

SB

122

SENATE COMMITTEE REPORT

First Committee of Referral

DATE: 3/16/07

FURTHER: Finance

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: Feb. 6, 2008

Community and Regional Affairs Committee considered SENATE BILL NO. 122

SB 122 MUNICIPAL PROPERTY TAX EXEMPTION

"An Act relating to an optional exemption from municipal property taxes for residential property."

and recommends:

- be replaced with SCS or CS _____ (_____)
- adopt previous SCS or CS _____ (_____)
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

SENATE BILL:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	New Title
<hr/>	
HOUSE BILL:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Index	Zero	FN#
CED	2/4/08		✓		

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Index	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS	PRINTED	SIGNED	DO NOT	NOTES	AMEND
	LAST NAME				
	WAGONER		✓		
	Thomas	✓			
	Koolman	✓			
	Stacey			✓	
CHAIR:	OLSON			X	

ALASKA STATE LEGISLATURE



SENATOR JOE THOMAS

Sponsor Statement

SB 122 – Residential Property Tax Exemption

Senate Bill 122 increases the *optional* municipal property tax exemption for a private residence from \$20,000 to up to \$100,000. This bill *does not mandate* any action by municipalities. This bill only allows local governments the option of increasing their residential property tax exemption.

Currently there are 12 boroughs and 13 cities - with a combined population of over 590,000 Alaskans - which levy property taxes. Each of these is attempting to respond to homeowners struggling under the rising cost of energy across the state. In some instances these issues are coupled with rapidly rising assessed values of private residences. Across the state, these citizens are crying for relief.

SB 122 would not affect a smaller, revenue-strapped community's sources of tax income. Instead, it would give those municipalities with a large enough population the ability to relieve the tax burden largely borne by homeowners. SB 122 would allow local control in setting the allowable exemption at any amount *up to \$100,000*. A local ordinance would then require voter approval before enactment.

The original option of exempting up to \$20,000 was a good idea when it passed both houses of the Alaska Legislature unanimously in 2004, and has been a valuable tool for the municipalities which exercised this option.

As municipalities around our state attempt to diversify their income base and respond to the needs of private citizens struggling under today's rising energy costs, I urge you to support the timely passage Senate Bill 122.

Allowable Municipal Property Tax Exemption Increase

**Prepared 1 February 2008 by Jennifer Yuhas,
Special Assistant to Fairbanks North Star Borough Mayor / FNSB Legislative Liaison
907.388.7951 / jyuhas@co.fairbanks.ak.us**

Purpose:

- Allows municipalities to exempt the first \$100K from the value of a residential property before levying taxes upon that property.
- Requested by Fairbanks North Star Borough to offset rising cost of energy paired with rapidly rising property valuations in response to public concern.

Optional:

- Each municipality would acquire the option to increase the allowable exemption to \$100K only by municipal vote.
- Option already exists for up to \$20K
- Change only affects the amount allowable, increasing it from \$20K to \$100K

Other:

- Each municipality will have the burden to manage diversification of revenue or retraction of services associated with implementation of an increased exemption.
 - Options include but are not limited to the following:
 - Reduction of services / decreased budget
 - Shifting tax burden to non-residential properties
 - Implementing sales, gross receipts, or other taxes
- Issues associated with implementation will be discussed at the local level through the election process prior to adoption
- Similar legislation passed unanimously 2004 increasing \$10K to \$20K
- The FNSB Assembly has allocated \$150K to ballot initiative 2008.
Support: Anchorage, et al
- Only community on record opposing = Kenai Peninsula Borough:
testimony (H)C&RA = cited fear voters would insist on option if option existed.

Grier Hopkins

From: Steve VanSant (steve_vansant@commerce.state.ak.us)
Sent: Tuesday, March 27, 2007 11:23 AM
To: Grier Hopkins
Subject: Re: municipal property exemptions
Attachments: Table 2 -2006.pdf; Table 1 -2006.pdf; steve_vansant.vcf

Grier,

The following municipalities have authorized the \$20K residential exemption:

North Slope Borough - A flat \$20K exemption regardless of value - 2006 cost \$1,796,276

Fairbanks North Star Borough - 20% of assessed value up to \$20K - 2006 cost \$261,583,315

Municipality of Anchorage - 10% of assessed value up to \$20K - 2006 cost \$917,909,785

City of Valdez - 30% of assessed value up to \$20K - 2006 cost \$9,339,771

Kenai Peninsula Borough A flat \$20K exemption regardless of value 2006 cost \$182,351,500

Bristol Bay Borough - A flat \$10K exemption regardless of value 2006 cost \$750,000 (This is the only borough to limit the exemption to \$10K)

As far as the mill rates go, all I have is last years rates which are in Alaska Taxable, Table 5 which reflect the following:

Anchorage	15.28 mills
Bristol Bay Borough	13 mills
FNSB (city of Fairbanks)	19.623 mills
Kenai Pen. Bor (City of Kenai)	12.10 mills
North Slope Borough	19.05 mills
City of Valdez	20 Mills

Municipalities with sales taxes are listed in Table 1 & 2 of Alaska Taxable. I have attached copies of those two tables. I hope this helps and if you need more info, please feel free to contact me.

Steve

Grier Hopkins wrote:

KENAI PENINSULA BOROUGH

EFFECTS OF INCREASED RESIDENTIAL EXEMPTIONS

Assessed Residential Values 2007 (not certified)

<u>Count</u>	<u>Imp</u>	<u>Land</u>	<u>Total</u>
9,303	1,370,400,300	239,113,600	<u>1,609,513,900</u>

Taxable Values After Exemption

<u>20K</u>	<u>50K</u>	<u>75K</u>	<u>100K</u>
1,424,391,100	1,157,083,700	947,915,600	754,040,900

Exempted Values

<u>20K</u>	<u>50K</u>	<u>75K</u>	<u>100K</u>
185,122,800	452,430,200	661,598,300	855,473,000

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By: Charlie Rex
Tim Beck
Luke Hopkins
Mika Musick
Nadine Winters
Hank Bartoe
Torle Foote
Velaria Therien
Introduced: 02/22/07
Adopted: 02/22/07

FAIRBANKS NORTH STAR BOROUGH
RESOLUTION NO. 2007 - 06

A RESOLUTION REQUESTING THE ALASKA STATE LEGISLATURE TO AMEND AS29.45.050(A) TO INCREASE THE RESIDENTIAL PROPERTY TAX EXEMPTION ALLOWABLE TO \$50,000

WHEREAS, AS29.45.050(a) states "A municipality may exclude or exempt or partially exempt residential property from taxation by ordinance ratified by the voters at an election. An exclusion or exemption authorized by this subsection may be applied with respect to taxes levied in a service area to fund the special services. An exclusion or exemption authorized by this subsection may not exceed the assessed value of \$20,000 for any one residence" and

WHEREAS, property owners in the Fairbanks North Star Borough have seen substantial increases in assessed valuations, thereby increasing their tax bills; and

WHEREAS, along with increased assessments, residents have also faced skyrocketing heating fuel and gasoline prices; and

WHEREAS, an increase to the residential property tax exemption would help to ease the rising costs associated with owning a home in the Fairbanks North Star Borough; and

WHEREAS, the local tax base needs to be diversified so residential property taxes can be reduced; and

NOW, THEREFORE, BE IT RESOLVED the Assembly of the Fairbanks North Star Borough respectfully requests the Alaska State Legislature to amend AS29.45.050(a) to increase the residential property tax exemption allowable to \$50,000.

46 BE IT FURTHER RESOLVED, that copies of this resolution shall be sent
47 to the Alaska Interior Delegation.

48
49 PASSED AND APPROVED THIS 22ND DAY OF FEBRUARY 2007.



Luke Hopkins
Presiding Officer

ATTEST



Mona Lisa Drexler, CMC
Municipal Borough Clerk

50
51 Ayes: Bartos, Beck, Fouts, Winters, Musick, Therrien, Rex, Hopkins
52 Noes: Frank



Daily News - Miner

A fair tax break

Published April 1, 2007

Giving local governments the flexibility to raise property tax exemptions for homeowners if they so desire seems like it would be a welcome idea in any community, but according to some who have debated the issue over the years that's just not the case in Alaska.

Not every community taxes people the same way, yet we are all connected by at least one other funding source, that being taxes levied against oil and gas industry infrastructure statewide.

That tax money goes into the state's general fund and communities get a cut based on the amount of that sort of infrastructure in their area. For example the biggest chunk for the Fairbanks North Star Borough comes because of the trans-Alaska pipeline.

So, if Fairbanks-area residents get a break on property taxes and the mill rate climbs to offset that break, targeting industry, then more of that general fund money might be directed to Fairbanks and other oil-and-gas heavy towns who might choose to increase exemptions.

That doesn't go over so well in other communities where there is less oil and gas infrastructure — and where they may pay both property and sales taxes to make ends meet.

It's part of the reason why the allowable property tax exemption has only increased from \$10,000 to \$20,000 over its decades in existence. Logically, the exemption should have been going up with inflation. That would only be fair. But, realistically, there are some who would prefer that it didn't exist in the first place.

That shouldn't stop our delegation from continuing to push for an increase to the exemption, however. Proposals are pending for increases to \$50,000 or \$100,000. If we have to accept less of an increase, so be it. The existing exemption is effective and there is no reason it should not be increased to at least some degree to mirror our changing economy.

A property-tax based system has worked well for the Fairbanks area for a long time as an efficient means of collecting taxes. That's why it's important for residents to continue to pay close attention to property tax issues, to push for reasonable exemptions and for local leaders to consider all options — possibly even tax rebates to homeowners — as part of any future tax picture.

It only makes sense to exercise all the creativity we can within our existing tax structure before we abandon it for what people might think are greener tax pastures. Lawmakers need our encouragement to continue pushing for adjustments to the exemption and local officials need support in exploring all other options within the property tax framework.

This article may be accessed online at <http://newsminer.com/2007/04/01/6251/>.

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	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
1	TAX YEAR 2005																							
2	FNSB Breakeven Analysis If Change Residential Exemption From \$10k To \$20k											** Prior Analysis **												
3																								
4	Residential Exemption Amount	Tax Year 2005 TAV before ResEx	Residential Ex	NTAV	Rev Needs	Mill Rate	Exemption	BreakEven TAV																
5	10,000	5,392,586,395	134,460,375	5,258,126,020	69,505,130	0.013219	132.19																	
6	20,000	5,392,586,395	268,920,750	5,123,665,645	69,505,130	0.013566	271.31																	
7												<u>0.000347 / \$ 139.12 = \$401,054</u>												
8																								
9																								
10																								
11	Preliminary - For Budget Development																							
12	TAX YEAR 2007																							
13	FNSB Breakeven Analysis																							
14																								
15																								
16	Residential Exemption Amount	Tax Year 2007 TAV before Residential Exemption	Residential Exemption *	NTAV	Revenue Needs	Mill Rate	Exempted Tax	Cumulative Mill Rate Increase	Cumulative Exempted Tax Increase	BreakEven TAV	Breakeven Proof			Less than Breakeven Proof			More than Breakeven Proof							
17	Input	Input	Input for \$20,000	+B-C	Input	+E/D*1000	+A*F/1000	F Increase	H Increase	+K/J*1000	Home Value	Taxable Home Value	Tax	+O*F/1000	Home Value	Taxable Home Value	Tax	+S*F/1000	Home Value	Taxable Home Value	Tax	+V-A	+W*F/1000	
18																								
19	20,000	6,641,433,289	431,578,130	6,373,714,536	77,719,680	12.194	243.88																	
20	30,000	6,641,433,289	431,578,130	6,239,855,160	77,719,680	12.455	373.66	0.262	129.79	496,150	496,150	466,150	5,806	496,150	466,150	370,000	4,608	496,150	466,150	570,000	7,100			
21	40,000	6,641,433,289	535,437,508	6,105,995,783	77,719,680	12.728	509.14	0.535	265.26	496,150	496,150	456,150	5,806	496,150	456,150	360,000	4,582	496,150	456,150	560,000	7,128			
22	50,000	6,641,433,289	619,296,883	5,972,136,407	77,719,680	13.014	650.69	0.820	406.81	496,150	496,150	446,150	5,806	496,150	446,150	350,000	4,555	496,150	446,150	550,000	7,158			
23	60,000	6,641,433,289	693,156,259	5,838,277,030	77,719,680	13.312	798.73	1.118	554.85	496,150	496,150	436,150	5,806	496,150	436,150	340,000	4,528	496,150	436,150	540,000	7,189			
24	70,000	6,641,433,289	767,015,636	5,704,417,654	77,719,680	13.624	953.71	1.431	709.84	496,150	496,150	426,150	5,806	496,150	426,150	330,000	4,496	496,150	426,150	530,000	7,221			
25	80,000	6,641,433,289	840,875,012	5,570,558,277	77,719,680	13.952	1,116.15	1.758	872.27	496,150	496,150	416,150	5,806	496,150	416,150	320,000	4,465	496,150	416,150	520,000	7,255			
26	90,000	6,641,433,289	914,734,389	5,436,698,901	77,719,680	14.295	1,286.58	2.102	1,042.71	496,150	496,150	406,150	5,806	496,150	406,150	310,000	4,432	496,150	406,150	510,000	7,291			
27	100,000	6,641,433,289	988,593,765	5,302,839,524	77,719,680	14.656	1,465.82	2.462	1,221.75	496,150	496,150	396,150	5,806	496,150	396,150	300,000	4,397	496,150	396,150	500,000	7,328			
28																								
29																								
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31	* Linear application of residential exemption; assumes that all property that uses the \$20,000 exemption would also use the entire \$100,000 exemption, although that would not be the case.																							
32																								
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39	W:\Financial Services\Admin\ASSISCFO\08\Budget\ExemptionBreakEven.xls Tax Year 2007																							
40	1/28/08 3:59 PM																							

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB 122
 () Publish Date: _____

Identifier (file name): SB122-CED-CRA-02-04-08 Dept. Affected: DCCED
 Title: Municipal Property Tax Exemption RDU: Comm Asst & Ec Dev (405)
 Component: Community & Regional Affairs
 Sponsor: Thomas
 Requester: Senate Community & Regional Affairs Component Number: 2879

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
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	0.0

CAPITAL EXPENDITURES								
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CHANGE IN REVENUES (1004)	0.0	0.0	**	**	**	**	**
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

This legislation would grant municipalities the option to exempt from taxation up to \$100,000 of residential property value. The current amount of the optional exemption is \$20,000 of property value. The option would need to be implemented by ordinance ratified by voters at an election. Any fiscal impacts to municipalities would depend on how they write the ordinance and how much exemption they choose. This bill will have no fiscal impact on the Division.

If municipalities with oil and gas properties increase their mill rates to offset revenue losses resulting from the increased residential property tax exemptions, the Division estimates that this legislation could cost the State up to \$3 million annually in lost oil and gas property tax revenues.

Prepared by: Tara Jollie, Director Phone: 907.269.7959
 Division: Community and Regional Affairs Date/Time: 2/4/08 7:42 PM
 Approved by: Emil R. Notti, Commissioner Date: 2/4/2008
Commerce, Community, and Economic Development

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: SB122-COM-DCA-04-17-07
 Bill Version: SB 122
 () Publish Date: _____

Revision Date/Time (Note if correction): _____

Dept. Affected: Commerce
 RDU: Community Assist & Ec Dev (405)
 Component: Community Advocacy

Title: Municipal Property Tax Exemption

Sponsor: Thomas
 Requester: Senate Community & Regional Affairs

Component No.: 2703

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
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 Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2007) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation would grant municipalities the option to exempt from taxation up to \$100,000 of property value. The current amount of the optional exemption is \$20,000 of property value. The option would need to be implemented by ordinance and ratified by election.

Any fiscal impacts to municipalities would depend on how they write the ordinance and how much exemption they choose to allow.

This bill will have no fiscal impact on this Division.

Prepared by: Mike Black, Director
 Division: Community Advocacy
 Approved by: Emil Notti, Commissioner
 Agency: Commerce, Community, and Economic Development

Phone: 907.269.4535
 Date/Time: 4/17/07 5:28 PM
 Date: 4/17/2007

TABLE 1

2006 Municipalities: Class, Populations and Tax Types

Municipality	Type of Municipality	Population	Property Tax	Sales Tax	Special Tax
Adak	Second Class City	167	No	NR	NR
Akiok	Second Class City	41	No*	NR	NR
Akiak	Second Class City	378	No	NR	NR
Akulun	Second Class City	773	No	No	1.0 raw fish tax
Alakanuk	Second Class City	678	No	4%	No
Aleknagik	Second Class City	241	No	5%	5% Bed Tax
Alutians East Borough	Second Class Borough	2,659	No	No	2% Raw Fish Tax
Allakaket	Second Class City	87	No	NR	NR
Ambler	Second Class City	283	No	NR	NR
Anaktuvuk Pass	Second Class City	308	No*	NR	NR
Municipality of Anchorage	Unified Home Rule	278,241	Yes	No	8% Bed Tx & Car Rental/5.5ml Tobacco Tax
Anderson	Second Class City	280	No	No	8% Utility Tax
Angoon	Second Class City	497	No	NR	NR
Aniak	Second Class City	528	No	2%	No
Anvik	Second Class City	99	No	No	No
Atka	Second Class City	90	No	No	2% Raw Fish Tax/ 10% Bed Tax
Atkasuk	Second Class City	227	No*	No	No
Barrow	First Class City	4,199	No*	NR	NR
Bethel	Second Class City	5,960	No	NR	NR
Bettles	Second Class City	31	No	No	\$.02/gal. Fuel Transfer Tax
Brevig Mission	Second Class City	327	No	3%	No
Bristol Bay Borough	Second Class Borough	1,073	Yes	No	3% Raw Fish Tax/10% Bed Tax
Buckland	Second Class City	434	No	6%	No
Chefornak	Second Class City	457	No	2%	2% Raw Fish Tax
Chevak	Second Class City	918	No	NR	NR
Chignik	Second Class City	95	No	No	2% Landing tax/2% Processing tax
Chuathbaluk	Second Class City	93	No	NR	NR
Clarks Point	Second Class City	65	No	NR	NR
Coffman Cove	Second Class City	156	No	No	No
Cold Bay	Second Class City	89	No	No	10% Bed Tax/\$.04/gal. Fuel Tax
Cordova	Home Rule City	2,288	Yes	6%	6% Bed Tax/6% Vehicle Rental Tax
Craig	First Class City	1,102	Yes	5%	6% Liquor Tax
Deering	Second Class City	139	No	3%	No
Delta Junction	Second Class City	1,047	No	No	No
Denali Borough	Home Rule Borough	1,823	No	No	Sev. Tax \$.05/yr grvt-\$.05 ton-coat; Bed Tax 7%
Dillingham	First Class City	2,370	Yes	6%	10% Bed & Liquor Tax/6% Gaming Tax
Diomedes	Second Class City	132	No	3%	No
Eagle	Second Class City	137	Yes	No	No
Eek	Second Class City	291	No	2%	No
Egegik	Second Class City	81	No	No	2% Raw Fish Tax
Ekwok	Second Class City	118	No	NR	NR
Elim	Second Class City	302	No	2%	No
Emmonak	Second Class City	740	No	3%	NR
Fairbanks	Home Rule City	31,182	Yes	No	8% Bed Tax/ 5% Alcohol Tax/ 8% Tobacco Tax
Fairbanks North Star Borough	Second Class Borough	87,650	Yes	No	8% Bed Tax/ 5% Alcohol Tax/ 8% Tobacco Tax
False Pass	Second Class City	63	No	3%	6% Bed Tax
Fort Yukon	Second Class City	570	No	3%	No
Galena	First Class City	654	No	NR	NR
Gambell	Second Class City	660	No	3%	No
Golovin	Second Class City	150	No	NR	NR
Goodnews Bay	Second Class City	238	No	No	No
Grayling	Second Class City	171	No	NR	NR
Gustavus	Second Class City	473	No	2%	4% Bed Tax
Haines Borough**	Home Rule Borough	2,207	Yes	5.5%	4% Bed Tax
Holy Cross	Second Class City	205	No	No	No
Homer	First Class City	5,435	Yes	4.50%	No

Note: Municipal populations are from the State Department of Labor

*Indicates that City does not levy property tax, but Borough in which City is located does

** The City of Haines and the Haines Borough consolidated in 2002, into a single Home Rule Government

TABLE 1

2006 Municipalities: Class, Populations and Tax Types - continued

Municipality	Type of Municipality	Population	Property Tax	Sales Tax	Special Tax
Hoonah	First Class City	861	No	NR	NR
Hooper Bay	Second Class City	1,133	No	4%	No
Houston	Second Class City	1,447	Yes	2%	No
Hughes	Second Class City	89	No	No	No
Huslia	Second Class City	285	No	No	No
Hydaburg	First Class City	369	No	4%	No
Juneau, City & Borough of	Unified Home Rule	31,193	Yes	5%	7% Bed Tax/ 3% Liquor Tax/ \$.30/ pack Tobacco Tax
Kachemak	Second Class City	457	Yes	No	No
Kake	First Class City	598	No	5%	No
Kaktovik	Second Class City	276	No*	No	No
Kaitag	Second Class City	227	No	No	No
Kasaan	Second Class City	61	No	No	No
Kenai	Home Rule City	6,777	Yes	3%	No
Kenai Peninsula Borough	Second Class Borough	51,224	Yes	2%	No
Ketchikan	Home Rule City	7,665	Yes	3.50%	7% Bed Tax
Ketchikan Gateway Borough	Second Class Borough	13,125	Yes	2.5%	4% Bed Tax
Kiana	Second Class City	380	No	NR	NR
King Cove	First Class City	723	No	4%	2% Fisheries Tax/Business Impact Tax-flat rate
Kivalina	Second Class City	385	No	NR	NR
Klawock	First Class City	780	No	5.50%	6% Bed Tax
Kobuk	Second Class City	130	No	NR	NR
Kodiak	Home Rule City	6,088	Yes	6%	5% Bed Tax
Kodiak Island Borough	Second Class Borough	13,638	Yes	No	10.25 mill Severance Tax/5% Bed Tax
Kotlik	Second Class City	609	No	3%	No
Kotzebue	Second Class City	3,120	No	6%	6% Bed Tax/ 6% Alcohol Tax
Koyuk	Second Class City	350	No	2%	NR
Koyukuk	Second Class City	97	No	No	No
Kupreanof	Second Class City	37	No	No	No
Kwethluk	Second Class City	695	No	5%	No
Lake & Peninsula Borough	Home Rule Borough	1,620	No	No	2% Raw Fish Tax/Guide Fees/6% Bed Tax
Larsen Bay	Second Class City	97	No*	3%	No
Lower Kalskag	Second Class City	252	No	NR	NR
Manokotak	Second Class City	437	No	2%	No
Marshall	Second Class City	370	No	4%	No
Matanuska-Susitna Borough	Second Class Borough	74,041	Yes	No	5% Bed Tax, Tobacco Excise Tax 5.09%
McGrath	Second Class City	347	No	No	10% Bed Tax
Mekoryuk	Second Class City	192	No	2%	No
Mettakattla	Federal Law	1,397	No	No	No
Mountain Village	Second Class City	786	No	3%	No
Napakiaik	Second Class City	373	No	3%	No
Napeskiak	Second Class City	428	No	No	No
Nenana	Home Rule City	353	Yes	4%	Motor Vehicle Tax
New Stuyahok	Second Class City	461	No	NR	NR
Newhalen	Second Class City	180	No	2%	The City does not collect its tax
Nightmute	Second Class City	234	No	NR	NR
Nikolai	Second Class City	109	No	NR	NR
Nome	First Class City	3,508	Yes	5%	4% Bed Tax
Nondalton	Second Class City	203	No	NR	NR
Noorvik	Second Class City	628	No	NR	NR
North Pole	Home Rule City	1,595	Yes	4%	No
North Slope Borough	Home Rule Borough	6,894	Yes	No	No
Northwest Arctic Borough	Home Rule Borough	7,323	No	No	No
Nuiqaut	Second Class City	411	No*	No	No

Note: Municipal populations are from the State Department of Labor

* Indicates that City does not levy property tax, but Borough in which City is located does

TABLE 1
2006 Municipalities: Class, Populations and Tax Types - continued

Municipality	Type of Municipality	Population	Property Tax	Sales Tax	Special Tax
Nulato	Second Class City	310	No	NR	NR
Nunam Iqua (Sheldon Point)	Second Class City	158	No	4%	No
Nunapitchuk	Second Class City	518	No	3%	No
Old Harbor	Second Class City	200	No*	3%	5 %Bed Tax
Ouzinkie	Second Class City	191	No*	3%	No
Palmer	Home Rule City	5,382	Yes	3%	No
Pelican	First Class City	115	Yes	4%	10% Bed Tax
Petersburg	Home Rule City	3,155	Yes	6%	4% Bed Tax
Pilot Point	Second Class City	73	No	NR	NR
Pilot Station	Second Class City	565	No	4%	No
Platinum	Second Class City	38	No	NR	NR
Point Hope	Second Class City	702	No*	3%	No
Port Alexander	Second Class City	75	No	4%	6% Bed Tax
Port Heiden	Second Class City	69	No	NR	NR
Port Lions	Second Class City	220	No*	No	No
Quinhagak	Second Class City	642	No	3%	No
Ruby	Second Class City	185	No	NR	NR
Russian Mission	Second Class City	329	No	NR	NR
St. George	Second Class City	128	No	NR	NR
St. Mary's	First Class City	570	No	3%	NR
St. Michael	Second Class City	427	No	NR	NR
Saint Paul	Second Class City	488	No	3%	Fish Tax 3%
Sand Point	First Class City	939	No	3%	7% Bed Tax/2% Raw Fish Tax
Savoonga	Second Class City	695	No	3%	No
Saxman	Second Class City	405	No*	3.5%	No
Scammon Bay	Second Class City	509	No	2%	No
Selawik	Second Class City	830	No	5%	No
Seldovia	First Class City	243	Yes	2%/4.5%	No
Seward	Home Rule City	2,806	Yes	4%	4% Bed Tax
Shageluk	Second Class City	129	No	NR	NR
Shaktodik	Second Class City	224	No	NR	NR
Shishmaref	Second Class City	581	No	NR	NR
Shungnak	Second Class City	259	No	2%	No
Sitka, City & Borough of	Unified Home Rule	8,947	Yes	5%/6%	6% Rec Tax/ \$.02/gal Fuel Tax
Skagway	First Class City	834	Yes	4%	8% Bed Tax
Soldotna	First Class City	3,869	Yes	3%	No
Stebbins	Second Class City	598	No	3%	No
Tanana	First Class City	281	No	2%	No
Teller	Second Class City	263	No	3%	No
Tenakee Springs	Second Class City	98	No	2%	Bed Tax 6%
Thorne Bay	Second Class City	486	No	5%	No
Togiak	Second Class City	779	No	2%	2% Raw Fish Tax
Toksook Bay	Second Class City	596	No	2%	No
Unalakleet	Second Class City	710	No	3%	5% Bed Tax/5% Alcohol Tax/Baier 2%
Unalaska	First Class City	4,297	Yes	3%	2% Raw Fish Tax/1% Capitol Sales Tax/ 5% Bed
Upper Kalskag	Second Class City	263	No	No	No
Valdez	Home Rule City	3,745	Yes	No	6% Bed Tax
Wainwright	Second Class City	520	No*	No	No
Wales	Second Class City	151	No	NR	NR
Weslila	First Class City	6,413	Yes	2.5%	Alcohol tax, Aviation fuel tax
White Mountain	Second Class City	224	No	1%	No
Whittier	Second Class City	188	Yes	3%	3% Passenger Trans. Tax/3% Fuel Tax
Wrangell	Home Rule City	1,974	Yes	7%	\$4 per night Bed Tax
Yakutat, City & Borough of	Home Rule Borough	619	Yes	4%	1% Raw Fish Tax/8% Bed & Car Rental Tx

Note: Municipal populations are from the State Department of Labor

*Indicates that City does not levy property tax, but Borough in which City is located does

82 Municipalities (reporting) levy a General Sales Tax - Rates range from 1% to 7%

100 Municipalities (reporting) levy either a General Sales Tax, Special Tax (bed tax, fish tax, etc.) or a combination of the two

38 Municipalities (cities & boroughs) levy a property tax

39 Municipalities did not provide a report this year

12 Boroughs & 13 cities within boroughs, levy a property tax

13 Cities in the Unorganized Borough levy a property tax

TABLE 2

2006 Municipal Sales Tax, Special Tax and Revenues

Municipality	Sales Tax	Revenues	Special Tax	Revenues
Adak	NR		NR	
Akhik	NR		NR	
Akiak	NR		NR	
Akutan	No		1.0 raw fish tax	\$895,000
Alakanuk	4%	\$92,532	No	
Aleknagik	5%	\$80,358	5% Bed Tax	\$3,390
Aleutians East Borough	No		2% Raw Fish Tax	\$3,618,569
Alakakat	NR		NR	
Ambler	NR		NR	
Anaktuvuk Pass	NR		NR	
Municipality of Anchorage	No		8% Bed Tx & Car Rental/5.5ml Tobacco Tax	\$11,836725/\$4,525,798/\$14,050603
Anderson	No		8% Utility Tax	\$43,141
Angeon	NR		NR	
Aniak	2%	\$47,465	No	
Anvik	No		No	
Atka	No		2% Raw Fish Tax/ 10% Bed Tax	\$22,350/\$4,723
Atkasuk	No		No	
Barrow	NR		NR	
Bethel	NR		NR	
Bettiee	No		\$.02/gal. Fuel Transfer Tax	\$3,418
Brevig Mission	3%	\$29,000	No	
Bristol Bay Borough	No		3% Raw Fish Tax/10% Bed Tax	\$784465/\$55,636
Buckland	6%	\$71,469	No	
Chefornak	2%	\$2,788	2% Raw Fish Tax	
Chevak	NR		NR	
Chignik	No		2%Landing tax/2% Processing tax	\$70,000 \$60,000
Chuathbaluk	NR		NR	
Clarks Point	NR		NR	
Coffman Cove	No		No	
Cold Bay	No		10% Bed Tax/\$.04/gal. Fuel Tax	\$20,150/\$46,735
Cordova	6%	\$2,469,977	6% Bed Tax/6% Vehicle Rental Tax	\$84,091/\$17,080
Craig	5%	\$1,394,532	6% Liquor Tax	\$98,067
Deering	3%	\$13,398	No	
Delta Junction	No		No	
Denali Borough	No		Sev. Tax \$.05/yd gravel-\$.05 ton-coal; Bed Tax 7%	\$87,956/\$2082882
Dillingham	6%	\$2,206,634	10% Bed & Liquor Tax/6% Gaming Tax	\$249,839/\$111,160
Diomede	3%	\$9,015	No	
Eagle	No		No	
Eek	2%	\$24,000	No	
Egegik	No		2% Raw Fish Tax	\$792,763
Ekwok	NR		NR	
Elim	2%	\$28,738	No	
Emmonak	3%	\$148,000	NR	
Fairbanks	No		8% Bed Tax/ 5% Alcohol Tax/ 8% Tobacco Tax	\$2,328,060/\$1,343,132/\$640,319
Fairbanks North Star Borough	No		1% Bed Tax/ 5% Alcohol Tax/ 8% Tobacco Tax	\$1,563,160/\$1,234,275/\$1,013,882
Faise Pass	3%	\$22,382	5% Bed Tax	
Fort Yukon	3%		No	
Galena	NR		NR	
Gambell	3%	\$68,810	No	
Golovin	NR		NR	
Goodnews Bay	No		No	
Grayling	NR		NR	
Gustavus	2%	\$188,537	4% Bed Tax	\$52,091
Haines Borough	5.5%	\$1,973,088	4% Bed Tax	\$56,650
Holy Cross	No		No	
Homer	4.50%	\$5,809,399	No	

TABLE 2 - continued

2006 Municipal Sales Tax, Special Tax and Revenues

Municipality	Sales Tax	Revenues	Special Tax	Revenues
Hoonah	NR		NR	
Hooper Bay	4%	\$200,679	No	
Houston	2%	\$172,484	No	
Hughes	No		No	
Huslia	No		No	
Hydaburg	4%	\$25,856	No	
Juneau, City & Borough of	5%	\$34,587,598	7% Bed Tax/ 3% Liquor Tax/ \$.30/peck Tobacco Tx	\$955,000/\$715,000/\$473,922
Kachemak	No		No	
Kake	5%	\$187,354	No	\$5,688
Kaktovik	No		No	
Kaitag	No		No	
Kasaan	No		No	
Kenai	3%	\$4,404,148	No	
Kenai Peninsula Borough	2%	\$16,701,322	No	
Ketchikan	3.5%	\$9,101,177	7% Bed Tax	\$395,074
Ketchikan Gateway Borough	2.5%	\$6,412,198	4% Bed Tax	\$42,834
Kiana	NR		NR	
King Cove	4%	\$1,636,507	2% Fisheries Tax/Business in.pact tax-flat	Fisheries tax incid in sales tax
Kivalina	NR		NR	
Klawock	5.5%	\$555,074	6% Bed Tax	\$7,690
Kobuk	NR		NR	
Kodiak	6%	\$7,814,820	5% Bed Tax	\$105,982
Kodiak Island Borough	No		10.25 mill Severance Tax/5% Bed Tax	\$1,186,906/\$47,845
Kotlik	3%	\$78,313	No	
Kotzebue	6%	\$2,727,047	6% Bed Tax/ 6% Alcohol Tax	\$37,514/\$43,574
Koyuk	2%	\$25,778	NR	
Koyukuk	No		No	
Kupreanof	No		No	
Kwethuk	5%	\$111,456	No	
Lake & Peninsula Borough	No		2% Raw Fish Tax/Guide Fees/6% Bed Tax	\$943,747/\$22,473/\$185,883
Larsen Bay	3%	\$6,163	No	
Lower Katskag	NR		NR	
Manokotak	2%	\$6,938	No	
Marshall	4%	\$54,006	No	
Matanuska-Susitna Borough	No		5% Bed Tax, Tobacco Excise Tax 5.09%	\$606,964/\$3,732,355
McGrath	No		10% Bed Tax	\$9,045
Mekoryuk	2%	\$170,502	No	
Metlakatla	No		No	
Mountain Village	3%	\$120,172	No	
Napakiak	3%	\$42,147	No	
Napaskiak	No		No	
Nenana	4%	\$129,687	Motor Vehicle Tax	\$7,225
New Stuyahok	NR		NR	
Newhalen	2%		The City does not collect any sales tax	
Nightmute	NR		NR	
Nikolai	NR		NR	
Nome	5%	\$3,669,606	4% Bed Tax	\$83,310
Nondalton	NR		NR	
Noorvik	NR		NR	
North Pole	4%	\$216,282	No	
North Slope Borough	No		No	
Northwest Arctic Borough	No		No	
Nuiqsut	No		No	

TABLE 2- continued

2006 Municipal Sales Tax, Special Tax and Revenues

Municipality	Sales Tax	Revenues	Special Tax	Revenues
Nulato	NR		NR	
Nunam Iqaa (Sheldon Point)	4%	\$1,364	No	
Nunapitchuk	3%	\$100,384	No	
Old Harbor	3%	\$18,904	5 % Bed Tax	\$729
Ouzinkie	3%	\$10,108	No	
Palmer	3%	\$3,828,234	No	
Pelican	4%	\$58,501	10% Bed Tax	\$4,537
Petersburg	6%	\$2,431,614	4% Bed Tax	\$40,489
Pilot Point	NR		NR	\$3,000
Pilot Station	4%	\$60,420	No	
Platinum	NR		NR	
Point Hope	3%	\$104,421	No	
Port Alexander	4%	\$24,683	8% Bed Tax	No revenue reported
Port Heiden	NR		NR	
Port Lions	No		No	
Quinhagak	3%	\$79,618	No	
Ruby	NR		NR	
Russian Mission	NR		NR	
St. George	NR		NR	
St. Mary's	3%	\$100,997	NR	
St. Michael	NR		NR	
Saint Paul	3%	\$366,581	Fish Tax 3%	\$562,490
Sand Point	3%	\$633,862	7% Bed Tax/2% Raw Fish Tax	\$17,003/\$605,291
Savoonga	3%	\$40,925	No	
Saxman	3.50%	\$50,914	No	
Scammon Bay	2%	\$30,034	No	
Selawik	5%	\$114,833	No	
Seldovia	2%/4.5%	\$122,090	No	
Seward	4%	\$3,413,087	4% Bed Tax	\$284,658
Shageluk	NR		NR	
Shaktolik	NR		NR	
Shishmaref	NR		NR	
Shungnak	2%	\$11,522	No	
Sitka, City & Borough of	5%/6%	\$9,277,571	6% Bed Tax/ \$.02/gal Fuel Tax	\$355,870/\$5,121
Skagway	4%	\$4,866,950	8% Bed Tax	\$157,891
Soldotna	3%	\$6,348,529	No	
Stebbins	3%	\$47,190	No	
Tanana	2%	\$21,481	No	
Teller	3%	\$15,211	No	
Tenakee Springs	2%	\$13,092	Bed Tax 6%	\$521
Thome Bay	5%	\$226,917	No	
Togiak	2%	\$98,069	2% Raw Fish Tax	\$35,398
Toksook Bay	2%	\$37,568	No	
Unalakleet	3%	\$143,988	5% Bed Tax/5% Alcohol Tax/Baler 2%	\$5,108/\$5,381/\$95,200
Unalaska	3%	\$6,049,831	2% Raw Fish Tax/1% Capitol Sales Tax/ 5	\$4,193,082/\$3,004,035/\$162,072
Upper Kalskag	No		No	
Valdez	No		6% Bed Tax	\$323,807
Wainwright	No		No	
Wales	NR		NR	
Wasilla	2.5%	\$10,433,805	Alcohol tax, Aviation fuel tax	\$100,725/\$17,500
White Mountain	1%	\$14,178	No	
Whittier	3%	\$248,256	1% Passenger Trans. Tax/3% Fuel Tax	\$126,181/\$17,147
Wrangell	7%	\$2,104,741	1/4 per night Bed Tax	\$24,380
Yakutat, City & Borough of	4%	\$748,490	1% Raw Fish Tax/8% Bed & Car Rental Tx	\$20,540/\$165,477
TOTAL SALES TAX REPORTED		\$ 156,170,368	TOTAL SPECIAL TAXES REPORTED	\$68,604,100

TABLE 3
2006 Local Property Tax and Oil & Gas Property Tax Revenues

Municipality	Property Tax Revenues	Oil & Gas Property Tax Revenues	Total Property Tax Revenues	Chg. From Previous Year	Population	Municipal Per Capita Revenue	**Per Capita Revenue City & Boro
Municipality of Anchorage	\$367,719,832	\$1,253,145	\$368,972,977	8.34%	278,241	\$1,328	
Bristol Bay Borough	\$1,860,299	\$0	\$1,860,299	5.48%	1,073	\$1,734	
Cordova	\$1,532,577	\$54,043	\$1,586,620	5.17%	2,288	\$693	
Craig	\$441,060	\$0	\$441,060	1.50%	1,102	\$400	
Dillingham	\$1,718,320	\$0	\$1,718,320	0.72%	2,370	\$725	
Fairbanks, City*	\$10,893,727	\$0	\$10,893,727	4.17%	31,182	\$349	\$1,278
Fairbanks North Star Borough	\$77,170,427	\$4,232,074	\$81,402,501	6.72%	87,650	\$929	
Haines Borough	\$2,039,108	\$0	\$2,039,108	10.93%	2,207	\$924	
Homer*	\$2,036,066	\$0	\$2,036,066	13.29%	5,435	\$375	\$1,330
Houston*	\$217,259	\$0	\$217,259	21.80%	1,447	\$150	
City & Borough of Juneau	\$35,882,243	\$0	\$35,882,243	9.32%	31,193	\$1,150	
Kachemak City*	\$82,456	\$0	\$82,456	24.45%	457	\$180	\$1,135
Kenai, City*	\$1,939,237	\$79,966	\$2,019,203	5.59%	6,777	\$296	\$1,253
Kenai Peninsula Borough	\$42,169,642	\$6,748,866	\$48,918,508	-19.54%	51,224	\$955	
Ketchikan, City*	\$3,575,937	\$0	\$3,575,937	4.18%	7,685	\$465	\$1,062
Ketchikan Gateway Borough	\$7,837,546	\$0	\$7,837,546	-1.30%	13,125	\$597	
Kodiak, City*	\$630,567	\$0	\$630,567	1.91%	6,088	\$104	\$822
Kodiak Island Borough	\$9,791,803	\$0	\$9,791,803	10.52%	13,638	\$718	
Metanuska-Susitna Borough	\$76,848,686	\$30,339	\$76,879,025	19.96%	74,041	\$1,038	
Nenana	\$169,057	\$0	\$169,057	-22.64%	353	\$479	
Nome	\$2,146,753	\$0	\$2,146,753	1.76%	3,508	\$612	
North Pole*	\$804,332	\$0	\$804,332	0.94%	1,595	\$504	\$1,433
North Slope Borough	\$5,654,022	\$192,819,476	\$198,473,498	3.76%	6,894	\$28,789	
Palmer*	\$1,252,536	\$0	\$1,252,536	62.88%	5,382	\$233	\$1,271
Pelican	\$64,210	\$0	\$64,210	10.43%	115	\$558	
Petersburg	\$2,137,679	\$0	\$2,137,679	-0.46%	3,155	\$678	
Seldovia*	\$143,609	\$0	\$143,609	1.23%	243	\$591	\$1,546
Seward*	\$787,503	\$0	\$787,503	5.58%	2,606	\$302	
City & Borough of Sitka	\$4,440,543	\$0	\$4,440,543	0.89%	8,947	\$496	
Skagway	\$1,646,427	\$0	\$1,646,427	23.04%	834	\$1,974	
Soldotna*	\$577,874	\$0	\$577,874	5.77%	3,869	\$149	\$1,104
Unalaska	\$4,013,161	\$0	\$4,013,161	-0.29%	4,297	\$934	
Valdez	\$10,762,763	\$18,307,095	\$29,069,858	-6.04%	3,745	\$7,762	
Wasilla*	\$179,547	\$0	\$179,547	-45.72%	6,413	\$28	\$1,066
Whittier	\$266,071	\$3,022	\$269,093	41.19%	188	\$1,431	
Wrangell	\$1,308,381	\$0	\$1,308,381	8.88%	1,974	\$663	
City & Borough of Yakutat	\$348,286	\$0	\$348,286	17.29%	619	\$563	
Total Property Taxes	\$681,069,546	\$223,528,025	\$904,597,571	5.38%	Overall *	\$1,526	per capita
Overall Chg from Prior Year	5.80%	4.11%	5.38%		Average **	\$1,163	property taxes

Total Local Tax Revenues Generated

Sales Tax Revenues	\$156,170,368	-0.68%	Percent Change from Previous Year
Special Tax Revenues	\$66,604,100	26.77%	
Local Property Tax Revenue	\$681,069,546	5.80%	
Oil & Gas Property Tax Revenues	\$223,528,025	4.11%	
Total Local Tax Revenues	\$1,127,372,039	5.54%	

*Includes North Slope & Valdez

**Excludes North Slope & Valdez

The average per capita values are based upon populations only in municipalities that levy a property tax.

* indicates that city is located within a borough that also levies a property tax

**This column adds the borough and city per capita revenues to more accurately reflect the actual per capita tax that a property owner would pay on property located within a city and a borough, both of which levy a property tax.

Grier Hopkins

From: Steve VanSant [steve_vansant@commerce.state.ak.us]
Sent: Tuesday, March 27, 2007 11:23 AM
To: Grier Hopkins
Subject: Re: municipal property exemptions
Attachments: Table 2 -2006.pdf; Table 1 -2006.pdf; steve_vansant.vcf

Grier,

The following municipalities have authorized the \$20K residential exemption:

North Slope Borough - A flat \$20K exemption regardless of value - 2006 cost \$1,796,276

Fairbanks North Star Borough - 20% of assessed value up to \$20K - 2006 cost \$261,583,315

Municipality of Anchorage - 10% of assessed value up to \$20K - 2006 cost \$917,909,785

City of Valdez - 30% of assessed value up to \$20K - 2006 cost \$9,339,771

Kenai Peninsula Borough A flat \$20K exemption regardless of value 2006 cost \$182,351,500

Bristol Bay Borough - A flat \$10K exemption regardless of value 2006 cost \$750,000 (This is the only borough to limit the exemption to \$10K)

As far as the mill rates go, all I have is last years rates which are in Alaska Taxable, Table 5 which reflect the following:

Anchorage	15.28 mills
Bristol Bay Borough	13 mills
FNSB (city of Fairbanks)	19.623 mills
Kenai Pen. Bor (City of Kenai)	12.10 mills
North Slope Borough	19.05 mills
City of Valdez	20 Mills

Municipalities with sales taxes are listed in Table 1 & 2 of Alaska Taxable. I have attached copies of those two tables. I hope this helps and if you need more info, please feel free to contact me.

Steve

Grier Hopkins wrote:

3/27/2007

TABLE 3A
2006 Per Capita Tax Revenues

This table lists only those municipalities which levy a sales, severance, property or other type of local tax

Municipality	Property Tax (Inc. Oil & Gas)	Sales Tax	Other Taxes	Total Taxes Reported	Population	Per Capita Revenue	**Per Capita Revenue City & Boro
North Slope Borough	\$ 198,473,498	\$ -	\$ -	\$ 198,473,498	6,894	\$ 28,789	
Egegik	\$ -	\$ -	\$ 792,763	\$ 792,763	81	\$ 9,787	
Skagway	\$ 1,646,427	\$ 4,866,950	\$ 157,691	\$ 6,671,068	834	\$ 7,999	
Valdez	\$ 29,069,858	\$ -	\$ 323,907	\$ 29,393,765	3,745	\$ 7,849	
Unalaska	\$ 4,013,161	\$ 6,049,831	\$ 7,359,189	\$ 17,422,180	4,297	\$ 4,054	
Whittier	\$ 269,093	\$ 248,256	\$ 143,329	\$ 660,678	188	\$ 3,514	
Bristol Bay Borough	\$ 1,860,299	\$ -	\$ 840,301	\$ 2,700,599	1,073	\$ 2,517	
Juneau, City & Borough of	\$ 35,862,243	\$ 34,587,598	\$ 2,143,922	\$ 72,593,763	31,193	\$ 2,327	
King Cove	\$ -	\$ 1,636,507	\$ -	\$ 1,636,507	723	\$ 2,283	
Yakutat, City & Borough of	\$ 348,286	\$ 748,490	\$ 186,017	\$ 1,282,793	619	\$ 2,072	
Saint Paul	\$ -	\$ 366,581	\$ 562,490	\$ 929,071	488	\$ 1,904	
Haines Borough	\$ 2,039,108	\$ 1,973,088	\$ 56,650	\$ 4,068,846	2,207	\$ 1,844	
Cordova	\$ 1,586,620	\$ 2,469,977	\$ 101,171	\$ 4,157,768	2,288	\$ 1,817	
Dillingham	\$ 1,718,320	\$ 2,206,634	\$ 360,399	\$ 4,285,353	2,370	\$ 1,808	
Soldotna*	\$ 577,874	\$ 6,348,529	\$ -	\$ 6,926,402	3,869	\$ 1,780	\$ 3,071
Craig	\$ 441,060	\$ 1,394,532	\$ 96,087	\$ 1,931,659	1,102	\$ 1,753	
Wrangell	\$ 1,308,381	\$ 2,104,741	\$ 24,380	\$ 3,437,502	1,974	\$ 1,741	
Seward*	\$ 787,503	\$ 3,413,087	\$ 284,656	\$ 4,485,246	2,606	\$ 1,721	\$ 3,002
Ketchikan, City*	\$ 3,575,937	\$ 9,101,177	\$ 395,074	\$ 13,072,188	7,685	\$ 1,701	\$ 2,780
Nome	\$ 2,146,753	\$ 3,669,606	\$ 83,310	\$ 5,899,669	3,508	\$ 1,682	
Wasilla*	\$ 179,547	\$ 10,433,805	\$ -	\$ 10,613,352	6,413	\$ 1,655	\$ 2,752
Sitka, City & Borough of	\$ 4,440,543	\$ 9,277,571	\$ 360,991	\$ 14,079,105	8,947	\$ 1,574	
Petersburg	\$ 2,137,679	\$ 2,431,614	\$ 40,489	\$ 4,609,782	3,155	\$ 1,461	
Homer*	\$ 2,036,066	\$ 5,809,399	\$ -	\$ 7,845,465	5,435	\$ 1,444	\$ 2,725
Anchorage	\$ 368,972,977	\$ -	\$ 30,413,117	\$ 399,386,094	278,241	\$ 1,435	
Kodiak, City*	\$ 630,567	\$ 7,814,820	\$ 105,992	\$ 8,551,379	6,088	\$ 1,405	\$ 2,214
Chignik	\$ -	\$ -	\$ 130,000	\$ 130,000	95	\$ 1,368	
Aleutians East Borough	\$ -	\$ -	\$ 3,618,569	\$ 3,618,569	2,659	\$ 1,361	
Sand Point	\$ -	\$ 633,862	\$ 622,294	\$ 1,256,156	939	\$ 1,338	
Kenai Peninsula Borough	\$ 48,918,508	\$ 16,701,322	\$ -	\$ 65,619,830	51,224	\$ 1,281	
Denali Borough	\$ -	\$ -	\$ 2,170,840	\$ 2,170,840	1,823	\$ 1,191	
Akutan	\$ -	\$ -	\$ 895,000	\$ 895,000	773	\$ 1,158	
Pelican	\$ 64,210	\$ 58,501	\$ 4,537	\$ 127,248	115	\$ 1,107	
Matanuska-Susitna Borough	\$ 76,879,025	\$ -	\$ 4,339,339	\$ 81,218,364	74,041	\$ 1,097	
Seldovia*	\$ 143,609	\$ 122,090	\$ -	\$ 265,699	243	\$ 1,093	\$ 2,374
Ketchikan Gateway Borough	\$ 7,837,546	\$ 6,412,198	\$ 42,834	\$ 14,292,578	13,125	\$ 1,069	
Fairbanks North Star Borough	\$ 81,402,501	\$ -	\$ 2,700,327	\$ 84,102,828	87,650	\$ 960	
Kenai, City*	\$ 2,019,203	\$ 4,404,148	\$ -	\$ 6,423,351	6,777	\$ 948	\$ 2,229
Palmer*	\$ 1,252,536	\$ 3,829,234	\$ -	\$ 5,081,770	5,382	\$ 944	\$ 2,041
Kotzebue	\$ -	\$ 2,727,047	\$ 81,088	\$ 2,808,135	3,120	\$ 900	
Mekoryuk	\$ -	\$ 170,502	\$ -	\$ 170,502	192	\$ 888	
Nenana	\$ 169,057	\$ 129,687	\$ 7,225	\$ 305,969	353	\$ 867	
Kodiak Island Borough	\$ 9,791,803	\$ -	\$ 1,234,553	\$ 11,026,356	13,638	\$ 809	
Cold Bay	\$ -	\$ -	\$ 66,885	\$ 66,885	89	\$ 752	
Klawock	\$ -	\$ 555,074	\$ 7,690	\$ 562,763	780	\$ 721	
Lake & Peninsula Borough	\$ -	\$ -	\$ 1,132,103	\$ 1,132,103	1,620	\$ 699	
North Pole*	\$ 804,332	\$ 218,282	\$ -	\$ 1,022,614	1,595	\$ 641	\$ 1,601
Fairbanks, City*	\$ 10,893,727	\$ -	\$ 4,311,511	\$ 15,205,238	31,182	\$ 488	\$ 1,448
Thome Bay	\$ -	\$ 226,917	\$ -	\$ 226,917	486	\$ 467	
False Pass	\$ -	\$ 22,382	\$ -	\$ 22,382	63	\$ 355	
Unalakleet	\$ -	\$ 143,988	\$ 105,687	\$ 249,675	710	\$ 352	
Aleknagik	\$ -	\$ 80,358	\$ 3,390	\$ 83,748	241	\$ 348	
Port Alexander	\$ -	\$ 24,673	\$ -	\$ 24,683	75	\$ 329	
Atka	\$ -	\$ -	\$ 27,074	\$ 27,074	90	\$ 301	
Kake	\$ -	\$ 167,354	\$ 5,686	\$ 173,040	598	\$ 289	
Houston*	\$ 217,259	\$ 172,484	\$ -	\$ 389,743	1,447	\$ 269	\$ 1,366
Emmonak	\$ -	\$ 148,000	\$ -	\$ 148,000	740	\$ 200	
Nunapituk	\$ -	\$ 100,384	\$ -	\$ 100,384	516	\$ 195	
Kachemak*	\$ 82,456	\$ -	\$ -	\$ 82,456	457	\$ 180	\$ 1,461
St. Mary's	\$ -	\$ 100,997	\$ -	\$ 100,997	570	\$ 177	
Hooper Bay	\$ -	\$ 200,679	\$ -	\$ 200,679	1,133	\$ 177	

TABLE 3A- continued
2006 Per Capita Tax Revenues

This table lists only those municipalities which levy a sales, severance, property or other type of local tax

Municipality	Property Tax (Inc. Oil & Gas)	Sales Tax	Other Taxes	Total Taxes Reported	Population	Per Capita Revenue	**Per Capita Revenue City & Boro
Togiak	\$ -	\$ 98,069	\$ 35,396	\$ 133,466	779	\$ 171	
Buckland	\$ -	\$ 71,469	\$ -	\$ 71,469	434	\$ 165	
Kwethluk	\$ -	\$ 111,456	\$ -	\$ 111,456	695	\$ 160	
Anderson	\$ -	\$ -	\$ 43,141	\$ 43,141	280	\$ 154	
Mountain Village	\$ -	\$ 120,172	\$ -	\$ 120,172	786	\$ 153	
Marshall	\$ -	\$ 54,006	\$ -	\$ 54,006	370	\$ 146	
Tenakee Springs	\$ -	\$ 13,092	\$ 521	\$ 13,613	98	\$ 139	
Selawik	\$ -	\$ 114,833	\$ -	\$ 114,833	830	\$ 138	
Alakanuk	\$ -	\$ 92,532	\$ -	\$ 92,532	878	\$ 136	
Kotlik	\$ -	\$ 78,313	\$ -	\$ 78,313	609	\$ 129	
Saxman	\$ -	\$ 50,914	\$ -	\$ 50,914	405	\$ 126	
Quinhagak	\$ -	\$ 79,618	\$ -	\$ 79,618	642	\$ 124	
Chefomak	\$ -	\$ 52,788	\$ -	\$ 52,788	457	\$ 116	
Bettles	\$ -	\$ -	\$ 3,416	\$ 3,416	31	\$ 110	
Pilot Station	\$ -	\$ 60,420	\$ -	\$ 60,420	565	\$ 107	
Gambell	\$ -	\$ 68,810	\$ -	\$ 68,810	660	\$ 104	
Old Harbor	\$ -	\$ 19,904	\$ -	\$ 19,904	200	\$ 100	
Deering	\$ -	\$ 13,396	\$ -	\$ 13,396	139	\$ 96	
Elim	\$ -	\$ 28,738	\$ -	\$ 28,738	302	\$ 95	
Aniak	\$ -	\$ 47,465	\$ -	\$ 47,465	528	\$ 90	
Brevig Mission	\$ -	\$ 29,000	\$ -	\$ 29,000	327	\$ 89	
Esk	\$ -	\$ 24,000	\$ -	\$ 24,000	291	\$ 82	
Siebbins	\$ -	\$ 47,190	\$ -	\$ 47,190	596	\$ 79	
Tanana	\$ -	\$ 21,461	\$ -	\$ 21,461	281	\$ 76	
Hydaburg	\$ -	\$ 25,858	\$ -	\$ 25,858	369	\$ 70	
Diomedea	\$ -	\$ 9,015	\$ -	\$ 9,015	132	\$ 68	
White Mountain	\$ -	\$ 14,176	\$ -	\$ 14,176	224	\$ 63	
Toksook Bay	\$ -	\$ 37,566	\$ -	\$ 37,566	586	\$ 63	
Scammon Bay	\$ -	\$ 30,034	\$ -	\$ 30,034	509	\$ 59	
Savoonga	\$ -	\$ 40,925	\$ -	\$ 40,925	695	\$ 59	
Teller	\$ -	\$ 15,211	\$ -	\$ 15,211	263	\$ 58	
Ouzinkie*	\$ -	\$ 10,108	\$ -	\$ 10,108	191	\$ 53	\$ 862
Shungnak	\$ -	\$ 11,522	\$ -	\$ 11,522	259	\$ 44	
Pilot Point	\$ -	\$ -	\$ 3,000	\$ 3,000	73	\$ 41	
McGrath	\$ -	\$ -	\$ 9,045	\$ 9,045	347	\$ 26	
Manokotak	\$ -	\$ 8,938	\$ -	\$ 8,938	437	\$ 16	
Sheldon Point (Nunam Iqua)	\$ -	\$ 1,364	\$ -	\$ 1,364	158	\$ 9	
Average statewide per capita revenue (Excludes North Slope)						\$ 1,414	
Average statewide per capita revenue (Including North Slope)						\$ 1,698	

* indicates that city is located within a borough that also levies taxes. The revenue numbers listed only represent the revenues collected by the borough or the city.

**This column reflects a per capita revenue encompassing both city & borough taxes

KENAI PENINSULA BOROUGH

EFFECTS OF INCREASED RESIDENTIAL EXEMPTIONS

Assessed Residential Values 2007 (not certified)

<u>Count</u>	<u>Imp</u>	<u>Land</u>	<u>Total</u>
9,303	1,370,400,300	239,113,600	<u>1,609,513,900</u>

Taxable Values After Exemption

<u>20K</u>	<u>50K</u>	<u>75K</u>	<u>100K</u>
1,424,391,100	1,157,083,700	947,915,600	754,040,900

Exempted Values

<u>20K</u>	<u>50K</u>	<u>75K</u>	<u>100K</u>
185,122,800	452,430,200	661,598,300	855,473,000

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X																																																																				
1	TAX YEAR 2005																																																																																											
2	FNSB Breakeven Analysis If Change Residential Exemption From \$10k To \$20k																		** Prior Analysis **																																																																									
3																																																																																												
4	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2">Residential Tax Year 2005</th> <th colspan="10"></th> <th colspan="2">Break Even</th> </tr> <tr> <th>Exemption Amount</th> <th>TAV before ResEx</th> <th>Residential Ex</th> <th>NTAV</th> <th>Rev Needs</th> <th>MM Rate</th> <th>Exemption</th> <th colspan="2"></th> <th colspan="2"></th> <th colspan="2"></th> </tr> </thead> <tbody> <tr> <td>5</td> <td>10,000</td> <td>5,392,586,395</td> <td>134,460,375</td> <td>5,258,126,020</td> <td>69,505,130</td> <td>0.013219</td> <td colspan="2">132.19</td> <td colspan="2"></td> <td colspan="2"></td> </tr> <tr> <td>6</td> <td>20,000</td> <td>5,392,586,395</td> <td>268,920,750</td> <td>5,123,665,645</td> <td>69,505,130</td> <td>0.013566</td> <td colspan="2">271.31</td> <td colspan="2"></td> <td colspan="2"></td> </tr> <tr> <td>7</td> <td colspan="11"></td> <td colspan="2" style="text-align: center;"><u>0.000347 / \$ 139.12 = \$401,054</u></td> <td colspan="2"></td> </tr> </tbody> </table>																							Residential Tax Year 2005												Break Even		Exemption Amount	TAV before ResEx	Residential Ex	NTAV	Rev Needs	MM Rate	Exemption							5	10,000	5,392,586,395	134,460,375	5,258,126,020	69,505,130	0.013219	132.19						6	20,000	5,392,586,395	268,920,750	5,123,665,645	69,505,130	0.013566	271.31						7												<u>0.000347 / \$ 139.12 = \$401,054</u>			
Residential Tax Year 2005												Break Even																																																																																
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17	Residential Exemption Amount	TAV before Residential Exemption	Residential Exemption *	NTAV	Revenue Needs	MM Rate	Exempted Tax	Committed MM Rate Increase	Committed Exempted Tax Increase	Break Even TAV	Home Value	Taxable Home Value	Tax	Home Value	Taxable Home Value	Tax	Home Value	Taxable Home Value	Tax	Home Value	Taxable Home Value	Tax																																																																						
18	Input	Input	Input for \$20,000	+B-C	Input	+E/D*1000	+A*/F/1000	F Increase	H Increase	+K*/J*1000	+L	+N-A	+O*/F/1000	Input	+R-A	+S*/F/1000	Input	+V-A	+W*/F/1000																																																																									
19	20,000	6,641,433,289	267,718,753	6,373,714,536	77,719,680	12.184	243.88			498,158	498,150	466,150	5,808	400,000	370,000	4,808	600,000	570,000	7,100																																																																									
20	30,000	6,641,433,289	401,578,130	6,239,855,160	77,719,680	12.456	373.88	8.262	129.79	498,158	498,150	456,150	5,808	400,000	360,000	4,582	600,000	560,000	7,128																																																																									
21	40,000	6,641,433,289	535,437,508	6,105,995,783	77,719,680	12.728	509.14	9.836	265.28	498,158	498,150	446,150	5,808	400,000	350,000	4,555	600,000	550,000	7,158																																																																									
22	50,000	6,641,433,289	669,296,883	5,972,136,407	77,719,680	13.014	650.89	6.828	406.81	498,158	498,150	436,150	5,808	400,000	340,000	4,528	600,000	540,000	7,188																																																																									
23	60,000	6,641,433,289	803,156,259	5,838,277,030	77,719,680	13.312	798.73	1.118	554.85	498,158	498,150	426,150	5,808	400,000	330,000	4,498	600,000	530,000	7,221																																																																									
24	70,000	6,641,433,289	937,015,636	5,704,417,654	77,719,680	13.624	953.71	1.431	709.84	498,158	498,150	416,150	5,808	400,000	320,000	4,465	600,000	520,000	7,255																																																																									
25	80,000	6,641,433,289	1,070,875,012	5,570,558,277	77,719,680	13.952	1,116.15	1.788	872.27	498,158	498,150	406,150	5,808	400,000	310,000	4,432	600,000	510,000	7,291																																																																									
26	90,000	6,641,433,289	1,204,734,389	5,436,698,901	77,719,680	14.298	1,285.58	2.182	1,042.71	498,158	498,150	396,150	5,808	400,000	300,000	4,397	600,000	500,000	7,328																																																																									
27	100,000	6,641,433,289	1,338,593,765	5,302,839,524	77,719,680	14.658	1,465.62	2.462	1,221.75	498,158	498,150	386,150	5,808	400,000	290,000	4,362	600,000	490,000	7,368																																																																									
28																																																																																												
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31	* Linear application of residential exemption; assumes that all property that uses the \$20,000 exemption would also use the entire \$100,000 exemption, although that would not be the case.																																																																																											
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CITY & BOROUGH of YAKUTAT

P.O. Box 100
 Yakutat, Alaska 99801
 Phone (907) 704-9323
 Fax (907) 704-3001

March 23, 2007

Senator Joe Thomas
 State Capitol
 Juneau, Alaska 99801

Senator Thomas,

I support Senate Bill 112, since the Yakutat voters will decide at the ballot box on the \$100,000 exemption.

I would like you to vote for revenue sharing, since it is desperately needed across Alaska.

The AML offered a proposal to fund revenue sharing with 6% of all natural resource revenues. There is Senate Bill 72, which takes a percentage of sand, gravel, timber, mineral revenues and other transportation revenues, but not oil and gas. This bill should be amended to include oil and gas.

Municipalities are bleeding a slow death with the price on energy, TRS, PERS, and other goods and services. Municipalities are providing services such as public safety, road maintenance, snow removal, school funding, harbor maintenance, and a multitude of other services, which the State sends millions to provide in unorganized boroughs.

Areas like Copper River Valley, Tok, and Delta Junction are prime examples of the State spending millions to support the services mentioned above. Municipalities should receive enough revenue from the State to properly provide the services they are mandated to provide.

Sincerely yours,

Dave Stone, Mayor
 City and Borough of Yakutat



CITY OF FAIRBANKS

Steve M. Thompson, Mayor

800 CUSHMAN STREET
FAIRBANKS, ALASKA 99701-4615

OFFICE: 907-459-6793

FAX: 907-459-6787

smthompson@ci.fairbanks.ak.us

March 7, 2007

Representatives Coghill, Guttenberg, Kawasaki, Kelly & Ramras
Senators Therriault, Thomas & Wilken
Alaska State Legislature
Capitol Building
Juneau, Alaska 99801

RE Increased Residential Exemption

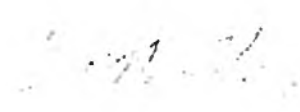
Dear Representatives and Senators:

While there is great diversity of opinion as to the "right" solution to local taxation, both the City Council and Fairbanks North Star Borough Assembly believe that providing the local option to increase the partial residential exemption from the current \$20,000 would be desirable. An increased residential exemption would shift the burden from homeowners who have been hard pressed by increased assessments.

Enclosed are copies of Resolutions passed by both the City and Borough. They differ as to the amount, but both endorse the concept.

Thank you all for your consideration of this change and for your service to our community.

Sincerely,


Steve M. Thompson,
City Mayor

CC: City Council Members
Jim Whitaker, Mayor, Fairbanks North Star Borough

Introduced by: Mayor Thompson
Finance Committee
Date: February 5, 2007

RESOLUTION NO. 4257

**A RESOLUTION URGING THE ALASKA STATE LEGISLATURE
TO AMEND STATE LAW TO INCREASE THE RESIDENTIAL
PROPERTY TAX EXEMPTION TO \$100,000**

WHEREAS, State law provides a comprehensive statutory scheme for the municipal taxation of real property which binds all municipalities in Alaska; and

WHEREAS, under A.S. 29.45.050(A), only \$20,000 of the assessed value of a qualified residence is exempt from taxes; and

WHEREAS, increasing the residential exemption will promote home ownership, offset the effect of recent property assessment increases and not affect the City's Tax Cap;

NOW, THEREFORE, BE IT RESOLVED by the City Council that the City of Fairbanks urges the Alaska Legislature to adopt appropriate legislation to amend A.S. 29.45.050(A) to increase the residential exemption to \$100,000.

PASSED AND APPROVED THIS 5TH DAY OF FEBRUARY, 2007.


STEVE M. THOMPSON, MAYOR

AYES:

NAYS:

ABSTAIN:

ABSENT:


APPROVED:

PASSED ON CONSENT AGENDA

ATTEST:


JANEY HOVENDEN, City Clerk

APPROVED AS TO FORM:


Herbert P. Kuss, City Attorney

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By: Charlie Rex
Tim Beck
Luke Hopkins
Mike Musick
Nadine Winters
Hank Barros
Toria Foote
Valerie Therrien
Introduced: 02/22/07
Adopted: 02/22/07

FAIRBANKS NORTH STAR BOROUGH
RESOLUTION NO. 2007 - 08

**A RESOLUTION REQUESTING THE ALASKA STATE LEGISLATURE TO AMEND
AS29.45.050(A) TO INCREASE THE RESIDENTIAL PROPERTY TAX EXEMPTION
ALLOWABLE TO \$50,000**

WHEREAS, AS29.45.050(a) states "A municipality may exclude or exempt or partially exempt residential property from taxation by ordinance ratified by the voters at an election. An exclusion or exemption authorized by this subsection may be applied with respect to taxes levied in a service area to fund the special services. An exclusion or exemption authorized by this subsection may not exceed the assessed value of \$20,000 for any one residence" and

WHEREAS, property owners in the Fairbanks North Star Borough have seen substantial increases in assessed valuations, thereby increasing their tax bills; and

WHEREAS, along with increased assessments, residents have also faced skyrocketing heating fuel and gasoline prices; and


WHEREAS, an increase to the residential property tax exemption would help to ease the rising costs associated with owning a home in the Fairbanks North Star Borough; and

WHEREAS, the local tax base needs to be diversified so residential property taxes can be reduced; and

NOW, THEREFORE, BE IT RESOLVED the Assembly of the Fairbanks North Star Borough respectfully requests the Alaska State Legislature to amend AS29.45.050(a) to increase the residential property tax exemption allowable to \$50,000.

46 BE IT FURTHER RESOLVED, that copies of this resolution shall be sent
47 to the Alaska Interior Delegation.

48
49 PASSED AND APPROVED THIS 22nd DAY OF FEBRUARY 2007.



Luke Hopkins
Presiding Officer

ATTEST



Mona Lisa Drexler, CMC
Municipal Borough Clerk

50
51 Ayes: Bartos, Beck, Fouts, Winters, Musick, Therrien, Rex, Hopkins
52 Nays: Frank



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

April 20, 2007

Senator Donny Olson
Senate C & RA Committee Members
Juneau, Alaska 99811

Dear Senator Olson, & Committee Members,

Due to other hearings at the same time, I was unable to attend the hearing on **SB122**. I have spoken briefly to Sen. Thomas' staff with regards to our position.

AML has been on record as being adamantly opposed to ANY mandatory unfunded exemption. However, proposed exemptions that include the word "may," do not give us cause for concern at this point. SB122 allows local control over whether a municipality will or will not implement property tax relief. This, if used correctly, can be a tool to allow municipalities a diversified revenue stream which in turn will allow a balanced program for taxation within each respective community.

The only concerns we have heard voiced within some communities is that Revenue Sharing should be part of the equation as municipalities and the Legislature looks at exemptions in the future. However, as stated above, the Alaska Municipal League would support this bill going forward.

Sincerely,

Kathie Wasserman

Kathie Wasserman
Alaska Municipal League