009,800
344	Permits - Other	11,053	100,000
100	Contributions - Cash	41,000	91,000
180	Contributions - In Kind	0	45,000
N/A	Passenger svcs - Whittier shuttle	<u>0</u>	<u>900,000</u>
<u>692</u>	TOTALS	<u>\$251,899</u>	<u>\$2,912,900</u>

In Process

<u>Description</u>	<u>Properties FMV</u>
Government Hill Bluff	\$1,500,000
Port of Anchorage Parcels	25,000
Phillips Field Road Access	150,000
Nenana Dock	400,000
Seward Dock	1,000,000 (plus)
Girdwood Section House	<u>0</u>
TOTAL	<u>\$3,075,000</u>

\*Above list of leases and permits may not be all inclusive and detailed analysis will probably indicate substantially increased values and additional properties.

As you can see, the State and its municipalities receive dividends worth approximately \$3 million on an annual basis and could receive additional

properties valued at \$3-4 million. If the ARRC was not a quasi-private corporation and treated each one of these as a pure business decision, the outcome would be that the private sector railroad would have substantially increased profits as a result.

Now, if the state and its municipalities expect the railroad to pay taxes and in addition provide these dividends at fees substantially below market value, then within one to two years it will be necessary for the state to subsidize the capital and debt service of the ARRC.

The Alaska Railroad has survived two of the worst derailments in its history, a hundred-year flood which wiped out two major bridges as well as washing out innumerable miles of track, a chemical release, and the worst economic slump in decades. In addition, ARRC reinvested all its profits plus borrowed funds into \$50 million in plant, equipment and administrative programs during the past four years. All of this for a corporation which averages less than \$4 million per year in profits since ownership by the state.

Through all of this, the ARRC has never requested funds from the State of Alaska or its subdivisions. And, in fact, has turned down on-going subsidies for passenger service which were paid to the federal government by the State until the State owned railroad was established in 1985. We will be taking delivery shortly of a new 480-seat, \$5 million passenger train, not for the Alaska Railroad, but for the State of Alaska, Seward, Whittier, Wasilla, Talkeetna, Nenana, Fairbanks, etc. to increase their tourist business. During state ownership, Whittier has seen their service increase 40% and the City of Seward will have five-day per week passenger service this summer where none existed five years ago. These are only a few examples of what the railroad is doing for Alaska, the list goes on and on.

How much more can the railroad give before it derails? Not much as it is being pushed to the limits, and with each passing legislative session, the

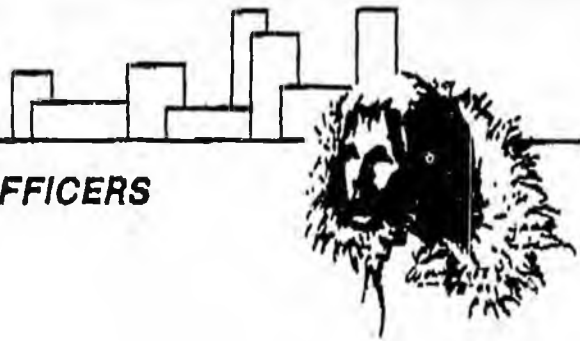
railroad loses more of what it was designed to be. If the railroad is to continue as the eighth largest employer in the state and unsubsidized by the state, then it cannot pay taxes without charging FMV for its services to government entities.

Please remember corporations don't pay taxes, people do, people like you and me.

Thank you for giving me this opportunity to comment, and I would be pleased to answer any questions you may have.

5/2/89

**ALASKA ASSOCIATION OF ASSESSING OFFICERS**



March 15, 1990

Honorable Representative Eileen MacLean, Chair  
House Community and Regional Affairs Committee  
P. O. Box V  
Juneau, Alaska 99811

Dear Representative MacLean,

This letter is in response to your inquiry regarding the types of information needed by our Association from ARRC to effectively measure the impact of HB294.

Numerous concerns have been voiced regarding the impact of taxing the ARRC and the presumed shifting of these tax liabilities by ARRC to private users in the form of increased fares, and public entities in the form of increased lease and permit fees. Another concern is whether the taxation of ARRC will negatively effect the continued operation of ARRC as a viable, self-supporting entity.

It is impossible to estimate the impact of a tax liability without knowing the amount of that liability. An estimated value of railroad property would require the disclosure by ARRC of information previously made unavailable to our Association.

Necessary information includes a detailed breakdown by jurisdiction of all operating and non-operating assets of ARRC. This breakdown should include use and location of lands owned and used by the railroad, leased or permitted to public entities or private parties including rents and terms of agreements. Additionally, a complete inventory of improvements including roadbeds, switchyards, buildings, bridges and tunnels would be required. A breakdown of equipment such as rolling stock, whether owned, leased or rented, computers, maintenance equipment and inventories would also be necessary.

In the valuation process typically three approaches are used. The market approach would have little application due to lack of comparable sales information. The cost approach would be limited by the difficulty in quantifying obsolescence. The valuation of ARRC would best be accomplished using the income approach to value. It is our opinion that a complete audit of ARRC income and expenses would be required to arrive at a realistic value. This income derived value would need to be allocated between the various jurisdictions using the detailed information supplied by ARRC of all operating and non-operating assets by location.

When this information is supplied to our Association, we will be in a better position to address concerns regarding the estimated tax liability of ARRC.

During the teleconference on HB 294 on Tuesday, March 13, we offered an amendment which we believed would alleviate some concerns raised by ARRC. Previous testimony by ARRC indicated that they would be unable to give land to municipalities for public uses while being forced to pay taxes with little or no income derived from the property. It is our opinion that the railroad should not pay taxes on property it leases to municipalities for a nominal fee for public purposes. Therefore, we would offer the following amendment:

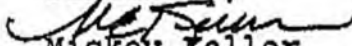
Page 1  
Line 24  
should be amended to read:

29.45.600, except property leased to, or permitted to a municipality for public purpose uses.

There was a question raised by Scott Burgess regarding protection of municipalities from the increase of fees by ARRC for use of this property. This amendment does not offer protection, it only addresses concerns raised by ARRC of being forced to pay taxes on property which does not produce income.

We appreciate your committee's concern on this issue and remain available to address any assessment questions which may arise.

Sincerely,

  
Mickey Keller  
President

# ANCHORAGE DAILY NEWS

VOL. XLII, NO. 300 120 PAGES

ANCHORAGE, ALASKA, THURSDAY, DECEMBER 1, 1960

PRICE 26 CENTS

## Railroad plans worker bonuses

### Thriving state-owned corporation to pay \$700,000 in holiday cheer

By HAL BERNI  
Daily News reporter

The state-owned Alaska Railroad, projecting a \$6 million profit in an economy racked by recession, will give its employees year-end bonuses of as much as \$1,200.

"It's been a terrific year and employees have played a key role by continuing to help us in holding down costs," said railroad President Frank Turpin. "This is management's way of showing appreciation."

The bonuses, based on the number of months worked this year, will total \$700,000.

Turpin said the railroad's more than 300 employees endured pay cuts of 10 percent

for seven months last year, and deserved to share in this year's prosperity.

The Alaska Railroad is a state-chartered corporation instructed by the legislature to operate like a private business, with no annual appropriations from the general fund. Its budget comes largely from operating revenues and borrowed funds. A seven-person board, which has its members appointed by the governor, helps oversee operations and major expenditures.

But Turpin — not the board — made the decision to award the bonuses.

"It was within the powers that they have delegated to me," Turpin said. "When

you're a manager, you have to be able to spend money."

Three board members he contacted agreed with that idea, he said, and on Monday — rushing to make sure the checks got to employees before Christmas — Turpin told union leaders of the bonus plan.

The full seven-person board met Tuesday and was briefed on the decision. But no motion was presented for board approval, according to Turpin. The bonuses are being granted by employees as a welcome surprise.

Mike Olson, chairman of the United Transportation Union, said he learned of the bonuses at the Monday meet-

ing with Turpin.

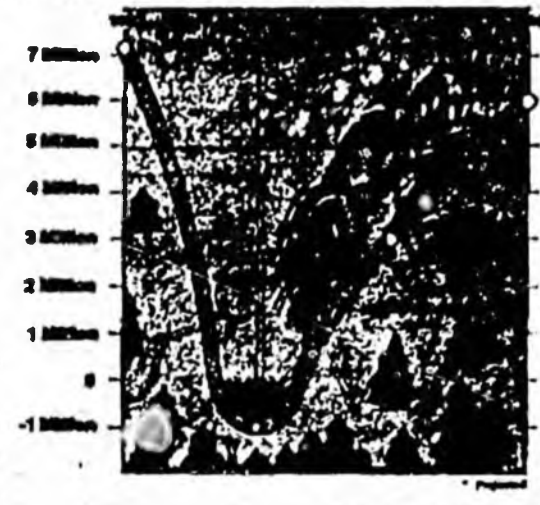
"I was actually speechless," Olson said. "I couldn't believe it. It came out of the blue."

Olson said he thought Turpin made a good decision, but that the extra money won't resolve several employer disputes resulting from management interpretations of a 1957 labor contract. "We still have many battles ahead," he said.

Gerald Volkoff, a union leader who also serves on the railroad's board, said he supported the bonuses, but wondered if the money might not be better spent on additional capital projects to improve

See Back Page, BONUSES

## Alaska Railroad Profits and Losses



Alaska Daily News/Our Bay

## Walesa airs his opinions in TV debate

### Official allows rare forum





RESOLUTION 90-10



HOUSTON, ALASKA  
A BICENTENNIAL COMMUNITY

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HOUSTON, ALASKA SUPPORTING THE ELIMINATION OF THE ALASKA RAILROAD CORPORATIONS PROPERTY TAX LIABILITY EXEMPTION.

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WHEREAS, Alaska State Statute 42.40.910 grants the real and personal property of the Alaska Railroad an exemption from all taxes and special assessments by the State and municipalities; and

WHEREAS, the Railroad directly and indirectly competes with private carriers in the transportation of goods along the railbelt; and

WHEREAS, the private carriers are liable for the payment of taxes to the State and municipalities; and

WHEREAS, these tax payments place the other carriers at a relative disadvantage vis a vis the Alaska Railroad; and

WHEREAS, this tax disadvantage distorts the allocation of society's resources from the most efficient mix possible; and

WHEREAS, the Alaska Railroad's property interest benefits from services provided from the local government; and

WHEREAS, the Alaska Railroad does not reimburse the local government for any of these benefits which, in fact, the Railroad is increasing fees charged to local governments for use of its right-of-ways and leasehold interests; and

WHEREAS, this disparity places an unfair burden on the local taxpayers; and

WHEREAS, a private railroad would not enjoy tax exempt status.

NOW, THEREFORE, BE IT RESOLVED that the Alaska State Statute 42.40.910 be amended to read as follows:

A.S. 42.40.910. "Exemptions from taxation. (a) The exercise of the powers granted by this chapter shall be in all respects for the benefit of the people of the state, for

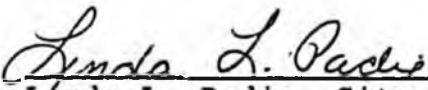
Resolution 90-10  
Page 2

their well being and prosperity, and for the improvement of their social and economic conditions. [Subject to (b) of the section the) The real and personal property of the corporation shall be liable for property taxes levied by a Municipality. [And its assets] Its income and receipts are exempt from all taxes [and special assessments] of the State or a political subdivisions of the State."

ADOPTED by a duly constituted quorum of the City Council of Houston, Alaska this 13th day of March, 1990.

  
\_\_\_\_\_  
Kenneth Young,  
Deputy Mayor Pro-Tem

ATTEST:

  
\_\_\_\_\_  
Linda L. Padie, City Clerk

Original sponsor(s): Finance Committee

1 IN THE HOUSE

BY THE C&RA COMMITTEE

2 CS FOR HOUSE BILL NO. 294 (C&RA)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to taxation of property of the  
7 Alaska Railroad Corporation by municipalities; and  
8 providing for an effective date."

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

10 \* Section 1. PURPOSE. This Act provides that the real and personal  
11 property of the Alaska Railroad Corporation is subject to property taxes  
12 imposed by municipalities. The real and personal property of the Alaska  
13 Railroad Corporation is excepted from the exemption from taxation granted  
14 to property of the state by art. IX, sec. 4, Constitution of the State of  
15 Alaska.

16 \* Sec. 2. AS 29.45.030(a) is amended to read:

17 (a) The following property is exempt from general taxation:

18 (1) municipal, state, or federally owned property, except

19 that

20 (A) a private leasehold, contract, or other interest  
21 in the property is taxable to the extent of the interest;

22 (B) the real and personal property of the Alaska  
23 Railroad Corporation is taxable as provided in AS 29.45.010 -  
24 29.45.600, except real property leased, or subject to a permit  
25 issued, to a municipality for public use for which the cost to  
26 the municipality does not exceed the corporation's expenses of  
27 administering the lease or permit;

28 (2) household furniture and personal effects of members of  
29 a household;

1 (3) property used exclusively for nonprofit religious,  
2 charitable, cemetery, hospital, or educational purposes;

3 (4) property of a nonbusiness organization composed entire-  
4 ly of persons with 90 days or more of active service in the armed  
5 forces of the United States whose conditions of service and separation  
6 were other than dishonorable, or the property of an auxiliary of that  
7 organization;

8 (5) money on deposit;

9 (6) the real property of certain residents of the state to  
10 the extent and subject to the conditions provided in (e) of this  
11 section;

12 (7) real property or an interest in real property that is  
13 exempt from taxation under 43 U.S.C. 1620(d), as amended.

14 \* Sec. 3. AS 29.45 is amended by adding a new section to read:

15 Sec. 29.45.295. COLLECTION OF DELINQUENT TAXES ON PROPERTY OF  
16 THE ALASKA RAILROAD CORPORATION. (a) The property of the Alaska  
17 Railroad Corporation is exempt from AS 29.45.300 - 29.45.490.

18 (b) A municipality may bring an action in the superior court to  
19 compel payment of property taxes due from the Alaska Railroad Corpora-  
20 tion, if the corporation does not pay the amount due within six months  
21 from the date that the taxes are due.

22 \* Sec. 4. AS 42.40.910(a) is amended to read:

23 (a) The exercise of the powers granted by this chapter shall be  
24 in all respects for the benefit of the people of the state, for their  
25 well-being and prosperity, and for the improvement of their social and  
26 economic conditions. Except as provided in [SUBJECT TO] (b) and (d)  
27 of this section, the real and personal property of the corporation and  
28 its assets, income, and receipts are exempt from all taxes and special  
29 assessments of the state or a political subdivision of the state.

1 \* Sec. 5. AS 42.40.910 is amended by adding a new subsection to read:

2 (d) The property of the corporation is subject to property taxes  
3 imposed by municipalities under AS 29.45.010 - 29.45.600.

4 \* Sec. 6. This Act takes effect January 1, 1991.  
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