

HB

397



March 4, 1994

TO: Representatives Ron Larson and Eileen MacLean, Co-chairs
and Members
House Finance Committee

FROM: Chrystal Smith, Director of Member Services, AML

RE: **HB 397 - Power of second class cities to levy property taxes**

Thank you for the opportunity to respond to some of the committee's concerns regarding HB 397, particularly the sponsor's proposed amendments to the Sponsor Substitute.

The Alaska Municipal League supports the concept and purpose of HB 397, which is to give second class cities additional tools to help themselves. The League's Resolution 94-11, copy attached, was adopted by the members in November 1993 and urges the legislature to remove the statutory limitation on the ability of second class cities to tax property.

As you well know, declining state- and federal-shared revenues, unfunded mandates, inflation, and the increased demands for service caused by growth in the state's population have severely eroded the ability of Alaska's municipal governments to provide basic services for their citizens. In particular, these forces have hurt the second class cities, which are limited in their ability to raise local revenues by a number of factors, including the statutory limitation on ad valorem taxation of 5 mills (.5 percent). As originally introduced, HB 397 would remove that limitation and put second class cities on an equal footing when it comes to the ability to raise property tax revenue; the proposed amendment would increase the limitation to 20 mills, not the 30 mills allowed for first class cities.

For your information, at present only three second class cities (Houston, Eagle, and Whittier) levy a property tax, with the rates ranging from 1 to 5 mills. In contrast, 61 second class cities have a sales tax, and seven others levy other types of taxes. Many of the second class cities without property taxes have limited tax bases; others have undoubtedly decided that the 5 mill limitation keeps collection of a property tax from being a cost effective way to raise revenue. Increasing the limit could make property taxation a more viable option.

Also for your information, and in response to a question posed by the committee last week, let me mention that only 37 of the 117 second class cities are large enough to be first class cities, and some of those just top the 400 population requirement.

With regard to the proposed amendments:

Placing the limitation at 20 mills - The League understands the concern of the committee members and can accept the 20 mill limitation as a reflection of the differing obligations and powers of first and second class cities.

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- **Allowing council to set property tax levy** - The League supports the proposed amendment, which would remove the requirement that any property tax levy be set by referendum. In Alaska's second class cities, just as in its other municipalities, council members are elected by the voters to make the decisions necessary to run the city. They should be given the ability to set property tax levies by ordinance without having to refer each change to the voters. Conducting elections is both expensive and time consuming; requiring a referendum to approve a property tax levy makes the process of governing efficiently and effectively more difficult.

City councils do not act in a vacuum, particularly in the small cities. If the amendment is adopted, property tax levies would be set by ordinance, just as they are in other types of municipalities, and citizens would have ample opportunity to express their concerns. Council members should be given authority to do that for which they have been given responsibility. Nothing would keep them from referring the issue of a property tax levy to the public for an advisory vote, but it should not be required.

- **Repealing provision that proposed property tax levy may be included in petition for incorporation of a second class city.** Repeal of AS 29.45.600 was suggested in the sponsor's proposed amendments of February 24. The committee generally indicated its interest in retaining that section, which says that a property tax proposal may be included with a petition for incorporation of a second class city and that, if it is, the proposed property tax rate must be stated. The League would support the committee's wishes on this issue, so long as it is optional, not required.

In summary, the Alaska Municipal League urges your support of SS HB 397, including the sponsor's proposed amendment, which would allow second class cities to determine the appropriate property tax rate for their situations and remove an arbitrary limit on their ability to generate revenue locally.

Enclosure

Resolution of the Alaska Municipal League

Resolution No. 94-11

**A RESOLUTION SUPPORTING ELIMINATION OF THE
AD VALOREM TAX LIMITATION FOR
SECOND CLASS CITIES**

WHEREAS, many second class cities have been established under Alaska law and second class cities are now the most numerous form of local government in the State of Alaska; and

WHEREAS, the principal means of financing the administration of second class city government is through local municipal taxation and state-funded Municipal Assistance and Revenue Sharing programs; and

WHEREAS, ad valorem property taxation is established for all municipal governments as a key funding mechanism, with limits set as provided by AS 29.45.090 and .100; and

WHEREAS, there is an additional property tax limitation established for second class cities only, whereby under AS 29.45.590 such cities may tax only up to one-half of one percent of the assessed value of real and personal property within their boundaries; and

WHEREAS, such special limitations on the powers of second class cities are arbitrary, unnecessary, and unreasonable and should be eliminated in order to enable such cities to cope better with reduced revenues in the future:


NOW, THEREFORE, BE IT RESOLVED by the Alaska Municipal League that the Alaska Legislature is respectfully encouraged to repeal the provisions of AS 29.45.590 as they limit the ability of second class cities to assess ad valorem taxes in any way different than other cities in the State of Alaska.

BE IT FURTHER RESOLVED that consideration of this issue should be addressed in the context of examining the overall structure of cities and their powers.

Adopted this 12th day of November 1993 in Soldotna, Alaska.


Rosalee T. Walker, President

ATTEST:


Kent E. Swisher, Executive Director

Second Class Borough

Powers: Three mandatory area-wide powers: taxation; education; and planning, platting and zoning. The exercise of other areawide powers must be approved by referendum. Non-areawide powers are either adopted by ordinance or by referendum, depending on the types of power.

Municipal Officers: Elected borough assembly and mayor. Elected school board. Appointed planning and zoning commission. May adopt the manager plan of government.

Third Class Borough

Powers: Two mandatory area-wide powers: taxation and education. Must establish service areas for the exercise of additional powers.

Municipal Officers: Elected borough assembly. The borough assembly is the school board. Borough chairperson is also president of the school board.

Unified Municipality

Requirements: An organized borough and all cities included within it may unite to form a single unit of home rule local government called a unified municipality.

Powers: A unified municipality has all powers granted by charter or by law as for boroughs and cities of the first class.

Local Action Needed: A unified municipality may be initiated through a petition to the Department of Community and Regional Affairs. A charter commission, if approved by referendum, drafts a charter for the unified municipality. Following public hearings, an election is held.

Municipal Officers: Elected assembly. Elected school board. Commissioners appointed by charter. May adopt the manager plan of government.

Home Rule Municipality

Provisions for home rule municipalities is also provided for in the Municipal Code. A home rule municipality is a municipal corporation and political subdivision. It has all powers not prohibited by law or charter.

First Class City

Requirements: A community that meets the following standards may incorporate as a first class city:

1. The community has 400 or more permanent residents.
2. The boundaries of the proposed city include all areas necessary to provide municipal services on an efficient scale.
3. The economy includes the human and financial resources necessary to provide local services. In considering the economy of the community, the Local Boundary Commission shall consider property valuations, economic base, personal income, resource and commercial development, anticipated functions, and the expenses and income of the proposed city,



including the ability of the community to generate local revenue.

4. The population of the community is stable enough to support local government.

5. There is a demonstrated need for local government.

Powers: If the city is not in a borough, by law it must provide planning, platting, zoning; taxation; and education. Can add other powers for services (police, water, sewer, etc.) by council action.

Local Action Needed: Petition to the Department of Community and Regional Affairs with the signature and resident addresses of 50 permanent resident voters or 15 percent of the permanent resident voters within the proposed municipality whichever is greater, based on the number who voted in the last general election.

Municipal Officers: Elected council and mayor. If the city is not part of a borough it will have an elected school board and appointed planning and zoning commission. May adopt the manager plan of government.

Second Class City

Requirements: A community which meets all of the above standards except (1) must incorporate as a second class city.

Powers: If the city is not in a borough, it may provide planning, platting and zoning. It is not required by law to do so. May add other powers for services (such as police, water, sewer, etc.) by council action. The city does not have the power of education; therefore, the city is not a school district.

Local Action Needed: Petition to the Department of Community and Regional Affairs with the signatures and resident addresses of 25 permanent resident voters or 15 percent of the permanent resident voters within the proposed municipality whichever is greater, based on the number who voted in the last general election.

Municipal Officers: Elected council. The mayor is appointed from council members. If the city is not part of a borough, it could have an appointed planning and zoning commission and an advisory school board. May adopt the manager plan of government.

Source: Adapted from Title 29 of State of Alaska Municipal Code. Detailed information on local government can be obtained from the State Department of Community and Regional Affairs, Juneau, Alaska. Also prepared by the League of Women Voters of Alaska.

12 Home Rule Cities

19 First Class Cities

110 Second Class Cities

Summary of City Government

CHARACTERISTIC	TYPE OF CITY CLASSIFICATION		HOME RULE
	SECOND CLASS	FIRST CLASS	
	<u>Term of Office</u>		
City Council	3 or 4 years	3 years	Home Rule: All characteristics determined by home rule charter.
School Board	No school powers	3 years	
Mayor	1 year	3 years	
City Manager	Serves at pleasure of Council	Serves at pleasure of Council	
City Administrator	Serves at pleasure of Mayor or Mayor assumes Administrator duties	Serves at pleasure of Mayor or Mayor assumes Administrator duties	
	<u>Method of Election</u>		
City Council	Elected at large	Elected at large	
School Board	No school powers	Elected at large	
Mayor	Elected by City Council	Elected at large	
City Manager	Manager Plan adopted by Referendum. City Manager appointed by Council	Manager Plan adopted by Referendum. City Manager appointed by Council	
City Administrator	Appointed by Mayor in absence of Manager Plan	Appointed by Mayor in absence of Manager Plan	
	<u>Membership</u>		
City Council	7 members	6 members	
School Board	No school powers	5 members	
Voting Power (Mayor)	Votes on all issues	Only votes in case of ties	
Veto Power (Mayor)	No veto power	Veto power over Council action; Council has 2/3 override	

Summary of Municipal Powers

Powers	TYPE OF CITY CLASSIFICATION		
	Second Class	First Class	Homo Rule
Codify Ordinances	Mandatory	Mandatory	Mandatory
Establish Election Procedures	Mandatory; election procedure established by ordinance	Mandatory; election procedure established by ordinance	Mandatory; election procedure established by home rule charter and by ordinance
Taxation: Property Tax	Optional; tax and levy established by referendum	Optional; property tax and rate established by council action	Optional; property tax and rates established by ordinance unless referendum required by home rule charter
Sales Tax	Optional; tax and levy established by referendum	Optional; tax and levy established by referendum rule charter	Optional; procedure established in home
Education	Provided by REAA	Mandatory school district*	Mandatory school district*
Planning and Zoning	Optional	Mandatory	Mandatory
Eminent Domain	Granted by referendum	Granted by ordinance	Granted by ordinance unless required by home rule
Sell, Buy, Exchange Real Property	Granted by ordinance	Granted by ordinance	Granted by home rule charter and by ordinance
Incur Indebtedness	Referendum required	Referendum required	Referendum required
Revenue Bonds	Ordinance required	Ordinance required	Ordinance required unless referendum required by home rule charter
General Administrative Powers	Optional	Optional	Optional
Operate Facilities and Services	Optional	Optional	Optional
Regulate Rights-of-Way	Optional	Optional	Optional
Establish Historical Districts	Optional	Optional	Optional
Extraterritorial Jurisdiction	Optional; powers adopted by ordinance	Optional; powers adopted by ordinance	Optional; powers adopted by ordinance

* Only applies to cities outside of an organized borough.

Organized Boroughs and Home Rule Municipalities

Aleutians East Borough	Second Class
Municipality of Anchorage	Unified Home Rule
Bristol Bay Borough	Second Class
Denali Borough	Home Rule
Fairbanks North Star Borough	Second Class
Haines Borough	Second Class
City and Borough of Juneau	Unified Home Rule
Kenai Peninsula Borough	Second Class
Ketchikan Gateway Borough	Second Class
Kodiak Island Borough	Second Class
Lake and Peninsula Borough	Home Rule
Matanuska-Susitna Borough	Second Class
North Slope Borough	Home Rule
Northwest Arctic Borough	Home Rule
City and Borough of Sitka	Unified Home Rule
City and Borough of Yakutat	Home Rule

Cities Within Organized Boroughs

Aleutian East Borough

Akulak	Second Class
Cold Bay	Second Class
False Pass	Second Class
King Cove	First Class
Sand Point	First Class

Denali Borough

Anderson	Second Class
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Fairbanks North Star Borough

Fairbanks	Home Rule
North Pole	Home Rule

Kenai Peninsula Borough

Homer	First Class
Kachemak	Second Class
Kenai	Home Rule
Seldovia	First Class
Seward	Home Rule
Soldotna	First Class

Ketchikan Gateway Borough

Ketchikan	Home Rule
Saxman	Second Class

Haines Borough

Haines	First Class
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Kodiak Island Borough

Akhiok	Second Class
Kodiak	Home Rule
Larsen Bay	Second Class
Old Harbor	Second Class
Ouzinkie	Second Class

Lake and Peninsula Borough

Chignik	Second Class
Newhalen	Second Class
Nondalton	Second Class
Port Heiden	Second Class

Matanuska-Susitna Borough

Houston	Second Class
Palmer	Home Rule
Wasilla	First Class

North Slope Borough

Anaktuvuk Pass	Second Class
Atkasuk	Second Class
Barrow	First Class
Kaktovik	Second Class
Niisqut	Second Class
Point Hope	Second Class
Wainwright	Second Class

Northwest Arctic Borough

Ambler	Second Class
Buckland	Second Class
Deering	Second Class
Kiana	Second Class
Kivalina	Second Class
Kobuk	Second Class
Kotzebue	Second Class
Noorvik	Second Class
Selawik	Second Class
Shungnak	Second Class

Local Government Directory

Municipalities and Boroughs

Aleutians East Borough

Second Class Borough
P.O. Box 349
Sand Point 99661
383-2699/ fax: 383-3496
Incorporated: 10/23/87
Population: 2,745

Municipality of Anchorage

Unified Home Rule Municipality
P.O. Box 196650
Anchorage 99519-6650
343-4431/ fax: 258-5210
Incorporated: Sept. 1975
Population: 240,258

Bristol Bay Borough

Second Class Borough
P.O. Box 189
Naknek 99633
246-4224/ fax: 246-6633
Incorporated: 10/02/62
Population: 1,415

Denali Borough

Home Rule Borough
P.O. Box 480
Healy 99743
683-1330/ fax: 683-1340
Incorporated: 12/07/90
Population: 1,832

Fairbanks North Star Borough

Second Class Borough
P.O. Box 71267
Fairbanks 99707
452-4761/ fax: 459-1102
Incorporated: 1/01/64
Population: 79,730

Haines Borough

Third Class Borough
Box 1209
Haines 99827
766-2711/ fax: 766-2716
Incorporated: 9/29/68
Population: 2,212

City and Borough of Juneau

Unified Home Rule Municipality
155 S. Seward Street
Juneau 99801
586-5278
fax: 586-5385
Incorporated: 7/01/70
Population: 29,251

Kenai Peninsula Borough

Second Class Borough
144 N. Binkley St.
Soldotna 99669
262-4441/ fax: 262-1892
Incorporated: 1/01/64
Population: 42,242

Ketchikan Gateway Borough

Second Class Borough
344 Front Street
Ketchikan 99901
228-6625/ fax: 247-6625
Incorporated: 9/06/63
Population: 14,110

Kodiak Island Borough

Second Class Borough
710 Mill Bay Road
Kodiak 99615
486-5736/ fax: 486-9374
Incorporated: 9/24/63
Population: 15,535

Lake and Peninsula Borough

Home Rule Borough
P.O. Box 495
King Salmon 99613
246-3421/ fax: 246-6602
Incorporated: 4/24/89
Population: 1,722

Matanuska-Susitna Borough

Second Class Borough
350 E. Dahlia Ave.
Palmer 99645-6488
745-4801/ fax: 745-0888
Incorporated: 1/01/64
Population: 41,797

North Slope Borough

Home Rule Borough
P.O. Box 69
Barrow 99723
852-2611/ fax: 852-033
Incorporated: 7/01/72
Population: 8,578

Northwest Arctic Borough

Home Rule Borough
P.O. Box 1110
Kotzebue 99752
442-2500/ fax: 442-2931
Incorporated: 6/02/86
Population: 6,303

City and Borough of Sitka

Unified Home Rule Municipality
304 Lake St.
Sitka 99835
747-3294/ fax: 747-740
Incorporated: 12/02/71
Population: 8,815

City and Borough of Yakutat

Home Rule
P.O. Box 160
Yakutat 99689
784-3323/ fax: 784-3281
Incorporated: 9/22/92
Population: 729

Cities

Akhiok
Second Class City
P.O. Box 5050
Kodiak 99615
Phone: 836-2229
Fax: 836-2209
Incorporated: 1972
Population: 81

Akiak
Second Class City
P.O. Box 52167
Akiak 99552
Phone: 765-7411
Fax: 765-7936
Incorporated: 1970
Population: 287

Akutan
Second Class City
General Delivery
Akutan 99553
Phone: 698-2228
Fax: 698-2202
Also:
721 Sesame St.,
Suite 2A
Anchorage 99501
Phone: 279-9245
Incorporated: 1979
Population: 487

Alakanuk
Second Class City
P.O. Box 167
Alakanuk 99554
Phone: 238-3313
Fax: 238-3620
Incorporated: 1969
Population: 559

Aleknagik
Second Class City
P.O. Box 33
Aleknagik 99555
Phone: 842-5953/2528
Fax: 842-2107
Incorporated: 1973
Population: 200

Allakaket
Second Class City
P.O. Box 30
Allakaket 99720
Phone: 968-2241
Fax: 968-2251
Incorporated: 1975
Population: 172

Ambler
Second Class City
P.O. Box 9
Ambler 99786
Phone: 445-2122
Fax: 445-2174
Incorporated: 1971
Population: 301

Anaktuvuk Pass
Second Class City
P.O. Box 21030
Anaktuvuk 99721
Phone: 661-3612
Fax: 661-3613
Incorporated: 1957
Population: 246

Anchorage
(See Municipalities and
Boroughs)

Anderson
Second Class City
P.O. Box 3100
Anderson 99744
Phone: 582-2500
Fax: 582-2496
Incorporated: 1962
Population: 649

Angoon
Second Class City
P.O. Box 189
Angoon 99820
Phone: 788-3653
Fax: 788-3821
Incorporated: 1963
Population: 705

Aniak
Second Class City
P.O. Box 43
Aniak 99557
Phone: 675-4481
Fax: 675-4486
Incorporated: 1972
Population: 529

Anvik
Second Class City
P.O. Box 50
Anvik 99558
Phone: 663-6328
Fax: 663-6321
Incorporated: 1969
Population: 104

Atka
Second Class City
P.O. Box 47070
Atka 99547
Phone: 839-2233
Fax: 839-2234
Incorporated: 1988
Population: 87

Atmoutluak
Second Class City
General Delivery
Atmoutluak 99719
Phone: 553-5610
Incorporated: 1976
Population: 267

Atkasuk
Second Class City
P.O. Box 91119
Atkasuk 99791
Phone: 633-6811
Fax: 633-6812
Incorporated: 1982
Population: 217

Barrow
First Class City
P.O. Box 629
Barrow 99723
Phone: 852-5211
Fax: 852-5871
Incorporated: 1959
Population: 3,702

Bethel
Second Class City
P.O. Box 388
Bethel 99559
Phone: 543-2097/2047
Fax: 543-4171
Incorporated: 1957
Population: 4,868

Bettles
Second Class City
P.O. Box 26023
Bettles 99726
Phone: 692-5191
Incorporated: 1985
Population: 33

Brevig Mission
Second Class City
P.O. Box 85021
Brevig Mission 99785
Phone: 642-3851
Incorporated: 1969
Population: 234

Buckland
Second Class City
P.O. Box 49
Buckland 99727
Phone: 494-2121
Fax: 494-2149
Incorporated: 1966
Population: 340

Chefornak
Second Class City
P.O. Box 29
Chefornak 99561
Phone: 867-8528
Fax: 867-8920
Incorporated: 1974
Population: 330

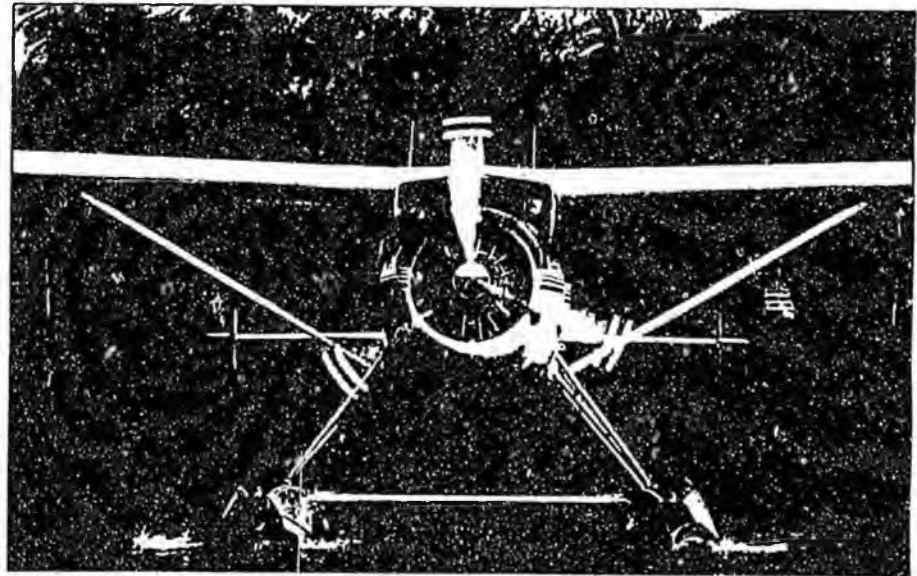
Chevak
Second Class City
P.O. Box 136
Chevak 99563
Phone: 858-7926
Fax: 858-7128
Incorporated: 1967
Population: 619

Chignik
Second Class City
P.O. Box 110
Chignik 99564
Phone: 749-2280/2281
Fax: 749-2300
Incorporated: 1983
Population: 177

Chuathbaluk
Second Class City
P.O. Box CHV
Chuathbaluk 99557
Phone: 467-4115
Fax: 467-4313
Incorporated: 1975
Population: 129

Clarks Point
Second Class City
P.O. Box 9
Clarks Point 99569
Phone: 236-1221
Fax: 236-1221
Incorporated: 1971
Population: 58

Coffman Cove
Second Class City
310 Harbor Ave.
Coffman Cove 99918
Phone: 329-2232
Fax: 329-2212
Incorporated: 1989
Population: 198



The mail plane! For many of Alaska's small communities, airplanes provide the only practical means of transportation. (Photo by Peter Metcalfe)

Cold Bay
Second Class City
P.O. Box 10
Cold Bay 99571
Phone: 532-2401
Fax: 532-2401
Incorporated: 1982
Population: 137

Cordova
Home Rule City
P.O. Box 1210
Cordova 99574
Phone: 424-6200
Fax: 424-6000
Incorporated: 1909
Population: 2,504

Craig
First Class City
P.O. Box 725
Craig 99921
Phone: 826-3275
Fax: 826-3278
Incorporated: 1922
Population: 1,637

Deering
Second Class City
P.O. Box 36049
Deering 99736
Phone: 363-2136
Fax: 363-2156
Incorporated: 1970
Population: 158

Delta Junction
Second Class City
P.O. Box 229
Delta Junction 99737
Phone: 895-4656
Fax: 895-4102
Incorporated: 1960
Population: 736

Dillingham
First Class City
P.O. Box 889
Dillingham 99576
Phone: 842-5211
Fax: 842-5691
Incorporated: 1963
Population: 2,110

Diomedea
Second Class City
P.O. Box 7039
Little Diomedea 99762
Phone: 686-3071
Fax: 686-3061
Incorporated: 1970
Population: 180

Eagle
Second Class City
P.O. Box 1901
Eagle 99738
Phone: 547-2282 (Mon-
days)
Incorporated: 1901
Population: 161

Eek
P.O. Box 009
Eek 99578
Phone: 563-5129
Fax: 536-5711
Incorporated: 1970
Population: 284

Ekwook
Second Class City
P.O. Box 49
Ekwook 99580
Phone: 464-3311
Fax: 464-3328
Incorporated: 1974
Population: 78

Elim
Second Class City
P.O. Box 39009
Elim 99739
Phone: 890-3441
Fax: 890-3811
Incorporated: 1970
Population: 267

Emmonak
Second Class City
P.O. Box 9
Emmonak 99581
Phone: 949-1227
Fax: 949-1926
Incorporated: 1964
Population: 592

Fairbanks
Home Rule City
410 Cushman Street
Fairbanks 99701
Phone: 452-6719
Fax: 459-6710
Incorporated: 1903
Population: 32,156

False Pass
Second Class City
P.O. Box 50
False Pass 99583-0050
Phone: 548-2212
Fax: 548-2214
Incorporated: 1990
Population: 84

Fort Yukon
Second Class City
P.O. Box 269
Fort Yukon 99740
Phone: 662-2379/2479
Fax: 662-2717
Incorporated: 1959
Population: 718

Galena
First Class City
P.O. Box 149
Galena 99741
Phone: 656-1301/1302
Fax: 656-1769
Incorporated: 1971
Population: 829

Gambell
Second Class City
P.O. Box 189
Gambell 99742
Phone: 985-5112
Fax: 985-5927
Incorporated: 1963
Population: 546

Golovin
Second Class City
P.O. Box 62059
Golovin 99762
Phone: 779-3681
Incorporated: 1971
Population: 146

Goodnews Bay
Second Class City
P.O. Box 70
Goodnews Bay 99589
Phone: 967-8614
Fax: 967-8925
Incorporated: 1970
Population: 236

Grayling
Second Class City
P.O. Box 89
Grayling 99590
Phone: 453-5148
Fax: 453-5148
Incorporated: 1969
Population: 203

Haines
First Class City
P.O. Box 1049
Haines 99827
Phone: 766-2231
Fax: 766-3179
Incorporated: 1910
Population: 1,265

Holy Cross
Second Class City
P.O. Box 203
Holy Cross 99602
Phone: 476-7139
Fax: 476-7141
Incorporated: 1968
Population: 273

Homer
First Class City
491 E. Pioneer Avenue
Homer 99603
Phone: 235-8121
Fax: 235-3140
Incorporated: 1964
Population: 3,937

Hoonah
First Class City
P.O. Box 360
Hoonah 99829
Phone: 945-3663
Fax: 945-3445
Incorporated: 1946
Population: 793

Hooper Bay
Second Class City
P.O. Box 37
Hooper Bay 99604
Phone: 758-4311
Fax: 758-4912
Incorporated: 1966
Population: 890

Houston
Second Class City
P.O. Box 27
Houston 99694
Phone: 892-6869
Fax: 892-6180
Incorporated: 1966
Population: 815

Hughes
Second Class City
P.O. Box 45010
Hughes 99745
Phone: 889-2206
Fax: 889-2220
Incorporated: 1973
Population: 66

Huslia
Second Class City
P.O. Box 10
Huslia 99746
Phone: 829-2256
Fax: 829-2224
Incorporated: 1969
Population: 224

Hydaburg
First Class City
P.O. Box 49
Hydaburg 99922
Phone: 285-3761
Fax: 285-3760
Incorporated: 1927
Population: 405

Juneau
(See Municipalities and
Boroughs)

Kachemak
Second Class City
P.O. Box 958
Homer 99603
Phone: 235-8897
Fax: 235-8854
Incorporated: 1961
Population: 372

Kake
First Class City
P.O. Box 500
Kake 99830
Phone: 785-3804
Fax: 785-4815
Incorporated: 1952
Population: 725

Kaktovik
Second Class City
P.O. Box 27
Kaktovik 99747
Phone: 640-6313
Fax: 640-6314
Incorporated: 1971
Population: 224

Kaltag
Second Class City
P.O. Box 9
Kaltag 99748
Phone: 534-2230
Fax: 534-2236
Incorporated: 1969
Population: 257

Kasaan
Second Class City
P.O. Box KXA-Kasaan
Kelchikan 99950-0340
Phone: 542-2212
Fax: 542-2223
Incorporated: 1976
Population: 52

Kasigluk
Second Class City
Akula Heights
Kasigluk 99609
Phone: 477-6929
Incorporated: 1982
Population: 459

Kenai
Home Rule City
210 Fidalgo Ave.
Kenai 99611
Phone: 283-7535
Fax: 283-3014
Incorporated: 1960
Population: 6,535

Home Rule City
334 Front Street
Ketchikan 99901
Phone: 225-3111
Fax: 225-5075
Incorporated: 1900
Population: 8,478

Kiana
Second Class City
P.O. Box 150
Kiana 99749
Phone: 475-2136
Fax: 475-2174
Incorporated: 1964
Population: 401

King Cove
First Class City
P.O. Box 37
King Cove 99612
Phone: 497-2340
Fax: 497-2594/ Also:
1007 W. 3rd Ave., #201
Anchorage 99501
Phone: 274-7555
Incorporated: 1947
Population: 871

Kivalina
Second Class City
P.O. Box 50079
Kivalina 99750
Phone: 645-2137
Fax: 645-2175
Incorporated: 1969
Population: 327

Klawock
First Class City
P.O. Box 113
Klawock 99925
Phone: 755-2261
Fax: 755-2403
Incorporated: 1929
Population: 758

Kobuk
Second Class City
P.O. Box 20
Kobuk 99751
Phone: 948-2217
Fax: 948-2228
Incorporated: 1973
Population: 110

Home Rule City
P.O. Box 1397
Kodiak 99615
Phone: 486-8636
Fax: 486-8600
Incorporated: 1940
Population: 7,229

Kotlik
Second Class City
P.O. Box 20268
Kotlik 99620
Phone: 899-4313
Fax: 899-4826
Incorporated: 1970
Population: 503

Kotzebue
Second Class City
P.O. Box 46
Kotzebue 99752
Phone: 442-3401
Fax: 442-3742
Incorporated: 1958
Population: 3,075

Koyuk
Second Class City
P.O. Box 29
Koyuk 99753
Phone: 963-3441
Fax: 963-3442
Incorporated: 1970
Population: 277

Koyukuk
Second Class City
P.O. Box 49
Koyukuk 99754
Phone: 927-2214
Fax: 927-2215
Incorporated: 1973
Population: 127

Kupreanof
Second Class City
P.O. Box 50
Petersburg 99833
Phone: 772-3660
Incorporated: 1975
Population: 24

Second Class City
P.O. Box 63
Kwethluk 99621
Phone: 757-6614
Incorporated: 1975
Population: 559

Larsen Bay
Second Class City
P.O. Box 8
Larsen Bay 99624
Phone: 847-2211
Fax: 847-2239
Incorporated: 1974
Population: 149

Lower Kalskag
Second Class City
P.O. Box 81
Lower Kalskag 99626
Phone: 471-2228
Fax: 471-2308
Incorporated: 1969
Population: 299

Manokotak
Second Class City
P.O. Box 170
Manokotak 99628
Phone: 289-1027/2007
Fax: 289-2035
Incorporated: 1970
Population: 404

Marshall
Second Class City
P.O. Box 09
Marshall 99585
Phone: 639-6415/6215
Fax: 679-6220
Incorporated: 1970
Population: 318

McGrath
Second Class City
P.O. Box 30
McGrath 99627
Phone: 542-3825
Fax: 524-3536
Incorporated: 1975
Population: 531

Mekoryuk
Second Class City
P.O. Box 29
Mekoryuk 99630
Phone: 827-8314
Fax: 827-8626
Incorporated: 1969
Population: 206

Metlakatla
Federal Law City
P.O. Box 8
Metlakatla 99926
Phone: 886-4441
Fax: 886-7997
Incorporated: 1944
Population: 1,564

Mountain Village
Second Class City
P.O. Box 32085
Mountain Village 99632
Phone: 591-2929/2715
Fax: 591-2920
Incorporated: 1967
Population: 727

Napakiak
Second Class City
General Delivery
Napakiak 99634
Phone: 589-2611
Fax: 589-2412
Incorporated: 1970
Population: 323

Napaskiak
Second Class City
P.O. Box 6109
Napaskiak 99559
Phone: 737-7626
Fax: 737-7412
Incorporated: 1971
Population: 362

Nenana
Home Rule City
P.O. Box 70
Nenana 99760
Phone: 832-5501
Fax: 832-5503
Incorporated: 1921
Population: 504

New Stuyahok
Second Class City
P.O. Box 10
New Stuyahok 99636
Phone: 693-3111/3171
Fax: 693-3176
Incorporated: 1972
Population: 396

Newhalen
Second Class City
P.O. Box 165
Iliamna 99606
Phone: 571-1226
Incorporated: 1971
Population: 161

Newtok
Second Class City
Gen. Delivery/City Office
Newtok 99559
Phone: 237-2315
Incorporated: 1976
Population: 213

Nightmute
Second Class City
P.O. Box NME
Nightmute 99690
Phone: 647-6426
Incorporated: 1974
Population: 178

Nikolai
Second Class City
P.O. Box 25
Nikolai 99691
Phone: 293-2113
Fax: 293-2428
Incorporated: 1970
Population: 107

Nome
First Class City
Pouch 281
Nome 99762-0281
Phone: 443-5242
Fax: 443-5349
Incorporated: 1901
Population: 4,559

Nondalton
Second Class City
P.O. Box 089
Nondalton 99640
Phone: 294-2235
Fax: 294-2239
Incorporated: 1971
Population: 212

Noorvik
Second Class City
P.O. Box 146
Noorvik 99763
Phone: 636-2100/2211
Fax: 636-2135
Incorporated: 1964
Population: 520

North Pole
Home Rule City
P.O. Box 55109
North Pole 99705
Phone: 488-2281
Fax: 488-3002
Incorporated: 1953
Population: 1,671

Nuiqsut
Second Class City
P.O. Box 148
Nuiqsut 99789
Phone: 480-6727
Fax: 480-6928
Incorporated: 1975
Population: 391

Nulato
Second Class City
P.O. Box 65009
Nulato 99765
Phone: 898-2205
Fax: 898-2207
Incorporated: 1963
Population: 364

Nunapitchuk
Second Class City
P.O. Box 190
Nunapitchuk 99641
Phone: 527-5327
Incorporated: 1969
Population: 475

Second Class City
P.O. Box 109
Old Harbor 99643
Phone: 286-2204/2203
Fax: 286-2278
Incorporated: 1966
Population: 298

Ouzinkie
Second Class City
P.O. Box 109
Ouzinkie 99644
Phone: 680-2209
Fax: 680-2223
Incorporated: 1967
Population: 216

Palmer
Home Rule City
231 W. Evergreen Ave.
Palmer 99645
Phone: 745-3271
Fax: 745-0930
Incorporated: 1951
Population: 3,039

Pelican
First Class City
P.O. Box 757
Pelican 99832
Phone: 735-2202
Fax: 735-2258
Incorporated: 1943
Population: 265

Petersburg
Home Rule City
P.O. Box 329
Petersburg 99833
Phone: 772-4511
Fax: 772-3759
Incorporated: 1910
Population: 3,680

Pilot Point
Second Class City
P.O. Box 430
Pilot Point 99649-0430
Phone: 797-2200
Fax: 797-2211
Incorporated: 1992
Population: 97

Second Class City
P.O. Box 5040
Pilot Station 99650
Phone: 549-3211
Fax: 549-3014
Incorporated: 1969
Population: 470

Platinum
Second Class City
General Delivery
Platinum 99651
Phone: 979-8114
Fax: 979-8114
Incorporated: 1975
Population: 54

Point Hope
Second Class City
P.O. Box 169
Point Hope 99766
Phone: 368-2537/2836
Fax: 368-2835
Incorporated: 1966
Population: 680

Port Alexander
Second Class City
P.O. Box 8068
Port Alexander 99836
Phone: 568-2211
Incorporated: 1974
Population: 119

Port Heiden
Second Class City
P.O. Box 490
Port Heiden 99549
Phone: 837-2009
Fax: 837-2240
Incorporated: 1972
Population: 119

Port Lions
Second Class City
P.O. Box 110
Port Lions 99500
Phone: 454-2002
Fax: 454-2420
Incorporated: 1966
Population: 233

Quinhagak
Second Class City
P.O. Box 90
Quinhagak 99655
Phone: 556-8315/8615
Incorporated: 1975
Population: 501

Ruby
Second Class City
P.O. Box 90
Ruby 99768
Phone: 468-4401/4424
Fax: 468-4443
Incorporated: 1973
Population: 207

Russian Mission
Second Class City
P.O. Box 49
Russian Mission 99657
Phone: 584-5111
Incorporated: 1979
Population: 266

St. George
Second Class City
P.O. Box 929
St. George Island 99591
Phone: 859-2263/2264
Fax: 859-2212 Also:
4000 Old Seward Highway,
Suite 301
Anchorage 99503
Phone: 561-2124
Incorporated: 1983
Population: 287

St. Mary's
First Class City
P.O. Box 163
St. Mary's 99658
Phone: 438-2515/2617
Fax: 438-2719
Incorporated: 1967
Population: 477

St. Michael
Second Class City
P.O. Box 70
St. Michael 99659
Phone: 923-3222
Fax: 932-2284
Incorporated: 1969
Population: 324

Second Class City
P.O. Box 901
St. Paul Island 99660
Phone: 546-2331
Fax: 546-2365
Incorporated: 1971
Population: 771

Sand Point
First Class City
P.O. Box 249
Sand Point 99661
Phone: 383-2696
Fax: 383-2698
Also:
1007 W. 3rd Ave., #201
Anchorage 99501
Phone: 274-7555
Incorporated: 1966
Population: 1,073

Savoonga
Second Class City
P.O. Box 87
Savoonga 99769
Phone: 984-6614
Fax: 984-6411
Incorporated: 1969
Population: 545

Saxman
Second Class City
Route 2, Box 1
Saxman 99901
Phone: 225-4166
Fax: 225-6450
Incorporated: 1930
Population: 379

Scammon Bay
Second Class City
P.O. Box 90
Scammon Bay 99662
Phone: 558-5529
Fax: 558-5626
Incorporated: 1967
Population: 360

Second Class City
P.O. Box 49
Selawik 99770
Phone: 484-2132
Fax: 484-2209
Incorporated: 1977
Population: 597

Seldovia
First Class City
P.O. Drawer B
Seldovia 99663
Phone: 234-7643
Fax: 234-7430
Incorporated: 1945
Population: 302

Seward
Home Rule City
P.O. Box 167
Seward 99664
Phone: 224-3331
Fax: 224-3248
Incorporated: 1912
Population: 2,806

Shageluk
Second Class City
P.O. Box 107
Shageluk 99665
Phone: 473-8221
Fax: 473-8220
Incorporated: 1970
Population: 144

Shaktoolik
Second Class City
P.O. Box 10
Shaktoolik 99771-0027
Phone: 955-3441
Fax: 955-3221
Incorporated: 1969
Population: 212

Sheldon Point
Second Class City
P.O. Box SXP
Sheldon Point 99666
Phone: 498-4226/4250
Fax: 498-4250
Incorporated: 1974
Population: 103

Second Class City
General Delivery
Shishmaref 99772
Phone: 649-3781/4811
Fax: 649-3731
Incorporated: 1969
Population: 466

Shungnak
Second Class City
P.O. Box 59
Shungnak 99773
Phone: 473-2161
Fax: 437-2176
Incorporated: 1967
Population: 224

Skagway
First Class City
P.O. Box 415
Skagway 99840
Phone: 983-2297
Fax: 983-2151
Incorporated: 1900
Population: 735

Soldotna
First Class City
177 N. Birch St.
Soldotna 99669
Phone: 262-9107
Fax: 262-1245
Incorporated: 1967
Population: 3,652

Stebbins
Second Class City
P.O. Box 22
Stebbins 99671
Phone: 934-3451
Fax: 934-3452
Incorporated: 1969
Population: 442

Tanana
First Class City
P.O. Box 249
Tanana 99777
Phone: 366-7159
Fax: 366-7205
Incorporated: 1961
Population: 407

Teller
Second Class City
P.O. Box 548
Teller 99778
Phone: 642-3401
Fax: 642-2051
Incorporated: 1963
Population: 254

Tenakee Springs
Second Class City
P.O. Box 52
Tenakee Springs 99841
Phone: 736-2221
Incorporated: 1971
Population: 106

Thorne Bay
Second Class City
P.O. Box 19110
Thorne Bay 99919
Phone: 828-3380
Fax: 828-3374
Incorporated: 1982
Population: 637

Togiak
Second Class City
P.O. Box 99
Togiak 99678-0099
Phone: 493-5820/5920
Fax: 493-5932
Incorporated: 1969
Population: 738

Toksook Bay
Second Class City
Gen. Delivery, Nelson Is.
Toksook Bay 99637
Phone: 427-7613/7511
Incorporated: 1972
Population: 449

Tuluksak
Second Class City
General Delivery
Tuluksak 99679
Phone: 695-6212
Incorporated: 1970
Population: 371

Tununak
Second Class City
P.O. Box 69
Tununak 99681
Phone: 652-6527
Incorporated: 1975
Population: 333

Unalakleet
Second Class City
P.O. Box 28
Unalakleet 99684
Phone: 624-3531
Fax: 624-3130
Incorporated: 1974
Population: 732

Unalaska
First Class City
P.O. Box 89
Unalaska 99685
Phone: 581-1251
Fax: 581-1417
Incorporated: 1942
Population: 3,825

Upper Kalskag
Second Class City
P.O. Box 80
Upper Kalskag 99607
Phone: 471-2220
Incorporated: 1975
Population: 173

Valdez
Home Rule City
P.O. Box 307
Valdez 99686
Phone: 835-4313
Fax: 835-2992
Incorporated: 1901
Population: 4,360

Wainwright
Second Class City
P.O. Box 9
Wainwright 99782
Phone: 763-2815
Fax: 763-2811
Incorporated: 1962
Population: 536

Wales
Second Class City
P.O. Box 489
Wales 99783
Phone: 664-3501
Fax: 664-3641
Incorporated: 1964
Population: 147

Wasilla
First Class City
290 E. Herning Ave.
Wasilla 99654-7091
Phone: 373-9050
Fax: 373-9085
Incorporated: 1974
Population: 4,124

White Mountain
Second Class City
P.O. Box 66
White Mountain 99784
638-3411/ fax: 638-3421
Incorporated: 1969
Population: 182

Whittier
Second Class City
P.O. Box 608
Whittier 99693
472-2327/ fax: 472-2404
Incorporated: 1969
Population: 279

Wrangell
Home Rule City
P.O. Box 531
Wrangell 99929
874-2382/ fax: 874-3952
Incorporated: 1903
Population: 2,539

Yakutat
(See Municipalities and
Boroughs)



Federal Government and International

CHAPTE
6

FEDERAL GOVERNMENT and INTERNATIONAL

Congressional Delegation.....
Alaska Congressional Office Addresses.....
Federal Judges Since Statehood.....
International Trade.....
Foreign Consuls in Residence in Alaska.....
Military in Alaska.....

First Class City

Requirements: A community that meets the following standards may incorporate as a first class city:

1. The community has 400 or more permanent residents.
2. The boundaries of the proposed city include all areas necessary to provide municipal services on an efficient scale.
3. The economy includes the human and financial resources necessary to provide local services. In considering the economy of the community, the Local Boundary Commission shall consider property valuations, economic base, personal income, resource and commercial development, anticipated functions, and the expenses and income of the proposed city, including the ability of the community to generate local revenue.
4. The population of the community is stable enough to support local government.
5. There is a demonstrated need for local government.

Powers: If the city is not in a borough, by law it must provide planning, platting, zoning; taxation; and education. Can add other powers for services (police, water, sewer, etc.) by council action.

Local Action Needed: Petition to the Department of Community and Regional Affairs with the signature and resident addresses of 50 permanent resident voters or of 15 percent of the permanent resident voters within the proposed municipality, whichever is greater, based on the number who voted in the last general election.

Municipal Officers: Elected council and mayor. If the city is not part of a borough it will have an elected school board and appointed planning and zoning commission. May adopt the manager plan of government.

Second Class City

Requirements: A community which meets all of the above standards except (1) may incorporate as a second class city.

Powers: If the city is not in a borough, it may provide planning, platting and zoning. It is not required by law to do so. May add other powers for services (such as police, water, sewer, etc.) by council action. The city does not have the power of education; therefore, the city is not a school district.

Local Action Needed: Petition to the Department of Community and Regional Affairs with the signatures and resident addresses of 25 permanent resident voters or of 15 percent of the permanent resident voters within the proposed municipality, whichever is greater, based on the number who voted in the last general election.

Municipal Officers: Elected council. The mayor is appointed from council members. If the city is not part of a borough, it could have an appointed planning and zoning commission and an advisory school board. May adopt the manager plan of government.

Source: Adapted from Title 29 of State of Alaska Municipal Code. Detailed information on local government can be obtained from the State Department of Community and Regional Affairs, Juneau, Alaska. Also prepared by the League of Women Voters of Alaska.

Summary of Municipal Powers

Powers	TYPE OF CITY CLASSIFICATION		
	Second Class	First Class	Home Rule
Codify Ordinances	Mandatory	Mandatory	Mandatory
Establish Election Procedures	Mandatory; election procedure established by ordinance	Mandatory; election procedure established by ordinance	Mandatory; election procedure established by home rule charter and by ordinance
Taxation: Property Tax	Optional; tax and levy established by referendum	Optional; property tax and rate established by council action	Optional; property tax and rates established by ordinance unless referendum required by home rule charter
Sales Tax	Optional; tax and levy established by referendum	Optional; tax and levy established by referendum rule charter	Optional; procedure established in home
Education	Provided by REAA	Mandatory school district*	Mandatory school district*
Planning and Zoning	Optional	Mandatory	Mandatory
Eminent Domain	Granted by referendum	Granted by ordinance	Granted by ordinance unless required by home rule
Sell, Buy, Exchange Real Property	Granted by ordinance	Granted by ordinance	Granted by home rule charter and by ordinance
Incur Indebtedness	Referendum required	Referendum required	Referendum required
Revenue Bonds	Ordinance required	Ordinance required	Ordinance required unless referendum required by home rule charter
General Administrative Powers	Optional	Optional	Optional
Operate Facilities and Services	Optional	Optional	Optional
Regulate Rights-of-Way	Optional	Optional	Optional
Establish Historical Districts	Optional	Optional	Optional
Extraterritorial Jurisdiction	Optional; powers adopted by ordinance	Optional; powers adopted by ordinance	Optional; powers adopted by ordinance

* Only applies to cities outside of an organized borough.

Summary of City Government

TYPE OF CITY CLASSIFICATION

CHARACTERISTIC	SECOND CLASS	FIRST CLASS	HOME RULE
	Term of Office		
City Council	3 or 4 years	3 years	Home Rule: All characteristics determined by home rule charter
School Board	No school powers	3 years	
Mayor	1 year	3 years	
City Manager	Serves at pleasure of Council	Serves at pleasure of Council	
City Administrator	Serves at pleasure of Mayor or Mayor assumes Administrator duties	Serves at pleasure of Mayor or Mayor assumes Administrator duties	
	Method of Election		
City Council	Elected at large	Elected at large	
School Board	No school powers	Elected at large	
Mayor	Elected by City Council	Elected at large	
City Manager	Manager Plan adopted by Referendum. City Manager appointed by Council	Manager Plan adopted by Referendum. City Manager appointed by Council	
City Administrator	Appointed by Mayor in absence of Manager Plan	Appointed by Mayor in absence of Manager Plan	
	Membership		
City Council	7 members	6 members	
School Board	No school powers	5 members	
Voting Power (Mayor)	Votes on all issues	Only votes in case of ties	
Veto Power (Mayor)	No veto power	Veto power over Council action; Council ... override	

**First and Second Class City Powers
for Municipalities Not in a Borough**

<u>General Powers</u>	<u>Second Class</u>	<u>First Class</u>	<u>References</u>
Municipal Property	Mandatory	Mandatory	AS 29.35.090
Administrative, Legal, Financial	Optional	Optional	AS 29.35.010
Alcoholic Beverages	Optional	Optional	AS 29.35.080 As 04.11.480-560
Emergency Disasters	Optional	Optional	AS 29.35.040
Emergency Services Communication Center	Optional	Optional	AS 29.35.130
Eminent Domain	Optional w/voter OK	Optional	AS 29.35.030
Extraterritorial Jurisdiction	Opt/limited w/voter OK	Opt/limited w/voter OK	AS 29.35.020
Franchise and Permits	Optional	Optional	AS 29.35.060
Gargage and Solid Waste	Optional	Optional	AS 29.35.050
Public Utilities	Optional	Optional	AS 29.35.070
Taxes - Assessment and Collection	Optional w/voter OK	Optional w/voter OK	As 29.35.010(6) As 29.45.550
Property Tax Limits	5 Mills	30 Mills	As 29.45.090 & 590
Sales Tax Limit	6 Percent	6 Percent	AS 29.45.650 & 700
<u>Other Powers</u>			
Education	Not Allowed	Mandatory	AS 29.35.260(b)
Planning, etc...	Optional	Mandatory	AS 29.35.260(c)
Any Other Power Not Prohibited by Law	Optional	Optional	AS 29.35.260

ALASKA STATE LEGISLATURE

Delta Junction Office
P.O. Box 1189
Delta Junction, AK 99737-1189
907-895-4236



White in Juneau
State Capitol, Room 110
Juneau, AK 99801
907-465-4859

Representative Harley Olberg

SPONSOR SUMMARY CS FOR SSHB 397

An Act relating to the power to levy property taxes in second class cities and combining a property tax and incorporation question.

NEED FOR THE LEGISLATION

Alaska statutes 29.45.590 presents an operations and economic development problem for second class cities. That law places a 5 mill limit on the rate of real and personal property second class cities may levy. Given new and emerging fiscal policies of the state which result in less municipal assistance and revenue sharing, less state and federal grant money and heavy competition for these scarce dollars, second class cities, who have traditionally relied on the sources to make up their budgets, face revenue shortfalls which threaten their economic stability and hinder development.

The effect of state and federal fiscal problems increasingly comes to rest at the local level. It is unlikely that this trend will reverse. The bulk of Alaska's municipal governments are second class cities, 117 in all. The State of Alaska wishes to transfer more fiscal responsibility to local governments for the operation of a host of programs formerly well funded through grants. The missing link in this policy is the transfer of full taxation powers to second class cities so they can make decisions regarding the level of taxation they wish to impose upon themselves for services.

ALASKA STATE LEGISLATURE

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State Capitol, Room 110
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907-465-4859

Representative Harley Olberg

AS 29.45.590 was written in an era much different than we find today. We have researched the legislative history of this and can find nothing in the written record to suggest the reason second class cities were limited to 5 mills. However, anecdotal information gleaned from legal scholars who have studied Title 29 Suggest that the limitation was included as an incentive for communities to incorporate without the fear that in so doing they would be setting themselves up for high taxes,. While this may have been an incentive many years ago given the revenue 5 mills will raise in a small communities, it would most likely not be such an incentive today.

IF THE STATE WISHES TO IMPOSE GREATER FINANCIAL RESPONSIBILITY ON SECOND CLASS CITIES IT MUST REMOVE THE LEGAL SHACKLES. CS FOR SSHB 397 IS THE MOST IMPORTANT STEP THE LEGISLATURE CAN TAKE IN THE REGARD.

CS for SSHB 397 allows a second class city to levy a property tax of to 20 mills (2%), without a referendum. At present the maximum allowable limit is 5 mills (.5%).

At the present time, there are only two second class cities, located outside boroughs, which levy a property tax, Eagle and Whittier. C&RA states there is little activity of any other second class cities pursuing a property tax. Based upon these facts it appears that there would be little fiscal impact it any by passage of this bill.

ALASKA STATE LEGISLATURE

Delta Junction Office
P.O. Box 1189
Delta Junction, AK 99737-1189
907-895-4236



While in Juneau
State Capitol, Room 110
Juneau, AK 99801
907-465-4859

Representative Harley Olberg

In regards to the referendum question, the Alaska Municipal league supports the removal of the requirements that any property tax levy be set by referendum. In Alaska second class cities, just as in other municipalities, council members are elected by the voters to make the decisions necessary to run the city. They should be given the ability to set property tax levies by ordinance without having to refer each change to the voters. Conducting elections is both expensive and time consuming.

City councils do not act in a vacuum, particularly in small cities. If the deletion of referendum is passed, the property tax levies would be set by ordinance, just as they are in other type municipalities, and citizens would have ample opportunity to express their concerns. Council members should be given authority to do that for which they have been given responsibility. Nothing would keep them from referring the issue of a property tax levy to the public for an advisory vote, but it should not be required.