

**HB**

**263**



**Representative Mark Hanley**  
**Alaska State Legislature**

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**MEMORANDUM**

DATE: February 14, 1994

TO: Senator Loren Leman  
Chairman, State Affairs

FROM: Representative Mark Hanley *MH*

RE: Sponsor Substitute for House Bill 263: "An Act relating to municipal property tax exemptions."

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This memo is to respectfully request that you schedule Sponsor Substitute for HB 263 for a hearing in Senate State Affairs. SSHB 263 passed out of the House February 9th with thirty-nine Yeas and one Nay.

SSHB 263 amends AS 29.45.050 to allow municipalities to exempt or partially exempt from taxation aircraft, undocumented boats and vessels, pickup campers, shells and canopies, and unlicensed motorized all-terrain vehicles, snow machines, and trail bikes.

This bill is intended to give municipalities flexibility in taxing private property. It has no fiscal impact on the State of Alaska. The Municipality of Anchorage is attempting to address the lack of equity and consistency in municipal tax code between private non-commercial aircraft, and other recreational vehicles.

The Anchorage Assembly passed resolution no. AR 93-46(S) in support of amending 29.45.050 to allow this exemption. Mayor Fink and his administration are also in support of the resolution.

Your prompt attention to this matter would be greatly appreciated.

TO ANCHORAGE  
ASSEMBLY  
2/16/93

Statement by: Bob Gastrock, 13151 Nora Drive, Anchorage 99515  
Flying Crown Homeowners' Association

Good evening, my name is Bob Gastrock. I am here tonight representing the aircraft owners and pilots of the Flying Crown Homeowners' Association.

Speaking on their behalf, I would like to make four brief but important points:

1. The tax many of us are paying for the privilege of keeping airplanes in Anchorage is grossly disproportionate to that paid by owners of other types of motor vehicles.
2. We are ready and willing to pay our fair share of taxes
3. This issue involves correcting an acknowledged lack of equity and consistency in the municipal tax code. It should be dealt with on its own merit. It should not be deferred pending resolution of the many tax initiatives presently being considered.
4. Disposition of this matter is rightly within the purview and authority of this Assembly. It need not and should not be relegated to a ballot proposition.

This matter is before you tonight because we believe a change is in order. During the mid 1970s, airplanes, cars, trucks, and other motor vehicles were all taxed on the same basis. Then, in 1976, the Municipality elected to participate in a State sponsored program to collect a Motor Vehicle Registration Tax in lieu of personal property tax. The program did not include airplanes, which have continued to be taxed as personal property. At first, the difference in tax paid by owners of airplanes and the other vehicles was not significant enough to prompt concern. In recent years, however, the gap has widened considerably, to the point that many airplanes are taxed more than 15 times as much as new motorhomes of comparable value. For example, a new \$50,000 motorhome is taxed \$60, while most Cessna 185s worth the same amount are taxed almost \$1000! When one considers the fact that the motorhome tax declines yearly to only \$5 after the seventh year, the disparity becomes even more exaggerated. What makes this lack of parity even more difficult for us to accept is the fact that while other motor vehicles use roadways that are constructed, maintained, and lighted by the Municipality, airplanes get virtually no benefits in return for their considerably higher tax contribution.

Contrary to a popular misconception, airplane owners, especially those in Alaska, are not generally a wealthy bunch. They are school teachers, truck drivers, and people of virtually every profession. They use airplanes like pickup trucks: to haul people and goods around a state with few roads. Most pilots have been staggered by rapidly increasing costs for maintenance, parts, and insurance. Excessive taxes contribute unfairly to their mounting financial burdens. Indeed, escalating costs, especially fixed ones that must be paid before a propeller turns, are negatively impacting airplane ownership in our town. As a result, many owners have had to sell. Likewise, many aspiring buyers have been priced out of the market by recurring overhead expenses as much as by initial acquisition cost. Anyone who doubts this fact needs only to survey the growing empty ramp space on Merrill Field. - -

To say that we are unhappy with the current situation would be an understatement at best. Yet it is important to note that airplane owners are ready and willing to pay their fair share of taxes. We simply ask for reasonable and equitable treatment. We look to you to reestablish fairness in the system. You are our elected representatives, and we trust in you to protect our fundamental right to just taxation.

Thank you very much.



**Representative Mark Hanley**  
**Alaska State Legislature**

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**MEMORANDUM**

DATE: March 3, 1994

TO: Senator Rick Halford  
Chairman, Rules

FROM: Representative Mark Hanley *MH*

RE: Sponsor Substitute for House Bill 263: "An Act relating to municipal property tax exemptions."

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This memo is to respectfully request that you schedule Sponsor Substitute for HB 263 for a vote on the floor. SSHB 263 passed out of State Affairs March 2nd with one Do Pass and two No Recommendations.

HB 263 amends AS 29.45.050 to allow municipalities to exempt or partially exempt from taxation aircraft, undocumented boats and vessels, pickup campers, shells and canopies, and unlicensed motorized all-terrain vehicles, snow machines, and trail bikes.

This bill is intended to give municipalities flexibility in taxing private property. It has no fiscal impact on the State of Alaska. The Municipality of Anchorage is attempting to address the lack of equity and consistency in municipal tax code between private non-commercial aircraft, and other recreational vehicles.

The Anchorage Assembly passed resolution no. AR 93-46(S) in support of amending 29.45.050 to allow this exemption. Mayor Fink and his administration are also in support of the resolution.

Your prompt attention to this matter would be greatly appreciated.



HB263

**Representative Mark Hanley**  
**Alaska State Legislature**

**MEMORANDUM**

March 14, 1994

TO: Senator Drue Pearce

FROM: Representative Hanley *MH*

RE: SSHB 263, "An Act relating to municipal property tax exemptions".

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Thank you for co-sponsoring SSHB 263 and for carrying it on the Senate floor. Thank you for your support.

Enclosed please find back-up documents for the bill, including resolutions of support from the Anchorage Assembly and Mayor Tom Fink.

13151 Nora Drive  
Anchorage, AK 99515-3746  
April 16, 1992

Assemblyman Chuck Landers  
c/o Municipal Clerk's Office  
P.O. Box 196650  
Anchorage, AK 99519-6650

Dear Chuck:

As we discussed several weeks ago, there is an issue that sorely deserves consideration by the Municipal Assembly. It concerns personal property taxes and the discriminatory nature of one in particular: that involving airplanes.

While I understand that the Municipality is struggling with-shrinking revenues, it is unfair to perpetuate (or, in some cases increase) reliance on specialized groups who pay a disproportionate share of taxes. This inequity is exacerbated by the fact that these taxpayers receive little or no reciprocal benefit that can be associated with the item for which they are being taxed.

One such group is aircraft owners, whose airplanes are taxed as personal property like automobiles and trailers. The Municipality provides road maintenance and police protection for drivers, but no service to pilots. Thus the very basis for the tax is questionable, since the Municipality expends little, if any, revenue to support aviation. Unfortunately, the unequity has been magnified recently since most major small aircraft manufacturers have ceased production due to product liability. The result has been a dramatic rise in market values on existing aircraft. Airplanes worth \$25,000 in 1988 cost their owners some \$350 in personal property tax that year. Today that same airplane is worth about \$50,000, bringing the tax bill to \$700 or more. Still with no benefit.

Like the luxury boat tax on the national level, this unfair and unwarranted aircraft tax should be eliminated. The common belief that pilots are rich and can thus afford to pay is fallacious, especially in Alaska, where flying is more necessary than luxurious. It is reasonable to tax people for services provided. It is not fair to tax a visible minority simply because they are judged to be able to "afford it."

Please do the right thing and correct this inequity. Your constituents and I will applaud you.

Sincerely,

  
Robert C. Gastrock

cc: Pat Abney  
Jim Barnett  
Alaska Airmen's Association, Inc.

Revision Date: 1/26/94 Dept. Affected: Community & Regional Affairs  
 Title: "An Act relating to a municipal property tax exemption for aircraft." BRU: \_\_\_\_\_  
 Component: \_\_\_\_\_  
 Sponsor: Hanley  
 Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. \_\_\_\_\_

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL						
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REVENUE FUND SOURCE:						
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FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

POSITIONS:

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

Estimate of current (FY93) Impact \$ none

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Richard Henderson Director Phone: 465-4708  
 Division: Administrative Services Date: 1/26/94  
 Approved by Commissioner: [Signature] Deputy Commissioner Date: 1/26/94  
 Agency: Community & Regional Affairs

(7)

Date Referred: January 10, 1994

FURTHER REFERRALS:

Date of Committee Action: \_\_\_\_\_

The COMMUNITY AND REGIONAL AFFAIRS Committee considered:

SSHB 263

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 263

TAX EXEMPTION FOR AIRCRAFT

"An Act relating to municipal property tax exemptions."

RECOMMENDATIONS:

[ ] the same title

be replaced with \_\_\_\_\_

[ ] a new title

[ ] have attached amendments(s)

[ ] do pass

[ ] do not pass

[ ] no recommendations

[ ] individual recommendations

[ ] additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

[ ] fiscal impact \_\_\_\_\_

[ ] fiscal note(s) \_\_\_\_\_

[ ] zero fiscal note \_\_\_\_\_

[ ] zero fiscal note(s) \_\_\_\_\_

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Tom Sanders</i>	✓	<i>Andy Ollery</i>		✓	
<i>Ed Wills</i>	✓				
<i>John R. Pender</i>	✓				
<i>Ed Wills</i>	✓				
<i>John R. Pender</i>	✓				
<i>Ed Wills</i>	✓				

*Andy Ollery*  
CHAIRMAN'S SIGNATURE

MUNICIPALITY OF ANCHORAGE  
ASSEMBLY MEMORANDUM

NO. AM 127-93

Meeting Date: February 2, 1993

From: Assemblymember Campbell

Subject: AN ORDINANCE PROPOSING AN AMENDMENT TO CHAPTER 12, SECTION 12.10.020 OF THE ANCHORAGE MUNICIPAL CODE PERTAINING TO EXEMPTIONS FOR CERTAIN AIRCRAFT NOT SUBJECT TO THE TAX PROVISIONS OF SECTION 12.10.060, FROM THE "FULL AND TRUE VALUE" PROVISIONS OF 12.10.60.

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There is a lack of equity and consistency in the municipal tax code in the taxation applied to various classes of personal property. For example, motor homes, some of considerable value, are not subject to a municipal personal property tax; but instead pay a relatively flat fee to the State of Alaska, with a tax remuneration from the State being transferred to the municipality. The maximum fee received by the municipality from the State is \$60 for a brand new vehicle or motor home, regardless of book value.

However, privately owned, non-commercial aircraft are taxed by the municipality based upon their full book value. Thus while Anchorage resident owning a \$50,000 book value motor home is paying a fee of \$60 to the municipality, a private aircraft assessed at \$50,000 owned by an Anchorage resident is costing that resident about \$1,000 in personal property taxes.

Unfortunately the Assembly cannot change the State statute regarding the taxes on motor vehicles. However the Assembly can address inequities the statute creates in the municipal personal property tax system by modifying the method of property taxation to come more closely in line with the State's approach. This ordinance represents a first step toward addressing the inequity issues in the personal property tax system. It proposes changing the method of taxing private aircraft from an ad valorem system to a flat fee, based on the number of engines the aircraft possesses. Single engine aircraft would pay a fee of \$75, and multi-engine aircraft would pay a fee of \$125.

The municipality obtains roughly \$800,000 annually from the taxes on about 2,100 private airplanes, for an average tax of \$381/aircraft. Between 100-200 of the 2,100 fees are appealed annually; however most protests are resolved at staff level, with only 3 or 4 proceeding to the Board of Equalization for a more formal review.

The new tax structure would generate about \$160,000 in annual revenue, and would likely eliminate the need for about 1-1.5 municipal positions, for an approximate personnel savings of \$60,000 to \$90,000. Net loss of municipal tax revenue would thus be about \$520,000-550,000 annually. However, the change would place more equity in the personal property tax system.

Submitted by: Assemblyman Craig Campbell  
Prepared by: Assembly Policy and Budget  
Office  
For reading: February 2, 1993

ANCHORAGE, ALASKA  
AO NO. 93- 29

AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE PROPOSING A BALLOT PROPOSITION TO QUALIFIED VOTERS AT THE APRIL 20, 1993 REGULAR MUNICIPAL ELECTION AMENDING CHAPTER 12, SECTION 12.10.020 OF THE ANCHORAGE MUNICIPAL CODE PERTAINING TO EXEMPTIONS FROM THE PERSONAL PROPERTY TAX, EXEMPTING AIRCRAFT NOT SUBJECT TO THE TAX ASSESSMENT PROVISIONS SECTIONS OF 12.10.060.E. FROM THE FULL AND TRUE VALUE PROVISIONS OF SECTION 12.10.060.

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1: That a ballot proposition containing substantially the following language shall be submitted to qualified Anchorage voters on the ballot for the April 20, 1993 regular election:

Shall the Anchorage Municipal Code section 12.10.020 be amended to read as follows:  
(bracketed words to be deleted: underlined words to be added)

12.10.020 Exemptions

(D) Aircraft not subject to provisions of the Anchorage Municipal Code 12.10.060.E are taxed by the municipality at an annual rate of \$75 for single engine aircraft and \$125 for multi-engine aircraft.

YES

NO

Section 2: Upon passage of this proposition by a majority of those qualified voters voting in the affirmative at the April 20, 1993 regular election, this ordinance shall become effective at 12:00 a.m. on January 1, 1994.



# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

No. \_\_\_\_\_

Meeting Date: \_\_\_\_\_

1 From: Mayor

2  
3 Subject: AO 93-29; Regarding Exemption from Personal Property Tax  
4 for Aircraft  
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7 A question has arisen as to the legality of the proposed ordinance.  
8 The Legal Department has been requested to review the ordinance and  
9 the following sets forth its conclusion.  
10

11 The ordinance is constitutionally acceptable. It is, however,  
12 unlikely to be found legally acceptable under State law.  
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14 AS 29.45.050 addresses the exemptions and exclusions from taxation  
15 available to municipalities. According to case law, a  
16 municipality's right to allow exemptions from taxation needs to be  
17 expressly conferred by law. Valentine v. City of Juneau, 36 F.2d  
18 904 (9th Cir. 1929), decided under former, similar law. Further,  
19 the Municipality incorporates AS 29.45.050 into its Charter pursuant  
20 to Charter Section 14.02(b) which reads as follows:  
21

22 The procedures [for taxation] shall provide for assessment  
23 of property at full and true value, except as otherwise  
24 provided by law, and for notice of assessment, appeal and  
25 judicial review.  
26

27 Hence, if the ordinance is valid "aircraft" must fall within the  
28 term "motor vehicles" as used in the following portion of the  
29 statute:  
30

31 AS 29.45.050. Optional exemptions and exclusions.  
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33 . . . . .  
34  
35 (b) A municipality may by ordinance  
36  
37 . . . . .  
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39 (5) classify as to type and exempt or partially exempt  
40 any or all types of motor vehicles from taxation.  
41

42 There are several reasons why it is unlikely that aircraft would be  
43 held to be included within the term "motor vehicles. The following  
44 definition of personal property is contained in AS 29.71.800(16):  
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"personal property" means tangible property other than real property, such as merchandise, stock in trade, machinery, equipment, furniture, fixtures, vehicles, boats, and aircraft;

(Emphasis added). The fact that "aircraft" and "vehicles" are addressed specifically and distinctly is significant. Also significant is the fact that AS 29.45.065, Assessment of private airports open for public use, uses the term "aircraft." Although not directly applicable, a court would also probably look to the definition of motor vehicle in the immediately adjacent Title 28. The relevant provisions are the following: - -

AS 28.40.100(a):

(11) "motor vehicle" means a vehicle which is self-propelled except a vehicle moved by human or animal power;

(21) "vehicle" means a device in, upon, or by which a person or property may be transported or drawn upon or immediately over a highway or vehicular way or area except devices used exclusively upon stationary rails or tracks;

(Emphasis added). Case law regarding the common usage of the term "motor vehicles" is not unanimous but generally supports the exclusion of aircraft. See Mann v. American Flyers Airline Corp., 433 P.2d 961 (Okla. 1968), dealing with the term in the context of workmens' compensation law; Sperry v. Maki, 740 P.2d 342 (Wash. App. 1987), dealing with the term in the context of uninsured motorist coverage; and the following statement in the Annotation captioned "Airplane as within terms 'vehicle', 'motor vehicle', etc." appearing in 165 A.L.R. 916:

Although the result is always contingent on the particular wording involved, it has been almost invariably held, in the construction of statutes and regulations, that airplanes are not within the terms 'vehicles', 'motor vehicles', etc.

Finally, it should be noted that it is the position of the current State Assessor, Steve Van Sant, that the legislature did not intend the statute to cover aircraft; rather, that, because of the great varieties of motor vehicles, it would be logical to allow classifications by type. If that opinion were to be adopted


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formally by the Department of Community and Regional Affairs, it could be used by the court as a relevant administrative agency's interpretation. State, Dept. of Highways v. Green, 586 P.2d 595 (Alaska 1978).

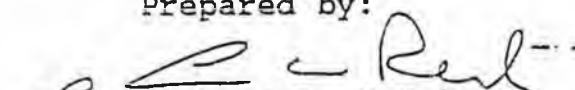
In sum, the weight of authority suggests that the ordinance is invalid absent a change in state law.

THEREFORE, THE ADMINISTRATION RECOMMENDS DISAPPROVAL OF AO 93-29.

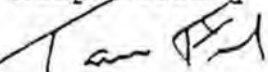
Concur:

  
Larry D. Crawford  
Municipal Manager

Prepared by:

  
Richard L. McVeigh  
Municipal Attorney

Respectfully submitted,

  
Tom Fink  
Mayor

m:\assy\am\ballot.tax

## POSITION PAPER

### PERSONAL PROPERTY TAXATION OF PRIVATE AIRCRAFT

The Municipality of Anchorage (MOA) derives operating revenues from many sources, including personal property tax. Primarily an ad valorem tax, it is paid annually by owners of defined personal property. In return for payment of such taxes, taxpayers expect, and in most cases receive, certain services and/or benefits provided by the MOA.

People pay taxes on real and personal property to fund a variety of government furnished institutions, including schools, police and fire departments, and other administrative agencies. Children live in homes which are taxed to pay for schools. Similarly, automobile taxes pay for roads which are constructed, maintained, lighted, plowed, swept, and marked with signs.

There is one group of individuals, however, who pay a disproportionate share of the tax burden in Anchorage. Ironically, they receive little, if any, service or benefit from the MOA in exchange for the dollars they contribute to the government's coffers. They are the owners of private aircraft.

For years many of them have been dutifully acknowledging ownership of small aircraft, and paying many hundreds of dollars annually in personal property tax. Their money goes into the general fund, providing no benefit or service to the aviation community. In fact, the MOA's only involvement or interest in aviation (other than collecting taxes) is Merrill Field, which is rightfully "controlled" by the FAA. The MOA merely owns the land and charges leaseholders for the right to use it.

It is noteworthy that most aircraft with a tax situs in Anchorage are used almost exclusively outside the Municipality. They are, in effect, stored in Anchorage, and used to travel everywhere else in and out of the State. Most are parked in Anchorage simply as a matter of convenience to their owners, who reside and work in the community.

Anchorage has always been an aviation hub for the State as well as the world. As such, it serves a unique purpose. Aviation fosters commerce and brings people to town. As a result, many local businesses directly support this important industry and, in turn, rely on it for their livelihood. Examples are parts stores, maintenance facilities, equipment manufacturers, and flight schools. They cater not only to locally based aircraft, also to many that "come in from the bush" to be worked on. Similarly, many local retail merchants, hotels, and restaurants profit from airplane pilots and their passengers who frequent Anchorage. Thus aviation is a major contributor to the financial stability and diversity of Anchorage's economy.

It is ironic then, that the present personal property tax on aircraft discourages the presence of airplanes in the Municipality. Airplane owners residing elsewhere often avoid "wintering" their planes in Anchorage to have work done on them, for fear of establishing a tax situs there. Likewise, many locals have work done and/or park their aircraft elsewhere to avoid paying the tax. Some simply don't admit ownership, choosing to avoid the tax by omission. For them, the amount of money saved is worth the risk of being caught.

In recent years the financial burden on private airplane owners has grown considerably. Fuel, maintenance, and insurance costs have all escalated. But perhaps the greatest proportional increase has been the personal property tax. That is because market values of many aircraft have skyrocketed as manufacturing declined or ceased due to product liability; not because existing aircraft are inherently worth any more. The significant rise in costs is pushing airplane ownership out of the reach of more and more pilots. Admittedly, everyone cannot afford to buy an airplane. But many who could afford the acquisition cost don't have the resources to meet the recurrent costs such as taxes. As a result, the number of airplanes in Anchorage is decreasing. During the past five years, the number of general aviation aircraft parked at Merrill Field has declined by 160. While some may have relocated elsewhere in the local area, some undoubtedly left forever. With them went tax revenues and customers valued by local businesses.

The fundamental problem involves the tax rate. Airplanes, which have high relative value, are taxed at the same mill rate as other less valuable personal property. While mill rates approaching 20 may be appropriate for homes, they are unrealistic when applied to airplanes. The owner of a \$150,000 home pays about \$3000 in property tax. For that he receives all the basic government services. But he does not receive any additional services for the almost \$1000 tax he now pays for the privilege of owning a \$50,000 airplane. Yet his airplane ownership and use costs the MOA absolutely nothing!

Anchorage Municipal Code (AMC) 12.10.010, Personal Property Subject to Taxation, subparagraph A.1., states,

"All vehicles propelled by other than human muscular power shall be taxable as personal property. This shall include, but is not limited to automobiles, motorcycles, aircraft, boats and snowmobiles."

Alaska Statute (AS) 29.45.050 provides for optional property tax exemptions and exclusions. Paragraph (b) states,

"A municipality may by ordinance...(5) classify as to type and exempt or partially exempt any or all types of motor vehicles from taxation."

On December 21, 1976, the Municipality of Anchorage (MOA) Assembly passed AR No. 121-76, providing for an Annual Motor Vehicle Registration Tax (MVRT) in lieu of a personal property tax assessment on certain motor vehicles, including automobiles and motorcycles. This method of taxation, provided for by 1976 SLA 256, is based on a fixed fee schedule. Accordingly, a NOTE was added to AMC 12.10.010 paragraph A, stating,

"Pursuant to Ch. 256 SLA 1976 and AR 121-76, the Municipality no longer imposes a personal property tax on motor vehicles."

This action simplified processing, lowered the rate per vehicle, and resulted in a net increase in revenue due to the fact that more people paid the tax. Today, the owner of a new \$50,000 motorhome is taxed \$60 the first year, and less in subsequent years. In return, he benefits from many miles of MOA maintained roads, parks, street lights and signs, etc. Despite the NOTE quoted above, the owner of an airplane valued at \$50,000 is still taxed almost \$1000, yet the airplane gets nothing for its revenue contribution.

It is time to revise tax rates for airplanes. A simple fee schedule like that used for other motor vehicles is the best solution. An annual tax of \$60, an amount equal to that paid for the most expensive private automobile or motorhome, is both fair and reasonable. Such a flat fee would significantly reduce administrative costs for the MOA, since each airplane would not have to be appraised every year by physically "canvassing" local airports and researching "book" values. Likewise, the present appeals process, which requires much review time and negotiation, would be eliminated.

All parties stand to gain from such reform. Municipal administrative costs will go down, the sagging and vulnerable general aviation industry will be stimulated, and local businesses will benefit from revived activity at local airports.



# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

No. AM 270-93

Meeting Date: February 23, 1993

From: Mayor

Subject: AR 93-46(S) - Exemption of Personal Property Items

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The public testimony last week was oriented primarily on the need for changes to the personal property tax on aircraft. The Administration recommends the scope of the Assembly Resolution to the Alaska State Legislature be expanded to include other items that are taxed unevenly due to self-reporting requirements. A registration tax at the point of sale with possible annual renewals is probably a more equitable system.

The Administration recommends approval of AR 93-46(S).

Concurrence:

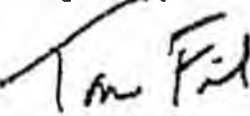
Prepared by:

  
Larry B. Crawford  
Municipal Manager

  
Jerry Anderson  
Chief Fiscal Officer

Respectfully submitted:

Concurrence:

  
Tom Fink  
Mayor

  
Richard L. McVeigh  
Municipal Attorney

CLERK'S OFFICE

APPROVED

Date: 2-23-93

Submitted by: Chairman of the Assembly  
at the Request of the Mayor  
Prepared by: Department of Law  
For Reading: February 23, 1993 *AK*

ANCHORAGE, ALASKA  
RESOLUTION NO. AR 93-46(S)

A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE ENDORSING OPTIONAL EXEMPTION OF DESIGNATED ITEMS FROM PERSONAL PROPERTY TAX

THE ANCHORAGE ASSEMBLY FINDS:

WHEREAS, Alaska Statutes 29.45.050 permits municipalities to exempt certain items from property taxation; and

WHEREAS, AS 29.45.050 does not permit a partial or total exemption for aircraft and some other personal property items but does allow such exemptions for boats, vessels or motor vehicles; and

WHEREAS, the Municipality of Anchorage wishes to adopt a partial exemption for certain personal property.

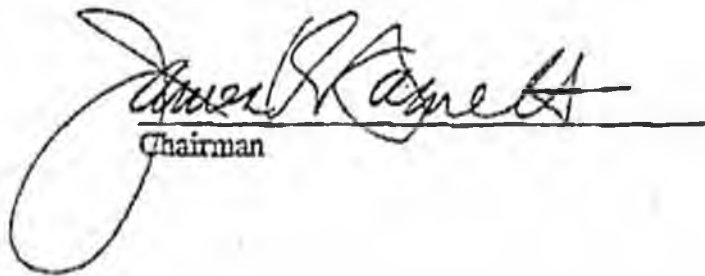
NOW, THEREFORE, the Anchorage Assembly resolves that:

Section 1. The Municipality endorse an amendment to AS 29.45.050 to allow partial or total exemption of aircraft, pick-up campers, shells and canopies, all-terrain vehicles, snow vehicles, undocumented boats and motors, and unlicensed trail bikes from property taxation as part of its legislative program.

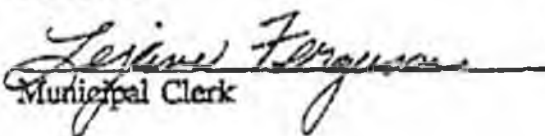
Section 2. An ordinance providing a partial exemption (i.e. flat fee tax) for exempt items taxation will be introduced within 30 days of passage of an amendment to AS 29.45.050 which authorizes use of such an approach.

Section 3. Passage of this resolution indicates a firm statement of intent of those Assembly members voting for this resolution to vote in favor of the ordinance referenced in Section 2.

PASSED AND APPROVED this 23rd day of February, 1993.

  
Chairman

ATTEST:

  
Municipal Clerk

First Name Richard Last Name Thompson Telephone 488-3329  
PO Box 55968 Zip 99705  
North Pole Reg. Voter Y Distribution 60 Constituency N  
Affiliation Date POM Sent 01/27/94  
Subject Bill Number HB 162 ✓

Message 1

BRING BACK THE DEATH PENALTY. LIMIT APPEAL PROCESS TO SPECIFIC TIME. \$ NOT AN ISSUE. RACE CANNOT BE ALLOWED TO BE AN ISSUE. IF A CRIME IS COMMITTED THAT WARRANTS DEATH PENALTY---ADMINISTER IT QUICKLY.

First Name Thomas Last Name Munns Telephone 277-5284  
1601 Medfra #400 Zip 99501  
Anchorage Reg. Voter Y Distribution 60 Constituency N  
Affiliation Date POM Sent 01/26/94  
Subject Bill Number HB 263 ✓ *file*

Message 1

I STRONGLY SUPPORT AND URGE PASSAGE OF HB 263. (TAX EXEMPTION FOR CERTAIN PERSONAL PROP.)

First Name Carl Last Name Cartwright Telephone 277-8798  
417 N Klevin Zip 99508  
Anchorage Reg. Voter Y Distribution 60 Constituency N  
Affiliation Date POM Sent 01/26/94  
Subject Bill Number HB 263 ✓ *file*

Message 1

I SUPPORT IT STRONGLY. (TAX EXEMPTION FOR CERTAIN PERSONAL PROP.)

First Name Nancy Last Name Fuerstenberg Telephone 344-8521  
420 Pettis Rd Zip 99515  
Anchorage Reg. Voter Y Distribution 60 Constituency N  
Affiliation Date POM Sent 01/26/94  
Subject Bill Number HB 263 ✓ *file*

Message 1

I WANT YOU TO SUPPORT HB 263. (TAX EXEMPTION FOR CERTAIN PERSONAL PROP.)

First Name Daniel Last Name Zivanich Telephone NONE  
12921 Midori Dr Zip 99516  
Anchorage Reg. Voter Y Distribution 60 Constituency N  
Affiliation Date POM Sent 01/26/94  
Subject Bill Number HB 263 ✓ *file*

Message 1

I'M IN SUPPORT OF TAKING TAXES OFF OF PEOPLE WHO OWN AIRCRAFT.

First Name Dennis Last Name Waldock Telephone NONE  
3327 Iliamna Ave Zip 99517  
Anchorage Reg. Voter Distribution 08 Constituency C  
Affiliation Date POM Sent 01/26/94  
Subject Bill Number HB 263

Message 1

IN REGARDS TO HB 263 I VERY STRONGLY SUPPORT THIS BILL I WOULD APPRECIATE YOUR EFFORTS TO  
TRY TO GET THIS TO THE FLOOR AS SOON AS POSSIBLE. IF YOU WOULD LIKE TO DISCUSS THIS BILL IN MORE  
DETAIL

PLEASE CALL, 800-770-3029.

*ll call*

