

SB

242



SENATOR DAVE DONLEY
ALASKA STATE LEGISLATURE

MEMORANDUM

To: Senator Tim Kelly
Chairs, Senate C&RA Committee

From: Senator Dave Donley *DB*

Re: Hearing Request for SB 242 - "Relating to Funding for
Municipal Aid Programs"

Date: February 3, 2000

I request that you schedule SB 242, which would use existing state oil and gas property tax revenue to fund the state's Revenue Sharing and Municipal Assistance programs, for a hearing in your committee.

Under present law, the state levies a 20-mill property tax on oil and gas property. Municipalities may also tax the same oil and gas property. Subsequently taxpayers are allowed a credit against their state tax liability for taxes paid to a municipality. For example, if a piece of oil and gas property is assessed at \$10,000 and a municipality levies a tax of \$9,000, the state would only receive \$1,000, the difference in the two.

Currently, the state receives nearly \$22.5 million of all the oil and gas property tax revenue while municipalities with oil and gas property collect \$223 million in revenue.

This upcoming November, Alaskan voters will consider 99PTAR, a statewide initiative that would place a 10-mill cap on local property taxes. The proposed initiative would, if passed, cap all municipal property taxes at ten mills. The proposed tax cap is inclusive of any existing bond debt, **however, under the initiative, a municipality may not go forward with bonds if the proposal increases the rate to over 10-mills.**

For example, in 1999 one local borough collected over \$196 million in oil and gas property tax revenue based on a mill rate of 18.53 of which 13.51 mills is levied to satisfy debt service and 5.02 is levied for its operating budget. Should the tax cap initiative pass, the **borough would no longer be able to issue bonds until it reduces its mill rate below the 10-mill limit.** Since the borough could no longer levy a mill rate of 18.53, the state would collect the balance of the state's 20-mill oil and gas property tax. If the initiative passes then in FY'01 it is estimated that the state would receive an additional

Vice-Chair, Senate Finance Committee • Chair, Capital Budget Subcommittee • Co-Chair, Anchorage Caucus
Member: Senate Judiciary Committee • Senate Labor & Commerce Committee • Legislative Council

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Senate Bill 242
Hearing Request
Page 2

\$8 million in AS 43.56 revenues. Eventually, the revenue would rise to nearly \$135 million annually, an increase of over \$100 million more than the state is currently collecting now.

I appreciate your consideration of this request. If you have any questions, please contact James Armstrong of my staff at 3887.

DD/jja



SENATOR DAVE DONLEY

ALASKA STATE LEGISLATURE

Sponsor Statement for Senate Bill 242

SB 242 would mitigate the effects of the pending 10-mill municipal tax cap initiative by proposing to use the increased state revenues of the existing state oil and gas property tax that will be created by passage of the initiative to fund the state's Revenue Sharing and Municipal Assistance programs.

SB 242 would only take effect if voters in the upcoming November general election adopt the 10-mill initiative.

Under present law, the state levies a 20-mill tax on oil and gas property. Municipalities may also tax the same oil and gas property. Taxpayers are allowed a credit against their state oil and gas tax liability for taxes paid to a municipality. For example, if a piece of oil and gas property is assessed at \$10,000 and a municipality levies a tax of \$9,000, the state would only receive \$1,000, the difference in the two.

Currently, the state receives only about \$22.5 million (less than 10%) of all the oil and gas property tax revenue collected statewide while municipalities with oil and gas property collect \$223 million in revenue.

This upcoming November, Alaskan voters will consider 99PTAR, a statewide initiative that would place a 10-mill cap on local property taxes. The proposed initiative would, if passed, cap all municipal property taxes at 10-mills. The proposed tax cap is inclusive of any existing bond debt, **however, under the initiative, a municipality may not go forward with bonds if the proposal increases the rate to over 10-mills.**

For example, in 1999 one local borough collected over \$196 million in oil and gas property tax revenue based on a **mill rate of 18.53** of which 13.51 mills is levied to satisfy debt service and 5.02 is levied for its operating budget. Should the tax cap initiative pass, the **borough would no longer be able to issue bonds until it reduces its mill rate below the 10-mill limit.** Since the borough could no longer levy a mill rate of 18.53, the state would collect the balance of the state's 20-mill oil and gas property tax.

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Senate Bill 242
Sponsor Statement
Page 2

million in oil and gas property tax revenues. Eventually the revenue the state will collect will rise to nearly \$135 million annually, an increase of over \$100 million more than what is currently collected now.

SB 242 is the answer communities all over Alaska have been looking for. It is a long-term solution to the problems the tax cap initiative would create if passed. It will provide a stable and predictable new funding source from new revenue the state would not otherwise receive for municipal aid programs thereby holding local taxes down.

DD/jja

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

January 27, 2000

SUBJECT: Questions regarding the relationship between the current property tax cap initiative, 99PTAR, and state and municipal levies of property taxes (Work Order No. 21-LS1368 A)

TO: Senator Dave Donley

FROM: Jack Chenoweth
Assistant Revisor of Statutes

I am responding to two questions:

1. What is the relationship between the current property tax cap initiative, identified by the lieutenant governor as 99PTAR, and the state's levy and collection of the 20 mill ad valorem tax on oil and gas exploration, production, and pipeline transportation property (pipeline property tax) set out in AS 43.56?

There is no direct relationship between the initiative and the tax levy. As the initiative does not directly amend AS 43.56, it does not directly change the state levy. The state levy of the 20 mill rate, the amount of the levy set under AS 43.56.010(a), is not altered.

The pipeline property tax levy is indirectly affected. The initiative, if passed, would reduce municipal ad valorem levies to a maximum of 10 mills. Under AS 43.56.010(b), not amended by the initiative.

(b) A municipality may levy and collect a tax under AS 29.45.080 at the rate of taxation that applies to other property taxed by the municipality. The tax shall be levied at a rate no higher than the rate applicable to other property taxable by the municipality. A municipality may not exempt from taxation property authorized to be taxed under this chapter. Exemptions shall be limited to those in AS 29.45.030, 29.45.050, and AS 43.56.020.

(Emphasis added.) The language of this "uniform rate" provision, set out in the first two sentences of the subsection, survives the passage and taking effect of the initiative. So, as to "taxable property," as that term is defined for purposes of AS 43.56, generally, as the municipality's millage rates are reduced in response to the language of the initiative, the millage rate applied to the property taxable *by the municipality* under the pipeline property tax should also be reduced.

Out of the interplay of Initiative 99PTAR, the "uniform rate" provision, and the credit allowed against the state levy for pipeline property tax levies that are paid to a municipality under the pipeline property tax levy, the state may see marginally larger amounts added to the state treasury by the operation of the limits of the initiative.

2. Does the initiative allow municipalities to adjust tax rates by class of property so that municipalities may reduce or eliminate a tax burden on some groups or classes of taxpayers at the expense of others?

Under *current* law, AS 29.45.090(a) provides

(a) A municipality may not, during a year, levy an ad valorem tax for any purpose in excess of three percent of the assessed value of property in the municipality. *All property on which an ad valorem tax is levied shall be taxed at the same rate during the year.*

(Emphasis added.) Section 2 of the initiative repeals and reenacts AS 29.45.090(a) so that, if the initiative is approved by voters, the subsection would read:

(a) A municipality may not, during any year, levy an ad valorem tax for any purpose in an amount in excess of one percent of the assessed value of property in the municipality, nor may it levy a tax on any particular piece of property in an amount in excess of one percent of the assessed value of that particular piece of property.

As you can readily see, in the repeal and reenactment, the last sentence of current subsection (a)--another "uniform rate" provision--is deleted and replaced with language that leaves the door open to an interpretation that could result in the imposition of differential rates of levy among groups or classes of property--residences to be taxed at, for example, 8 mills, and commercial properties at, say, 9.5 mills--so long as the rate of levy on all property within the municipality and on each parcel does not exceed 10 mills. Frankly, I haven't a clue as to the sponsor's thinking as to this change in the statute's language. Whether intended or not, under the revision it may be possible to handle various property classes by differential levies: at least I cannot now assure you that differential levies based on property group or class would not occur.

In some limited situations, the language of AS 29.45.090(a), as repealed and reenacted by the initiative, could have the effect of shifting the incidence of ad valorem taxation from non-pipeline property tax parcels (residences and commercial stores, for example) to "taxable property" as defined for the levy and collection of the pipeline property tax. Let's say that, hypothetically, a municipality having property taxable under the pipeline property tax within it now levies a uniform rate on all property--residences, commercial establishments, undeveloped parcels, and pipeline property "taxable property"--at 4 mills. The "uniform rate" language of *current* AS 29.45.090(a) now requires it. Recall that, under AS 29.45.090(a) as revised by the initiative, a municipality may not

. . . levy an ad valorem tax for any purpose in an amount in excess of one percent of the assessed value of property in the municipality, nor may it levy a tax or any particular piece of property in an amount in excess of one percent of the assessed value of that particular piece of property.

So long as those parameters are met, the municipality may determine to reshape its levy so that, again hypothetically, its levy on residential property is reduced from 4 to 2 mills, its levy on commercial property is increased from 4 to 5 mills, and its levy on "taxable property" as defined for the levy and collection of the pipeline property tax is increased to the maximum allowable 10 mills. If the total revenue from these different levies does not exceed "one percent of the assessed value of the property in the municipality," the municipality is in compliance with revised AS 29.45.090(a).

However, the differential levy, to the extent that it includes any "taxable property" as defined for the levy and collection of the pipeline property tax that is taxed at a different rate, prompts a challenge under the "uniform rate" provision of AS 43.56.010(b), set out above. If, administratively or judicially, someone makes the determination that the "uniform rate" provision of AS 43.56, operating independently of the initiative, provides a measure of protection to the "taxable property" as defined for the levy and collection of the pipeline property tax, then a differential levy affecting just that class or group composed of pipeline property tax "taxable property" may fail. Since the proceeds received by the state and by the interested municipalities under the pipeline property tax are inversely related--the higher the take by municipalities, the lower the recovery by the state--the state surely has a real interest in seeing to it that the "uniform rate" language of AS 43.56.010(b) operates to defeat any effort by municipalities to shift the incidence of taxation away from other property to the "taxable property" under the pipeline property tax up to the maximum of 10 mills.

Assuming, however, that a municipality does not have real property subject to the AS 43.56 pipeline property tax, then it may very well be that the language of revised AS 29.45.090(a) allows for a shift of the incidence, within the 10 mill property tax cap, of ad valorem taxes away from one or more groups or classes of taxpayers and toward another group or class. That possibility arises out of the deletion from current AS 29.45.090(a) of the subsection's last sentence, its "uniform rate" provision.

I cannot now provide you anything more definitive than this. I do not know what the initiative sponsors may have intended and, without a legislative history to refer to, I am just not going to speculate.

JBC:jdr
00-037.jdr

FY 99 State Revenue Sharing Program (AS 29.60.010 - .310)

The State Revenue Sharing Program consists of two accounts - *Municipal Tax Resource Equalization* and *Municipal Services*.

MUNICIPAL TAX RESOURCE EQUALIZATION

This account rewards municipalities for local fiscal effort by allocating money on the basis of a formula incorporating locally generated revenues, property values and population. The formula recognizes that a municipality with a relatively large property tax base can and should raise a higher level of revenue than a municipality with the same population but a smaller property tax base although it uses the same mill rate.

When the formula is applied, a municipality's tax equalization entitlement increases as the amount of local fiscal effort increases, or, all other factors remaining the same, its population increases. Conversely, if a municipality's property values increase but its local fiscal effort does not correspondingly increase, the entitlement decreases.

The account also provides for a minimum entitlement for municipalities of \$25,000 with a geographic location adjustment.

MUNICIPAL SERVICES

This account provides money to municipalities for public and ice road maintenance, hospitals, and health facilities. It also provides funding to unincorporated communities and volunteer fire departments in the unorganized borough. These categorical payments are made on the following basis:

Public Roads	\$2,500 per mile
Ice Roads	\$1,500 per mile
Health Facilities	\$8,000 per facility or \$2,000 per bed
Hospitals	\$250,000 per hospital with 10 or more beds, or \$50,000 per hospital with less than 10 beds, or \$1,000 per bed
Unincorporated Communities	\$25,000 per community
Volunteer Fire Departments	\$10 per capita

Except for aid to unincorporated communities, these amounts are subject to a geographic location adjustment.

FY 99 Safe Communities Program (AS 29.60.350 - .375)

The Safe Communities Program (Chapter 75 SLA 97) replaced the Municipal Assistance Program which replaced the Gross Business Receipts Tax Program 1979. The Safe Communities Program uses the FY 78 Gross Business Receipts Tax Program allocations by municipality as base amounts. The base amounts total approximately \$9.5 million. Money appropriated to the program above the level necessary to fund the base amounts is distributed on a per capita basis.

Money received by a municipality under the Safe Communities Program must be used for the following services in the following ranking of priority:

- 1) police protection and related public safety services;
- 2) fire protection and emergency medical services;
- 3) water and sewer services not offset by user fees;
- 4) solid waste management;
- 5) other services determined by the governing body to have the highest priority.

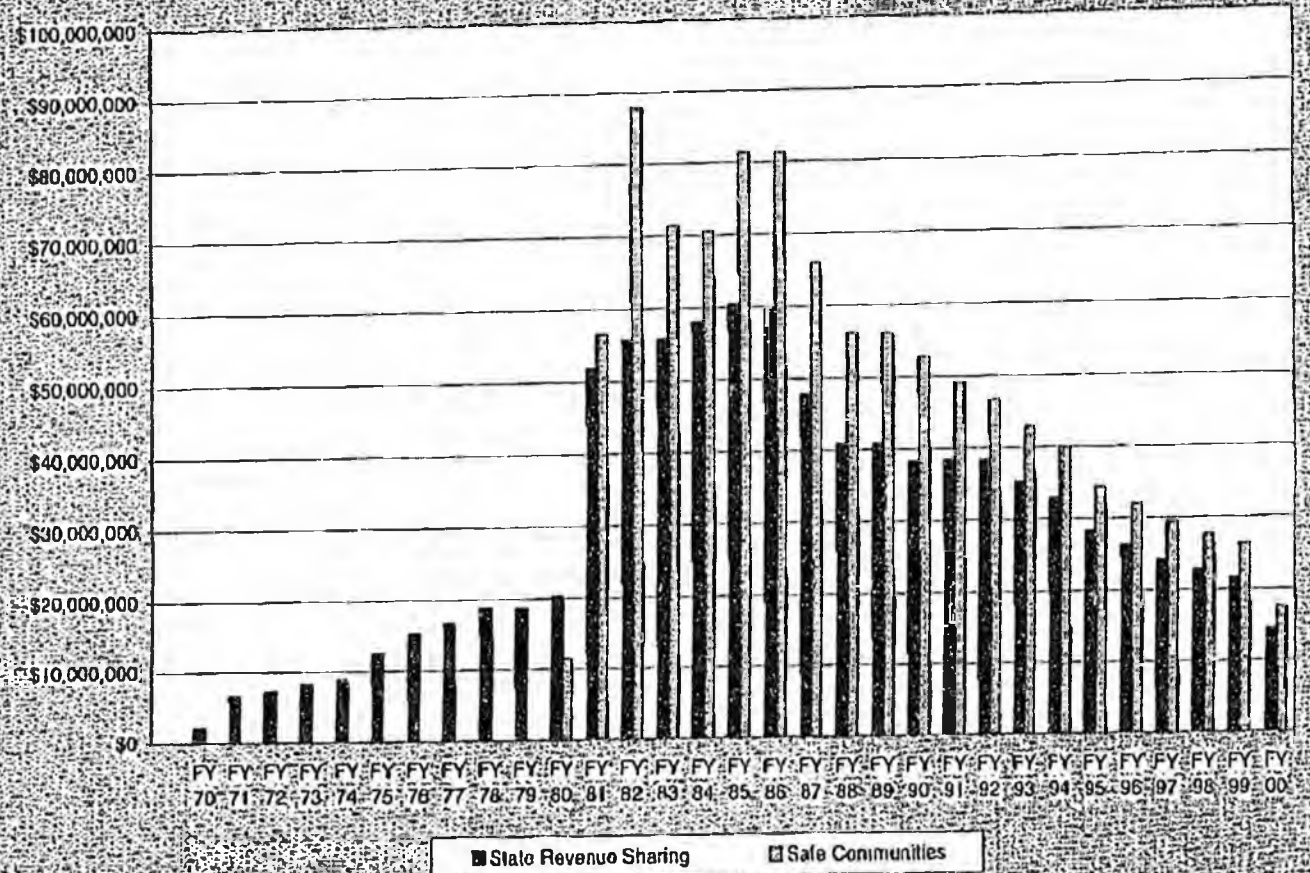
Additionally, the Safe Communities Program provides for a combined State Revenue Sharing Program and Safe Communities Program "minimum entitlement" of \$40,000. If, however, the total appropriation to the Safe Communities Program is less than \$29,402,300 (the FY 97 funding level), the program statutes require that the \$40,000 minimum entitlement be reduced equal to the percent of reduction to the overall program funding level. Consequently, because the FY 99 funding level was 8.9% less than the FY 97 level, the combined minimum entitlement was \$35,720 for FY 99.

The following two spreadsheets show the calculations used to determine payments under the FY 99 Safe Communities Program. The first spreadsheet, Pre Minimum Entitlement Prorating, is used to determine the preliminary payments under the program. The second spreadsheet, Final Payment Calculations, incorporates the FY 99 State Revenue Sharing payments and preliminary Safe Communities payments in order to implement the overall \$40,000 (\$35,720 for FY 99) minimum entitlement provision. The second to last column, FY 99 Final SAFE Payment, shows the actual final payment made to each municipality under the Safe Communities Program. The last column, FY 99 Total SRS/SAFE Payments, shows the combined payment made to each municipality under the FY 99 State Revenue Sharing and Safe Communities Programs.

Safe Communities payments are issued July 31 of each fiscal year.

	State Revenue Sharing	Safe Communities
FY 70	\$2,020,000	Formerly
FY 71	\$6,500,000	Gross
FY 72	\$7,085,000	Business
FY 73	\$8,215,000	Receipts Tax
FY 74	\$8,777,000	Program
FY 75	\$12,458,626	0
FY 76	\$15,130,100	0
FY 77	\$16,596,657	0
FY 78	\$18,656,800	0
FY 79	\$18,688,000	0
FY 80	\$20,236,000	\$11,399,999
FY 81	\$51,900,000	\$56,496,000
FY 82	\$55,707,600	\$87,929,546
FY 83	\$55,721,000	\$71,300,000
FY 84	\$57,950,000	\$70,500,000
FY 85	\$60,350,000	\$81,306,800
FY 86	\$59,632,200	\$81,306,800
FY 87	\$47,879,100	\$65,858,500
FY 88	\$40,773,400	\$56,084,400
FY 89	\$40,773,400	\$56,084,400
FY 90	\$38,347,000	\$52,747,000
FY 91	\$38,347,000	\$49,103,200
FY 92	\$38,347,000	\$46,648,000
FY 93	\$35,279,200	\$42,916,200
FY 94	\$32,809,700	\$39,912,100
FY 95	\$28,249,133	\$34,364,367
FY 96	\$26,271,700	\$31,959,000
FY 97	\$24,170,000	\$29,402,300
FY 98	\$22,719,800	\$27,638,200
FY 99	\$21,583,800	\$26,256,300
FY 00	\$14,389,200	\$17,504,200

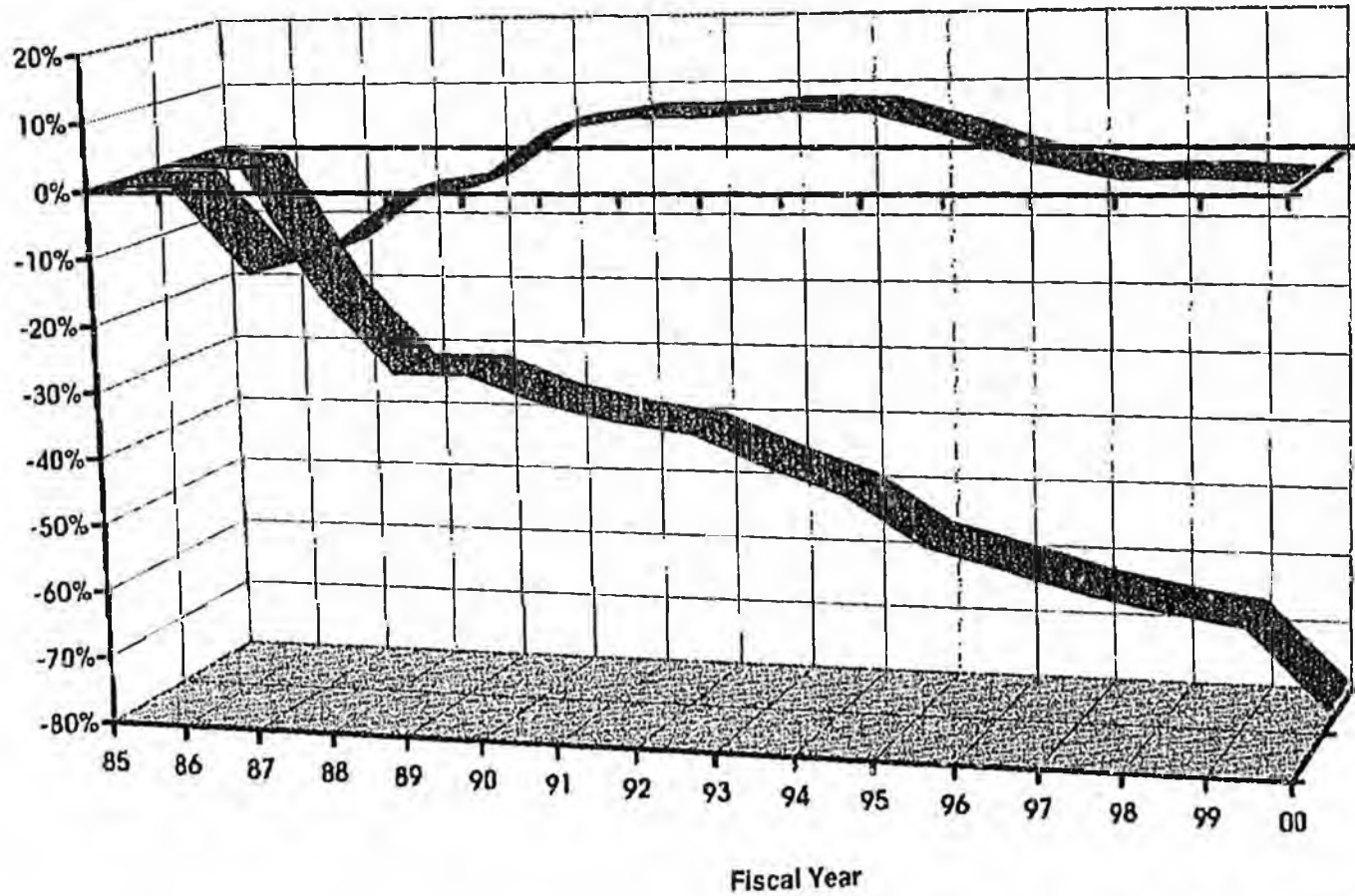
Funding History of State Revenue Sharing & Safe Communities Programs



Formerly the Gross Business Receipts Program until FY 80 and via Municipal Assistance Program until FY 98

Comparison of State Operating Budget vs. State Revenue Sharing/Safe Communities Funding FY 85 - FY 00

■ State Operating Budget
■ SRS/MA Funding



FY 00 State Revenue Sharing Warrant Request

Municipality	FY 00 SRS Payment	
City of Akhiok	\$21,119	
City of Akiak	\$26,943	
City of Akutan	\$25,969	
City of Alakanuk	\$29,006	
City of Aleknagik	\$25,605	
Aleutians East Borough	\$26,773	
City of Allakaket	\$29,351	
City of Ambler	\$31,175	
City of Anaktuvuk Pass	\$27,562	
Municipality of Anchorage	\$3,746,210	
City of Anderson	\$29,543	
City of Angoon	\$20,967	
City of Aniak	\$32,550	
City of Anvik	\$28,901	
City of Atka	\$27,706	
City of Atkasuk	\$27,562	
City of Barrow	\$28,215	
City of Bethel	\$178,955	
City of Bettles	\$30,136	
City of Brevig Mission	\$28,197	
Bristol Bay Borough	\$28,923	
City of Buckland	\$31,523	
City of Cheforak	\$26,566	
City of Chevak	\$27,615	
City of Chignik	\$26,242	
City of Chuathbaluk	\$28,442	
City of Clark's Point	\$25,605	
City of Coffman Cove	\$31,000	
City of Cold Bay	\$29,467	
City of Cordova	\$129,078	
City of Craig	\$35,774	
City of Deering	\$28,038	
City of Delta Junction	\$25,921	
Denali Borough	\$27,562	
City of Dillingham	\$54,468	
City of Diomedes	\$27,562	
City of Eagle	\$23,448	
City of Eek	\$27,159	
City of Egegik	\$29,433	
City of Ekwok	\$25,605	
City of Elim	\$29,396	
City of Emmonak	\$67,195	

FY 00 State Revenue Sharing Warrant Request

Municipality	FY 00 SRS Payment
City of Fairbanks	\$300,533
Fairbanks North Star Borough	\$841,474
City of False Pass	\$25,946
City of Fort Yukon	\$29,641
City of Galena	\$29,996
City of Gambell	\$28,992
City of Golovin	\$28,687
City of Goodnews Bay	\$26,943
City of Grayling	\$28,810
City of Haines	\$26,332
Haines Borough	\$22,840
City of Holy Cross	\$29,823
City of Homer	\$62,447
City of Hoonah	\$55,134
City of Hooper Bay	\$26,772
City of Houston	\$24,295
City of Hughes	\$28,656
City of Huslia	\$30,176
City of Hydaburg	\$19,704
City & Borough of Juneau	\$813,755
City of Kachemak	\$21,301
City of Kake	\$5,781
City of Kakrovik	\$27,562
City of Kaltag	\$29,343
City of Kasaan	\$20,812
City of Kenai	\$111,142
Kenai Peninsula Borough	\$945,230
City of Ketchikan	\$197,113
Ketchikan Gateway Borough	\$103,250
City of Kiana	\$30,841
City of King Cove	\$26,857
City of Kivalina	\$31,938
City of Klawock	\$22,357
City of Kobuk	\$29,634
City of Kodiak	\$82,265
Kodiak Island Borough	\$187,800
City of Kotlik	\$26,943
City of Kotzebue	\$128,628
City of Koyuk	\$28,473
City of Koyukuk	\$28,465
City of Kupreanof	\$20,531
City of Kwethluk	\$27,172

FY 00 State Revenue Sharing Warrant Request

Municipality	FY 00 SRS Payment		
Lake and Peninsula Borough	\$90,932		
City of Larsen Bay	\$21,301		
City of Lower Kalskag	\$31,336		
City of Manokotak	\$26,505		
City of Marshall	\$26,943		
Mat-Su Borough	\$876,800		
City of McGrath	\$31,016		
City of Mekoryuk	\$27,332		
City of Mountain Village	\$27,827		
City of Napakiak	\$27,513		
City of Napaskiak	\$26,943		
City of Nenana	\$30,430		
City of New Stuyahok	\$25,889		
City of Newhalen	\$27,332		
City of Nightmute	\$26,566		
City of Nikolai	\$28,174		
City of Nome	\$160,489		
City of Nondalton	\$28,910		
City of Noorvik	\$56,136		
City of North Pole	\$24,478		
North Slope Borough	\$177,365		
Northwest Arctic Borough	\$142,054		
City of Nuiqsut	\$27,562		
City of Nulato	\$29,446		
City of Nunapitchuk	\$31,735		
City of Old Harbor	\$21,775		
City of Ouzinkie	\$21,640		
City of Palmer	\$134,124		
City of Pelican	\$21,688		
City of Petersburg	\$126,414		
City of Pilot Point	\$25,803		
City of Pilot Station	\$26,943		
City of Platinum	\$27,627		
City of Point Hope	\$27,562		
City of Port Alexander	\$20,531		
City of Port Heiden	\$29,081		
City of Port Lions	\$21,706		
City of Quinhagak	\$27,430		
City of Ruby	\$28,760		
City of Russian Mission	\$27,176		
City of Sand Point	\$27,275		
City of Savoonga	\$28,427		

FY 00 State Revenue Sharing Warrant Request

Municipality	FY 00 SRS Payment		
City of Saxman	\$20,164		
City of Scammon Bay	\$27,196		
City of Selawik	\$32,199		
City of Seldovia	\$22,803		
City of Seward	\$102,439		
City of Shageluk	\$27,562		
City of Shaktoolik	\$28,381		
City of Sheldon Point	\$26,566		
City of Shishmaref	\$28,163		
City of Shungnak	\$30,765		
City and Borough of Sitka	\$206,992		
City of Skagway	\$22,741		
City of Soldotna	\$73,473		
City of St. George	\$27,818		
City of St. Mary's	\$33,809		
City of St. Michael	\$27,197		
City of St. Paul	\$42,789		
City of Stebbins	\$28,951		
City of Tanana	\$31,560		
City of Teller	\$27,891		
City of Tenakee Springs	\$20,531		
City of Thorne Bay	\$23,006		
City of Togiak	\$27,128		
City of Toksook Bay	\$26,943		
City of Unalakleet	\$29,130		
City of Unalaska	\$129,402		
City of Upper Kalskag	\$27,953		
City of Valdez	\$114,675		
City of Wainwright	\$27,562		
City of Wales	\$27,953		
City of Wasilla	\$74,738		
City of White Mountain	\$27,745		
City of Whittier	\$24,129		
City of Wrangell	\$117,236		
City and Borough of Yakutat	\$23,166		
Total Municipal Payments	\$14,088,593		

FY 00 State Revenue Sharing Warrant Request

Unincorporated Community	FY 00 SRS Payment		
Akiachak IRA Council	\$4,170		
Arctic Village Traditional Council	\$4,170		
Aurautluak Traditional Council	\$4,170		
Beaver Tribal Village Council	\$4,170		
Chalkyitsik Village Council	\$4,170		
Chenega Bay IRA Village	\$4,170		
Chilkat Indian Village Council	\$4,170		
Chistochina Village Council	\$4,170		
Chitina Traditional Village Council	\$4,170		
Circle Civic Community Association, Inc.	\$4,170		
Community of Elfin Cove	\$4,170		
Copper Valley Community Library Association	\$4,170		
Crooked Creek Corporation	\$4,170		
Deltana Community Corporation	\$4,170		
Denduu Gwich'in Tribal Council	\$4,170		
Dot Lake Village Council	\$4,170		
Dry Creek Community, Inc.	\$4,170		
Edna Bay Community Association	\$4,170		
Evansville Tribal Council	\$4,170		
Four Mile Road Community Council	\$4,170		
Gulkana Village Council	\$4,170		
Gustavus Community Association	\$4,170		
Healy Lake Traditional Council	\$4,170		
Hollis Community Council	\$4,170		
Hyder Community Association, Inc.	\$4,170		
Kasigluk Traditional Council	\$4,170		
Kenny Lake Community League	\$4,170		
Kipnuk Village Council	\$4,170		
Koliganek Village Council	\$4,170		
Kongiganak Traditional Council	\$4,170		
Kwigillingok IRA Council	\$4,170		
Lime Village Traditional Council	\$4,170		
Manley Hot Springs Community Association	\$4,170		
McCarthy Area Council	\$4,170		
Mentasta Lake Village Council	\$4,170		
Merlakarla Indian Village	\$4,170		
Minto IRA Council	\$4,170		
Native Village of Kluti-Kaah	\$4,170		
Naukati West Inc.	\$4,170		
Nelchina/Mendeltna Corporation	\$4,170		
Newtok Traditional Council	\$4,170		
Northway Village Council	\$4,170		
Paxson Community Affairs	\$4,170		

FY 00 State Revenue Sharing Warrant Request

Pitka's Point Village Council	\$4,170		
Point Baker Community	\$4,170		
Port Protection Community Association	\$4,170		
Rampart Village Council	\$4,170		
Red Devil People and Community, Inc	\$4,170		
Silver Springs Residents Association	\$4,170		
Slana Community Corporation	\$4,170		
Slana League	\$4,170		
Sleetmute Village Council	\$4,170		
Stevens Village IRA Council	\$4,170		
Stony River Traditional Village Council	\$4,170		
Takorna Community Association, Inc.	\$4,170		
Tanacross Village Council	\$4,170		
Tatitlek Village IRA Council	\$4,170		
Tetlin Village Council	\$4,170		
The Association of Tazlina Residents	\$4,170		
Tok Community Umbrella Corporation	\$4,170		
Tolsona Community Corporation	\$4,170		
Tuluksak Native Community	\$4,170		
Tuntutuliak Village Council	\$4,170		
Twin Hills Village Council	\$4,170		
Venetic Village Council	\$4,170		
Whale Pass Homeowner's Association	\$4,170		
Wiseman Community Association	\$4,170		
Total Unincorporated Community Payments	\$279,390		

FY 00 State Revenue Sharing Warrant Request

Volunteer Fire Department	FY 00 SRS Payment		
Chalkyitsik Volunteer Fire Department	\$233		
Chistochina Volunteer Fire Department	\$201		
Chitina Volunteer Fire Department	\$175		
Circle Volunteer Fire Department	\$166		
Copper Center Volunteer Fire Department	\$912		
Craig Volunteer Fire Department	\$430		
Crooked Creek Volunteer Fire Department	\$260		
Eagle Volunteer Fire Department	\$181		
Edna Bay Volunteer Fire Department	\$93		
Gakona Volunteer Fire Department	\$518		
Glennallen Volunteer Fire Department	\$1,842		
Gustavus Emergency Response	\$661		
Kenny Lake Volunteer Fire Department	\$1,127		
Klawock Volunteer Fire Department	\$219		
Kongiganak Volunteer Fire Department	\$779		
Kwigillingok Volunteer Fire Department	\$828		
Mentasta Volunteer Fire Department	\$256		
Metlakatla Volunteer Fire Department	\$2,615		
Naukatli Volunteer Fire Department	\$280		
Nenana Volunteer Fire Department	\$541		
Northway Volunteer Fire Department	\$815		
Point Baker Volunteer Fire Dept.	\$88		
Port Protection Volunteer Fire Dept.	\$131		
Rural Deltana Fire Protection District	\$4,302		
Tetlin Volunteer Fire Department	\$286		
Tok Volunteer Fire Department	\$2,940		
Twin Hills Volunteer Fire Department	\$174		
Whale Pass Volunteer Fire Department	\$158		
Total Volunteer Fire Dept. Payments	\$21,211		

FY 00 Safe Communities Program Warrant Request

Municipality	FY 00 SAFE Payments	
City of Akhiok	\$2,266	
City of Akiak	\$5,897	
City of Akutan	\$7,650	
City of Alakanuk	\$15,489	
City of Aleknagik	\$5,040	
Aleutians East Borough	\$5,999	
City of Allakaket	\$3,615	
City of Ambler	\$6,174	
City of Anaktuvuk Pass	\$5,731	
Municipality of Anchorage	\$7,689,181	
City of Anderson	\$10,449	
City of Angoon	\$12,563	
City of Aniak	\$12,532	
City of Anvik	\$1,902	
City of Atka	\$2,178	
City of Atkasuk	\$15,061	
City of Barrow	\$95,217	
City of Bethel	\$139,811	
City of Bettles	\$767	
City of Brevig Mission	\$5,146	
Bristol Bay Borough	\$32,190	
City of Buckland	\$7,749	
City of Chefornak	\$8,116	
City of Chevak	\$13,779	
City of Chignik	\$2,423	
City of Chuathbaluk	\$2,257	
City of Clark's Point	\$1,178	
City of Coffman Cove	\$4,756	
City of Cold Bay	\$4,339	
City of Cordova	\$74,241	
City of Craig	\$42,450	
City of Deering	\$3,149	
City of Delta Junction	\$33,696	
Denali Borough	\$32,980	
City of Dillingham	\$59,088	
City of Diomedes	\$3,293	
City of Eagle	\$3,589	
City of Fk	\$5,855	
City of Egegik	\$2,963	
City of Ekwok	\$2,254	
City of Elim	\$5,846	
City of Emmonak	\$17,261	

FY 00 Safe Communities Program Warrant Request

Municipality	FY 00 SAFE Payments
City of Fairbanks	\$1,205,037
Fairbanks North Star Borough	\$1,270,360
City of False Pass	\$1,184
City of Fort Yukon	\$14,171
City of Galena	\$14,144
City of Gambell	\$13,182
City of Golovin	\$2,996
City of Goodnews Bay	\$4,750
City of Grayling	\$3,829
City of Haines	\$38,862
Haines Borough	\$22,970
City of Holy Cross	\$5,623
City of Homer	\$113,381
City of Hoonah	\$20,657
City of Hooper Bay	\$20,584
City of Houston	\$18,262
City of Hughes	\$1,372
City of Huslia	\$4,951
City of Hydaburg	\$8,586
City & Borough of Juneau	\$777,976
City of Kachemak	\$8,002
City of Kake	\$15,870
City of Kaktovik	\$5,338
City of Kaltag	\$4,600
City of Kasaan	\$3,000
City of Kenai	\$216,741
Kenai Peninsula Borough	\$753,664
City of Ketchikan	\$280,002
Ketchikan Gateway Borough	\$118,628
City of Kiana	\$8,205
City of King Cove	\$14,034
City of Kivalina	\$6,517
City of Klawock	\$13,044
City of Kobuk	\$1,898
City of Kodiak	\$222,926
Kodiak Island Borough	\$122,097
City of Kotlik	\$10,810
City of Kotzebue	\$74,743
City of Koyuk	\$5,599
City of Koyukuk	\$2,657
City of Kupreanof	\$3,281
City of Kwethluk	\$13,117

FY 00 Safe Communities Program Warrant Request

Municipality	FY 00 SAFE Payments
Lake and Peninsula Borough	\$25,337
City of Larsen Bay	\$2,511
City of Lower Kalskag	\$5,387
City of Manokotak	\$7,477
City of Marshall	\$5,832
Mat-Su Borough	\$888,668
City of McGrath	\$10,108
City of Mekoryuk	\$3,673
Metlakatla Comm. Dev. Corp.	\$46,283
City of Mountain Village	\$15,969
City of Napakiak	\$7,785
City of Napaskiak	\$7,204
City of Nenana	\$15,465
City of New Stuyahok	\$8,580
City of Newhalen	\$3,640
City of Nightmute	\$4,097
City of Nikolai	\$1,904
City of Nome	\$99,774
City of Nondalton	\$4,431
City of Noorvik	\$11,840
City of North Pole	\$48,444
North Slope Borough	\$760,073
Northwest Arctic Borough	\$14,395
City of Nuiqsut	\$8,464
City of Nulato	\$6,881
City of Nunapitchuk	\$9,000
City of Old Harbor	\$5,676
City of Ouzinkie	\$4,831
City of Palmer	\$111,616
City of Pelican	\$4,470
City of Petersburg	\$88,504
City of Pilot Point	\$2,141
City of Pilot Station	\$10,432
City of Platinum	\$1,062
City of Point Hope	\$16,538
City of Port Alexander	\$3,280
City of Port Heiden	\$2,461
City of Port Lions	\$4,651
City of Quinhagak	\$11,674
City of Ruby	\$4,210
City of Russian Mission	\$5,456
City of St. George	\$3,266

FY 00 Safe Communities Program Warrant Request

Municipality	FY 00 SAFE Payments	
City of St. Mary's	\$9,457	
City of St. Michael	\$9,105	
City of St. Paul	\$14,303	
City of Sand Point	\$17,919	
City of Savoonga	\$13,024	
City of Saxman	\$7,645	
City of Scanmon Bay	\$8,609	
City of Selawik	\$14,353	
City of Seldovia	\$8,418	
City of Seward	\$83,096	
City of Shageluk	\$2,898	
City of Shaktoolik	\$4,222	
City of Sheldon Point	\$3,031	
City of Shishmaref	\$10,477	
City of Shungnak	\$5,465	
City and Borough of Sitka	\$239,885	
City of Skagway	\$27,820	
City of Soldotna	\$137,381	
City of Stebbins	\$10,273	
City of Tanana	\$7,172	
City of Teller	\$4,923	
City of Tenakee Springs	\$3,281	
City of Thorne Bay	\$11,656	
City of Togiak	\$16,583	
City of Toksook Bay	\$10,015	
City of Unalakleet	\$16,866	
City of Unalaska	\$83,312	
City of Upper Kalskag	\$5,693	
City of Valdez	\$295,580	
City of Wainwright	\$10,228	
City of Wales	\$3,258	
City of Wasilla	\$126,927	
City of White Mountain	\$3,478	
City of Whittier	\$6,603	
City of Wrangell	\$70,753	
City and Borough of Yakutat	\$23,228	
Total Payments	\$17,504,200	

FISCAL NOTE

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

BILL NO. SB 242

Revision Date/Time (Note if correction)	Dept. Affected	Revenue
Title <u>Pipeline Property Tax</u>	<u>BRU</u>	<u>Operations</u>
<u>Used for Revenue Sharing</u>	Component	<u>Oil and Gas Audit</u>
Sponsor <u>Sen. Dave Donley</u>		
Requester <u>Senate Community and Regional Affairs</u>	Component No.	<u>115</u>

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt.						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2000) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation would require the Department of Revenue to separately account for the money collected under AS 43.56 (Oil and Gas Exploration, Production and Pipeline Transportation Property Taxes). The money then would be available for legislative appropriation through the Safe Communities Program.

The state portion of the taxes collected under AS 43.56 was \$48.8 million in FY 1999, and is projected at \$45.7 million in FY 2000 and \$43.8 million in FY 2001.

The legislation would take effect only if the ballot initiative for a statewide municipal property tax cap passes in the November 2000 general election. Though the tax cap would not impact the state's oil and gas property tax rate, it would increase the state's share of the tax by limiting the municipal tax rate on oil and gas property. The department estimates that the municipal share of oil and gas property taxes could drop \$10 million in FY 2000 if the initiative passes, with that \$10 million going instead to the state treasury.

Prepared by:	<u>Larry Persily, Deputy Commissioner</u>	Phone	<u>465-5469</u>
Division	<u>Department of Revenue</u>	Date/Time	<u>2/8/00 12:52 PM</u>
Approved by:	<u>Commissioner Wilson Condon</u>	Date	_____
Agency	<u>Department of Revenue</u>		

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